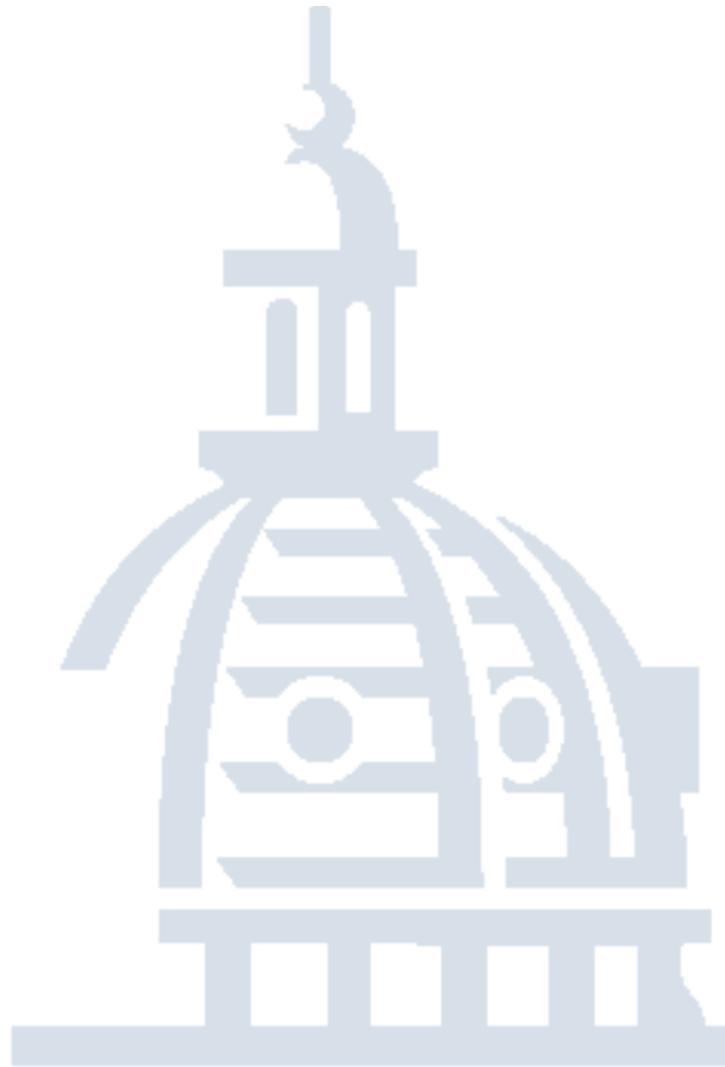


REVISED January 21, 2014



FISCAL SERVICES DIVISION

JANUARY 16, 2014

The purpose of this document is to provide the General Assembly with information related to FY 2015 General Fund estimated receipts and the Governor's recommendations. This information provides an overall summary of the State budget and is intended to help the General Assembly take a proactive approach toward the budgeting process.

In addition, this document is intended to provide the General Assembly with an overview of the General Fund, including revenues and expenditures. Information regarding other State appropriated funds is also included.

If you need additional information regarding a department request, the Governor's recommendations, or other fiscal information, refer to the Fiscal Services staff listing. The staff listing will indicate the appropriate analyst to contact for detailed information concerning each request.

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When Reviewing This Document, Please Note The Following:

The Fiscal Services Division obtained documents from the I/3 Budget System and from the DOM to compile the information provided in this document. The information in this document reflects information received January 12 and 13, 2014.

Other items worth noting when reviewing this document include:

- Revenues and expenditures are estimated for FY 2014 and FY 2015. The statutory expenditure limitation for FY 2015 was determined by the Revenue Estimating Conference on December 12, 2013.
- When analyzing the FY 2015 Governor's recommendations, the FY 2015 recommendations are compared to the estimated FY 2014 appropriations.
- **Appendix A** is an appropriations tracking document showing General Fund and Other Fund appropriations and the Governor's recommendations by Subcommittee.
- **Appendix B** is a listing of the projected FY 2015 built-in and anticipated increases and decreases.
- **Appendix C** provides an overview of the 2013 Interim Committees.
- **Appendix D** provides a listing of publications by the Fiscal Services Division during the 2013 Interim.
- **Appendix E** provides information about public retirement systems in Iowa.
- **Appendix F** provides a summary of salary and collective bargaining information.
- **Appendix G** provides other funds balance sheets.

2014 Session Timetable

Fiscal Staff: Mary Shipman

Analysis of Governor's Budget

**See HCR 5 and HR 7 (2013) and SCR 101 (2014)*

Available online at: <https://www.legis.iowa.gov/docs/schedules/sessionTimetable.pdf>

JANUARY 13	First day of session. (Iowa Code Sec. 2.1)
JANUARY 24 <i>(Friday of 2nd week)</i>	Final day for individual Senator and Representative requests for bill drafts to the Legislative Services Agency. (Senate Rule 27 and House Rule 29)
FEBRUARY 21 <i>(Friday of 6th week)**</i>	Final date for Senate bills to be reported out of Senate committees and House bills out of House committees. (Joint Rule 20)
FEBRUARY 24 – 28 <i>(7th week)</i>	Senate considers only Senate bills and unfinished business. House considers only House bills and unfinished business. (Joint Rule 20)
MARCH 3 – 14 <i>(8th and 9th weeks)</i>	Debate not limited by rule.
MARCH 14 <i>(Friday of the 9th week)**</i>	Final date for Senate bills to be reported out of House committees and House bills out of Senate committees. (Joint Rule 20)
MARCH 17 – 21 <i>(10th week)</i>	Senate considers only House bills and unfinished business. House considers only Senate bills and unfinished business. (Joint Rule 20)
MARCH 24 <i>(Beginning of 11th week)</i>	Only the following bills are eligible for consideration: (Joint Rule 20) <ul style="list-style-type: none"> • Bills passed by both Houses • Appropriations bills • Ways and Means bills • Government Oversight bills • Legalizing Acts • Administrative Rules Review Committee Bills • Committee Bills related to delayed or suspended Administrative Rules [Iowa Code section 17A.8 (9)] • Bills co-sponsored by Majority and Minority Leaders of one House • Conference Committee Reports • Companion bills sponsored by Senate and House Majority Leaders • Concurrent or Simple Resolutions • Joint Resolutions nullifying Administrative Rules • Bills on the Veto Calendar (Joint Rule 23) • Unfinished Business
APRIL 7 <i>(Beginning of 13th week)</i>	Amendments need not be filed on the day preceding floor debate (House Rule 31.8)
APRIL 22	100th calendar day of the Session [per diem expenses end – Iowa Code Sec. 2.10(1)]

****The February 21 and March 14 committee deadlines do not apply to Appropriations bills, Ways and Means bills, Government Oversight Committee bills, Legalizing Acts, Administrative Rules Review Committee bills, Committee Bills related to delayed or suspended Administrative Rules [[Code Sec. 17A.8\(9\)](#)], bills co-sponsored by Majority and Minority Leaders of one House, Conference Committee Reports, companion bills sponsored by the Majority Leaders of both chambers after consultation with the respective Minority Leaders, Concurrent or Simple Resolutions, and Joint Resolutions nullifying Administrative Rules. Updated by the Legislative Information Office on 01/14/2014.**



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Analysis of Governor's Budget

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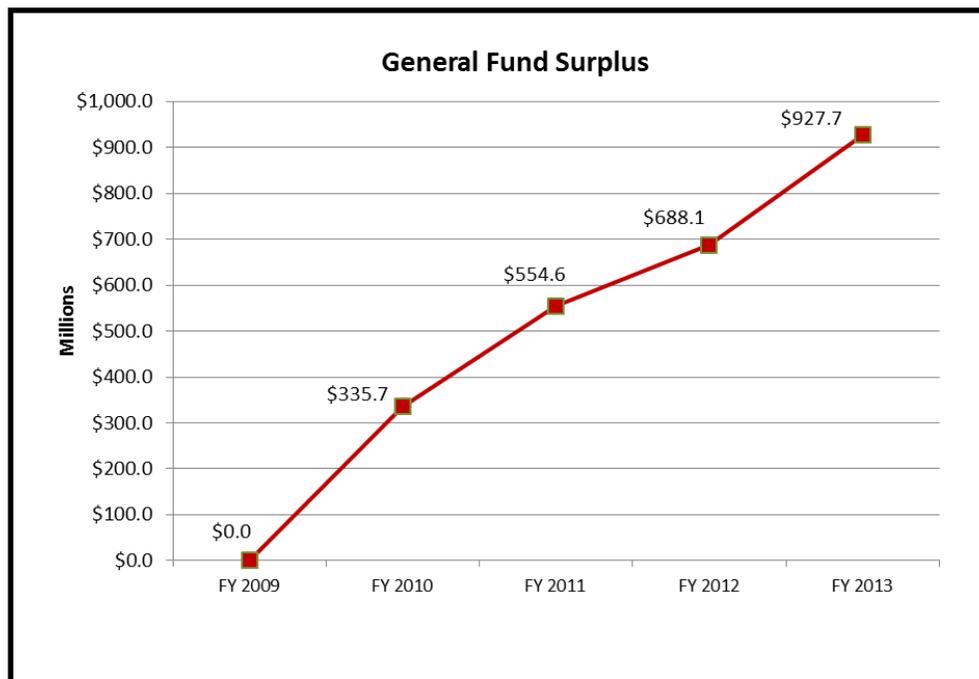
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Condition of the General Fund Budget

Net General Fund receipts (including transfers) totaled \$6,768.7 million at the close of FY 2013, an increase of \$457.7 million (7.3%) compared to FY 2012. The growth was led by increases in personal income tax of \$406.8 million (13.4%) and sales/use tax of \$44.1 million (2.2%).

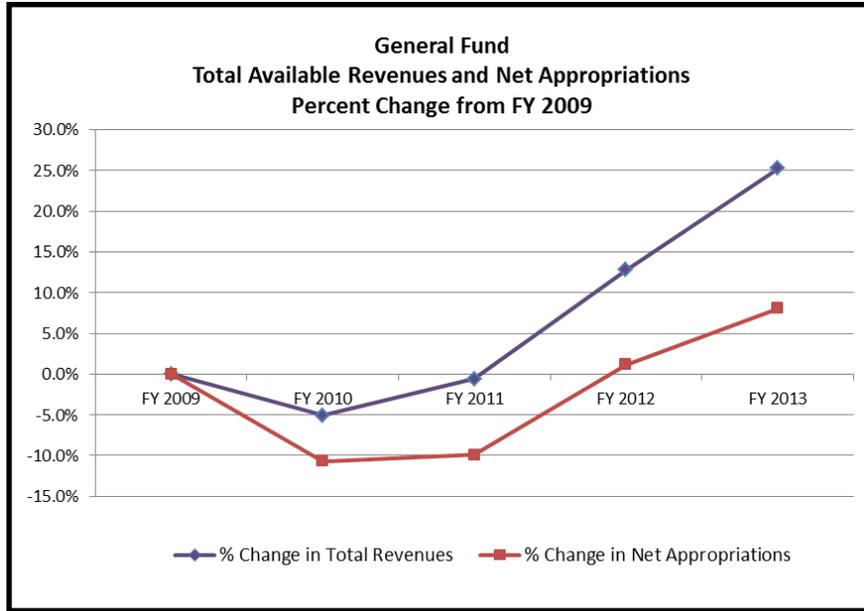
The FY 2013 General Fund budget ended the fiscal year with a record surplus of \$927.7 million. This was the fourth consecutive year that the surplus increased. The year-end surpluses for the last four fiscal years are shown on the chart below.



The growth in the surplus during this period can be attributed to net General Fund revenue growth outpacing the growth in net appropriations. By the end of FY 2013, net General Fund receipts were \$834.8 million (14.1%) higher than receipts at the close of FY 2009, representing an average annual increase of 3.3% during this period. In contrast, net appropriations for FY 2013 were \$479.0 million (8.1%) higher than the FY 2009 level, representing an average annual increase of just 2.0%.

Another significant factor contributing to the accelerated surplus growth were the year-end surplus of \$381.4 million that carried forward to FY 2012 and \$572.1 million in FY 2013. The surplus carry forward represents the funds remaining from the previous year's surplus after the Cash Reserve Fund, Economic Emergency Fund, and Taxpayer Trust Fund requirements are met.

The following chart shows the percentage change in total available revenues and net appropriations compared to FY 2009.



Pursuant to statute, the Governor’s FY 2015 budget is based on the [December 12, 2013, Revenue Estimating Conference \(REC\) estimates](#). The projected net General Fund receipts for FY 2014 and FY 2015 are:

- \$6,682.2 million for FY 2014, a decrease of \$86.6 million (1.3%) compared to FY 2013.
- \$6,983.2 million for FY 2015, an increase of \$301.0 million (4.5%) compared to FY 2014.

Summary of the Governor’s General Fund Budget Recommendations for FY 2013, FY 2014, and FY 2015

FY 2014 Budget Changes

The Governor’s revised FY 2014 budget leaves a projected General Fund surplus of \$882.2 million. The Governor is not recommending any supplemental appropriations from the General Fund. The only adjustment that the Governor’s budget makes to FY 2014 is a small decrease to revenues of \$1.3 million associated with a Military Income Tax Exemption recommendation. This proposal is discussed later in this section.

FY 2015 Budget Recommendations

For FY 2015, the Governor is recommending General Fund appropriations of \$7,000.9 million, an increase of \$508.7 million (7.8%) compared to the Governor’s revised net FY 2014 budget. The Governor’s budget includes total General Fund revenues of \$7,719.1 million. This includes the December 12, 2013, REC estimate of \$6,983.2 million, revenue adjustments of \$ -10.0 million, and a surplus carryforward of \$745.9 million. The Governor’s FY 2015 recommendation leaves an estimated General Fund surplus of \$723.2 million.

The following table shows the Governor's General Fund budget recommendations for FY 2015. A General Fund appropriations report is attached to this document and provides additional detail of the Governor's individual line-item appropriation recommendations.

State of Iowa			
Projected Condition of the General Fund Budget			
(Dollars in Millions)			
	Actual	Estimated	Gov Rec
	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Funds Available:			
Receipts	\$ 7,888.4	\$ 7,759.4	\$ 8,161.4
Refunds	- 830.5	- 900.0	- 934.0
School Infras. Refunds	- 419.2	- 425.5	- 451.9
Net Accruals	13.1	37.9	22.0
Transfers	116.9	210.4	185.7
Subtotal Net Receipts	<u>6,768.7</u>	<u>6,682.2</u>	<u>6,983.2</u>
Revenue Adjustments		- 1.3	- 10.0
Surplus Carryforward (Reserve Fund Excess)	<u>572.1</u>	<u>679.1</u>	<u>745.9</u>
Total Funds Available	<u>\$ 7,340.8</u>	<u>\$ 7,360.0</u>	<u>\$ 7,719.1</u>
Expenditure Limitation			<u>\$ 7,649.2</u>
Estimated Appropriations and Expenditures:			
Appropriations	\$ 6,227.5	\$ 6,492.2	\$ 7,000.9
Supplemental/Deappropriations	204.2		
Total Appropriations	<u>\$ 6,431.7</u>	<u>\$ 6,492.2</u>	<u>\$ 7,000.9</u>
Reversions	- 18.6	- 14.4	- 5.0
Net Appropriations	<u>\$ 6,413.1</u>	<u>\$ 6,477.8</u>	<u>\$ 6,995.9</u>
Ending Balance - Surplus	<u>\$ 927.7</u>	<u>\$ 882.2</u>	<u>\$ 723.2</u>

Governor's Revenue Adjustments

The Governor's budget includes General Fund revenue adjustments that will decrease revenues in FY 2014 and FY 2015. The decreases are associated with a proposal to exempt Military Pensions from the State income tax. As part of the Home Base Iowa Initiative, the Governor is recommending exempting all military pension income from the State individual income tax. The exemption is retroactive to January 1, 2014. Implementation of the recommendation is projected to benefit 7,700 Iowa taxpayers and reduce net General Fund revenue by \$1.3 million in FY 2014, \$10.0 million in FY 2015, and \$8.5 million in FY 2016 and each year thereafter.

Current Iowa law provides for an annual pension income exemption, including distributions from annuities, deferred compensation plans, and Individual Retirement Accounts, of up to \$6,000 (single) or \$12,000 (married). The current exemption is available to taxpayers 55 years or older, or disabled, or survivors of individuals that will otherwise qualified for the exclusion. The proposed additional pension exemption applies to any military retirement income, without age or any other taxpayer qualification requirement.

Contingent Liabilities for State Tax Credits

The Governor's FY 2014 and FY 2015 budgets are based on the revenue estimates established by the REC on December 12, 2013. The REC estimates include potential contingent liabilities in the form of tax credits. The table below outlines the potential tax credits that may be claimed against the State in FY 2014 and FY 2015. In some cases, any person or business meeting the eligibility criteria can claim a credit. In cases where there is a "cap" on the credit, there is a maximum that may be claimed either in one year, or over a period of years.

Estimated Contingent Liabilities for State Tax Credits		
(Dollars in Millions)		
Tax Credit Program	FY 2014	FY 2015
<u>Capped Programs</u>		
Historic Preservation and Cultural and Entertainment District Tax Credit	\$ -37.7	\$ -39.5
High Quality Job Program	-20.3	-24.6
School Tuition Organization Tax Credit	-9.1	-11.6
Enterprise Zone Program - Housing Component	-7.9	-11.5
Renewable Energy Tax Credit	-4.5	-8.9
Enterprise Zone Program	-8.1	-6.5
Agricultural Assets Transfer Tax Credit	-4.6	-5.1
Endow Iowa Tax Credit	-4.8	-5.0
Accelerated Career Education Tax Credit	-4.1	-4.1
Venture Capital Tax Credit - Iowa Fund of Funds	-4.0	-4.0
Redevelopment Tax Credit	-2.5	-3.7
Venture Capital Tax Credit - Qualified Bus. or Comm.-Seed Capital Fund	-1.3	-2.7
Venture Capital Tax Credit - Innovation Fund	0.0	-2.5
Custom Farming Contract Tax Credit	-1.3	-2.0
Wind Energy Production Tax Credit	-2.1	-1.5
Solar Energy System Tax Credit	-0.8	-1.3
Film, Television, and Video Project Promotion Program - Awarded	-0.4	-0.2
Venture Capital Tax Credit - Venture Capital Funds	-0.2	-0.2
Wage-Benefits Tax Credit	-0.8	0.0
Total Capped Programs	\$ -114.6	\$ -134.3
<u>Uncapped Programs</u>		
Earned Income Tax Credit	\$ -59.6	\$ -62.4
Research Activities Tax Credit	-40.8	-47.9
Iowa Industrial New Job Training Program (260E)	-49.7	-47.4
Supplemental Research Activities Tax Credit	-14.0	-15.1
Tuition and Textbook Tax Credit	-15.0	-14.9
Biodiesel Blended Fuel Tax Credit	-11.2	-12.5
New Jobs and Income Program	-8.9	-7.5
Targeted Jobs Tax Credit from Withholding	-4.4	-6.2
Child and Dependent Care Tax Credit	-3.3	-3.0
Geothermal Heat Pump Tax Credit	-1.9	-2.0
Ethanol Promotion Tax Credit	-2.0	-1.6
E85 Gasoline Promotion Tax Credit	-1.4	-1.6
Charitable Conservation Contribution Tax Credit	-1.1	-1.2
Early Childhood Development Tax Credit	-0.9	-1.0
Volunteer Firefighter and EMS Tax Credit	-0.9	-0.9
New Capital Investment Program	-0.7	-0.7
E15 Gasoline Promotion Tax Credit	-0.1	-0.1
Farm to Food Donation Tax Credit	0.0	-0.1
Total Uncapped Programs	\$ -215.9	\$ -226.2
Tax Credit Program Total	\$ -330.6	\$ -360.5
Notes:		
Estimates are based on the Contingent Liabilities Report provided by the Department of Revenue in December 2013.		
The numbers may not equal totals due to rounding.		

Summary of the Governor's FY 2015 Appropriation Recommendations

The Governor is recommending General Fund appropriations totaling \$7,000.9 million for FY 2015, representing an increase of \$508.7 million (7.8%) compared to estimated FY 2014.

FY 2015 General Fund Recommendations

(Dollars in Millions)

	Actual FY 2013	Estimated FY 2014	Gov Rec FY 2015	Gov Rec vs FY 2014
Administration and Regulation	\$ 53.2	\$ 52.8	\$ 53.7	\$ 0.9
Agriculture and Natural Resources	57.0	40.8	45.1	4.3
Economic Development	42.2	41.4	48.1	6.7
Education	880.2	899.0	982.7	83.7
Health and Human Services	1,730.7	1,751.0	1,859.3	108.3
Justice System	687.0	716.4	729.4	12.9
Transportation, Infrastructure, and Capitals	37.5	0.1	0.0	-0.1
Unassigned Standings	2,943.7	2,990.7	3,282.7	292.0
Grand Total	\$ 6,431.6	\$ 6,492.2	\$ 7,000.9	\$ 508.7

Note: Numbers may not equal totals due to rounding.

The Governor is recommending appropriations from non-General Fund sources totaling \$1,101.7 million for FY 2015, representing a decrease of \$119.4 million (9.8%) compared to estimated FY 2014.

FY 2015 Other Funds Recommendations

(Dollars in Millions)

	Actual FY 2013	Estimated FY 2014	Gov Rec FY 2015	Gov Rec vs FY 2014
Administration and Regulation	\$ 54.0	\$ 51.2	\$ 49.3	\$ -1.9
Agriculture and Natural Resources	82.1	88.5	88.2	-0.3
Economic Development	6.3	6.3	6.3	0.0
Education	0.0	66.0	66.0	0.0
Health and Human Services	368.1	389.9	293.6	-96.4
Justice System	14.0	14.0	14.0	0.0
Transportation, Infrastructure, and Capitals	551.5	513.6	512.4	-1.2
Unassigned Standings	83.3	91.5	71.8	-19.6
Grand Total	\$ 1,159.3	\$ 1,221.0	\$ 1,101.7	\$ -119.4

Note: Numbers may not equal totals due to rounding.

Governor's Recommendations

General Fund Appropriations for New Programs and Initiatives

- **Office of Chief Information Officer (OCIO):** The Governor is recommending a total of \$1.8 million for the OCIO for the following:
 - **IT Consolidation:** An appropriation of \$1.5 million for information technology (IT) related projects and activities by the Office for financial tracking and monitoring of State information technology expenditures, assessing the current skills and readiness of the State's information technology workforce, creating an enterprise strategic and project management function, completing a full inventory of information technology devices used by State agencies, and creating processes to evaluate existing IT services and efficiencies.
 - **Broadband Data Collection:** An appropriation of \$250,000 to collect and analyze data on the availability, implementation, and affordability of broadband access across State government and the private sector. New responsibilities are proposed for the OCIO to collect data and develop metrics and standards to measure and evaluate broadband infrastructure installation and development in unserved and underserved areas.
- **Department of Agriculture and Land Stewardship - Silos and Smokestacks:** The Governor is recommending \$200,000 for the Silos & Smokestacks National Heritage Area (SSNHA). The SSNHA was designated in 1996 by the federal government and included the farms and industries that comprise agribusiness. This Area covers the northeast portion of Iowa and includes 37 counties and the cities of Des Moines, Cedar Rapids, Davenport, Waterloo, Dubuque, and Iowa City. The Area is one of the 49 designated areas in the country and is also an Affiliated Area of the National Park Service that recognizes over 90 community and privately operated sites that describe the development of agriculture in the United States.
- **Department of Natural Resources (DNR) - Air Quality Program Support:** The Governor is recommending \$2.1 million for the Title V Air Operating Permit Program. This is a federal program established under the Clean Air Act and is administered by the federal Environmental Protection Agency (EPA). Air quality permits are issued to large or major sources of air pollution, and fees are collected. The EPA has approved the DNR to issue federal Title V Operating Permits and collect annual emission fees. Iowa's Title V fee is based on the first 4,000 tons of each regulated air pollutant emitted each calendar year from each major stationary source. Currently, the Iowa fee is \$56 per ton for the first 4,000 tons of each regulated pollutant. The fees are deposited in the Air Contaminant Source Fund, and the funds are transferred to the DNR Air Quality Bureau to pay for the cost of issuing permits. Funds are also used for stack test observation, emission inventory, monitoring, compliance assistance, and inspections.
- **Department of Education - Bullying Prevention:** The Governor is recommending \$25,000 for a bullying prevention program. Details of the recommendation are not yet available.
- **Iowa Economic Development Authority (IEDA):** The Governor is recommending three new programs under the IEDA totaling \$3.1 million. These include:
 - **Midwest Japanese Conference:** An appropriation of \$100,000 to support hosting the 46th Annual meeting of the Midwest U.S.-Japan Association (MWJA) in September 2014 in Des Moines. This is a one-time appropriation and will support the IEDA in the logistics and hosting of the meeting. The 2013 Annual Meeting was held in Tokyo, Japan. The MWJA includes Japan, Minnesota, Nebraska, Iowa, Missouri, Wisconsin, Illinois, Indiana, Michigan, and

Ohio. The last time Iowa hosted this conference was in 1994, and the General Assembly allocated \$100,000 from a Department of Economic Development appropriation.

- **Apprenticeship Training:** The Governor plans to introduce legislation that will revise the [260F](#) program and plans to increase the amount of funds in the program for apprenticeship training by creating a new \$1.0 million appropriation.
- **STEM Apprenticeships:** An appropriation of \$2.0 million to expand the Innovative Business Internship Program in Iowa Code section [15.411](#). The Governor's proposal adds a new component to the Program designed to place Iowa students studying in the fields of science, technology, engineering, and mathematics (STEM) into internships with Iowa employers. The funds will be spent on business incentives tied to how much the employer spends for the Program.
- **Iowa Department of Workforce Development (IWD):** The Governor is recommending \$3.4 million for the following new programs under the purview of the Department. These include:
 - **Digital and Vocational Literacy Training Program:** An annual appropriation of \$1.4 million to the Department to assist individuals in developing the ability to locate, organize, understand, evaluate, and analyze information using digital technology. The Program will provide training at locations across Iowa. The IWD will consult with the OCIO in the development of the program and may issue a request for proposals (RFP) to select a training provider. The Governor plans to introduce legislation that will create a Digital Literacy and Workforce Training Program.
 - **Home Base Iowa Initiative:** The Governor recommends a total of \$2.0 million from two new appropriations to support the Home Base Iowa Initiative that is designed to market Iowa as a place for military veterans to live after they leave the service. The public-private partnership will raise private funds to support national targeted marketing efforts to veterans, including in-person outreach, a social media campaign, and outreach through military publications. The initiative also includes a Home Base Iowa Business component and a Home Base Iowa Community component. To become a Home Base Iowa Business, a company must pledge to hire a specific number of veterans, post their jobs on the Home Base Iowa website, and become members of the existing Skilled Iowa Program. To become a Home Base Iowa Community 10.0% of the businesses in the designated area must be Home Base Iowa Businesses, the community must provide a unique welcome and incentive package to attract veterans to their community, and they must obtain a resolution of support from the local governing body. The first \$1.0 million appropriation will be for IWD to fund a study researching the linking of military occupational education, training, and service to existing licensing requirements in the State. The funding will also be used for the implementation of these findings. The second \$1.0 million appropriation will be for awarding a grant to a nonprofit veteran service organization in Iowa to be spent on marketing Iowa to veterans as a place to locate.
- **College Aid Commission - Teach Iowa Scholar Grants:** The Governor is recommending a new appropriation of \$2.3 million for Teach Iowa Scholar Grants for selected high-caliber teachers. The grants cannot exceed \$4,000 per year and a total of \$20,000 per recipient over a five-year period. The Governor's funding level will provide maximum grants to 575 teachers in FY 2015. The Program was created in [HF 215](#) (Education Reform Act) in the 2013 Legislative Session and was not funded for FY 2014. The goal when the program was established was to begin funding in FY 2016 and ramp up to funding 2,000 new awards at a cost of \$40.0 million annually.

- **Department of Homeland Security and Emergency Management - Mass Notification System:** The Governor is recommending \$400,000 for a statewide Mass Notification System to be used by all 99 counties to disseminate information simultaneously during emergency situations and disaster recovery.

Governor's Recommendations Significant General Fund Appropriation Changes

Education

- **State Aid to Schools:** The Governor is recommending a General Fund appropriation of \$2,872.3 million for State school aid. This amount reflects the estimate for current law based on a State percent of growth rate of 4.0%, with a \$15.0 million State aid reduction to area education agencies (AEAs). The recommended reduction maintains the State aid reduction applied to AEAs in FY 2014 and previous years. The Governor's recommendation represents an increase of \$155.4 million (5.7%) compared to the FY 2014 State school aid General Fund appropriation. The Governor's budget proposal does not specifically address any supplemental State aid recommendations for FY 2016.
- **Education Reform:** The Governor is recommending a \$57.1 million appropriation for Education Reform Initiatives, an increase of \$50.3 million compared to FY 2014. The appropriation includes funding for Teacher Leadership Aid and Technical Assistance that was enacted in [HF 215](#) (Education Reform Appropriations Act) by the 2013 General Assembly. The appropriation also includes funding for Iowa Learning Online, support for ongoing Councils and Task Forces, Extended Learning Time Pilots, English Language Learner Pilot Projects, Principal Academy and Administrative Mentoring Program, TeachIowa Job Board and Licensure System, and an Attendance Center Performance Indicator System. The recommendation does not include funding in FY 2015 for High-Need School Supplemental Aid. This provision was designated to be allocated \$10.0 million beginning in FY 2015 as specified in [HF 215](#) (Education Reform Appropriations Act).

Board of Regents

- **Regents Operations:** The Governor is recommending increases totaling \$26.1 million for the three Board of Regents universities for FY 2015. This includes:
 - \$19.2 million for a 4.0% increase to each of the State universities for general operational support. The Board of Regents has indicated that this level of funding will allow the universities to freeze resident tuition for a second consecutive year.
 - \$4.4 million for an additional increase for the University of Northern Iowa (UNI) to address UNI's unique funding challenges.
 - \$2.5 million for a general increase for Iowa State University's Agriculture Experiment Station.

Department of Agriculture and Land Stewardship

Water Quality Initiative Management Program: The Governor's budget includes an increase of \$2.0 million for the Water Quality Initiative Management Program that was established in FY 2014. The additional \$2.0 million for FY 2015 was appropriated in [SF 435](#) (FY 2014 Agriculture and Natural Resources Appropriations Act).

Department of Human Services

- **Medical Assistance (Medicaid):** For FY 2014, the Governor is recommending a transfer of \$12.7 million in other fund revenue and is using one-time savings of \$4.0 million to cover part of the Medicaid shortfall. With these changes the Governor is funding Medicaid at a level of \$5.3 million below the Medicaid Forecasting Group's midpoint and \$11.3 million below the midpoint if the Medicaid woodwork effect related to the Affordable Care Act is included. The Governor did not provide any funding for the woodwork effect in FY 2014.

For FY 2015, the Governor is recommending an additional \$97.7 million from the General Fund for the Medicaid Program compared to estimated FY 2014. The Governor is funding Medicaid at \$19.6 million below the Medicaid Forecasting Group's midpoint estimate and \$41.6 million below the midpoint if the Medicaid woodwork effect related to the Affordable Care Act is included. The Governor did not provide any funding for woodwork effect. The Department of Management (DOM) estimates the Governor is funding Medicaid at a level of \$19.4 million below the Forecasting Group's midpoint for FY 2015. The LSA and the DOM are working to reconcile the difference in the estimates.

- **Medical Contracts:** The Governor is recommending an increase of \$4.0 million for Medicaid Contracts for FY 2015. The change is due to increased administrative costs for the new Iowa Health and Wellness Program, increased contract costs, and a decrease in funding from the Pharmaceutical Settlement Account compared to FY 2014.
- **State Children's Health Insurance (hawk-i):** The Governor is recommending an increase of \$9.1 million for the hawk-i Program for FY 2015. The increase is due to replacing funding from the hawk-i Trust Fund, enrollment and premium increases, and to reflect changes to the Federal Medical Assistance Percentage (FMAP) rate.
- **Child Care Assistance:** The Governor is recommending a decrease of \$4.8 million for Child Care Assistance for FY 2015 due to lower estimated child care expenditures, elimination of one-time funding received in FY 2014 for database expenditures, increased TANF funding to replace General Fund dollars, and a federal funding surplus carryforward to replace General Fund dollars.
- **Toledo Juvenile Home:** The Governor is recommending a reduction of \$8.1 million compared to FY 2014 for the closure of the Toledo facility. The remaining \$788,531 of the FY 2015 operating budget is to be used for maintenance of the grounds, security, and utilities. In addition, \$3.9 million is recommended for placement of Children in Need of Assistance (CINA) and juvenile delinquents and \$1.2 million for education of children and juvenile delinquents. As of January 7, 2014, three youth remain in the 54-capacity facility.
- **Glenwood and Woodward:** The Governor is recommending an increase of \$1.1 million for Glenwood and Woodward for FY 2015. The increase reflects the change to Iowa's FMAP rate.
- **Mental Health Redesign:** The Governor is recommending a separate appropriation of \$279.8 million for Mental Health funding for FY 2015. In FY 2014, Mental Health funding was included in the Medicaid appropriation. For FY 2015, all but \$13.4 million is shifted out of Medicaid. The Governor is also recommending status quo funding for the Mental Health Equalization payment of \$29.8 million for FY 2015.

Department of Public Health

Community Capacity: The Governor is recommending an increase of \$1.0 million for Community Capacity for the Medical Residency Program to aid recruitment and retention for medical residency training programs.

Judicial Branch

- **Judicial Branch Operations:** The Governor’s budget includes an increase of \$10.7 million for FY 2015 for the Judicial Branch. Because the Judicial Branch is a separate branch of government, the Governor is prohibited from recommending changes to their budget request. The recommendation represents the Judicial Branch budget request submitted on December 1, 2012, and includes:
 - \$4.3 million for annualization of salaries and benefits for judges, magistrates, and nonjudicial officer personnel and salary increases for contract and noncontract Judicial Branch employees.
 - \$2.0 million for an additional 4.5% salary increase for each judicial officer (judges) effective July 1, 2014.
 - \$4.2 million to fund 74.5 FTE positions throughout the Judicial Branch.
 - \$190,000 for a Language Access Coordinator to implement the Judicial Branch language access plan.

Department of Corrections

- **Corrections Operations:** The Governor is recommending a net increase of \$1.0 million for the Department of Corrections for the following:
 - \$948,000 for 14.0 FTE positions to supervise the increasing number of sex offenders on special sentences under community supervision in all eight of the Community-Based Corrections (CBC) District Departments.
 - A decrease of \$641,000 associated with the elimination of the one-time costs that were funded in FY 2014 at Fort Madison (\$500,000) and the Eighth CBC District Department (\$141,000).
 - \$216,000 and 4.0 FTE positions to fully fund the reception center for women at the Iowa Correctional Institution for Women at Mitchellville.
 - \$317,000 for Adult Drug Courts in the First and Sixth CBC District Departments.
 - \$176,000 to fund 2.0 FTE positions in the Central Office to comply with the investigations required under the federal Prison Rape Elimination Act (PREA).

Commercial/Industrial/Railroad Property Tax

The Governor’s recommendation includes an increase of \$120.5 million to implement [SF 295](#) (Commercial Property Tax Act) in FY 2015. [Senate File 295](#) made significant changes to Iowa’s property tax and local government financing system. The Act created a new property tax credit available to properties classified as commercial, industrial, or railroad. A standing limited General Fund appropriation was created to fund the new credit. The appropriation is equal to \$50.0 million for FY 2015, \$100.0 million for FY 2016, and \$125.0 million for FY 2017 and each year thereafter.

The Act also reduces the maximum annual taxable value growth percent due to revaluation of existing residential and agricultural property from the current 4.0% to 3.0%. In addition, commercial, industrial, and railroad property is assigned a “rollback” of 95.0% for assessment year (AY) 2013 and 90.0% for AY 2014 and each year thereafter. The Act creates standing General Fund appropriations, beginning in FY 2015, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property (but not railroad). Prior to FY 2018, the appropriation is a standing unlimited appropriation. Beginning in FY 2018, the standing appropriation cannot exceed the actual FY 2017 appropriation amount.

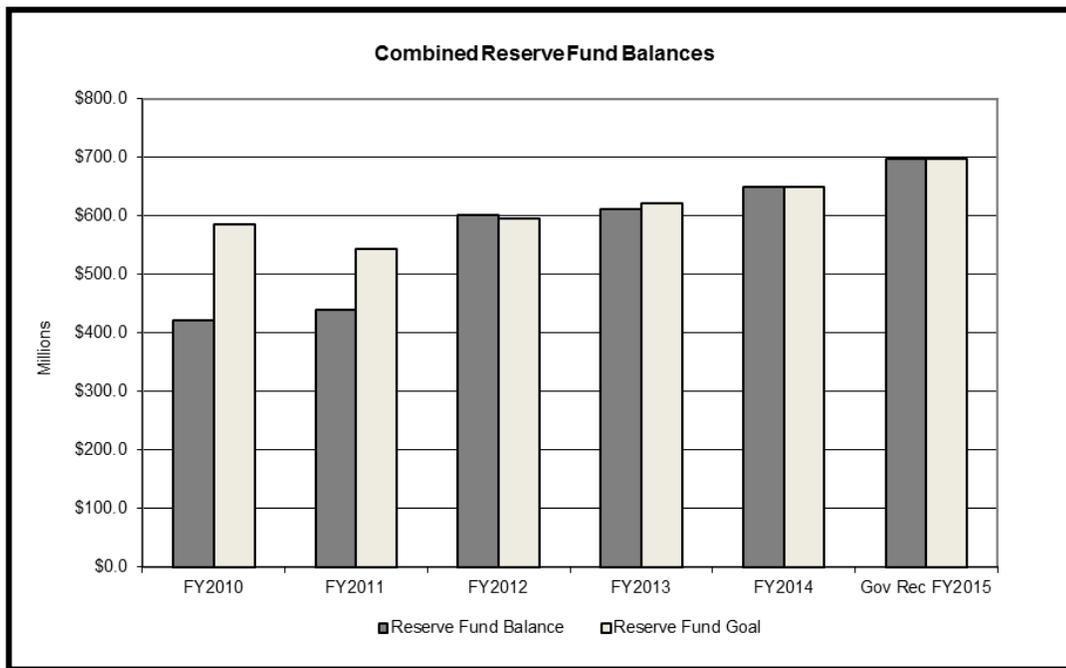
Technology Reinvestment Fund

The Governor is recommending restoration of the \$17.5 million General Fund appropriation to the Technology Reinvestment Fund for FY 2015. For FY 2014, this appropriation was notwithstanding and was funded from Rebuild Iowa Infrastructure Fund at \$14.3 million. Under current statute, the appropriation is provided from the General Fund unless legislative action is taken to change the funding.

Governor’s Recommendations Cash Reserve Fund and Economic Emergency Fund

The State reserve funds are comprised of the Cash Reserve Fund and the Economic Emergency Fund. The two funds receive moneys from the General Fund surplus. The reserve funds are available to the State to be used for emergency purposes. The reserve funds may also be used for cash flow purposes for State expenditures enabling the General Fund to maintain a positive cash balance throughout the fiscal year. This reduces the need for the State to borrow funds on a short-term basis for cash flow purposes.

The reserve funds are established in sections [8.55](#) and [8.56](#) of the Iowa Code. These Code sections set maximum limits on the total amount that can accumulate in each of the funds. Together, the combined balances cannot exceed 10.0% of the State’s adjusted revenue estimate in a given fiscal year. The maximum balances for each fund are recalculated annually and, therefore, will change from year to year. The chart below shows the combined reserve fund balances and the statutory maximums since FY 2010.



Under the Governor’s recommendation, the estimated combined reserve fund balance is \$649.6 million for FY 2014 and \$697.3 million for FY 2015. These estimated balances meet the statutory maximum set by Code. The funds in excess of the amounts needed to “fill up” the reserves are allocated to the Executive Council’s Performance of Duty appropriation to provide funding for emergency repairs to State property if sufficient funds are not available in a State agency’s budget. Expenditures from the Performance of Duty appropriation must be approved by the Executive Council. The Taxpayer Trust Fund also receives up to \$60.0 million of the excess funds if certain criteria are met. After these obligations are met, all remaining excess funds are transferred to the General Fund. Under the Governor’s recommendation, the estimated amount to be transferred to the General Fund from the Economic Emergency Fund is \$679.1 million for FY 2014 and \$745.9 million for FY 2015.

**State of Iowa
Reserve Funds**

(Dollars in Millions)

	Actual FY 2013	Estimated FY 2014	Gov Rec FY 2015
<u>Cash Reserve Fund</u>			
Funds Available			
Balance Brought Forward	\$ 450.3	\$ 466.8	\$ 487.2
Gen. Fund Appropriation from Surplus	688.1	927.7	882.2
Total Funds Available	<u>\$ 1,138.4</u>	<u>\$ 1,394.5</u>	<u>\$ 1,369.4</u>
Excess Transferred to EEF	-671.6	-907.3	-846.4
Ending Balance	<u>\$ 466.8</u>	<u>\$ 487.2</u>	<u>\$ 523.0</u>
<i>Maximum 7.5%</i>	\$ 466.8	\$ 487.2	\$ 523.0
<u>Economic Emergency Fund</u>			
Funds Available			
Balance Brought Forward	\$ 151.0	\$ 144.3	\$ 162.4
Excess from Cash Reserve	671.6	907.3	846.4
Total Funds Available	<u>\$ 822.6</u>	<u>\$ 1,051.6</u>	<u>\$ 1,008.8</u>
Appropriations & Transfers			
Excess Transferred to General Fund	\$ - 572.1	\$ - 679.1	\$ - 745.9
Excess Transferred to Taxpayer Trust Fund	-60.0	-60.0	-60.0
Transfer to State Bond Repayment Fund	0.0	-116.1	0.0
Transfer to RIF	-20.0	0.0	0.0
Executive Council - Performance of Duty	<u>-26.2</u>	<u>-34.0</u>	<u>-28.6</u>
Ending Balance	<u>\$ 144.3</u>	<u>\$ 162.4</u>	<u>\$ 174.3</u>
<i>Maximum 2.5%</i>	\$ 155.6	\$ 162.4	\$ 174.3
Combined Reserve Fund Balances	\$ 611.1	\$ 649.6	\$ 697.3

Governor's Recommendations – Taxpayer Trust Fund

The Taxpayer Trust Fund is established in Iowa Code section [8.57E](#) and became effective in FY 2013. The Trust Fund was created to provide tax relief to lowans from the General Fund surplus that exceeds the amount necessary to “fill up” the state’s Cash Reserve and Economic Emergency Funds. The statute requires the moneys in the Trust Fund to be used solely for tax relief through an appropriation made by the General Assembly.

The amount that the Taxpayer Trust Fund may receive in a given fiscal year is limited to \$60.0 million or the difference between the actual net General Fund revenue for the preceding fiscal year and the adjusted revenue estimate used in establishing the budget for that fiscal year, whichever is less. The funds are transferred from the Economic Emergency Fund after both reserve funds have met the combined 10.0% balance requirement. The first \$60.0 million was deposited in the Taxpayer Trust Fund at the beginning of FY 2013; however, none of the funds were appropriated during FY 2013, and as a result, the \$60.0 million balance carried forward to FY 2014.

For FY 2014, the balance in the Taxpayer Trust Fund totals \$120.0 million. This includes the \$60.0 million balance that carried forward from FY 2013 and the additional \$60.0 million credited in FY 2014. During the 2013 Legislative Session, legislation was enacted that created the Taxpayer Trust Fund Tax Credit. The legislation also created the Taxpayer Trust Fund Tax Credit Fund for the purpose of receiving the proceeds from the Taxpayer Trust Fund and transferring the necessary funds to the General Fund for payment of the tax credits. Beginning in FY 2014, moneys in the Trust Fund will be used to provide a nonrefundable tax credit to qualified individuals for income tax returns filed for tax year 2013 (spring of 2014). The maximum amount of the credit is determined by dividing the funds available in the Taxpayer Trust Fund by the number of taxpayers of the previous tax year. Each taxpayer will be allowed the credit, up to either the tax credit maximum for that year, or the amount of income tax liability, whichever is less. The maximum tax credit for tax year 2013 is estimated to be approximately \$54 per taxpayer.

The Governor’s recommendation maintains current law and is estimated to provide \$88.1 million for tax credits in tax year 2013 and \$67.5 million in tax year 2014.

Taxpayer Trust Fund			
(Dollars in Millions)			
	Actual FY 2013	Estimated FY 2014	Gov Rec FY 2015
Funds Available			
Balance Brought Forward	\$ 0.0	\$ 60.0	\$ 0.0
Economic Emergency Transfer	60.0	60.0	60.0
Reversion From Taxpayer Trust Fund Tax Credit Fund	0.0	0.0	31.9
Total Funds Available	<u>\$ 60.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
Expenditures			
Transfer to Taxpayer Trust Fund Tax Credit Fund	\$ 0.0	\$ 120.0	\$ 91.9
Balance Carried Forward	<u>\$ 60.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>
 Taxpayer Trust Fund Tax Credit Fund (Dollars in Millions)			
	Actual FY 2013	Estimated FY 2014	Gov Rec FY 2015
Funds Available			
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0
Transfer from Taxpayer Trust Fund (Transfer made in TY 2013)	0.0	120.0	91.9
Total Funds Available	<u>\$ 0.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
Expenditures			
Transfer to General Fund (Reimb. for payment of tax credits)	\$ 0.0	\$ 88.1	\$ 67.5
Reversion to the Taxpayer Trust Fund		31.9	24.4
Total Expenditures	<u>\$ 0.0</u>	<u>\$ 120.0</u>	<u>\$ 91.9</u>
Balance Carried Forward	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 0.0</u>

LSA FY 2015 BUDGET PROJECTION

The FY 2015 projection is intended to provide a framework to assist the General Assembly in evaluating budget decisions for the next fiscal year. The projection incorporates the current revenue estimates of the REC and bases the majority of the appropriation estimates on current law. The LSA does not assume the enactment of legislation that may affect the budget.

Assumptions

- **REC Revenues:** For purposes of arriving at an estimate for FY 2015, the LSA uses the most recent REC estimate of net General Fund receipts. For this report, the FY 2015 net revenue estimate of \$6,983.2 million from the December 12, 2013, REC meeting is used. The REC estimate is based on tax laws and other revenue policies in place at the time the estimate was adopted.
- **Surplus Carryforward:** An estimated \$710.9 million will be carried forward from the FY 2014 surplus to FY 2015. These funds represent the remaining dollars from the FY 2014 surplus (\$854.1 million) after a portion of the surplus is deposited in the State's reserve funds as required by statute.
- **Enacted FY 2015 Appropriations:** During the 2013 Legislative Session, the General Assembly enacted a partial biennial budget for FY 2015 that included \$5,643.9 million in total General Fund appropriations. Certain appropriations were funded at or above the FY 2014 level, while others were funded at approximately 50.0% of the FY 2014 appropriation. There were also a few appropriations funded in FY 2014 that were not funded in FY 2015. These enacted appropriations are used as the baseline for the FY 2015 appropriation projection.
- **Restoration of Appropriations Funded at 50.0%:** To arrive at an appropriation estimate for FY 2015, it is assumed that the appropriations funded at 50.0% of the FY 2014 level are restored to the FY 2014 level. The appropriations that were funded at 50.0% were primarily the operating budgets of State agencies, although various State programs that provide grants and aid to individuals were also funded at 50.0%. The cost to restore these appropriations is estimated at \$1,161.6 million.
- **Built-in and Anticipated Expenditures:** Expenditures for FY 2015 are analyzed to account for the automatic increases or decreases (built-in expenditures) over and above the baseline estimate prior to legislative action. These appropriation changes are generally established in the Iowa Code.

Also examined are the significant anticipated expenditures changes. These can include cost increases that a State agency or program will incur in the next budget year that will require additional appropriations. These costs are often the result of new requirements placed on State agencies such as the increased cost of staffing a prison expansion, or funding of collective bargaining agreements. Without the additional funds, the agencies would be required to cover the increased costs within their existing budgets.

The built-in and anticipated expenditure increases are estimated at \$301.0 million for FY 2015. **Appendix B** provides additional information on individual built-in and anticipated expenditures.

- **Reversions** are estimated to total \$5.0 million for FY 2015. Reversions are appropriated funds that remain unexpended at the close of the fiscal year and deposited back in the General Fund.
- **Expenditure Limitation:** The expenditure limitation for FY 2015 is estimated to be \$7,624.3 million. This represents 99.0% of the REC net revenue estimate (\$6,983.2 million) and 100.0% of the estimated \$710.9 million of the surplus carryforward.

Projected Condition of the General Fund Budget

The following table shows the projected General Fund budget for FY 2015 based on the above assumptions. The key aspects of the projection include:

- Total available funds are estimated at \$7,694.1 million, an increase of \$334.2 million (4.5%) compared to estimated FY 2014.
- Appropriations (before reversions) are estimated to total \$7,106.5 million, an increase of \$586.3 million (9.0%) compared to estimated FY 2014. The projected appropriations are \$517.8 million (6.8%) below the estimated expenditure limitation for FY 2015.
- The FY 2015 General Fund surplus is projected to be \$592.6 million. This is \$261.5 million (30.6%) less than the estimated FY 2014 surplus.

State of Iowa			
LSA Projection of the General Fund Budget			
(Dollars in Millions)			
	<u>Actual</u> <u>FY 2013</u>	<u>Estimated</u> <u>FY 2014</u>	<u>Projected</u> <u>FY 2015</u>
Funds Available:			
Receipts	\$ 7,888.4	\$ 7,759.4	\$ 8,161.4
Refund (Accrual Basis)	- 830.5	- 900.0	- 934.0
School Infrs. Refunds (Accrual)	- 419.2	- 425.5	- 451.9
Accruals (Net)	13.1	37.9	22.0
Transfers	117.0	210.4	185.7
Subtotal Receipts	<u>6,768.8</u>	<u>6,682.2</u>	<u>6,983.2</u>
Surplus Carryforward (Reserve Fund Excess)	572.1	677.7	710.9
Total Funds Available	<u>\$ 7,340.9</u>	<u>\$ 7,359.9</u>	<u>\$ 7,694.1</u>
Expenditure Limitation			\$ 7,624.3
Estimated Appropriations and Expenditures:			
Enacted Appropriations	\$ 6,222.6	\$ 6,490.1	\$ 5,643.9
Adjustments to Standing Appropriations	4.9	2.1	
Supplemental/Deappropriations	204.1	28.0 ^{1/}	
Restoration of 50% of Operating Budgets			1,161.6
Built-in and Anticipated Increases			301.0
Total Appropriations	<u>\$ 6,431.6</u>	<u>\$ 6,520.2</u>	<u>\$ 7,106.5</u>
Reversions	- 18.6	- 14.4	- 5.0
Net Appropriations	<u>\$ 6,413.0</u>	<u>\$ 6,505.8</u>	<u>\$ 7,101.5</u>
Ending Balance - Surplus	<u>\$ 927.9</u>	<u>\$ 854.1</u>	<u>\$ 592.6</u>

^{1/} The Medicaid Forecasting Group has estimated a shortfall of \$28.0 million in the Medicaid Program for FY 2014. The estimate represents the midpoint of a projected range of \$13.0 million and \$43.0 million.

Comparison of All Appropriated Funds

Fiscal Staff: Dave Reynolds

Analysis of Governor's Budget

The Governor is recommending a total of \$8,043.1 million in appropriations from all State funding sources for FY 2015. This represents an increase of \$386.2 million (5.0%) compared to all State appropriations for FY 2014

The table on the following page summarizes the appropriations by funding source. Because there are appropriations and transfers between funds, adjustments were made to the General Fund, Rebuild Iowa Infrastructure Fund, Economic Emergency Fund, and the Mortgage Servicing Settlement Fund to eliminate double counting.

Comparison of All State Appropriated Funds

(Dollars in Millions)

Funding Sources	Actual FY 2013	Est FY 2014	Gov Rec FY 2015
GENERAL FUND			
Total General Fund Appropriations	\$ 6,431.6	\$ 6,492.2	\$ 7,000.9
<i>General Fund Appropriations to Other Funds*</i>	0.0	0.0	-17.5
Net General Fund Appropriations	\$ 6,431.6	\$ 6,492.2	\$ 6,983.4
APPROPRIATIONS FROM NON-GENERAL FUND STATE SOURCES			
Rebuild Iowa Infrastructure Fund	\$ 210.6	\$ 202.1	\$ 177.7
<i>RIIF Appropriations to Other Funds*</i>	-35.0	-56.3	-42.0
Net RIIF Appropriations	\$ 175.6	\$ 145.8	\$ 135.7
Economic Emergency Fund	\$ 46.2	\$ 34.0	\$ 28.6
<i>EEF Appropriations to Other Funds*</i>	-20.0	0.0	0.0
Net EEF Appropriations	\$ 26.2	\$ 34.0	\$ 28.6
Mortgage Servicing Settlement Fund	\$ 6.0	\$ 0.0	\$ 0.0
<i>MSSF Appropriation to RIIF*</i>	-1.0	0.0	0.0
Net Mortgage Servicing Settlement Fund	\$ 5.0	\$ 0.0	\$ 0.0
Primary Road Fund	\$ 303.1	\$ 305.3	\$ 310.2
Health Care Trust Fund	106.0	224.4	221.8
State Worker and Job Creation Fund	0.0	66.0	66.0
Road Use Tax Fund	50.1	50.2	50.6
Environment First Fund	35.0	42.0	42.0
Fish And Wildlife Trust Fund	41.1	41.2	41.2
Hospital Health Care Access Trust	34.7	34.7	34.7
Quality Assurance Trust Fund	26.5	28.8	29.2
Commerce Revolving Fund	27.2	27.3	27.5
Technology Reinvestment Fund	19.5	15.0	18.4
IPERS Fund	17.7	17.7	15.7
Gaming Enforcement Revolving Fund	10.9	10.9	10.9
Gaming Regulatory Revolving Fund	6.1	6.2	6.1
Pharmaceutical Settlement Account	4.8	6.7	5.5
Workforce Development Withholding	4.0	4.0	4.0
Groundwater Protection Fund	3.5	3.7	3.5
IowaCare Account	178.6	90.2	0.0
Other	27.9	10.7	7.9
Total Non-General Fund	\$ 1,103.3	\$ 1,164.7	\$ 1,059.7
SUBTOTAL OF ALL STATE FUNDS	\$ 7,534.9	\$ 7,656.9	\$ 8,043.1

* Appropriations between funding sources are adjusted to avoid double counting.

Note: Numbers may not equal totals due to rounding.

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National Economy

National Recession – On December 1, 2008, the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER) announced the U.S. economy entered a recession in December 2007. The Committee announced on September 20, 2010, that the recession had ended in June 2009, noting that the 18-month recession was the longest since World War II.

The Committee defines a recession as a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in production, employment, real income, and other indicators. The Committee does not define a recession as simply two consecutive quarters of decline in real Gross Domestic Product.

According to the Committee, a recession begins just after the economy reaches a peak of activity and ends as the economy reaches its trough. Between a trough and subsequent peak, the economy is in expansion. Expansion is the normal state of the economy; most recessions are brief. The Committee waits until the data show whether or not a decline is large enough to qualify as a recession before declaring a turning point in the economy is a true peak marking the onset of a recession. Recession determinations by the NBER occur well after the recession starts and often after the recession is later determined to have ended.

The following table shows that over the last 44 years, there were seven recessions lasting a total of 83 months, 15.7% of the total 528-month timeframe.

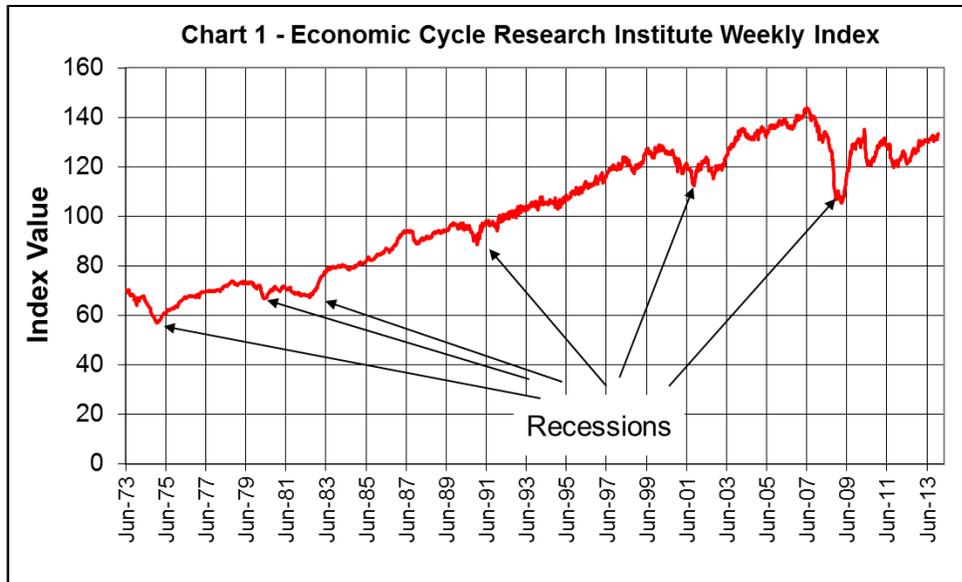
United States Business Cycle			
Seven most recent recessions			
End of Expansion (Peak)	End of Contraction (Trough)	Length of Expansion in Months	Length of Recession in Months
Dec. 1969	Nov. 1970	106	11
Nov. 1973	Mar. 1975	36	16
Jan. 1980	Jul. 1980	58	6
Jul. 1981	Nov. 1982	12	16
Jul. 1990	Mar. 1991	92	8
Mar. 2001	Nov. 2001	120	8
Dec. 2007	Jun. 2009	73	18

Note: Expansion are measured trough to peak, recessions are measured peak to trough.

Source: National Bureau of Economic Research

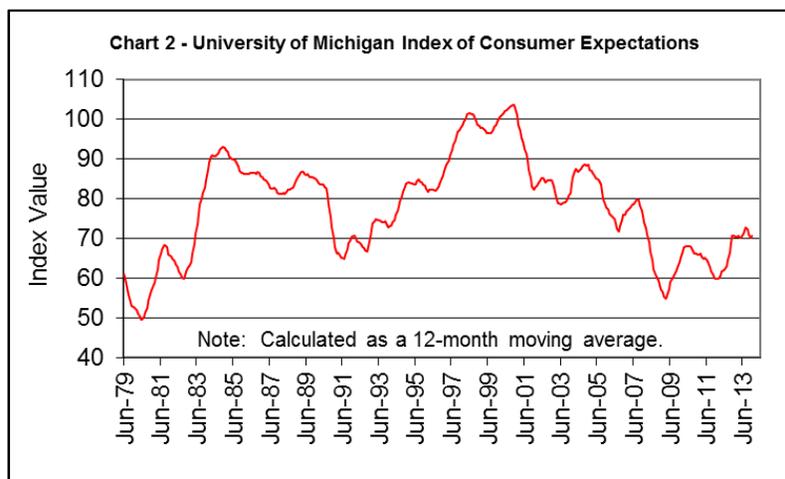
Economic Cycle Research Institute – The Economic Cycle Research Institute (ECRI) is an independent institute whose mission is to advance the tradition of business cycle research established at the NBER and the Center for International Business Cycle Research (CIBCR). The ECRI Weekly Leading Index is designed to be clearly cyclical and is constructed as a weighted average of seven key economic data series designed to predict economic conditions in the near term. The Index is designed to turn down before a recession and turn up before an expansion. The Index is presented in **Chart 1**, with arrows

indicating the past five recessions. The Index is currently indicating improvement since the depths of the recession, but very little change over the past 43 months. The Index has improved modestly since reaching its recent low in June 2012. The Index bottom for the most recent recession occurred in February 2009.



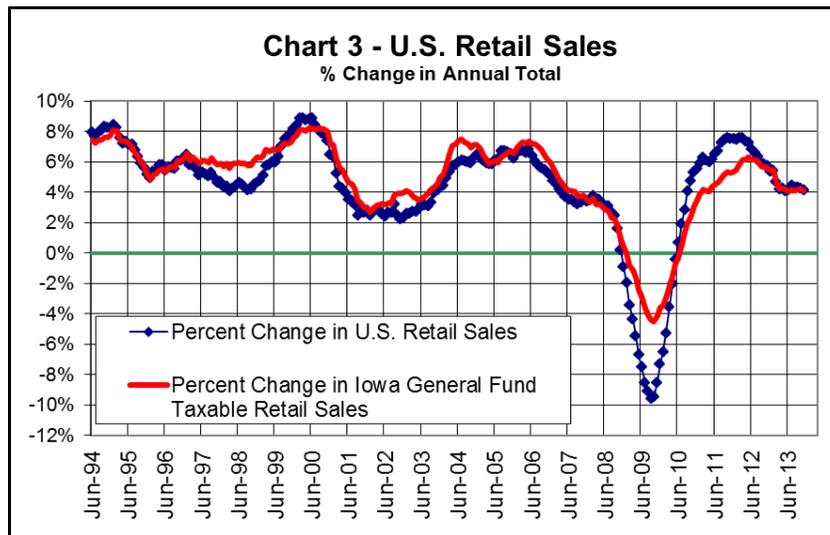
Consumer Confidence – Researchers at the University of Michigan conduct a monthly survey of consumers to gauge their sentiment for the present and future direction of the U.S. economy. One segment of the survey is called the Index of Consumer Expectations. The Index focuses on how consumers view prospects for the general economy over the long term.

Chart 2 presents a 12-month moving average of the Index. The chart shows consumer confidence, as reported through the Index, reached a peak in the second half of calendar year 2000. After that peak, the Index declined steadily through March 2009. The recent low point for the Index was October 2011, followed by a generally positive trend for the past 24 months.



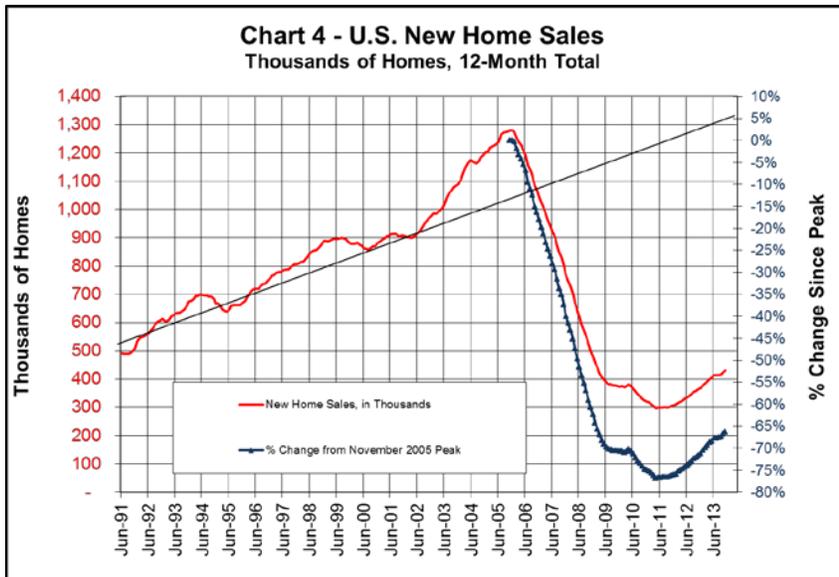
U.S. Retail Sales – The U.S. Census Bureau produces monthly estimates of total national retail sales, with subcategory detail showing a breakdown by type of retail establishment. The 12-month moving retail sales total peaked in July 2008 at \$4.511 trillion. Following that peak, the 12-month total of retail sales fell by 9.9%, bottoming in October 2009. Retail sales exceeded the previous peak (in nominal terms, not adjusted for inflation) in August 2011. The current annual growth rate is 4.2% for total retail. That level of retail sales growth is 1.6 percentage points lower than the growth rate 12 months ago.

Iowa General Fund sales/use tax receipts depend on the retail sale of taxable items. Excluding three categories of retail sales that are not generally subject to General Fund sales/use tax (food stores, gasoline stations, and motor vehicle dealers); total national sales peaked in September 2008 and decreased 4.7% before rebounding beginning in January 2010 (red line on **Chart 3**). The current growth rate in taxable retail sales (4.1% year-over-year) has been steady for the past nine months.

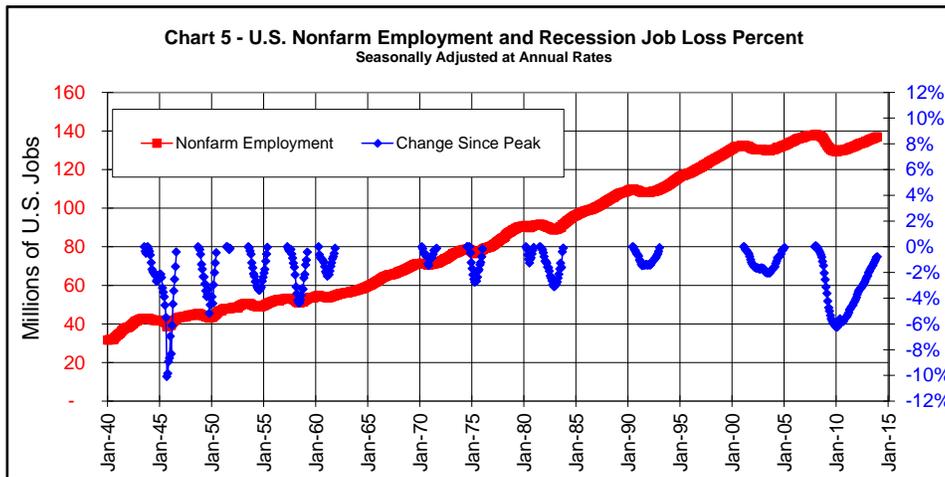


U.S. New Single-Family Home Sales – The U.S. Census Bureau produces monthly estimates of U.S. new single-family home sales. The 12-month moving average peaked in November 2005 at 1,279,200 annual units (**Chart 4**). Through November 2013, new home sales for the preceding 12 months totaled 431,000, or a drop of 66.3% from the 2005 peak. The top line in the following chart is read from the left axis and provides the annual total of home sales since 1991. The bottom line, read from the right axis, provides the percentage change in the number of annual new home sales, compared to the 2005 peak.

The flattening in the decline during the June 2009 to June 2010 time period can be attributed to federal tax credits to encourage home purchases. The decline resumed after the tax credits expired. New home sales began to improve again beginning in May of 2011.



U.S. Employment – Using seasonally adjusted numbers, year-over-year U.S. job growth peaked in March 2006 at 2,849,000 jobs, and U.S. nonfarm employment peaked in January 2008 at 138,056,000 total jobs. Annual job growth turned negative in May 2008 and, peak to trough, the seasonally adjusted job series shows job losses totaled 8,736,000 (February 2010). In the 46 months since the bottom, the U.S. has added back 6,970,000 jobs, 79.8% of the peak-to-trough job loss. The red line on **Chart 5** below depicts total U.S. nonfarm employment since 1940, while the blue line indicates the job loss percentage, from the peak, around each recession. From the standpoint of percent of jobs lost, this past recession was the worst recession since the end of World War II. From the standpoint of length of time from one employment peak to the next, this past recession is the worst since the Great Depression.



Iowa Economy

Iowa Employment – After recovering in the mid-1980s from the lingering effects of the farm crisis, Iowa’s percent of total U.S. employment increased each year for 10 years (1987 through 1996). Iowa nonfarm employment continued to grow through 2000, although Iowa’s percent of total U.S. employment began to decline. After the 2000 Iowa employment peak, the Iowa economy lost almost

40,000 nonfarm jobs before rebounding in late 2003. Iowa nonfarm employment peaked again in October 2008, when the annual average reached 1,526,400 jobs. From that peak, Iowa average annual employment declined 59,300 (-3.9%) jobs and reached a low point in September 2010. The annual employment average has increased by 57,300 jobs since September 2010.

Iowa's share of total U.S. nonfarm employment declined throughout the economic downturn of the early 2000s as well as the economic recovery that followed, indicating that employment gains in Iowa were not as strong as those of the entire nation. From May 1996 through February 2007, the Iowa/U.S. employment ratio fell from 1.16% of all U.S. nonfarm jobs to 1.10%. Essentially, this ratio shows that in December 2007, 110 of every 10,000 nonfarm jobs in the U.S. were Iowa jobs, down from 116 in 1996. The recent recession was much more severe for the country as a whole, and the Iowa employment ratio rose to 113 by May 2010. Since then, the ratio has declined to 112. **Chart 6** shows the 12-month average of Iowa nonfarm employment as well as the ratio of Iowa employment to U.S. employment since 1973.

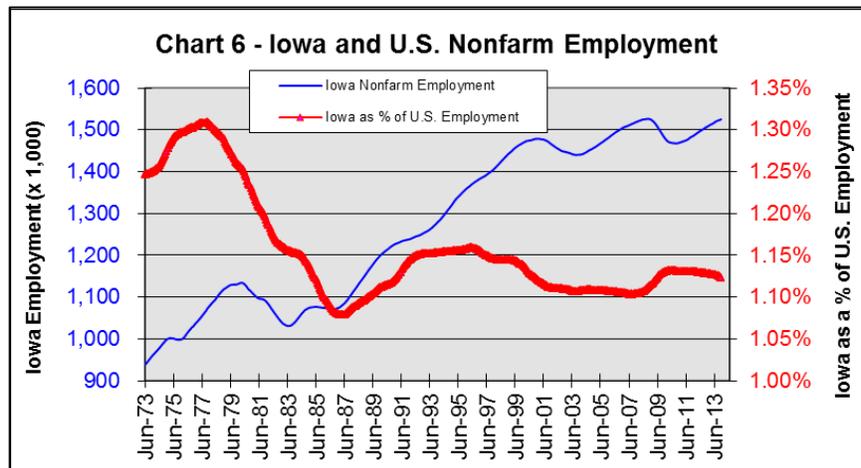
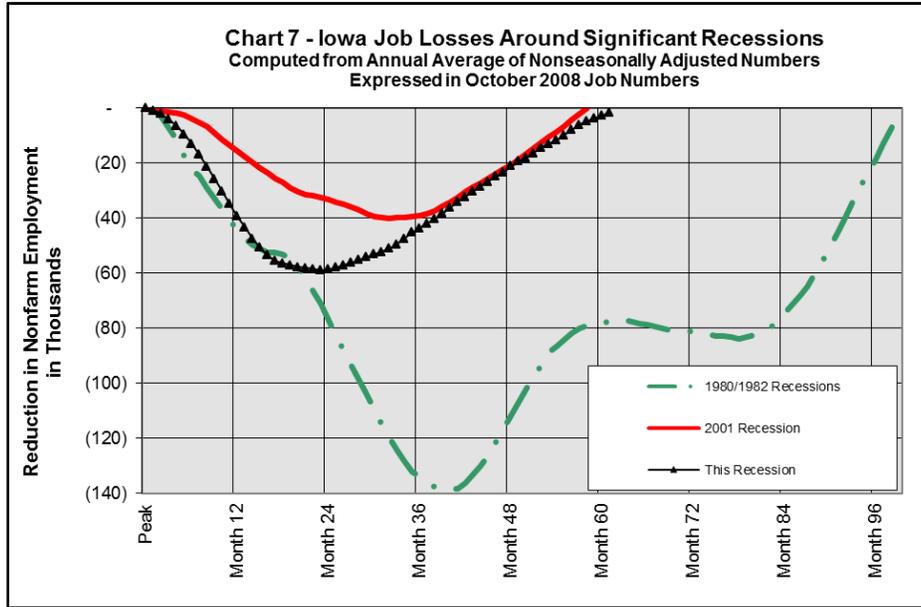
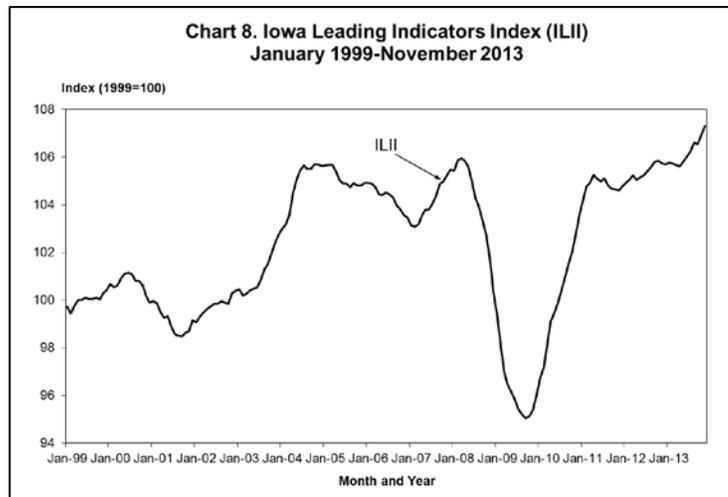


Chart 7 depicts Iowa job losses around the early 1980s, the early 2000s, and the December 2007 recessions. The chart shows the recession of the early 1980s was equivalent to a 140,000 job loss recession today and the recession of the early 2000s was equivalent to a 40,000 job loss recession. The recent recession, at least in terms of Iowa job losses, is more severe than the recession of the early 2000s, however, improvement began 12 months earlier. By the 61st month past the Iowa employment peak, this employment recession is about 1,500 jobs more severe than the early 2000s recession.



Iowa Leading Indicators Index (ILII) – The Iowa Department of Revenue produces a monthly index based on economic indicators. The ILII is derived from seven Iowa-specific economic indicators and one national indicator. The Department designed the ILII to forecast the likely future direction of economic activity in the State of Iowa. The techniques used to build the ILII follow those used by The Conference Board¹ to construct the national leading indicators index. A movement in the ILII for only one month does not produce a clear signal; rather it is necessary to consider the direction of the index over several consecutive months. The Index indicates the Iowa leading economic indicators reached a peak during March 2008 and then declined for the next 18 months, reaching bottom in September 2009. Since that time the Index has recovered significantly, and has been indicating continued economic improvement for the past two years.



¹ The Conference Board, Inc. is a nonprofit global business organization supported by business executives that holds conferences, convenes executives, and conducts business management research. For more information see the website: www.conference-board.org/.

Iowa General Fund Revenues

Iowa's income, sales/use, and corporate taxes account for approximately 89.5% of the revenue deposited in the State General Fund (FY 2013 data – net fiscal year basis, excluding transfers). The amount of revenue generated by each of these funding sources depends on the level of economic activity in the State during a fiscal year (employment, consumer expenditures, business and government expenditures, etc.). Assuming other tax factors are equal (tax base and tax rates), a growing economy will produce more tax revenues than a static economy.

The previous paragraphs on the recent condition of the national and Iowa economy show the U.S. economy entered a recession in December 2007, and Iowa economic activity peaked in the fall of 2008. The U.S. recession was the longest since World War II, ending after 18 months in June 2009. According to current employment data, Iowa has been adding jobs for about 45 months.

The most recent recession produced a significant drop in Iowa General Fund revenue and the drop reversed around March 2009. **Chart 9** provides the 12-month moving total of net General Fund revenue, excluding transfers. The chart also indicates the Revenue Estimating Conference (REC) estimates for FY 2014 and FY 2015 (red dots on the right).

Although the U.S. recession of the early 2000s officially began in March 2001, Iowa net General Fund revenue peaked in October 2000. Iowa revenue did not start to show positive growth again until December 2003, 38 months later and well after the end of the recession. While the most recent recession officially started in December 2007, Iowa net General Fund revenue did not start to decline until October 2008. Growth returned in April 2010.

The 2013 General Assembly enacted a number of law changes that are projected to impact the Iowa General Fund revenue stream in FY 2014 and beyond. Three of those changes combine to produce the negative General Fund growth projection for FY 2014. The law changes and their associated FY 2014 General Fund revenue reduction include:

- Depositing all cigarette and tobacco tax revenue to a fund outside the State General Fund (\$-118.4 million)
- Depositing all gambling revenue to a fund outside of the State General Fund (\$-66.0 million)
- Increasing the Earned Income Tax Credit (\$-30.2 million)

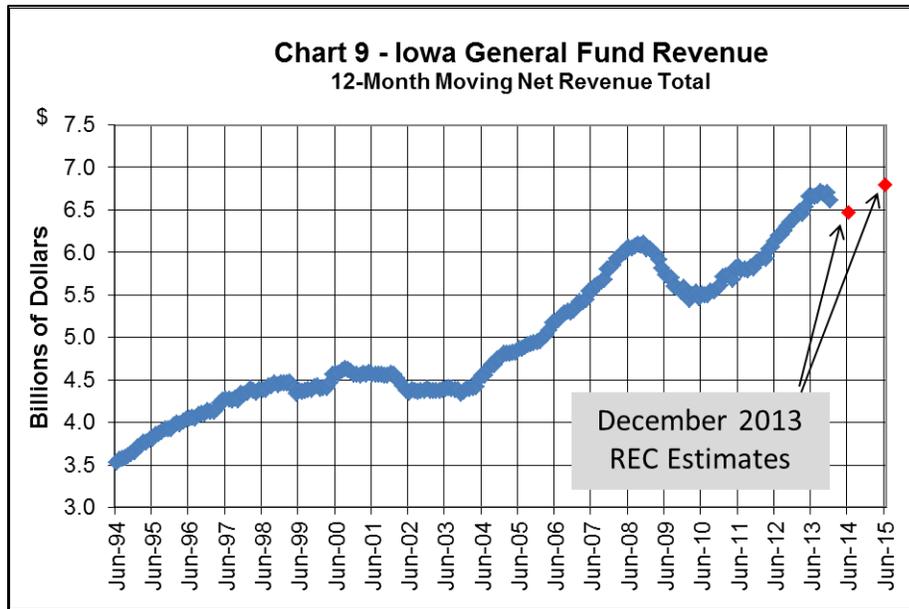


Chart 9 includes the REC estimates for net General Fund revenue, with the FY 2014 and FY 2015 estimates marking the path revenue must travel over the next 19 months to achieve the estimates. Revenue estimates website: <https://www.legis.iowa.gov/docs/QRE/2014/QRJWR001.PDF>

In December 2013, the REC established an FY 2014 net General Fund revenue growth rate of negative 2.7%, excluding transfer revenue. See Appendix H for more detail.

For FY 2015, the REC estimates growth will be positive 4.5%.

In dollar terms, net revenue is projected to decrease \$180.0 million for FY 2014 and increase \$325.7 million for FY 2015.

Including transfer revenue, FY 2014 projected growth is negative \$86.6 million (- 1.3%), while FY 2015 growth is projected at positive \$301.0 million (4.5%).

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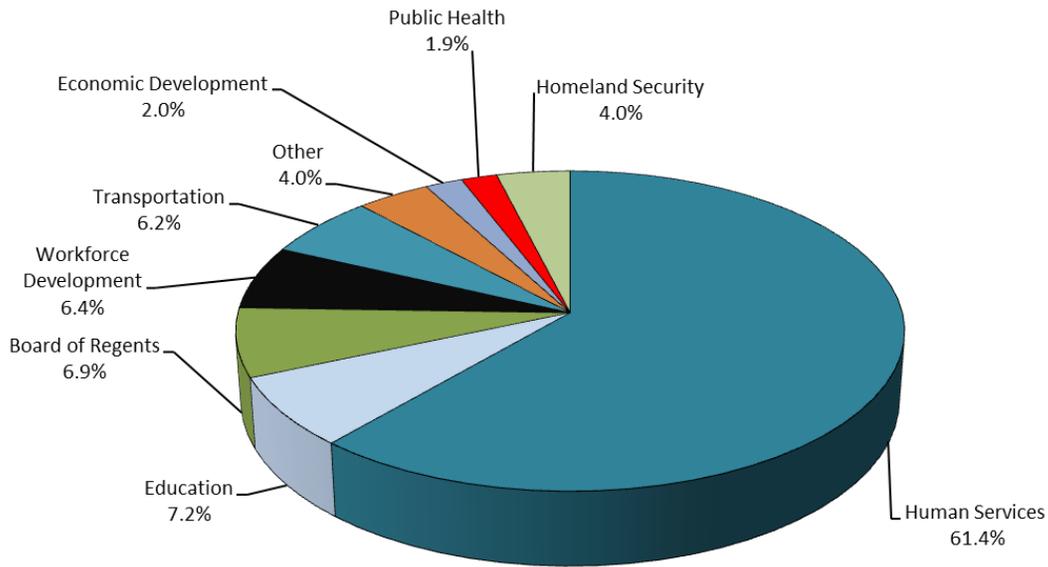
Federal Funds

Fiscal Staff: Dave Heuton and Deb Koziel

Analysis of Governor's Budget

In Iowa, federal funding accounts for nearly 50.0% of all expenditures by the State. The Department of Human Services (DHS) receives half of all federal funds allocated to Iowa and a majority of the federal funds received by the DHS goes to the Medicaid Program. The Federal Funds Report in the FY 2015 State of Iowa Program and Budget estimates Iowa will receive \$7.103 billion for FY 2015. This is an increase of \$628.2 million compared to estimated FY 2014.

Proportion of Estimated Federal Funds Received by Iowa by Department – FY 2015



Source: FY 2015 State of Iowa Program and Budget

FY 2013-FY 2015 Federal Funds Received by Iowa Departments (in millions)

Department	Actual FY 2013	Estimated FY 2014	Estimated FY 2015
Humans Services	\$ 3,326.3	\$ 3,665.0	\$ 4,361.3
Education	492.6	510.2	508.2
Board of Regents	486.6	519.5	493.5
Workforce Development	644.8	454.8	454.0
Transportation	485.3	441.9	439.4
Homeland Security	236.5	311.3	284.3
Economic Development Authority	169.9	144.2	143.8
Public Health	130.6	142.6	137.3
Other	316.3	285.4	281.2
Department Total	\$ 6,289.0	\$ 6,474.8	\$ 7,103.0

Note:
 "Other" includes all State agencies reporting federal funds that were not individually identified above.



Sequestration Update

The federal [Budget Control Act of 2011](#) (BCA) was signed into law on August 2, 2011, and increased the federal debt limit while reducing long-term budget deficits. The deficit reduction provisions of the BCA, particularly sequestration, have the potential to decrease federal funds allocated to Iowa in future years through a combination of across-the-board (ATB) spending reductions and spending targets that reduce government spending on discretionary (receiving annual appropriations) and mandatory (earned-benefit or entitlement) federal programs. The sequestration was to begin on January 1, 2013, however this was delayed until March 1, 2013, with the passage of the [American Taxpayer Relief Act](#).

Federal Fiscal Year 2013 (October 2012 – September 2013) spending reductions were made through automatic ATB cuts to all spending not exempted in the BCA. The FFY 2014 through FFY 2021 spending reductions will be determined through the regular appropriations process consistent with specified spending caps included in the BCA for defense and nondefense discretionary spending, as well as ATB cuts for mandatory nondefense programs.

The following table provides budget information for Iowa from a report issued by the Federal Funds Information for States organization titled, [The VIP Series, FY 2013 Enacted Budget and the BCA Sequester](#). The table details Iowa programs with reduced funding when comparing the final FFY 2013 budget to the FFY 2013 final budget after the sequestration.

Federal Reductions to Iowa Programs - Federal FY 2013					
(in thousands)					
Program	FFY 2012 Enacted	FFY 2013 Final	FFY 2013 Final Post-Sequester	FFY 2013 Final Post-Sequester to FFY 2012	FFY 2013 Final Post-Sequester
Special Education – Basic State Grant	\$ 121,911	\$ 121,911	\$ 115,808	\$ -6,103	\$ -6,103
Title I – Grants to Local Education Agencies	84,226	93,119	88,901	4,675	-4,218
Head Start	59,456	59,706	56,715	-2,741	-2,991
Low-Income Home Energy Assist. Program (LIHEAP)	54,813	54,813	52,055	-2,757	-2,757
Women, Infants & Children (WIC) Supp. Feeding	43,804	45,462	43,258	-546	-2,204
Vocational Rehabilitation – State Grants	33,200	34,230	32,484	-717	-1,746
Unemployment Insurance State Administration	28,965	29,557	28,041	-924	-1,516
Child Care and Development Block Grant	21,098	21,561	20,499	-598	-1,061
CDBG – Nonentitlement	21,054	21,054	19,994	-1,059	-1,059
EPA – Clean Water State Revolving Fund (SRF)	19,321	19,128	18,156	-1,165	-972
Improving Teacher Quality	18,836	18,880	17,936	-900	-944
Social Services Block Grant	16,680	16,624	15,776	-904	-848
Consolidated Health Centers	21,651	23,998	23,222	1,571	-776
EPA – Drinking Water State Revolving Fund (SRF)	15,321	15,168	14,397	-924	-771
Substance Abuse and Prevention Block Grant	13,422	13,422	12,747	-675	-675
Other Iowa Programs	2,961,625	3,105,802	3,102,096	140,471	-3,706
Total	\$ 3,535,382	\$ 3,694,432	\$ 3,662,085	\$ 126,704	\$ -32,346

CDBG = Community Development Block Grant Program

EPA = Environmental Protection Agency

Federal FY 2014 Budget Update

Congress did not approve a federal FY 2014 budget by September 30, 2013, causing a federal government shutdown. On October 17, 2013, [H.R. 2775, Continuing Appropriations Act, 2014](#), was enacted providing appropriations for the federal government. The Act is effective from October 1, 2013, through January 15, 2014. On December 26, 2013, [H.J. Res. 59 Continuing Appropriations Resolution Act, 2014](#), or the Bipartisan Budget Act, was enacted and increased the post-sequestration Budget Control Act (BCA) caps by \$44.8 billion in FY 2014 and \$18.7 billion in FY 2015. The increases in funding

will be split equally between defense and nondefense spending. Total discretionary spending for FY 2014 is \$1,012.2 billion with \$520.4 billion for defense spending and \$491.8 billion for nondefense discretionary spending. The resolution maintains the sequestration of nonexempt mandatory programs and extends the cuts for an additional two years, through FY 2023. Congress can either pass separate appropriation bills or an omnibus appropriations bill. As of our publication date the House has passed an omnibus appropriations bill that has yet to be analyzed. Updates will be provided in future publications of the Fiscal Update.

Federal Funds Tracking: Grants Enterprise Management System

The Grants Enterprise Management System (GEM\$) is operated by the DOM and is designed to be a resource for State agencies and local governments for researching federal grant opportunities, applying for them, and then tracking the award of funding if granted.

The DOM operates www.igrants.gov and a database that:

- Manages the reporting of grants applied for and received by State agencies.
- Posts State grants available to apply for.
- Manages the State agency awards to government entities, nonprofit organizations, private businesses, and individuals. This includes the grant application, selection, award/contracting, monitoring, communications, modification, reporting, close-out, and financial management processes.

Agencies are required to use the website to report all competitive and noncompetitive grants applied for in the database. The GEM\$ also enables State departments to collaborate on grants when possible. Agencies currently using GEM\$ to manage their awards:

- Department of Administrative Services – Information Technology Enterprise
- Economic Development Authority
- Department of Education
- Department of Management
- Department of Homeland Security and Emergency Management
- Iowa Commission on Volunteer Service
- Office of Drug Control Policy
- Department of Public Health
- Department of Cultural Affairs
- Department of Public Defense
- Department of Public Safety
- Department of Justice

Implementation for all State agencies is projected to be completed by June 30, 2015.

Related Websites

Government Accountability Office website: www.gao.gov/

Federal Government website: www.recovery.gov/Pages/home.aspx

Federal Funds Information for States website: [The VIP Series, FY 2013 Enacted Budget and the BCA Sequester](#). [Federal funds Information for States Brief: Two-Year Budget Agreement Reached, Sequester Relief Provided](#)

GEM\$ website: www.iagrants.com

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Education Reform Initiative

During the 2013 Legislative Session the General Assembly enacted [HF 215](#) (Education Reform Appropriations Act), that established the State percent growth for regular school aid (outlined in the State School Aid Section of this document) and made appropriations for the Iowa Learning Online (ILO) Initiative and allocations for the teacher leadership system and high-need school support.

Division XVI of [HF 215](#) made specific allocation amounts from a \$6.84 million appropriation made in [HF 604](#) (FY 2014 Education Appropriations Act) to the Department of Education (DE) for Education Reform. **Table 1** gives the allocation amounts and the maximum number of FTE positions authorized for each designated purpose.

Table 1

Provision	FY 2014	
	Allocation	FTEs
Iowa Learning Online	\$ 1,500,000	3.0
Teach Iowa Student Teaching Pilot Program	1,000,000	2.0
Teacher Leadership Grants and Aid	3,500,000	0.0
Teacher Leadership Technical Assistance	700,000	0.0
Council on Educator Development	100,000	0.0
Extended Learning Time Pilot	40,000	0.0
Total	\$ 6,840,000	5.0

[House File 215](#) appropriated \$1.5 million in FY 2015 and FY 2016 per year for the Iowa Learning Online (ILO) Initiative (see **Table 2**). The Act also created two new allocations, intended to begin in FY 2015, under the Student Achievement/Teacher Quality (SATQ) General Fund appropriation:

- Teacher Leadership Supplemental Aid – payments to school districts to implement career paths, leadership roles, and compensation framework. Includes \$700,000 for the DE to provide technical assistance for Teacher Leadership.
- High-Need School supplemental assistance – State funding to allow school districts to develop extended learning time programs, hire instructional support staff, provide additional professional development, or supplement the salary of teachers in schools identified as high-need schools by the DE. Includes \$100,000 for the DE for administrative purposes relating to the High-Need School assistance.

In FY 2014, the SATQ General Fund appropriation made allocations among four programs: National Board Certification, Mentoring and Induction, Career Development and Evaluator Training, and Teacher Development Academies. The allocations for Teacher Leadership Supplemental Aid, and High-Need School supplemental assistance will result in six programs receiving allocations under the SATQ General Fund appropriation.

Table 2

HF 215 Appropriation/Allocations					
Provision	FY 2015	FY 2016	FY 2017	FY 2018	FTE
Initiatives With Appropriations in HF 215					
Iowa Learning Online Initiative	\$ 1,500,000	\$ 1,500,000	\$ 0	\$ 0	3.0 ¹
Total of Appropriations in HF 215	\$ 1,500,000	\$ 1,500,000	\$ 0	\$ 0	3.0
Initiatives Allocations Subject to Appropriations in the SATQ Program					
Teacher Leadership Grants and Aid ²	49,300,000	49,300,000	49,300,000	0	0.0
Teacher Leadership Dept. of Education Assistance ²	700,000	700,000	700,000	0	5.0 ¹
High-Need School Supplemental Aid ²	9,900,000	9,900,000	9,900,000	9,900,000	0.0
High-Need School Support ²	100,000	100,000	100,000	100,000	1.0 ¹
Total Allocation Amounts	\$ 60,000,000	\$ 60,000,000	\$ 60,000,000	\$ 10,000,000³	6.0
Total Appropriations/Allocation Amounts Specified in HF 215	\$ 61,500,000	\$ 61,500,000	\$ 60,000,000	\$ 10,000,000	9.0

Amounts in the table do not include school aid appropriations made in Division I of HF 215.

¹ FTE position amounts displayed represent maximum authorized levels as a result of administering the specified initiative. Total FTE positions are only for the years in which funds are appropriated/allocated.

² Allocation level based on an appropriation through the Student Achievement/Teacher Quality Program (not appropriated in HF 215).

³ High-Need School Supplemental Aid does not have a sunset date and continues indefinitely beginning in FY 2015.

For FY 2015, the General Assembly will determine the level of appropriations under the SATQ appropriation to fulfill the needs of the allocations for Teacher Leadership Grants and High-Need School supplemental aid.

The Governor is recommending \$57.1 million for FY 2015 for Education Reform initiatives:

- \$51.3 million for Teacher Leadership Grants and Aid.
 - \$49.3 million for Teacher Leadership Grants to School Districts (matches the allocation in [HF 215](#)). Amounts will be distributed as grants on a per pupil basis to districts in FY 2015 and included in the School Aid Formula for FY 2016. Based on this funding level and the certified enrollment count from October 2013, the per pupil funding amount for the Teacher Leadership Supplement (TLS) through the School Aid Formula in FY 2016 will be \$308.82; (however, this amount may increase if a state percent of growth in enacted for TLS in FY 2016). The total grant amount awarded to school districts in FY 2015 will be based on the \$308.82 per pupil amount and the district's enrollment.
 - \$700,000 for DE Technical Assistance (matches the allocation in [HF 215](#)).
 - \$1.3 million for a Career Paths Delivery System. This is a new recommendation.
- \$1.5 million for the Iowa Learning Online Initiative (ILO). [House File 215](#) provided an appropriation of \$1.5 million for FY 2015 for the ILO Initiative.
- \$2.0 million for a Leadership/Principal Academy and implementation of the Administrative Mentoring and Induction Program outlined in Iowa Code chapter [284A.5](#).
- \$500,000 for Extended Learning Time Pilots. In FY 2014, \$40,000 was allocated from the \$6.84 million appropriation in [HF 604](#) for the Pilots.
- \$500,000 for English Language Learner Effective Practices Pilot Projects.
- \$250,000 for the [Teachlowa](#) Job Board and Licensure System for ongoing costs and maintenance.

- \$1.0 million for the Attendance Center Performance Indicator System. Section 73 of [HF 215](#) requires the DE to develop criteria and a process for school districts to use specific performance goals and to evaluate the performance of an attendance center operated by the school district to arrive at an overall school performance grade and report card for each attendance center.
- \$50,000 for Council and Task Force support. Councils and Task Forces include: Assessment Task Force, Commission on Educator Leadership and Compensation, Competency-based Education Task Force, and the Council on Educator Development.
- The recommendation does not include funding in FY 2015 for High-Need School Supplemental Aid and Support. This provision was designated to be allocated \$10.0 million beginning in FY 2015 as specified in [HF 215](#).

Table 3 compares the FY 2015 appropriation/allocations in [HF 215](#) to the FY 2015 Governor's Recommendation.

Table 3

FY 2015 HF 215 Appropriation/Allocations vs. FY 2015 Governor's Recommendation			
Provision	HF 215 FY 2015	Gov Recommendation FY 2015	Gov Recommendation vs. HF 215
Iowa Learning Online Initiative	\$ 1,500,000	\$ 1,500,000	\$ 0
Teacher Leadership Grants and Aid	49,300,000	49,300,000	0
Teacher Leadership Dept. of Education Assistance	700,000	700,000	0
Career Paths Delivery System	0	1,300,000	1,300,000
High-Need School Supplemental Aid and Support	10,000,000	0	-10,000,000
Principal Academy and Administrative Mentoring Program	0	2,000,000	2,000,000
Extended Learning Time Pilots	0	500,000	500,000
English Language Learner Effective Practices Pilot Projects	0	500,000	500,000
TeachIowa Job Board and Licensure System	0	250,000	250,000
Attendance Center Performance Indicator System	0	1,000,000	1,000,000
Ongoing Council and Task Force Support	0	50,000	50,000
Total	\$61,500,000	\$ 57,100,000	\$ -4,400,000

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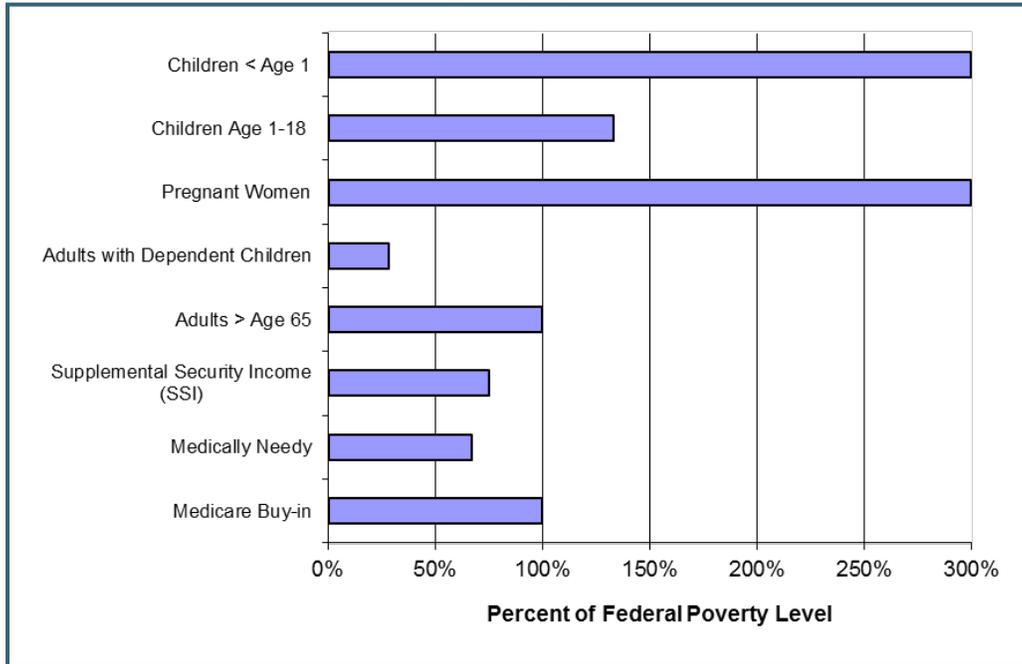
Medical Assistance Program (Medicaid)

Fiscal Staff: Jess Benson

Analysis of Governor's Budget

Medicaid is funded jointly by State and federal funds to provide health care services to low-income persons that are elderly, blind, disabled, pregnant, under age 21, or members of families with dependent children. For State FY 2014, the federal share of the Medicaid Program is 58.35%.

Table 1
Medicaid Eligibility by Income Level



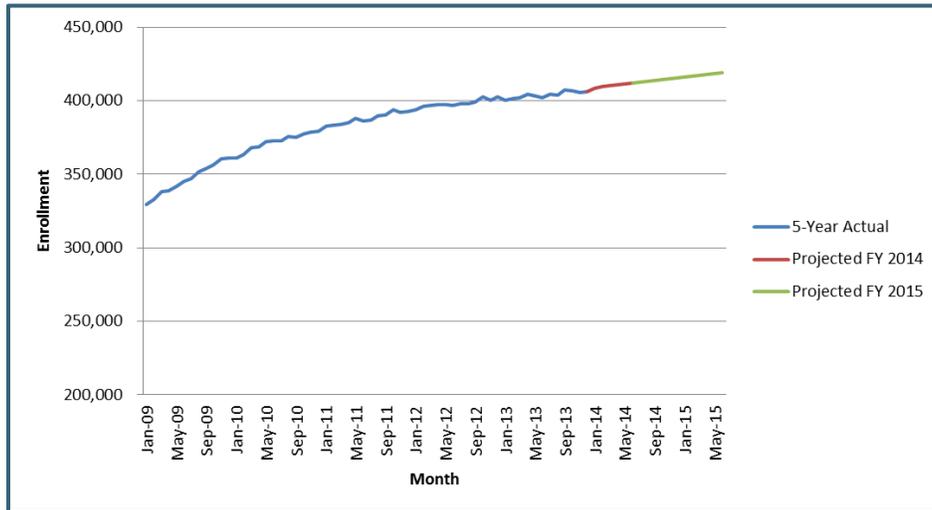
The Iowa Medicaid Program covers individuals at various levels of income as allowed under federal law. To be eligible for Medicaid, an individual must be categorically eligible. This means the individual must meet income requirements and qualify in a category to be eligible. **Table 1** shows the maximum income level for children, pregnant women, adults with dependent children, adults over age 65, recipients of Supplemental Security Income (SSI), the Medicare Buy-in Program, and the Medically Needy Program. The income levels are based on the percentage of the Federal Poverty Level (FPL) calculated annually by the federal government and vary by the size of the household. The FPL for a family of four is \$23,550 for 2013.

In December 2013, 405,891 Iowans were enrolled in Medicaid. Of this total, 57.6% were children, 15.2% were adults with dependent children, 19.6% were disabled, and 7.6% were over age 65. The FY 2013 State expenditures totaled \$1,407.6 million. Of the total expenditures, 19.0% was for children, 12.0% was for adults with dependent children, 50.0% was for the disabled, and 19.0% was for adults over age 65. While children account for almost 60.0% of the enrollment, they consume only 19.0% of Medicaid expenditures. Adults over age 65 and disabled individuals account for 27.0% of enrollment but utilize 69.0% of expenditures.

Enrollment

Table 2 shows the enrollment growth in Iowa over the past five years. In FY 2009 and FY 2010, due to the poor economy, the Program grew by 8.2% and 9.4%, respectively. Growth slowed to 5.4% in FY 2011, 3.4% in FY 2012, and to 1.9% in FY 2013.

**Table 2
Medicaid Enrollment**



With continuing economic recovery, enrollment is projected to continue to increase, but at a slower pace in FY 2014 and FY 2015 than the previous years. The Fiscal Services Division of the Legislative Services Agency (LSA) estimates Medicaid enrollment will increase by 1.8% per year in FY 2014 and FY 2015.

The enrollment estimates above do not take into account the “woodwork effect” resulting from the implementation of the federal Affordable Care Act. The Medicaid forecasting group has included \$6.0 million in FY 2014 and \$22.2 million in FY 2015 to account for the additional enrollment, the majority of which is anticipated to be children.

Revenues and Expenditures

Table 3 shows actual expenditures for FY 2011 through FY 2013 and projected expenditures for FY 2014 and FY 2015. The four largest categories that drive costs in the Medicaid Program are hospitals (inpatient and outpatient), nursing homes, pharmaceuticals, and physician costs.

**Table 3
State Medicaid Expenditures – All State Funds
(Dollars in Millions)**

	<u>State Actual</u>	<u>FMAP Savings</u>	<u>Adjusted State Total</u>
FY 2011 Actual	\$ 1,012.9	\$ -187.1	\$ 825.8
FY 2012 Actual	1,104.1	0.0	1,104.1
FY 2013 Actual	1,407.6	0.0	1,407.6
FY 2014 Projected Need	1,480.7	0.0	1,480.7
FY 2015 Projected Need	1,574.2	0.0	1,574.2

Note: Projected expenditures reflect the midpoints of the Medicaid forecasting group.

As **Table 3** illustrates, Medicaid expenditures have increased substantially from FY 2011 to FY 2015. There are several reasons for this, including:

- Iowa continues to do better economically when compared to the rest of the country. As a result, Iowa’s federal medical assistance percentage (FMAP) rate continues to decrease and Iowa pays for a larger share of the Medicaid program compared to the federal government. From FY 2010 to FY 2015, Iowa’s FMAP rate declined 7.2%. This means that for the \$3.7 billion in total Medicaid expenditures projected in FY 2015, Iowa will pay approximately \$265.0 million more under the new rate as compared to the FY 2010 FMAP rate.
- State Medicaid expenditures increased substantially due to the shift of \$240.9 million in Medicaid expenditures previously funded by the counties to the State beginning in FY 2013. Revenue of \$229.6 million was also shifted from the counties to the State, but the State is responsible for the growth in those Medicaid expenditures in the future.

FY 2014 and FY 2015 Governor’s Recommendations

Table 4 shows actual revenues and expenditures for FY 2013 and the Governor’s recommended funding levels for FY 2014 and FY 2015 compared to the Medicaid Forecasting Group’s midpoints.

**Table 4
Medicaid Balance Sheet**

	<i>Actual FY 2013</i>	<i>Estimated FY 2014</i>	<i>Gov Rec FY 2014</i>	<i>Gov Rec FY 2015</i>
Medicaid Funding				
Carryforward from Previous Year	\$ 15,337,099	\$ 10,030,023	\$ 10,030,023	\$ 0
Veterans Home Transfer	3,533,208	0	0	0
Behavioral Health Account Carryforward	1,515,463	0	0	0
MH Risk Pool Carryforward	4,736,918	1,839,294	1,839,294	0
Health Care Transformation Account	8,280,632	0	0	0
Pharmaceutical Set. Account	0	0	631,110	0
Palo Tax	2,409,390	1,167,464	1,167,464	1,167,464
Health Care Trust Fund	106,046,400	224,300,000	222,760,000	221,790,000
Nursing Facility Quality Assurance Fund	26,500,000	28,788,917	31,160,454	29,195,653
Hospital Trust Fund	33,368,452	34,288,000	34,288,000	34,700,000
hawk-i Performance Bonus	11,586,323	9,776,267	10,857,652	0
Medicaid Fraud Fund	0	7,241,325	8,741,325	2,422,695
Magellen Claims Refund	0	0	8,700,000	0
MHDS Redesign Funds	228,321,582	0	0	279,826,402
Total Non-General Fund for Medicaid	\$ 441,635,467	\$ 317,431,290	\$ 330,175,322	\$ 569,102,214
General Fund Appropriation	\$ 975,956,421	\$ 1,135,293,332	\$ 1,135,293,332	\$ 962,091,053
Total Medicaid Funding	\$ 1,417,591,888	\$ 1,452,724,622	\$ 1,465,468,654	\$ 1,531,193,267
Total Estimated State Medicaid Need	\$ 1,396,408,430	\$ 1,420,227,496	\$ 1,420,227,496	\$ 1,505,910,874
FMAP Changes	33,734,962	52,556,122	52,556,122	79,120,038
Changes Related to ACA	0	748,199	748,199	-10,686,254
Eliminate IowaCare Transfer	0	0	0	-11,921,225
Health Home Savings	0	0	0	-9,135,935
Cost Reductions (BIP, STD Assessment)	0	0	-4,000,000	4,000,000
Balancing Incentive Program (BIP)	-17,800,000	-1,049,597	-1,049,597	-1,108,354
Cost Containment	-8,676,000	-28,910,009	-28,910,009	0
County Billing Write-offs	955,235	-955,235	-955,235	0
Woodwork/Welcome Mat (group midpoint)	0	6,000,000	6,000,000	22,000,000
Nursing Facility Rebase	0	15,268,148	15,268,148	0
Home Health Increase	761,348	2,765,655	2,765,655	0
HCBS Waiver Increase	2,177,890	9,308,335	9,308,335	0
All Other Provider Increases	0	4,765,508	4,765,508	0
Total Estimated Medicaid Need	\$ 1,407,561,865	\$ 1,480,724,622	\$ 1,476,724,622	\$ 1,578,179,144
Midpoint of Balance/(Under Funded)	\$ 10,030,023	\$ -28,000,000	\$ -11,255,968	\$ -46,985,877
MHDS - Mental Health and Disability Services		HCBS - Home and Community-Based Services		
FMAP - Federal Medical Assistance Percentage		ACA - Affordable Care Act		

FY 2014-2015 Governor's Recommendation

A forecasting group consisting of staff from the Department of Management, the Department of Human Services (DHS), and the Fiscal Services Division of the LSA meet regularly to discuss current enrollment and expenditure data in the Medicaid Program and set a range for projected FY 2014 and FY 2015 expenditures. The forecasting group typically meets monthly. For FY 2014, the group agreed Medicaid will have a need of \$13.0 million to \$43.0 million, with a midpoint need of \$28.0 million. For FY 2015, the group agreed Medicaid will have a need of \$118.0 million to \$178.0 million, with a midpoint need of \$148.0 million. Forecast reports are available on the General Assembly website at:

<https://www.legis.iowa.gov/docs/publications/MF/2014/24849/24849.pdf>

For FY 2014, the Governor is recommending a transfer of \$12.7 million in Other Fund revenue and is using one-time savings of \$4.0 million to cover part of the Medicaid shortfall. With these changes the Governor is funding Medicaid at \$11.3 million below the Medicaid Forecasting Group's midpoint estimate and at \$5.3 million below the Forecasting Group's midpoint estimate if the Medicaid woodwork effect related to the Affordable Care Act is not included. The Governor did not provide any funding for the woodwork effect in FY 2014.

For FY 2015, the Governor is recommending an additional \$97.7 million from the General Fund, but a total of \$78.5 million from all funding sources for the Medicaid Program compared to estimated FY 2014. The Governor is funding Medicaid at \$47.0 million below the Medicaid Forecasting Group's midpoint estimate and at \$25.0 million below the Medicaid Forecasting Group's estimate if the Medicaid woodwork effect related to the Affordable Care Act is not included. The Governor did not provide any funding for woodwork effect in FY 2015.

Iowa Health and Wellness Plan

On December 10, 2013, the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) approved the Iowa Medicaid demonstration waiver, the Iowa Health and Wellness Plan. The Plan consists of two different health plans. The Iowa Wellness Plan covers individuals with income between 0.0-100.0% of the federal poverty level under the Medicaid Program and the Iowa Marketplace Choice Plan covers individuals with income between 101.0-133.0% of the federal poverty level with an insurance benefit through the State Insurance Exchange. The Plan was implemented as part of the Affordable Care Act on January 1, 2014. The General Assembly may wish to review the final agreement between the Governor's office and the CMS and the implementation and rollout of the Program.

FY 2015 FMAP

The federal Bureau of Economic Analysis released the revised state personal per capita income data for 2012 on September 30, 2013. This allowed states to calculate their FY 2015 FMAP rates. The FY 2015 FMAP rates are based on per capita personal incomes for calendar years 2010-2012. Iowa’s FY 2015 FMAP rate declined significantly from the initial estimate in March, dropping by 2.21% to 56.14%. This means Iowa will have to spend an additional \$79.1 million more for the same Medicaid services in FY 2015. The decline means that Iowa’s economy is doing better compared to other states, resulting in a smaller share of the total FMAP pie for Iowa. Iowa’s FMAP rate has declined 7.15% since FY 2010 and this shift means several hundred million dollars of Medicaid expenditures are shifted from the federal government to Iowa.

**Table 5
FMAP Rates FY 2010 – FY 2015**

State Fiscal Year	Federal Share	State Share	Federal % Change
FY 2011	62.85%	37.15%	-0.44%
FY 2012	61.19%	38.81%	-1.66%
FY 2013	59.87%	40.13%	-1.32%
FY 2014	58.35%	41.65%	-1.53%
FY 2015	56.14%	43.86%	-2.21%

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STATE SCHOOL AID

FY 2014 School Aid

During the 2013 Legislative Session, the General Assembly enacted [HF 215](#) (Education Reform Appropriations Act) that established the FY 2014 State percent of growth for regular school aid and the State categorical supplements at 2.0%. The total amount generated for school districts in FY 2014 included (see **Table 1** for additional information):

- \$3,997.2 million for the total combined district cost, an increase of \$86.5 million compared to FY 2013. The amount, in general, represents the total funding of State aid and school property taxes for school districts and Area Education Agencies (AEAs) generated through the school aid formula (the combined district cost does not include funding for preschool formula funding).
- \$2,725.6 million for total State aid, an increase of \$64.5 million (2.4%), compared to FY 2013. The State General Fund portion of school aid totaled \$2,716.9 million, an increase of \$63.2 million (2.4%). Included in the State aid amounts are:
 - \$2,332.0 million for regular school aid, an increase of \$51.1 million compared to FY 2013. The regular school aid amounts include the following provisions:
 - \$8.7 million transferred from the Secure and Advanced Vision for Education (SAVE) Fund to the Property Tax Equity and Relief (PTER) Fund for targeted property tax relief through the school aid formula.
 - An additional \$15.0 million reduction in State aid to the AEAs as required in [SF 452](#) (FY 2014 Standing Appropriations Act). This reduction is in addition to the \$7.5 million statutory reduction implemented annually.
 - \$8.3 million in property tax replacement payment (PTRP) funding. This is a new provision that requires State aid to account for the entire increase in the cost per pupil amount due to the State percent of growth in FY 2014 and FY 2015 as specified in HF 215.
 - \$327.5 million for the State categorical supplements, an increase of \$7.7 million compared to FY 2013. This includes \$266.3 million for the teacher salary supplement, \$30.2 million for the professional development supplement, and \$31.1 million for the early intervention supplement.
 - \$66.1 million for preschool formula funding, an increase of \$5.7 million compared to FY 2013. The preschool formula funding is included in the State aid amount, but is not included in the combined district cost total.
- \$1,338.0 million in school aid property taxes, an increase of \$27.2 million (2.1%) compared to FY 2013. This includes:
 - \$759.4 million for the uniform levy, an increase of \$29.6 million compared to FY 2013. This increase is a direct result of increased assessed valuations.
 - \$578.6 million in the additional levy amount, a decrease of \$2.5 million compared to FY 2013.

- In addition, a one-time FY 2013 General Fund supplemental appropriation of \$57.1 million was provided to school districts on a per pupil basis and is not included in the State school aid total or the combined district cost. The funding was allocated to districts for the 2013-2014 school year.

FY 2015 School Aid (Supplemental State Aid)

During the 2013 Legislative Session, the General Assembly established the State percent of growth for FY 2015 at 4.0% for regular school aid and the State categorical supplements with enactment of [HF 215](#). Additionally, the Act eliminated the term allowable growth and replaced it with supplemental State aid to describe the increase in the per pupil cost due to the State percent of growth. Other legislation affecting FY 2015 school aid amounts include:

- Reauthorization and modification of shared operational functions with enactment of [HF 472](#) (Shared Operational Functions Act). The sharing provision will provide additional supplementary weighting to eligible school districts between FY 2015 and FY 2020. This issue is reviewed in more detail in the “additional school aid funding information” at the end of this section.
- Increased the number of years a limited English proficient (LEP) student may receive LEP supplementary weighting from four to five years, beginning in FY 2015.
- Property tax relief for the increase in the cost per pupil due to the establishment of the State percent of growth for FY 2014 and FY 2015 (referred to as property tax replacement payment – PTRP). The per pupil property tax relief amount includes \$15 for FY 2014 and \$31 for FY 2015 and is applied to each district’s weighted enrollment total. The result is per pupil property tax relief totaling \$46 in FY 2015 and future fiscal years.
- Although enactment of [SF 295](#) (Property Tax Reform Act) does not affect overall school aid funding amounts, the legislation will impact the amount of State aid and property tax required to fund school districts in future fiscal years (beginning in FY 2015). Due to the commercial/industrial property classification rollback, a portion of school district levies will be paid from a separate General Fund appropriation for commercial and industrial replacement claims.

Estimates for FY 2015 are preliminary (based on available data and assumptions as of January 2014) and are subject to change. Taxable valuations is the major factor still outstanding that will impact FY 2015 school aid estimates. The DOM and LSA have agreed on a statewide growth projection of 3.0%. The growth projection was additionally applied to commercial and industrial valuations on a statewide basis. The LSA anticipates that all data will be finalized by May 2014.

Table 1 on the following page, provides school aid estimates for FY 2015 based on the preceding noted assumptions and current law provisions. Currently, the estimates indicate the following:

- \$4,200.2 million for the combined district cost, an increase of \$203.0 million (5.1%) compared to estimated FY 2014.
- \$2,895.4 million for total State aid, an increase of \$169.8 million (6.2%), compared to estimated FY 2014. The State General Fund portion of school aid is estimated to total \$2,887.2 million, an increase of \$170.2 million (6.3%). Included in the estimated State aid amounts are:
 - \$2,483.8 million for regular school aid, an increase of \$151.9 million (6.5%). This amount includes \$25.6 million for the property tax replacement payment, restoration of the \$15.0 million State aid reduction made to AEAs in FY 2014, and \$8.2 million transferred from the

Secure and Advanced Vision for Education (SAVE) Fund to the Property Tax Equity and Relief (PTER) Fund.

- \$341.8 million for the State categorical supplements, an increase of \$14.3 million (4.4%) compared to estimated FY 2014.
- \$69.8 million for preschool formula funding, an increase of \$3.7 million compared to estimated FY 2014. The preschool formula funding is included in the State aid amount, but is not included in the combined district cost total.
- \$1,357.9 million for the foundation property tax (adjusted for the estimated \$16.7 million in the commercial/industrial rollback claim adjustment provision), an increase of \$19.9 million (1.5%) compared to estimated FY 2014.

Table 1

State School Aid Funding: FY 2013 Through Est. FY 2015

Estimates as of December 26, 2013
(Dollars in Millions)

	FY 2013 - 2% State Percent of Growth	Change from FY 2012	FY 2014 - 2% State Percent of Growth	Change from Est. FY 2013	FY 2015 - 4% State Percent of Growth	Change from Est. FY 2014
Regular School Aid	\$ 2,280.9	\$ 23.9	\$ 2,323.7	\$ 42.8	\$ 2,458.3	\$ 134.6
Property Tax Replacement Payment*	NA	NA	8.3	8.3	25.6	17.3
Total Regular School Aid**	\$ 2,280.9	\$ 23.9	\$ 2,332.0	\$ 51.1	\$ 2,483.8	\$ 151.9
Teacher Salary Supplement	260.0	3.2	266.3	6.3	277.8	11.6
Professional Development Supplement	29.5	0.4	30.2	0.7	31.5	1.3
Early Intervention Supplement	30.3	0.4	31.1	0.8	32.4	1.4
Total State Categorical Supplement	\$ 319.8	\$ 3.9	\$ 327.5	\$ 7.7	\$ 341.8	\$ 14.3
Total School Aid w/o Preschool	\$ 2,600.7	\$ 27.8	\$ 2,659.5	\$ 58.8	\$ 2,825.6	\$ 166.1
Preschool Aid	\$ 60.4	\$ 2.0	\$ 66.1	\$ 5.7	\$ 69.8	\$ 3.7
Total State Aid Amount for School Programs	\$ 2,661.1	\$ 29.9	\$ 2,725.6	\$ 64.5	\$ 2,895.4	\$ 169.8
PTER Funding	\$ -7.4	\$ -0.7	\$ -8.7	\$ -1.3	\$ -8.2	\$ 0.4
Total State General Fund Amount for School Aid	\$ 2,653.7	\$ 29.2	\$ 2,716.9	\$ 63.2	\$ 2,887.2	\$ 170.2
Uniform Levy Amount	\$ 729.7	\$ 26.1	\$ 759.4	\$ 29.6	\$ 782.3	\$ 22.9
Uniform Levy Portion of C/I Rollback Replacement Payment	NA	NA	NA	NA	9.4	9.4
Total Unadjusted Additional Levy Amount	612.4	-29.2	619.5	7.1	633.5	13.9
Property Tax Replacement Payment*	NA	NA	-8.3	-8.3	-25.6	-17.3
Property Tax Adjustment Aid (from GF)	-24.0	0.0	-24.0	0.0	-24.0	0.0
Property Tax Adjustment Aid (from PTER)	-7.4	-0.7	-8.7	-1.3	-8.2	0.4
Additional Levy Portion of C/I Rollback Replacement Payment	NA	NA	NA	NA	7.3	7.3
Foundation Property Tax with C/I Rep. Payment	\$ 1,310.8	\$ -3.7	\$ 1,338.0	\$ 27.2	\$ 1,374.6	\$ 36.6
Found. Prop. Tax C/I Rollback Replacement Payment Portion	NA	NA	NA	NA	-16.7	-16.7
Total Adjusted Foundation Property Tax	\$ 1,310.8	\$ -3.7	\$ 1,338.0	\$ 27.2	\$ 1,357.9	\$ 19.9
Combined District Cost	\$ 3,910.7	\$ 23.4	\$ 3,997.2	\$ 86.5	\$ 4,200.2	\$ 203.0
Est. Budget Guarantee Amount:			\$ 11.2		\$ 3.3	
Number of Districts with Budget Guarantee:			133		69	
***One-Time State Aid Funding for FY 2014	N.A.		\$ 57.1		\$ 0.0	

Notes:

*Estimates include the provision that provides property tax relief for any increase resulting in the per pupil increase funded with property tax is to be funded with State aid (enacted in HF 215).

**Amount includes PTER Funds used for property tax relief.

***Provides one-time State aid based on 2.0% of the FY 2013 regular program State cost per pupil multiplied by each district's budget enrollment.

FY 2016 School Aid (Supplemental State Aid)

During the 2014 Legislative Session, the General Assembly will be required to establish the State percent of growth for the FY 2015 regular school aid and the State categorical supplements. The growth rate will increase each of the cost per pupil amounts and have an impact on the State General Fund appropriation and property tax amounts for school aid. The FY 2016 estimates will be impacted by data collected for FY 2015 and any modifications made to the model assumptions. **Table 2** provides estimates of the FY 2016 school aid estimates at various State percent of growth rates. Note that the Teacher Leadership Supplement (TLS) State Categorical Program will be implemented beginning in FY 2016; however, the specific State aid amount is currently unknown and will depend on the enrollments of districts initially approved to implement the Program in FY 2015. The approved districts will receive per pupil funding (estimated by the LSA at approximately \$310) through the school aid formula beginning in FY 2016 with full implementation through the school aid formula anticipated in FY 2018.

Table 2

State School Aid Funding Estimates: FY 2016 at Various State Percent of Growth Rates								
(Dollars in Millions)								
	FY 2016 School Aid Estimates							
	FY 2016 - 0% State Percent of Growth	Change from Est. FY 2015	FY 2016 - 2% State Percent of Growth	Change from Est. FY 2015	FY 2016 - 4% State Percent of Growth	Change from Est. FY 2015	FY 2016 - 6% State Percent of Growth	Change from Est. FY 2015
Regular School Aid	\$ 2,431.5	\$ -26.7	\$ 2,495.6	\$ 37.4	\$ 2,560.8	\$ 102.6	\$ 2,625.5	\$ 167.2
Property Tax Replacement Payment	25.8	0.2	25.8	0.2	25.8	0.2	25.8	0.2
Total Regular School Aid	\$ 2,457.3	\$ -26.5	\$ 2,521.4	\$ 37.6	\$ 2,586.6	\$ 102.8	\$ 2,651.3	\$ 167.5
Teacher Salary Supplement	280.7	2.9	284.6	6.7	289.5	11.7	294.8	17.0
Professional Development Supplement	31.9	0.3	32.3	0.8	32.9	1.3	33.5	1.9
Early Intervention Supplement	32.8	0.3	33.2	0.8	33.8	1.4	34.4	2.0
Total State Categorical Supplement	\$ 345.3	\$ 3.5	\$ 350.1	\$ 8.3	\$ 356.2	\$ 14.4	\$ 362.7	\$ 20.9
Total School Aid w/o Preschool	\$ 2,802.7	\$ -23.0	\$ 2,871.5	\$ 45.8	\$ 2,942.8	\$ 117.2	\$ 3,014.0	\$ 188.4
Preschool Aid	\$ 73.3	\$ 3.5	\$ 74.7	\$ 5.0	\$ 76.2	\$ 6.4	\$ 77.7	\$ 7.9
Total State Aid Amount for School Programs	\$ 2,875.9	\$ -19.5	\$ 2,946.2	\$ 50.8	\$ 3,019.0	\$ 123.6	\$ 3,091.7	\$ 196.3
PTER Funding	\$ -8.2	\$ -0.0	\$ -8.2	\$ 0.0	\$ -8.2	\$ 0.0	\$ -8.2	\$ 0.0
Total State General Fund Amount for School Aid	\$ 2,867.7	\$ -19.5	\$ 2,938.0	\$ 50.8	\$ 3,010.8	\$ 123.6	\$ 3,083.5	\$ 196.3
Uniform Levy Amount	\$ 811.3	\$ 29.0	\$ 811.3	\$ 29.0	\$ 811.3	\$ 29.0	\$ 811.3	\$ 29.0
Uniform Levy Portion of C/I Rollback Replacement Payment	19.5	10.1	19.5	10.1	19.5	10.1	19.5	10.1
Total Unadjusted Additional Levy Amount	674.6	41.1	656.2	22.7	657.2	23.8	664.5	31.1
Property Tax Replacement Payment	-25.8	-0.2	-25.8	-0.2	-25.8	-0.2	-25.8	-0.2
Property Tax Adjustment Aid (from GF)	-24.0	0.0	-24.0	0.0	-24.0	0.0	-24.0	0.0
Property Tax Adjustment Aid (from PTER)	-8.2	-0.0	-8.2	0.0	-8.2	0.0	-8.2	0.0
Additional Levy Portion of C/I Rollback Replacement Payment	15.7	8.4	15.2	7.9	15.3	8.0	15.6	8.3
Total Foundation Property Tax w/o Comm./Ind. Rollback	\$ 1,463.0	\$ 88.4	\$ 1,444.1	\$ 69.5	\$ 1,445.2	\$ 70.6	\$ 1,452.8	\$ 78.2
Found. Prop. Tax C/I Rollback Replacement Payment Portion	-35.1	-18.5	-34.7	-18.0	-34.8	-18.1	-35.0	-18.3
Total Adjusted Foundation Property Tax	\$ 1,427.8	\$ 69.9	\$ 1,409.4	\$ 51.5	\$ 1,410.5	\$ 52.6	\$ 1,417.8	\$ 59.9
Combined District Cost	\$ 4,265.6	\$ 65.4	\$ 4,315.6	\$ 115.3	\$ 4,388.1	\$ 187.8	\$ 4,466.9	\$ 266.6
Est. Budget Guarantee Amount:	\$ 49.4		\$ 18.6		\$ 7.8		\$ 3.3	
Number of Districts with Budget Adjustment Provision:	215		138		87		49	

FY 2016 amounts currently do not include school aid funding for the Teacher Leadership Supplement (TLS).

Governor's Supplemental State Aid Recommendation for FY 2015 and FY 2016

- *The Governor's budget proposal includes a General Fund appropriation of \$2,872.3 million for State school aid. This amount reflects the current law estimate based on a State percent of growth rate of 4.0%, but includes a \$15.0 million State aid reduction to AEAs. The recommended reduction maintains the State aid reduction applied to AEAs in FY 2014. The Governor's recommendation represents an increase of \$155.4 million (5.7%) compared to the FY 2014 State school aid General Fund appropriation.*
- *The Governor's budget proposal does not include any supplemental State aid recommendations for FY 2016.*

Additional Information on School Aid Funding

Shared Operational Functions - Issue for the 2014 Legislative Session: The Legislative Administrative Rules Committee approved a session delay for the Department of Education's administrative rules for the new shared operational functions that are scheduled to generate funding through the school aid formula beginning in FY 2015.

However, because of the timing, the Department of Education collected shared operational supplementary weightings based on the proposed rules. Based on the data collected in the Fall of 2013, the supplementary weighting for Shared Operational functions totals 4,345.2 and will generate a total of \$27.8 million, including \$24.4 million in State aid and \$3.4 million in FY 2015. The funding for the weighting will be received in 203 school districts.

Table 3 provides an analysis of the shared operational function supplementary funding amounts by the number of shared functions. The analysis groups districts by the number of functions shared. For the 90 districts that are sharing one function, the average amount of funding generated through the school aid formula for these districts was \$95,869. In general, the average funding amount decreases with an increase in the number of functions shared. Because the weighting is based on the enrollment of the district, larger districts will generate more funding on average, than smaller districts. Additionally, the number of functions shared has an impact and a district that shares more functions will generate less funding per function than districts that share fewer functions.

Table 3

Analysis of Shared Operational Functions - Grouped by Number of Functions Shared

Number of Functions Shared	Number of Districts	Total Number of Functions Shared	Total Weighting	Total Funding Amount	Average Funding Amount Per District	Average Funding Amount Per Function	Average Enrollment Size
1	90	90	1,349.8	\$ 8,628,250	\$ 95,869	\$ 95,869	711.7
2	42	84	915.7	5,867,798	139,709	69,855	576.8
3	30	90	848.5	5,427,313	180,910	60,303	755.7
4	24	96	662.8	4,248,449	177,019	44,255	434.0
5	9	45	273.0	1,747,137	194,126	38,825	401.3
6	5	30	187.9	1,198,706	239,741	39,957	508.2
7	2	14	67.6	432,767	216,384	30,912	423.1
8	1	8	40.0	255,440	255,440	31,930	459.0
Total	203	457	4,345.2	\$ 27,805,860	\$ 136,975	\$ 60,844	634.6

Additional information is available on the LSA website and includes the following:

- Issue Review - [State School Aid Funding for Special Education](#)
- Issue Review - [School Finance Formula - Aid and Levy Worksheet](#)
- Fiscal Topic - [School District Reorganization Incentives](#)
- Fiscal Topic - [School District Cash Reserve Levy](#)
- Fiscal Topic - [School Aid – Additional Levy Components](#)
- [Historic school aid funding amounts and data](#) (including information by school district), [school aid estimates for future fiscal years](#), and [other background information on the school aid formula](#).

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Property Tax System Modifications

During the 2013 Legislative Session the General Assembly enacted [SF 295](#) (Property Tax System Modifications and Income Tax Credit Act). The Act made significant changes to how real property in Iowa is assessed and taxed. The Act:

- Creates a new Business Property Tax Credit available to properties classified as commercial, industrial, or railroad. A standing State General Fund appropriation is created to fund the new credit. The appropriation is equal to \$50.0 million for FY 2015, \$100.0 million for FY 2016, and \$125.0 million for FY 2017 and after. The State appropriations will be used to reduce the final property tax bill for all commercial, industrial, and railroad property. The credit is not available for property classified as multi-residential. The property tax reduction will be equal to a portion of the tax due on a specified maximum amount of a property unit's value. The maximum amount of value that benefits from the credit will be established each year by the Department of Revenue. The maximum value for the next four fiscal years is estimated by the LSA to be:
 - FY 2015 = \$33,000
 - FY 2016 = \$105,000
 - FY 2017 = \$144,000
 - FY 2018 = \$154,000

The actual maximum values subject to the credit could be higher or lower than estimated. The actual tax reduction for each property unit will depend on:

- Whether the property value meets or exceeds the maximum value for that year.
- The property tax rate for the property.
- The residential rollback percentage for the tax year.
- Reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4.0% to 3.0%. In addition, commercial, industrial, and railroad property are assigned a "rollback" of 95.0% for assessment year (AY) 2013 and 90.0% for AY 2014 and after. A rollback is the percent of a property's value that is subject to tax. A standing General Fund appropriation is also created, beginning in FY 2015, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property. Prior to FY 2018, the appropriation is a standing unlimited appropriation. Beginning in FY 2018, the standing appropriation cannot exceed the actual FY 2017 appropriation amount.
- Creates a new property tax classification for human habitat commercial property (apartments, nursing homes, assisted living facilities, etc.). The new classification begins in AY 2015. Property included in the new classification is assigned a rollback percentage of 86.25% for AY 2015, and that percentage declines 3.75 percentage points each year through AY 2021. Beginning in AY 2022, the multi-residential classification is assigned a rollback equal to the residential rollback each assessment year.

- Exempts a specified portion of the assessed value of every telecommunications company from property taxation. The exemption begins in AY 2013 and is fully implemented in AY 2014. The exemption is applied on a company basis, with the value of the exemption dependent on the total assessed value of a company’s telecommunications property.

Fiscal Impact

The property tax system modification portions of [SF 295](#) will increase State General Fund appropriations in three ways:

- A new standing limited appropriation is created to fund the Business Property Tax Credit.
- A new standing appropriation is created to reimburse local governments for property tax reductions associated with the commercial and industrial rollback to 90.0%.
- Increases to the State appropriation for school aid that are due to provisions of the Act that lower statewide taxable value. Those provisions include:
 - Creation of a new multi-residential property class.
 - Creation of a new telecommunications exemption.
 - Reduction in the residential and agricultural revaluation limit from the current 4.0% per year to 3.0% per year.
 - Creation of an unreimbursed rollback for railroad property to 90.0%.
 - Any unreimbursed commercial and industrial property tax that results from the State reimbursement appropriation being capped at the FY 2017 level.

Table 1 provides the estimated General Fund appropriation impact of the property tax system modifications.

Table 1

State General Fund Appropriation Increases										
Dollars in millions										
Appropriation	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
New State C/I Reimbursement Appropriation	\$78.7	\$162.5	\$153.7	\$153.7	\$153.7	\$153.7	\$153.7	\$153.7	\$153.7	\$153.7
Com/Ind/Rail Property Tax Credit	50.0	100.0	125.0	125.0	125.0	125.0	125.0	125.0	125.0	125.0
School Aid Gen. Fund Appropriation Increase	7.2	14.9	24.9	33.2	42.4	52.2	63.4	75.2	88.6	104.5
Total General Fund Impact	\$135.9	\$277.4	\$303.6	\$311.9	\$321.1	\$330.9	\$342.1	\$353.9	\$367.3	\$383.2

The Governor's FY 2015 budget recommendation includes full funding of the two new property tax standing appropriations created in [SF 295](#), as well as full funding of the existing property tax credits and exemptions.

The property tax system modification portions of [SF 295](#) will decrease the amount of property value that local governments have available to tax in five ways:

- Creation of a new multi-residential property class.
- Creation of a new telecommunications exemption.

- Reduction in the residential and agricultural revaluation limit from the current 4.0% per year to 3.0% per year.
- Creation of an unreimbursed rollback for railroad property to 90.0%.
- Any unreimbursed commercial and industrial property tax that results from the State reimbursement appropriation being capped at the FY 2017 level.

The five changes above all reduce the taxable value available to local governments, but they do not necessarily decrease property tax revenue. If a local government is willing and able to set a higher tax rate than otherwise would be the case, some or all of the property tax reduction could be recovered. **Table 2** provides the estimated property tax revenue reduction that is projected to result from the taxable value reductions. Note that the reductions assume that a portion of the reduction will be mitigated through higher tax rates and a portion will not. Also note that the reductions are compared to a property tax revenue projection based on existing law.

Table 2

Estimated Statewide Revenue Reduction by Local Government Category										
Dollars in millions										
Local Government Revenue Reductions *	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
City	\$2.5	\$4.4	\$7.6	\$12.0	\$17.6	\$22.7	\$33.8	\$40.4	\$47.5	\$64.7
County Urban	1.2	2.1	3.6	5.8	8.7	11.3	16.9	20.3	24.0	32.7
County Rural	0.8	2.3	3.6	5.0	6.5	10.0	12.1	17.0	19.8	23.0
School	2.5	5.3	8.8	11.8	15.0	18.6	22.5	26.7	31.5	37.1
Other Authorities	0.6	1.2	2.3	3.7	5.4	8.2	10.4	12.5	16.9	20.2
Total All Prop Tax \$	\$7.6	\$15.3	\$25.9	\$38.3	\$53.2	\$70.8	\$95.7	\$116.9	\$139.7	\$177.7

* Revenue reductions equal property tax reductions minus State reimbursements.

The property tax system modifications are projected to result in lower property taxes for almost all classes of property when compared to existing law, even after adjusting for higher property tax rates. **Table 3** presents the projected property tax reduction by property class.

Table 3

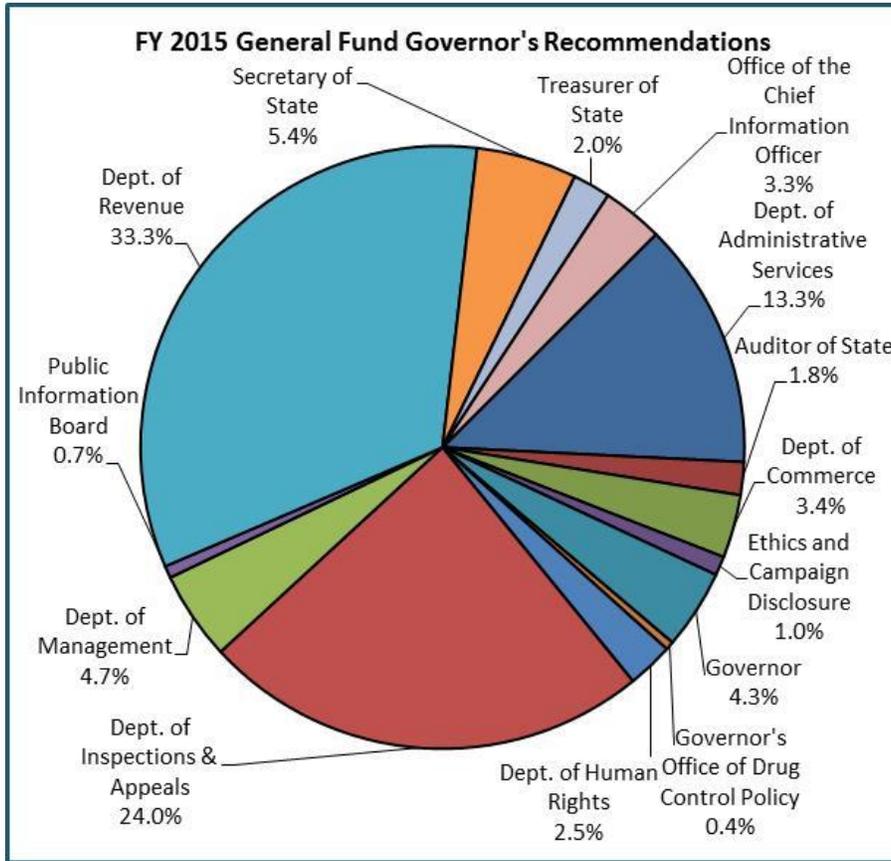
Projected Property Tax Reduction by Property Class										
Dollars in millions										
Property Class	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Residential	\$10.1	\$23.6	\$32.8	\$49.0	\$67.0	\$88.0	\$114.0	\$139.7	\$168.0	\$201.2
Agricultural	3.7	6.6	9.5	13.8	18.4	24.5	30.0	37.1	43.9	50.0
Commercial	103.3	212.7	218.2	215.3	214.4	210.8	211.4	207.4	202.8	203.1
Multi-Residential	0.0	0.0	19.4	25.4	32.5	39.5	48.3	56.3	66.4	86.3
Industrial	14.9	31.3	32.7	32.5	32.1	31.8	31.5	31.1	30.4	29.9
Rail	1.8	3.7	3.5	3.4	3.3	3.2	3.1	3.0	2.7	2.7
Utility/Other	-0.2	-0.5	-0.9	-1.1	-1.4	-1.6	-1.8	-2.0	-2.2	-2.5
Telecommunications	9.7	16.0	16.5	17.1	16.9	16.9	16.7	16.7	16.5	16.4
Gas/Electric	-0.9	-1.7	-2.8	-3.7	-4.5	-5.2	-5.9	-6.6	-7.3	-8.1
Rounding Adjustment	0.1	-0.1	0.1	-1.5	-4.3	-6.2	-9.6	-11.8	-14.5	-18.2
Total	\$142.5	\$291.6	\$329.0	\$350.2	\$374.4	\$401.7	\$437.7	\$470.9	\$506.7	\$560.8

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**Administration and Regulation
 Appropriations Subcommittee**

Fiscal Staff:
 Dwayne Ferguson and Ron Robinson

Analysis of Governor's Budget



FY 2015 General Fund Governor's Recommendations

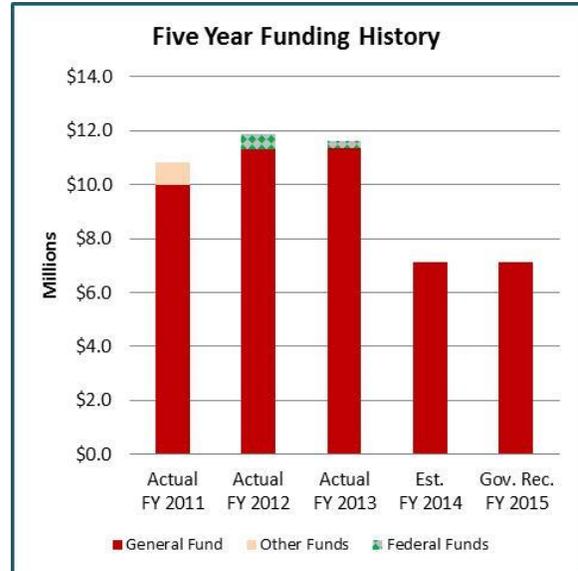
Dept. of Administrative Services	\$	7,132,747
Auditor of State		944,506
Dept. of Commerce		1,821,928
Ethics and Campaign Disclosure		550,335
Governor		2,289,566
Governor's Office of Drug Control Policy		241,134
Dept. of Human Rights		1,326,261
Dept. of Inspections & Appeals		12,891,142
Dept. of Management		2,550,220
Public Information Board		350,000
Dept. of Revenue		17,880,839
Secretary of State		2,896,699
Treasurer of State		1,084,392
Office of the Chief Information Officer		1,750,000
Total	\$	53,709,769

DEPARTMENT OF ADMINISTRATIVE SERVICES

Overview and Funding History

Agency Overview: The [Department of Administrative Services \(DAS\)](#) was established in 2003 by legislative action and consists of five enterprises that provide infrastructure and facilities services to other agencies of State government and a Core/Finance Operations responsible for internal administration of the Department. The five enterprises are the Information Technology Enterprise, General Services Enterprise, Human Resources Enterprise, Central Procurement Enterprise, and State Accounting Enterprise.

Funding History: The Department receives less than one tenth of its funding for operations through appropriations. The remainder is funded primarily by fees charged to other State agencies for services provided and are not reflected in the appropriations funding history chart. In FY 2012, the I/3 Distribution appropriation and the Iowa Building appropriation were moved from the Rebuild Iowa Infrastructure Fund (RIIF) appropriation to the DAS General Fund appropriation. After being funded from the General Fund for two years, the appropriation for the I/3 Distribution appropriation was eliminated and those funds were appropriated directly to State agencies to be included in their base budgets in future years. The Iowa Building is being torn down so that appropriation is not needed from FY 2014 forward.



FY 2015 Quick Facts - DAS

\$98,664,372
Total Enterprise Budgets

92.8%
Funding from charges to State agencies

7.2%
General Fund requests

Governor's Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$7,132,747. This is no change compared to estimated FY 2014.

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Administrative Services, Dept. of</u>				
Administrative Services				
Administrative Services, Dept.	\$ 4,067,924	\$ 4,067,924	\$ 4,067,924	\$ 0
Utilities	2,658,909	2,658,909	2,658,909	0
Terrace Hill Operations	405,914	405,914	405,914	0
Total Administrative Services, Dept. of	\$ 7,132,747	\$ 7,132,747	\$ 7,132,747	\$ 0

Issues

Budget Reduction and Outsourcing Services – The Department is pursuing a goal of reducing expenditures by 15.00%. In past years, janitorial services and construction management were outsourced. The Subcommittee may want an update on plans for future reductions and outsourcing of services.

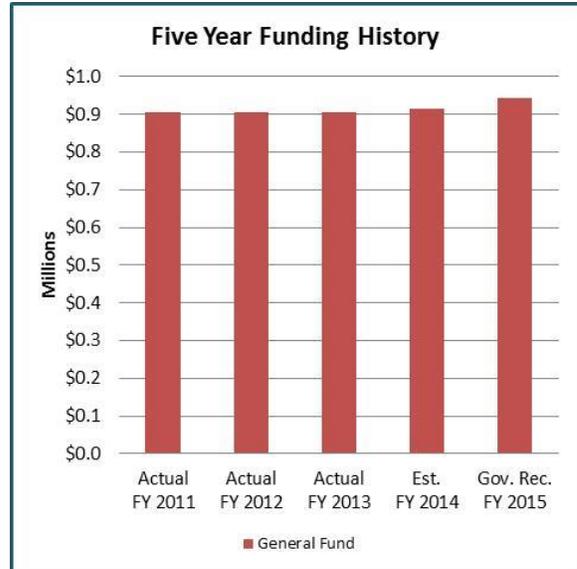
Fees for Services – The Department has a recommended operating budget of \$98,664,372 for FY 2015, including a Governor's recommendation of \$7,132,747 from the General Fund, with the remainder from fees for services. The Subcommittee may want to examine the fee for service process.

Consolidation of Services – There is continuing consolidation of information technology in cooperation with the Office of the Chief Information Officer. Servers are being moved into one location in the Hoover Building, and staff is being moved from the departments into the Information Technology Enterprise. The DAS also has begun moving the human resources function from departments into a centralized operation within DAS. The Subcommittee may want an update on plans for future consolidations and reorganizations and have the Department explain the efficiencies and effects of the past and future consolidations.

AUDITOR OF STATE

Overview and Funding History

Agency Overview: The position of [Auditor of State](#) was created in 1857 with [Article IV, Section 22](#), of the Iowa Constitution. The Auditor is elected by popular vote and serves a four-year term. The duties of the Office are spelled out in Iowa Code chapter [11](#). The mission of the Office of the Auditor of State is to benefit all citizens of Iowa by providing independent audit, review, and other technical services to State and local governments to ensure the effective, economical, and businesslike conduct of public activities in a prudent, accountable manner to achieve the intended purposes. The Auditor’s Office provides independent audits of the financial operations of State and local governments. The Office also reviews government activities to help ensure they are conducted in an effective, efficient, and legal manner.



Funding History: The Auditor of State Office receives an annual appropriation from the General Fund to fund costs of conducting audits of State departments that are not statutorily required to reimburse the Office for annual audit costs. In addition to the General Fund appropriation, the Office receives fees for conducting audits and reviews of certain State agencies and governmental subdivisions (see Iowa Code sections [11.20](#) and [11.21](#) for subdivision fees). The Office attempts to maintain staffing equal to 103.0 FTE positions. The FY 2014 General Fund increase is related to an increase for an I/3 Distribution of \$9,038.

FY 2013 Quick Facts – Auditor

94,676
Audit Hours Expended on State Audits during FY 2013

48,796
Audit Hours Expended on Local Audits during FY 2013

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$944,506. This is an increase of \$30,000 compared to estimated FY 2014 to restore a portion of the FY 2010 reductions. The actual FY 2009 appropriation was \$1,233,691.

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Auditor of State				
Auditor Of State				
Auditor of State - General Office	\$ 914,506	\$ 1,047,256	\$ 944,506	\$ 30,000
Total Auditor of State	\$ 914,506	\$ 1,047,256	\$ 944,506	\$ 30,000

Issues

Local Audits – [House File 2455](#) (City Financial Examination Requirements) established a Local Audit Revolving Fund. The Subcommittee may want to examine the status of the implementation of HF 2455.

ETHICS AND CAMPAIGN DISCLOSURE BOARD

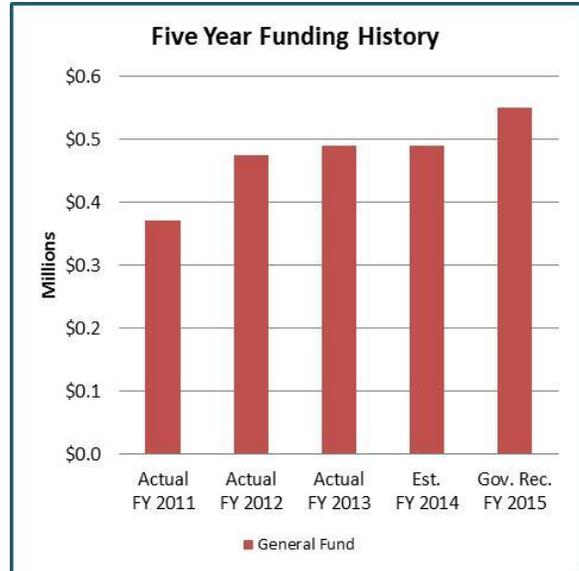
Overview and Funding History

Agency Overview: The [Iowa Ethics and Campaign Disclosure Board](#) administers the State campaign, lobbying, and ethics laws. The Board also reports on all gifts, bequests, and grants received by an Executive Branch agency other than a Regents university.

Funding History: The Board’s funding comes from General Fund appropriations and has been relatively flat over the past five years. In FY 2011 there was a transfer of \$150,000 from the Cash Reserve Fund that does not appear as an appropriation in this chart.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$550,335. This is an increase of \$60,000 compared to estimated FY 2014 for a field auditor position.



CY 2012 Quick Facts – Ethics and Campaign Finance Disclosure

\$14,095,326
Contributions to candidates

\$7,747,604
Contributions to parties

\$14,950,423
Contributions to PACs

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Ethics and Campaign Disclosure				
Campaign Finance Disclosure				
Ethics & Campaign Disclosure Board	\$ 490,335	\$ 550,335	\$ 550,335	\$ 60,000
Total Ethics and Campaign Disclosure	\$ 490,335	\$ 550,335	\$ 550,335	\$ 60,000

Governor’s Recommendations – Significant Changes

Ethics and Campaign Finance Disclosure	
An increase for a field auditor position.	\$ 60,000

Issues

Electronic Filings – The Board has increased the filings it receives through its web reporting system as required by statute. The Subcommittee may want an update on how web filing has been received by candidates and committees, changes that may be needed, and whether further expansion is needed to further reduce paper filings.

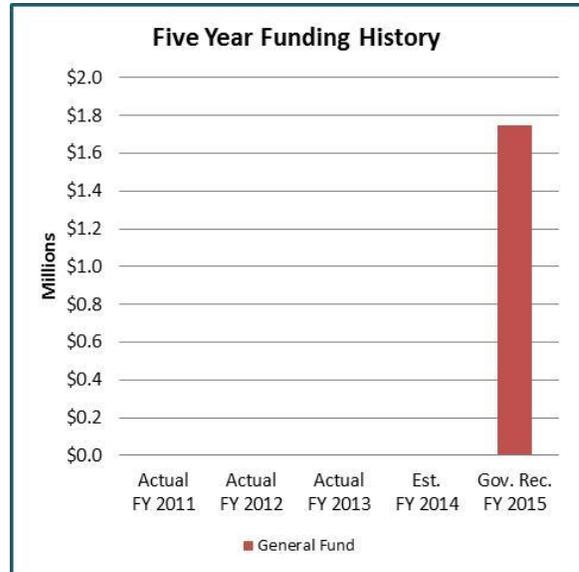
Education Outreach – The Board has an emphasis on informing and educating candidates and committees about their obligations to file reports and to advise them on acceptable campaign activities. The Subcommittee may be interested in the advances the Board has made in this area, what challenges are faced, and what is needed to make the educational outreach more effective or efficient.

Impact of Early Retirements – In FY 2011, the Board had a complete turnover of professional staff. The new director was hired in December 2010, and three new auditors were hired to replace those that took early retirement in 2010. Approximately 10.00% of the current budget is used to pay for the early retirement benefits. The Subcommittee may want to be informed about when the early retirement payments will end, how much funding will be freed up, and what the Board has planned for the available funds.

OFFICE OF THE CHIEF INFORMATION OFFICER

Overview and Funding History

Agency Overview: The Office of the Chief Information Officer (OCIO) was transferred from the Department of Administrative Services to become a separate department by [SF 396](#) (Government Efficiency Act) enacted during the 2013 Legislative Session. The Chief Information Officer is appointed by and serves at the pleasure of the Governor and is subject to confirmation by the Senate. The Office was created for the purpose of leading, directing, managing, coordinating, and providing accountability for the information technology resources of State government and to provide high-quality, customer-focused information technology services and business solutions. Some of the Chief Information Officer’s responsibilities are to prescribe and adopt information technology standards and rules, advise the Governor on issues related to information technology, consult and work with all governmental entities to achieve the information technology goals established by the Office, and to develop systems and methodologies to review, evaluate, and prioritize information technology projects.



Funding History: The first General Fund appropriation for the Office is being requested for FY 2015.

Recommendations

FY 2015: The Governor is recommending new FY 2015 General Fund appropriations of \$1,750,000.

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Chief Information Officer, Office of the</u>				
Chief Information Officer, Office of the				
Broadband Data Collection	\$ 0	\$ 0	\$ 250,000	\$ 250,000
Office of Chief Information Officer	0	2,000,000	1,500,000	1,500,000
Total Chief Information Officer, Office of the	\$ 0	\$ 2,000,000	\$ 1,750,000	\$ 1,750,000

Governor’s Recommendations – Significant Changes

Office of Chief Information Officer	
An appropriation for information technology (IT) related projects and activities by the Office for financial tracking and monitoring State information technology expenditures, assessing the current skills and readiness of the State’s information technology workforce, creating enterprise strategic and project management functions, completing a full inventory of information technology devices used by State agencies, and creating processes to evaluate existing IT services and efficiencies.	\$ 1,500,000
Broadband Data Collection	
An appropriation to collect and analyze data on the availability, implementation, and affordability of broadband access across State government and the private sector. New responsibilities are proposed for OCIO to collect data and develop metrics and standards to measure and evaluate broadband infrastructure installation and development in unserved and underserved areas.	250,000

Issues

Office Structure – The Office of the Chief Information Officer (OCIO) is separate but attached to the Department of Administrative Services for accounting and fiscal services and has oversight responsibilities for the State’s information technology, much of which resides within the DAS Information Technology Enterprise. The Subcommittee may want to inquire as to the Office’s relationships with DAS and the Department of Management and how the Office will be structured in future years, the OCIO’s responsibilities for and authority over the State’s information technology operations, and future plans and changes to the State’s information technology functions.

Information Technology Consolidation – Computer infrastructure is being consolidated with the goal of improving efficiency and effectiveness. The Subcommittee may want to inquire about the progress of the consolidation, the effect on departments, and the estimated cost savings.

DEPARTMENT OF COMMERCE

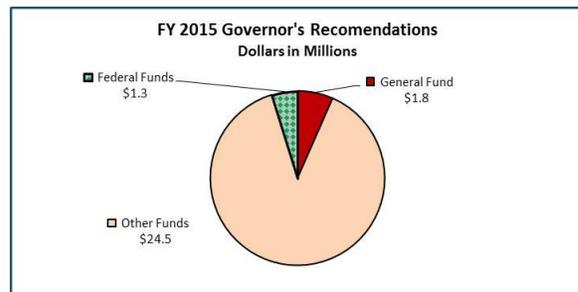
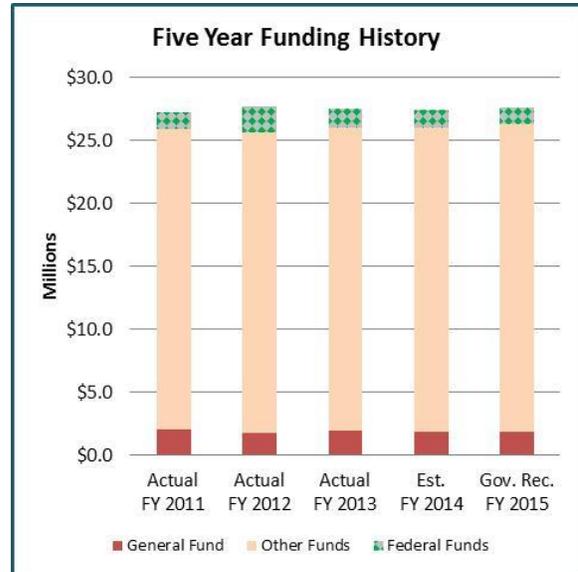
Overview and Funding History

Agency Overview: The [Department of Commerce](#) is comprised of five divisions – the Alcoholic Beverages Division, the Division of Banking, the Credit Union Division, the Insurance Division, and the Utilities Board. The Professional Licensing and Regulation Bureau is attached to the Banking Division. Each division is responsible for regulation of an industry or group of industries. Each division’s budget is prepared independently and then combined with the other divisions’ budgets for submission to the Governor and General Assembly for consideration.

Funding History: The total funding for the Department of Commerce has been fairly stable with slow growth over the past five years. Prior to FY 2010, the Banking, Credit Union, Insurance, and Utilities Divisions were funded with General Fund appropriations. The divisions then billed their respective regulated companies for the costs of regulation, and that revenue was deposited into the State General Fund. The Commerce Revolving Fund was created by [HF 809](#) (FY 2010 Administration and Regulation Appropriations Act) during the 2009 Legislative Session and receives the fees, fines, and penalties charged by these four regulatory agencies. The Alcoholic Beverages Division and the Professional Licensing Bureau receive the General Fund appropriations.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$1,821,928. This is no change compared to estimated FY 2014. The Governor is recommending FY 2015 other fund appropriations totaling \$24,453,202. This is an increase of \$217,000 compared to estimated FY 2014.



FY 2014 Quick Facts – Commerce

296
Banks regulated by the Banking Div.

114
Credit unions regulated by the Credit Union Division

217 and 1,311
Domestic and non-domestic insurance companies regulated by the Insurance Division

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Commerce, Dept. of				
Alcoholic Beverages				
Alcoholic Beverages Operations	\$ 1,220,391	\$ 1,220,391	\$ 1,220,391	\$ 0
Professional Licensing and Reg.				
Professional Licensing Bureau	\$ 601,537	\$ 601,537	\$ 601,537	\$ 0
Total Commerce, Dept. of	\$ 1,821,928	\$ 1,821,928	\$ 1,821,928	\$ 0

Other Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Commerce, Dept. of				
Banking Division				
Banking Division - CMRF	\$ 9,167,235	\$ 9,167,235	\$ 9,317,235	\$ 150,000
Credit Union Division				
Credit Union Division - CMRF	\$ 1,794,256	\$ 1,794,256	\$ 1,794,256	\$ 0
Insurance Division				
Insurance Division - CMRF	\$ 5,032,989	\$ 5,099,989	\$ 5,099,989	\$ 67,000
Utilities Division				
Utilities Division - CMRF	\$ 8,179,405	\$ 8,179,405	\$ 8,179,405	\$ 0
Professional Licensing and Reg.				
Field Auditor - Housing Impr. Fund	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0
Total Commerce, Dept. of	\$ 24,236,202	\$ 24,303,202	\$ 24,453,202	\$ 217,000

Governor’s Recommendations – Significant Other Fund Changes

Department of Commerce – Banking Division	
An increase to adjust the bank examiner classification to make the salary competitive in the marketplace in order to attract new employees.	\$ 150,000

Department of Commerce – Insurance Division	
An increase to pay for increased rent costs for the Division’s move to the Two Ruan Building in the spring of 2013.	67,000

Issues

Insurance Exchange – Iowa opted to participate in the federal exchange. As the State’s insurance regulatory agency, the Insurance Division is the nexus for State involvement. The Subcommittee may want to be informed as to how the implementation of the Affordable Care Act is progressing and how Iowa is being affected.

Staff Turnover – The Banking, Credit Union, Insurance, and Utilities Divisions are experiencing difficulties retaining younger professional staff at the current pay levels. After gaining a few years of experience,

younger staff are being hired away by private sector firms offering higher salaries. The situation is aggravated by retirements of senior staff.

Alcoholic Beverages Regulation – Iowa’s alcoholic beverages industry operates under a three-tier system with the State as the sole spirits wholesaler. (See [Fiscal Topic: Alcoholic Beverage Control](#).) In FY 2013, the Division had revenues totaling \$295,642,107. After paying for product and operating expenses, \$119,515,636 was available for transfer. The State General Fund received \$96,675,184; the Department of Public Health received \$18,895,711 for substance abuse programs; \$3,656,050 was remitted to cities and counties for issuing licenses; and \$288,690 was transferred to the Economic Development Authority to promote the native wine and native beer industries. The Subcommittee may want to examine sales and profit trends and inquire about the growth in native wineries, microbreweries and local small-batch distilleries.

OFFICE OF GOVERNOR AND LIEUTENANT GOVERNOR

Overview and Funding History

Agency Overview: The position of [State Governor](#) was created in 1857 by [Article IV, Section 1](#), of the Iowa Constitution. The Governor is elected by a statewide popular vote and serves a four-year term. The duties and responsibilities of the Office are specified in Iowa Code chapter [7](#). The Governor’s Office is responsible for managing the Executive Branch and implementing policies and programs in accordance with State law.

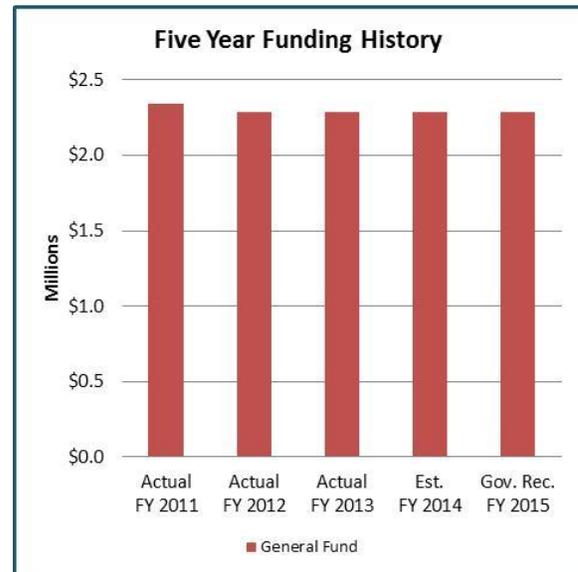
The functions funded by the Terrace Hill Quarters appropriation consist of the following:

- Staffing and expenses of the overall operation of the Terrace Hill National Historic Landmark and Iowa Governor’s Residence.
- Daily food preparation and housekeeping services for the Governor and the Governor’s family.
- Maintenance of the grounds by the Department of Administrative Services.

Funding History: The Governor’s Office receives an annual appropriation from the General Fund for the majority of the operational cost of the Office. The FY 2012 decrease is related to a general reduction of \$46,907 for all appropriations to the Governor’s Office.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$2,289,566 for the Office of the Governor. This is no change compared to estimated FY 2014.



General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Governor				
Governor's Office				
Governor/Lt. Governor's Office	\$ 2,196,455	\$ 2,196,455	\$ 2,196,455	\$ 0
Terrace Hill Quarters	93,111	93,111	93,111	0
Total Governor	\$ 2,289,566	\$ 2,289,566	\$ 2,289,566	\$ 0

GOVERNOR'S OFFICE OF DRUG CONTROL POLICY

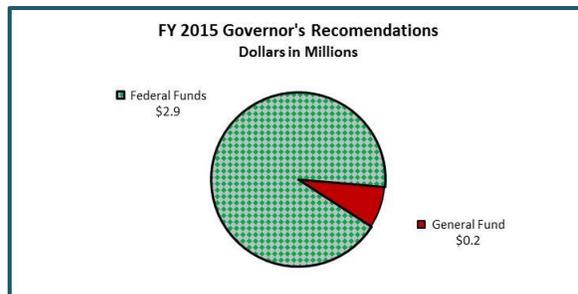
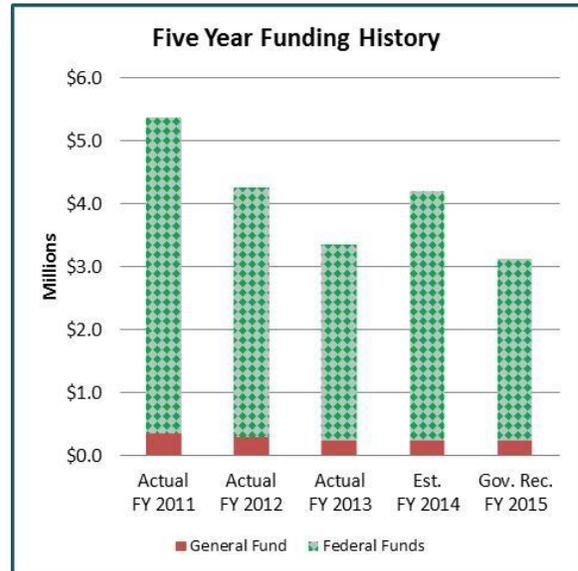
Overview and Funding History

Agency Overview: The [Governor's Office of Drug Control Policy \(ODCP\)](#) coordinates agencies and stakeholders involved with drug enforcement and substance abuse treatment and prevention. The ODCP creates the drug control policy and strategy for the State and identifies, pursues, and administers federal and other grants.

Funding History: The General Fund appropriations support administrative activities by the Office. The decline in total funding is due to the decrease in federal support for grant programs. The General Fund decrease in FY 2013 comes from downsizing the Office and collocating with the Department of Public Safety.

Governor's Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$241,134. This is no change compared to estimated FY 2014.



General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Governor's Office of Drug Control Policy</u>				
Office of Drug Control Policy				
Drug Policy Coordinator	\$ 241,134	\$ 241,134	\$ 241,134	\$ 0
Total Governor's Office of Drug Control Policy	\$ 241,134	\$ 241,134	\$ 241,134	\$ 0

Issues

Federal Grants – The Office administers a variety of federal grants that are passed through to other agencies and programs. The Office has an operating budget of \$616,837 for FY 2014 including \$241,134 from General Fund appropriations. The Subcommittee may want to inquire about changes in federal funding and potential impacts of the Office’s operations and on the funding it distributes.

Quick Facts – Governor’s Office of Drug Control Policy

981

Number of FY 2013 new drug-related prison admissions

6,545

Number of FY 2013 adult meth treatment admissions

52

Number of FY 2012 overdose deaths from prescription pain relievers (opioids)

DEPARTMENT OF HUMAN RIGHTS

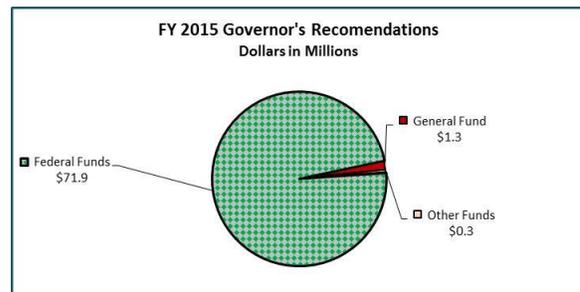
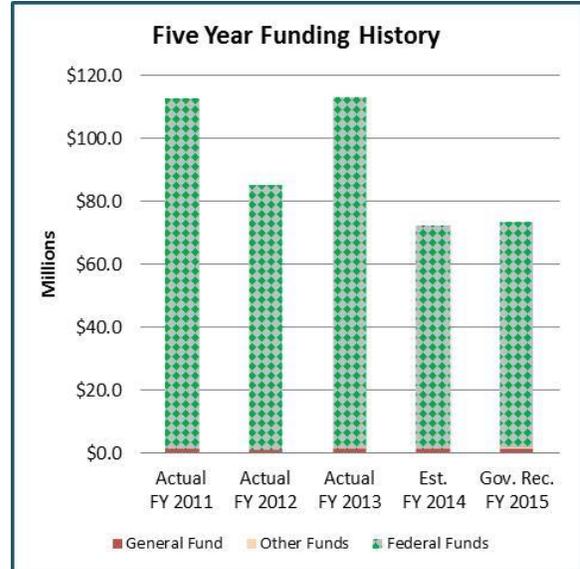
Overview and Funding History

Agency Overview: The [Iowa Department of Human Rights \(DHR\)](#) is comprised of three divisions: Human Rights Administration, Community Advocacy and Services, and Criminal and Juvenile Justice. The Community Advocacy and Services Division is comprised of seven offices that promote self-sufficiency of their respective constituency populations by providing training, developing partnerships, and advocating on their behalf. The seven offices are the Offices of Asian and Pacific Islanders, Deaf Services, Latino Affairs, Native Americans, Persons with Disabilities, African Americans, and the Status of Women.

Funding History: Over the past five years, the General Fund appropriations to DHR have decreased. The bulk of the Department’s funding comes from federal programs and grants. The weatherization and energy assistance programs have accounted for much of the decrease in federal funds.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$1,326,261. This is an increase of \$74,000 compared to estimated FY 2014.



FY 2013 Quick Facts – Human Rights

1,549,390
Women in Iowa population

227,489
Racial minority population in Iowa

162,932
Latino population in Iowa

From 2012 U.S. Census estimates

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Human Rights, Dept. of				
Human Rights, Department of				
Human Rights Administration	\$ 224,184	\$ 224,184	\$ 240,184	\$ 16,000
Community Advocacy and Services	<u>1,028,077</u>	<u>1,028,077</u>	<u>1,086,077</u>	<u>58,000</u>
Total Human Rights, Dept. of	<u>\$ 1,252,261</u>	<u>\$ 1,252,261</u>	<u>\$ 1,326,261</u>	<u>\$ 74,000</u>

Governor’s Recommendations – Significant Changes

Human Rights Administration	
An increase to pay for increased overhead costs and to avoid staff layoffs.	\$ 16,000
Community Advocacy and Services	
An increase to pay for increased overhead costs and to avoid staff layoffs for the Community Advocacy and Services Division.	\$ 58,000

Issues

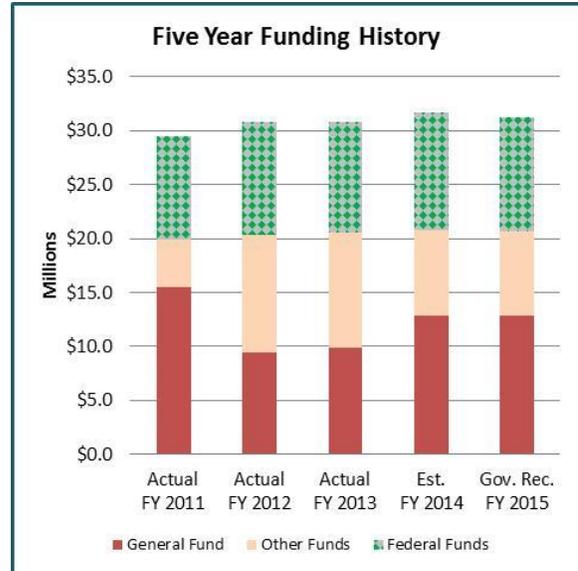
Program Funding – Federal funding has decreased over the past several years. Funding for Low Income Home Energy Assistance Program (LIHEAP) decreased from \$71.5 million in FFY 2011 to \$51.3 million in FFY 2013; the Weatherization Assistance Program received \$3.8 million in FFY 2011 and FFY 2013 but no funding in FFY 2012; Community Services Block Grant (CSBG) decreased from \$7.3 million in FFY 2011 to \$6.8 million in FFY 2013. The FFY 2014 funding for these three programs is subject to sequestration, but Congress is currently negotiating and will determine if the programs will be exempt from sequestration.

Individual Development Accounts (IDA’s) – The Program was established in 2009 to encourage low-income, working lowans to establish savings accounts for long-term asset development and increasing family self-sufficiency. Participants can qualify for up to \$2,000 in State matching funds for savings to pay for higher education, job training, purchase of a home, starting a small business, emergency medical costs, an automobile, or assistive technology for a family member with a disability. The Program received a \$150,000 State appropriation in FY 2008, \$250,000 in FY 2009, and \$100,000 in FY 2013. In addition to State appropriations, funding comes from federal sources and private donations. Through December 20, 2013, 249 awards have been made for 68 homes (43 with State funds), 71 for education (22 with State funds), 43 for vehicles (21 with State funds), 55 for small business startups (12 with State funds), 5 for assistive technology (4 with State funds), and 5 for disaster victims (all State funds). At this time, \$117,450 remains unobligated that would fund approximately 50 awards. The Subcommittee may want an update on the Program.

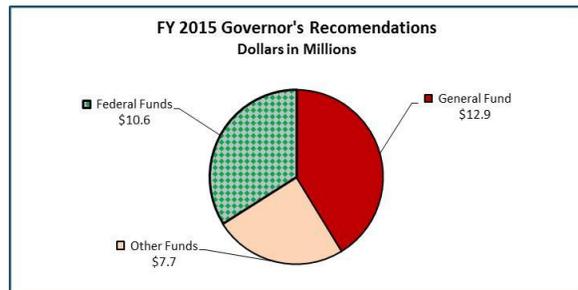
DEPARTMENT OF INSPECTIONS AND APPEALS

Overview and Funding History

Agency Overview: The [Department of Inspections and Appeals \(DIA\)](#) is a regulatory agency charged with protecting the health, safety, and well-being of Iowans. The DIA consists of four major divisions: the Administration Division, the Administrative Hearings Division, the Health Facilities Division, and the Investigations Division. The Food and Consumer Safety Bureau, Social and Charitable Gambling Unit, and Targeted Small Business (TSB) Certification Program are located in the Administration Division. The DIA also includes five administrative units: the Child Advocacy Board, the Employment Appeal Board, the Hospital Licensing Board, the Iowa Racing and Gaming Commission, and the State Public Defender. The State Public Defender is funded through the Justice System Appropriation Subcommittee and is not discussed here.



Funding History: Much of the initial increase in funding came from increased federal funding. In FY 2012, funding for regulation by the Racing and Gaming Commission was shifted from the General Fund to the newly created Gaming Regulatory Revolving Fund, producing the \$5,589,540 shift. The Revolving Fund received fees from the gaming industry that had previously been deposited in the State General Fund. In FY 2014, \$3,000,000 in operational funding was shifted from the Medicaid Fraud Fund to the General Fund.



Governor's Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$12,891,142. This is no change compared to estimated FY 2014. The Governor is recommending FY 2015 other fund appropriations totaling \$7,738,108. This is a decrease of \$131,500 compared to estimated FY 2014.

FY 2013 Quick Facts – DIA

11,642
Inspections by the Food and Consumer Safety Bureau

13,636
Contested cases heard by Administrative Hearings Division

400 and 2,064
Nursing homes inspected and complaints investigated by Health Facilities Division

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Inspections & Appeals, Dept. of				
Inspections and Appeals, Dept. of				
Administration Division	\$ 545,242	\$ 545,242	\$ 545,242	\$ 0
Administrative Hearings Division	678,942	678,942	678,942	0
Investigations Division	2,573,089	2,573,089	2,573,089	0
Health Facilities Division	5,092,033	5,092,033	5,092,033	0
Employment Appeal Board	42,215	42,215	42,215	0
Child Advocacy Board	2,680,290	2,680,290	2,680,290	0
Food and Consumer Safety	1,279,331	1,279,331	1,279,331	0
Total Inspections & Appeals, Dept. of	\$ 12,891,142	\$ 12,891,142	\$ 12,891,142	\$ 0

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Inspections & Appeals, Dept. of				
Inspections and Appeals, Dept. of				
DIA - RUTF	\$ 1,623,897	\$ 1,623,897	\$ 1,623,897	\$ 0
Medicaid Fraud Annual Conference	6,500	0	0	-6,500
Total Inspections and Appeals, Dept. of	\$ 1,630,397	\$ 1,623,897	\$ 1,623,897	\$ -6,500
Racing Commission				
Pari-Mutuel Regulation Fund	\$ 3,068,492	\$ 3,068,492	\$ 3,068,492	\$ 0
Riverboat Regulation Fund	3,045,719	3,045,719	3,045,719	0
Socioeconomic Gambling Study	125,000	0	0	-125,000
Total Racing Commission	\$ 6,239,211	\$ 6,114,211	\$ 6,114,211	\$ -125,000
Total Inspections & Appeals, Dept. of	\$ 7,869,608	\$ 7,738,108	\$ 7,738,108	\$ -131,500

Governor's Recommendations – Significant Other Fund Changes

Department of Inspections and Appeals		
A decrease for one-time funding from the Medicaid Fraud Fund for staff to attend the Medicaid Fraud Annual Conference.	\$	-6,500
Racing and Gaming Commission		
A decrease for one-time funding to conduct a one-year socioeconomic study in FY 2014. The Racing and Gaming Commission is required to do the study every eight years by Iowa Code section 99F.4(24) .		-125,000

Issues

Food Inspections – The Department has implemented new administrative rules requiring restaurants, grocery stores, and other food establishments to have a certified food protection manager to oversee the safe handling, preparation, and service of food items. Also, local county inspectors have been relinquishing inspections to the DIA. The Subcommittee may want to ask DIA to discuss these issues and identify upcoming trends.

DEPARTMENT OF MANAGEMENT

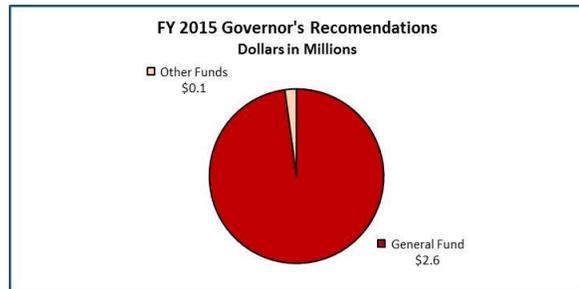
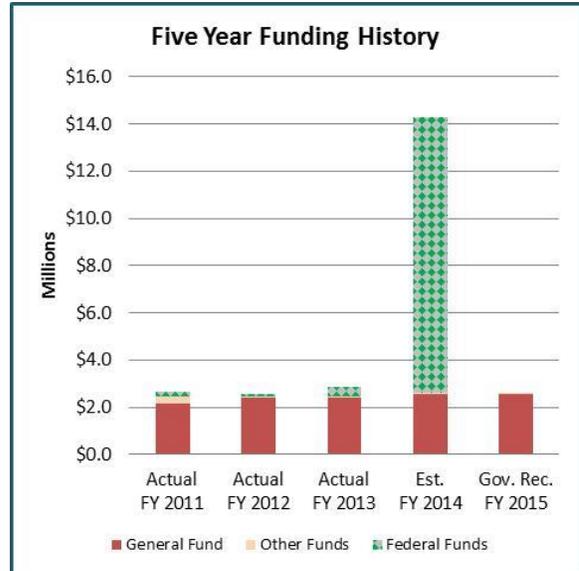
Overview and Funding History

Agency Overview: The [Department of Management \(DOM\)](#) is the planning and budgeting agency within the Executive Branch. The director of the DOM serves as the Governor’s chief financial advisor.

Funding History: The Department’s funding comes primarily from the State General Fund, and a small amount (\$56,000) comes from the Road Use Tax Fund (RUTF). Funding for the DOM has shown little change since FY 2011 except for the new FY 2014 federal funding of \$11,672,864 that will be passed through to the Children’s Health Insurance Program (CHIP) in the Department of Human Services.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$2,550,220. This is no change compared to estimated FY 2014. The Governor is recommending FY 2015 other fund appropriations totaling \$56,000. This is no change compared to estimated FY 2014.



FY 2013 Quick Facts – Management

53,405
Full-Time-Equivalent State employees

\$6,431,618,607
Total State General Fund expenditures

\$4,754,065,387
Total Iowa property tax levies

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Management, Dept. of				
Management, Dept. of Department Operations	\$ 2,550,220	\$ 2,550,220	\$ 2,550,220	\$ 0
Total Management, Dept. of	\$ 2,550,220	\$ 2,550,220	\$ 2,550,220	\$ 0

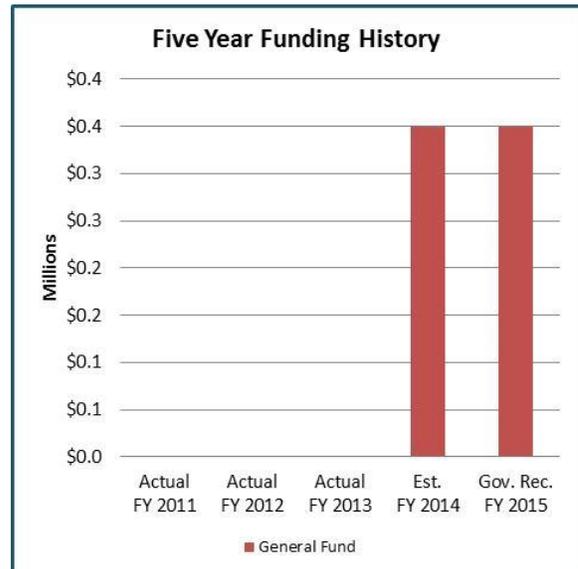
Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Management, Dept. of				
Management, Dept. of DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0
Total Management, Dept. of	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0

IOWA PUBLIC INFORMATION BOARD

Overview and Funding History

Agency Overview: The [Iowa Public Information Board](#) was created by [SF 430 \(Public Information Board Act\)](#) during the 2012 Legislative Session to provide an alternative for complaint proceedings regarding open meetings and public record laws. The Board consists of nine members appointed by the Governor and confirmed by the Senate. Prior to establishment of the Board, complaints relating to the open meetings and public records laws were handled by different agencies in the State. The Office of Citizens’ Aide/Ombudsman handled many of these cases. In addition, some cases were handled by the Attorney General’s Office, as well as internally by local entities. Board appointments were made, and the Board began meeting in July 2012 to organize, develop administrative rules, and identify staffing needs and budget requirements. The Board received a General Fund appropriation and became operational in July 2013.



Funding History: The Board’s funding comes from the State General Fund. The first appropriation was in FY 2014.

Governor’s Recommendations

FY 2015: The Governor is recommending an FY 2015 General Fund appropriation of \$350,000 for the Board. This is no change compared to estimated FY 2014.

FY 2014 Quick Facts – Public Information Board

36

Formal complaints

4

Formal opinions and declaratory orders

161

Informal complaints, informal requests, and other requests

For period 7/01/2013 to 11/20/2013

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Public Information Board</u>				
Public Information Board				
Iowa Public Information Board	\$ 350,000	\$ 350,000	\$ 350,000	\$ 0
Total Public Information Board	\$ 350,000	\$ 350,000	\$ 350,000	\$ 0

Issues

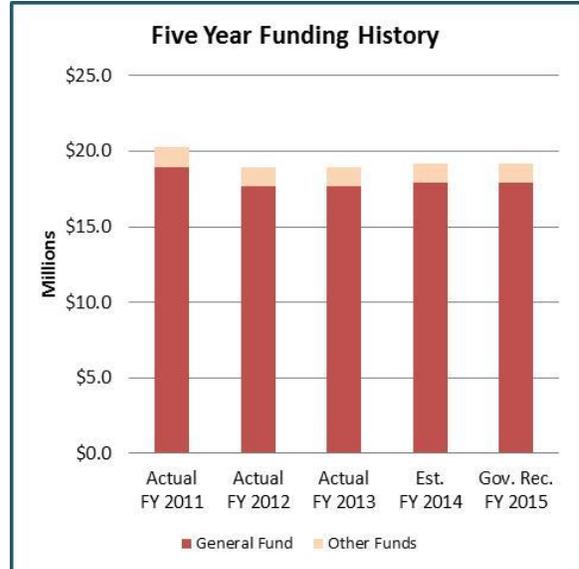
Organization and Progress – The Iowa Public Information Board (IPIB) became operational at the beginning of FY 2014. The Subcommittee may want to review the staffing adequacy and identify statutory changes needed to facilitate operations.

DEPARTMENT OF REVENUE

Overview and Funding History

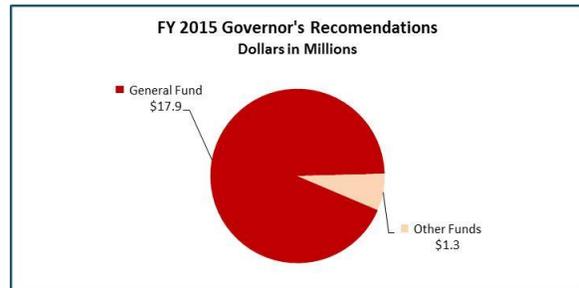
Agency Overview: The [Department of Revenue \(DR\)](#) is comprised of five divisions, including: Tax Management, Property Tax, Internal Services, Technology and Information Management, and Tax Policy and Communications. The Department of Revenue collects all taxes in Iowa that are required by law. The Department also provides taxpayers with information that supports tax filing and payments.

Funding History: The Department receives \$1,305,775 from the Motor Vehicle Fuel Tax Fund for administration, and the remaining appropriations come from the General Fund. The General Fund appropriation decrease in FY 2012 was primarily the result of the State Employee Retirement Incentive Program (SERIP) in FY 2011.



Governor’s Recommendations

FY 2015: The Governor is recommending an FY 2015 General Fund appropriation of \$17,880,839. This is no change compared to estimated FY 2014.



FY 2012 Quick Facts – Revenue

\$3,111,102,028
Net Individual Income Tax

\$387,846,851
Net Corporate Income Tax

\$2,820,242,793
Net Sales and Use Tax

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Revenue, Dept. of				
Revenue, Dept. of Revenue, Department of	\$ 17,880,839	\$ 17,880,839	\$ 17,880,839	\$ 0
Total Revenue, Dept. of	\$ 17,880,839	\$ 17,880,839	\$ 17,880,839	\$ 0

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Revenue, Dept. of				
Revenue, Dept. of Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0
Total Revenue, Dept. of	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0

Issues

Tax Management Division Consolidation – At the beginning of FY 2014, the Department restructured their tax functions into one division with three sections: Receipts, Enforcement and Collections. The Subcommittee may want to inquire into the efficiency gains.

Taxpayer Education and Compliance – The Department addresses taxpayer compliance through education and outreach. The Subcommittee may want to inquire into the effectiveness and gains in compliance.

Upgrade of Computer Systems – The Department continues to work toward short-term stabilization projects and long-term development of a fully integrated tax system. The Department has participated in the Department of Administrative Services – Information Technology Enterprise’s (DAS/ITE) technology consolidation and has received assistance with technology project prioritization and resource planning. The Department, with help from DAS/ITE, is completing the replacement of the system at greatest risk for failure. The system processes checks and cash, deposits the money in the bank, and balances the bank deposit with the I/3 system and the tax return. The hardware and software for this system was approximately 15 years old and antiquated. Beginning January 14, 2014, the Department will switch to a virtual check processing function that is compliant with federal Check 21 requirements. Checks will be imaged and a digital facsimile will be sent to the bank for deposit. The paper checks will remain at the Department and eventually be destroyed. The imaging function will capture all relevant data and provide for reconciliation and an audit trail. The Subcommittee may be interested in the Department’s current technology situation and plans for future improvements.

SECRETARY OF STATE

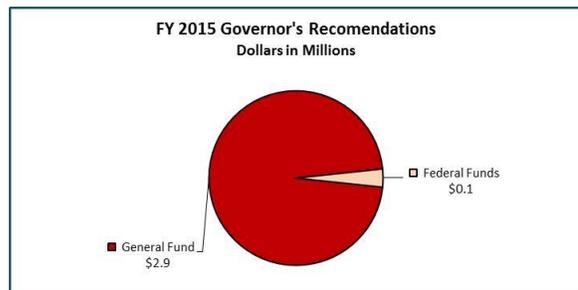
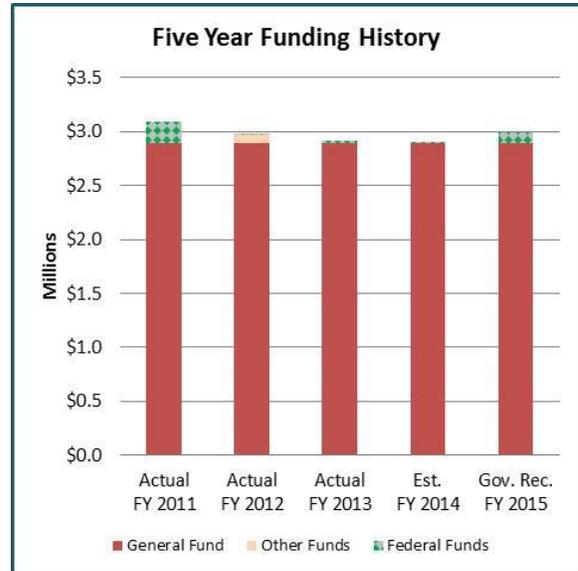
Overview and Funding History

Agency Overview: The Office of [Secretary of State](#) was created in 1857 in [Article IV, Section 22](#), of the Iowa Constitution. The duties of the Office are spelled out in Iowa Code chapter [9](#). The mission of the Office of the Secretary of State is to provide access to information about businesses in Iowa conveniently and economically, ensure election integrity and access to voting for Iowa citizens, and encourage Iowans to become civically engaged. The Secretary of State is responsible for receiving documents such as Uniform Commercial Code financing statements, trademarks, business entity documents, and other statutorily required special filings. The Office also coordinates and supervises elections and maintains and operates the Voter Registration Program.

Funding History: The Secretary of State receives an annual appropriation from the General Fund for the majority of the operational cost of the Office.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$2,896,699. This represents no change compared to estimated FY 2014.



FY 2013 Quick Facts – Secretary of State

2,144,612
Registered Iowa voters in the 2012 General Election

1,572,198
Total Iowa votes cast in the 2012 General Election

679,118

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Secretary of State				
Secretary of State				
Secretary of State - Operations	\$ 2,896,699	\$ 3,036,699	\$ 2,896,699	\$ 0
Total Secretary of State	\$ 2,896,699	\$ 3,036,699	\$ 2,896,699	\$ 0

Issues

Voter Registration – The Subcommittee may want to examine the efforts of the Secretary of State as they relate to voter registration.

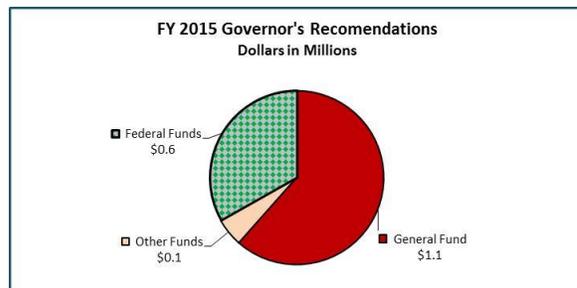
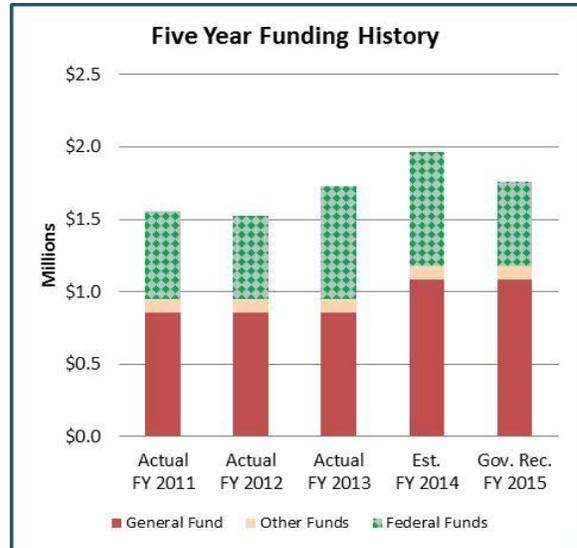
Residential Construction Mechanics Liens – [House File 675](#) (Mechanics Liens), enacted during the 2011 Legislative Session, relates to mechanics liens and the establishment of a State Construction Registry (SCR) for residential construction property and the State Construction Registry Fund. The Subcommittee may want to examine the status of the implementation of HF 675.

TREASURER OF STATE

Overview and Funding History

Agency Overview: The position of [Treasurer of State](#) was created in 1857 by [Article IV, Section 22](#), of the Iowa Constitution. The Treasurer is elected by a statewide popular vote and serves a four-year term. The duties and responsibilities of the Office are specified in Iowa Code chapter [12](#). The Treasurer of State provides financial services to the State of Iowa by maintaining records of the receipts and disbursements in the State treasury. The Treasurer is responsible for reporting the bonding activities of all political subdivisions and agencies and makes recommendations to the General Assembly and the Governor on modifications to the bonding authority.

Funding History: The Treasurer of State’s Office receives an annual appropriation from the General Fund to fund the majority of the operational cost of the Office related to State finance and accounting activities. In addition to the General Fund appropriation, the Treasurer’s Office receives an annual appropriation from the Road Use Tax Fund that is used to reimburse the Department of Administrative Services for providing information technology services related to the administration of



the Road Use Tax Fund. The Office also receives operating revenues through reimbursements from other funding sources for providing staff support for various programs including: Unclaimed Property, Iowa Educational Savings Plan Trust, Protection of Public Fund Deposits, IPERS Fund, Peace Officers Retirement System, Judicial Retirement System, Tobacco Settlement Authority, and Cash Management. The Office received an FY 2014 General Fund appropriation increase of \$230,103 due to an 1/3 distribution.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations of \$1,084,392. This represents no change compared to estimated FY 2014.

The Governor is also recommending a Road Use Tax Fund appropriation of \$93,148 for FY 2015 to fund a portion of 1/3 budget system expenses. This represents no change compared to estimated FY 2014.

FY 2012 Quick Facts – Treasurer of State	
\$1,149,831,330	June 30, 2012, General Fund Cash Balance
\$11,059,182,712	Fiscal Year 2012 General Fund Receipts
\$10,090,004,773	Fiscal Year 2012 General Fund Disbursements

General Fund Recommendations

	<u>Estimated FY 2014</u> (1)	<u>Dept Request FY 2015</u> (2)	<u>Gov Rec FY 2015</u> (3)	<u>Gov Rec vs Est FY 2014</u> (4)
Treasurer of State				
Treasurer of State				
Treasurer - General Office	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0
Total Treasurer of State	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0

Other Fund Recommendations

	<u>Estimated FY 2014</u> (1)	<u>Dept Request FY 2015</u> (2)	<u>Gov Rec FY 2015</u> (3)	<u>Gov Rec vs Est FY 2014</u> (4)
Treasurer of State				
Treasurer of State				
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0
Total Treasurer of State	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0

IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM

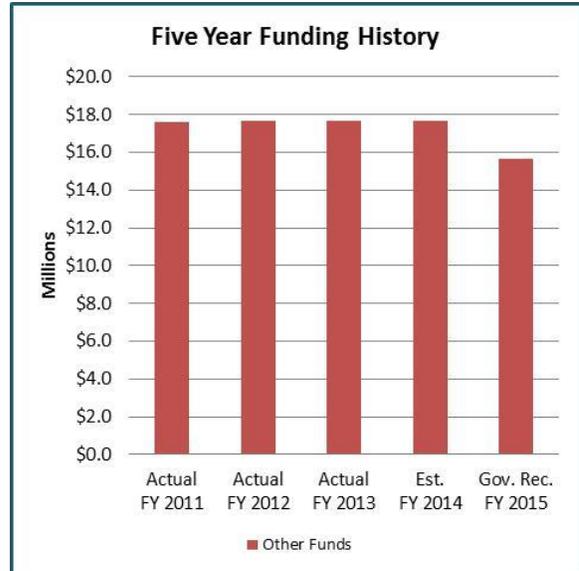
Overview and Funding History

Agency Overview: The [Iowa Public Employees' Retirement System \(IPERS\)](#) administers the retirement benefits for many of Iowa's public employees. Iowa's public employers use IPERS benefits to attract and retain qualified public personnel in public service. The benefits help public employees care for themselves during retirement.

Funding History: Funding for IPERS comes from the IPERS' Trust Fund and has been stable in recent years.

Governor's Recommendations

FY 2015: The Governor is recommending an appropriation of \$15,686,968 from the IPERS Trust Fund for the administration of the Fund. This is a decrease of \$2,000,000 compared to estimated FY 2014 due to completion of the implementation of the I-Que computer system.



FY 2013 Quick Facts – IPERS

94,893
Number of retired IPERS members

165,095
Number of active IPERS members

\$24,878,706,029
Total net assets

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>IPERS Administration</u>				
IPERS Administration	\$ 17,686,968	\$ 15,686,968	\$ 15,686,968	\$ -2,000,000
Total IPERS Administration	\$ 17,686,968	\$ 15,686,968	\$ 15,686,968	\$ -2,000,000

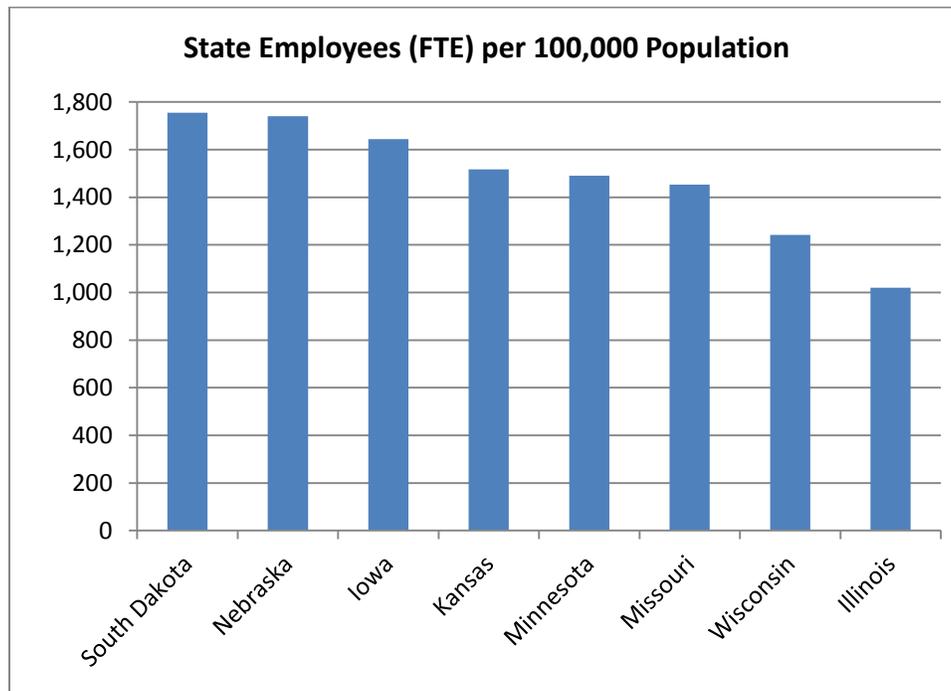
Governor's Recommendations – Significant Changes

Iowa Public Employees Retirement System	
A decrease due to completion of the implementation of the I-Que computer system.	\$ -2,000,000

Comparison to Other States

Full-Time-Equivalent (FTE) State Government Employees

The [Book of the States](#) reports the number of full-time-equivalent (FTE) state government employees for all states. The following chart shows the number of FY 2011 employee FTEs per 100,000 state residents based on the 2011 Census estimate. Using the number of FTEs per 100,000 population creates a ratio that can be used to compare different states. Compared to the surrounding states, South Dakota has the most state employees relative to the population served, and Illinois has the fewest. Iowa ranks third.



LSA Publications

The following *Issue Reviews*, *Fiscal Topics*, and *Fiscal One-On-One Audios* have been issued by the LSA that relate to the Administration and Regulation Appropriations Subcommittee:

- *Issue Review:*
[Contracting for Services by State Agencies](#)
- *Budget Unit Fiscal Topics:*
[Budget Unit: Banking Division - Department of Commerce](#)
[Budget Unit: Credit Union Division - Department of Commerce](#)
[Budget Unit: Department of Administrative Services - Terrace Hill Operations](#)
[Budget Unit: Department of Administrative Services - Utilities](#)
[Budget Unit: Executive Council - Court Costs](#)
[Budget Unit: Governor's Office of Drug Control Policy](#)
[Budget Unit: Insurance Division - Department of Commerce](#)
[Budget Unit: Iowa Public Information Board](#)

[Budget Unit: Iowa Utilities Board](#)

[Budget Unit: Professional Licensing Bureau](#)

[Budget Unit: Regional Telecommunications Councils](#)

[Budget Unit: Health Care Trust Fund](#)

[Budget Unit: Workers' Compensation Second Injury Fund](#)

[Budget Unit: Unclaimed Property](#)

[Budget Unit: Pooled Money Investment Account](#)

[Budget Unit: Pooled Local Government Electronic Transaction Fund](#)

[Budget Unit: Local Government Electronic Transaction Fund](#)

[Budget Unit: Henry Albert Trust Fund](#)

[Budget Unit: Health Insurance Premium Reserve Fund](#)

[Budget Unit: County Fair Improvements](#)

- *Fiscal Topics:*

- [Alcoholic Beverage Control](#)

- *Fiscal One-On-One Audio Interviews:*

- [Iowa Ethics and Campaign Finance Board](#) (link opens the mp3 file)

The following reports of general interest have been issued by the LSA:

- *Fiscal One-On-One Audio Interviews:*

- [State Budget Process](#)

- [Legislative Bill Drafting](#)

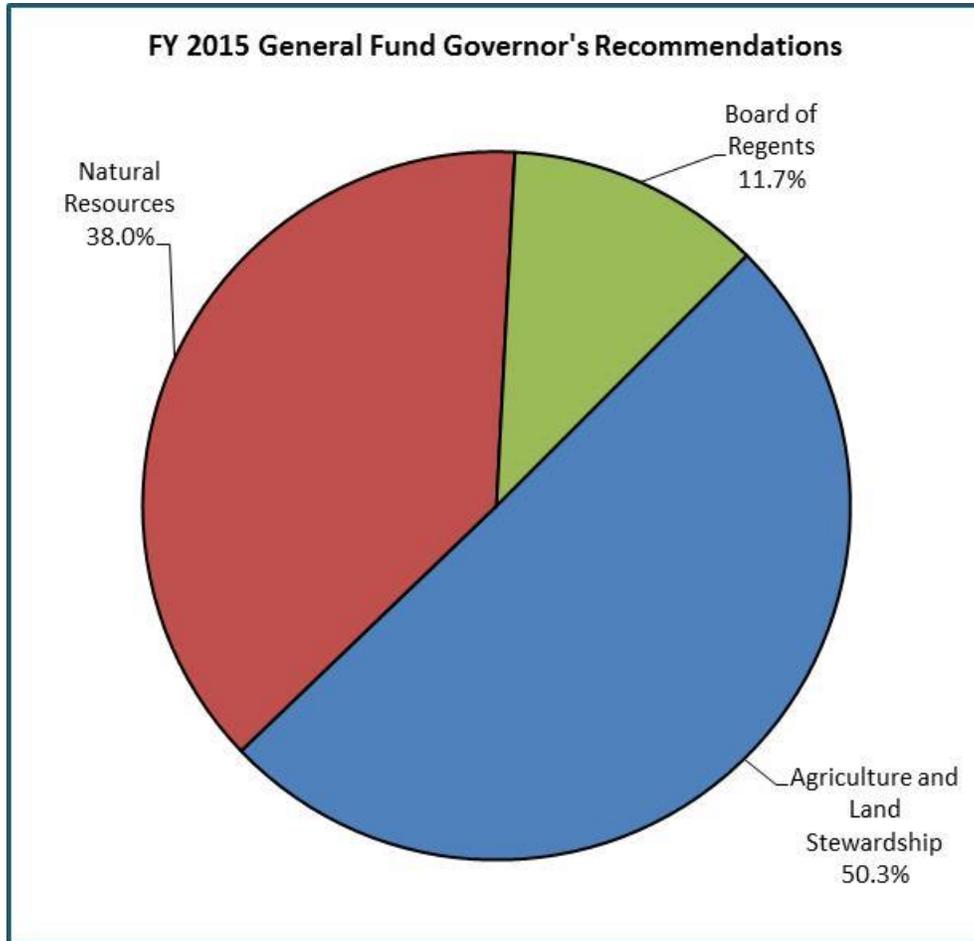
- [Revenue Estimating Conference \(REC\)](#)

- *Issue Reviews:*

- [Trends in General Fund Appropriations](#)

- [Iowa's Expenditure Limitation Process](#)

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Ron Robinson (515-281-6256) ron.robinson@legis.iowa.gov



Agriculture and Land Stewardship	\$	22,699,688
Natural Resources		17,134,307
Board of Regents		5,262,636
Total	\$	45,096,631

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

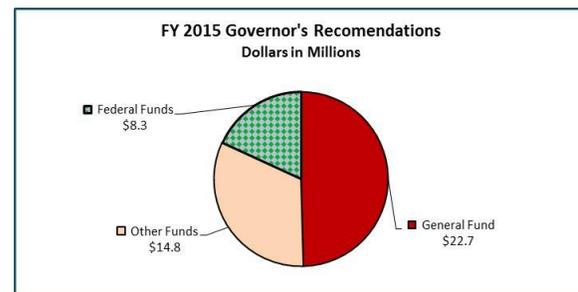
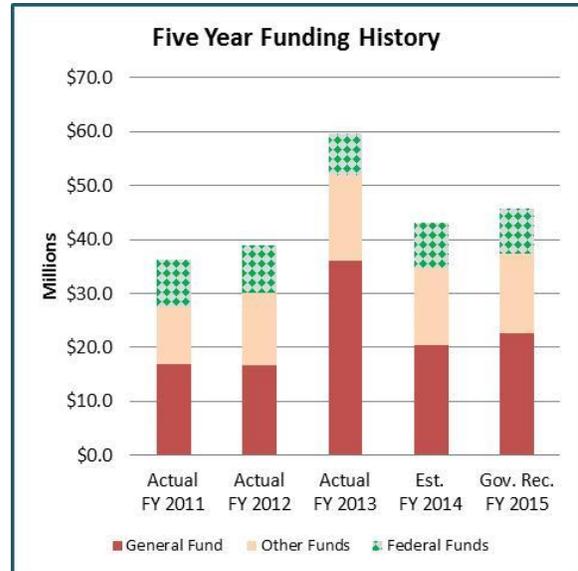
Overview and Funding History

Agency Overview: The [Department of Agriculture and Land Stewardship \(DALs\)](#) was created in 1923 to oversee agriculture in the State. Land stewardship functions were added in 1986. The Department has three operating divisions: the Consumer Protection and Industry Services Division, the Food Safety and Animal Health Division, and the Soil Conservation Division.

Funding History: Funding for the DALs from the General Fund has gradually increased from FY 2011 to FY 2012. Beginning in FY 2012, funding for the Milk Inspection Program was moved from the Department of Public Health to the DALs. In FY 2013, the Department received a \$20,000,000 supplemental General Fund appropriation for the Water Quality Initiative (WQI) Program and \$1,620,000 for the Agriculture Drainage Well Program. Other funding to the DALs has increased since FY 2011.

Governor’s Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$22,699,688. This is an increase of \$2,200,000 compared to estimated FY 2014 for the WQI Program and for the Silos and Smokestacks Natural Heritage Area. The Governor is also recommending other fund appropriations totaling \$14,780,516 for FY 2015. This is an increase of \$475,000 compared to estimated FY 2014. Changes include an increase of \$550,000 for the Agriculture Drainage Well Program and a decrease of \$75,000 for the Loess Hills Conservation Authority.



FY 2012 Quick Facts

92,200
Number of farms in Iowa

\$8,400
Average Iowa farm real estate price per acre

333 acres
Average farm size

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Administrative Division	\$ 17,605,492	\$ 18,311,113	\$ 17,605,492	\$ 0
Milk Inspections	189,196	189,196	189,196	0
Farmers with Disabilities	130,000	130,000	130,000	0
Local Food and Farm	75,000	75,000	75,000	0
Agricultural Education	25,000	25,000	25,000	0
Water Quality Initiative	2,400,000	6,650,000	4,400,000	2,000,000
GF-Ag Drainage Wells	0	1,200,000	0	0
Silos And Smokestacks	0	0	200,000	200,000
Total Agriculture and Land Stewardship	\$ 20,424,688	\$ 26,580,309	\$ 22,624,688	\$ 2,200,000
Loess Hills Dev. and Conservation				
Loess Hills Dev/Cons Auth FY02	\$ 75,000	\$ 75,000	\$ 75,000	\$ 0
Total Agriculture and Land Stewardship	\$ 20,499,688	\$ 26,655,309	\$ 22,699,688	\$ 2,200,000

Governor’s Recommendations – Significant Changes

Water Quality Initiative: An increase for the Water Quality Initiative (WQI).	\$2,000,000
Silos and Smokestacks: A new appropriation for the Silos and Smokestacks National Heritage Area.	\$200,000

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Native Horse & Dog Prog-Unclaimed Winnings	\$ 305,516	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection - RFIF	500,000	500,000	500,000	0
Conservation Reserve Enhance - EFF	1,000,000	1,000,000	1,000,000	0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0
Agricultural Drainage Wells - EFF	0	0	550,000	550,000
Soil & Water Conservation - EFF	2,550,000	2,550,000	2,550,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0
Cost Share - EFF	6,650,000	6,650,000	6,650,000	0
Fuel Inspection - UST	250,000	250,000	250,000	0
Urban Conservation - EFF	0	1,000,000	0	0
Total Agriculture and Land Stewardship	\$ 13,780,516	\$ 14,780,516	\$ 14,330,516	\$ 550,000
Loess Hills Dev. and Conservation				
Loess Hills - EFF	\$ 525,000	\$ 525,000	\$ 450,000	\$ -75,000
Total Agriculture and Land Stewardship	\$ 14,305,516	\$ 15,305,516	\$ 14,780,516	\$ 475,000

Governor’s Recommendations – Significant Changes

Agricultural Drainage Wells: An increase from the Environment First Fund (EFF)	\$550,000
Loess Hills Development & Conservation: A decrease from the EFF.	-\$75,000

Issues

Water Quality Initiative – [House File 648](#) (FY 2014 Bond Repayment and Supplemental Appropriations Act) provided FY 2013 supplemental General Fund appropriations totaling \$20,000,000 for the WQI administered by the DALs. Of that amount, \$10,000,000 was for water quality projects, \$7,000,000 was for additional funding to the Soil Conservation Cost Share Program, and \$3,000,000 was for the Watershed Improvement Review Board (WIRB). The following is a summary of the funding as of December 6, 2013:

Water Quality Projects – \$10,000,000. The following is a breakdown of expenditures of the \$10,000,000 for water quality projects:

- Statewide practices – \$3,000,000. A total of \$2,800,000 was allocated across the State for four different conservation practices. Funding was available to landowners to encourage them to try a new conservation practice. Landowners could receive cost-share funding for up to 160 acres. The following is a list of the four practices and the number of acres covered:
 - 109,415 acres in cover crops at a rate of \$25 per acre
 - 2,675 acres using no-till and 1,268 acres using strip-till at a rate of \$10 per acre
 - 7,321 acres using nitrapyrin nitrification inhibitor at a rate of \$3 per acre
- Targeted watersheds – \$7,000,000. The DALs was instructed to allocate funds for demonstration practices in the targeted watersheds. On December 6, 2013, the DALs announced that eight watershed projects were funded for a total of \$4,100,000. An additional \$8,000,000 in funding will be leveraged for these projects. The following projects were awarded:
 - Benton/Tama Nutrient Reduction Demonstration Project -- \$468,000
 - Boone River Watershed Nutrient Management Initiative -- \$1,000,000
 - Central Turkey River Nutrient Reduction Demonstration Project -- \$498,000
 - Demonstration of Targeted Nutrient Reduction Systems for Clayton County -- \$207,000
 - Miller Creek Water Quality Improvement Project -- \$500,000
 - Van Zante Creek Water Quality Improvement Project -- \$640,000
 - West Branch of the Floyd River Water Quality Initiative -- \$360,000
 - West Fork Crooked Creek Water Quality and Soil Health Initiative -- \$484,000

Soil Conservation Cost Share – \$7,000,000. On July 1, 2013, 60.0% of the funding was allocated to the Soil and Water Conservation Districts after deducting the amounts for complaint administration and for publicly-owned lakes as directed in [HF 648](#). On September 1, 2013, a supplemental allocation to the Soil and Water Conservation Districts was made with remaining funds. This was in addition to the \$6,700,000 that was appropriated to the DALs from the Environment First Fund.

Watershed Improvement Review Board (WIRB) Grants – \$3,000,000. Of the \$3,000,000 appropriation, the legislation required \$1,500,000 to be awarded for grants that support the WQI. The WIRB met on November 8, 2013, and awarded 10 grants totaling \$2,300,000 with \$1,300,000 for WQI projects that included:

- Rathbun Lake -- \$144,000
- Silver Creek -- \$240,000
- Mosquito Creek -- \$279,811
- Honey Creek-Lindsey Creek-Dry Run Creek -- \$60,000
- Yellow River Headwaters -- \$300,000
- West Fork Middle Nodaway River -- \$298,563
- Central Park Lake -- \$121,698
- Hurley Creek-McKinley Lake -- \$300,000
- Clear Creek Watershed -- \$263,540
- Gere Creek -- \$299,942

The Governor is recommending funding of \$4,400,000 from the General Fund for the Water Quality Initiative for FY 2015. This is an increase of \$2,000,000 compared to estimated FY 2014.

Silos and Smokestacks National Heritage Area – The Silos and Smokestacks National Heritage Area (SSNHA), was designated in 1996 by the federal government and included the farms and industries that comprise agribusiness. This Area covers the northeast portion of Iowa and includes 37 counties and the cities of Des Moines, Cedar Rapids, Davenport, Waterloo, Dubuque, and Iowa City. The Area is one of the 49 designated areas in the country and is an Affiliated Area of the National Park Service that recognizes over 90 community and privately-operated sites that describe the development of agriculture in the United States. This includes dairy farms, museums, vineyards, and tractor production plants, as well as the Amana Colonies and Living History Farms. *The Governor is recommending funding of \$200,000 for FY 2015 from the General Fund. This is a new appropriation.*

Agriculture Drainage Well Program – The Program provides cost-share funding to landowners to close agriculture drainage wells. By closing the wells and developing alternative drainage, drinking water aquifers are protected. Funding levels have varied over the years. In FY 2011, the Program received \$1,250,000 from the Environment First Fund and no funding appropriated in FY 2012. For FY 2013, the Program received \$1,000,000 from the Rebuild Iowa Infrastructure Fund (RIIF) and \$550,000 from the EFF. In addition, the Program received an FY 2013 supplemental General Fund appropriation of \$1,620,000. The \$1,620,000 will finish closing 12 wells in Humboldt County. There are 35 wells remaining to be closed. The DALs estimates \$1,200,000 will close eight wells in Humboldt, Wright, and Butler Counties. The other 27 registered wells will cost more to close as they are in areas with shallow limestone, wetlands, or underground storage tanks. *The Governor is recommending funding of \$550,000 for FY 2015 from the EFF. This is an increase of \$550,000 compared to estimated FY 2014.*

DEPARTMENT OF NATURAL RESOURCES

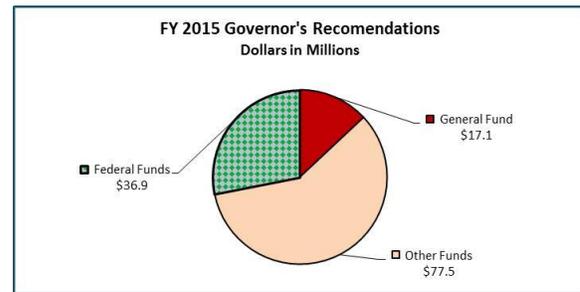
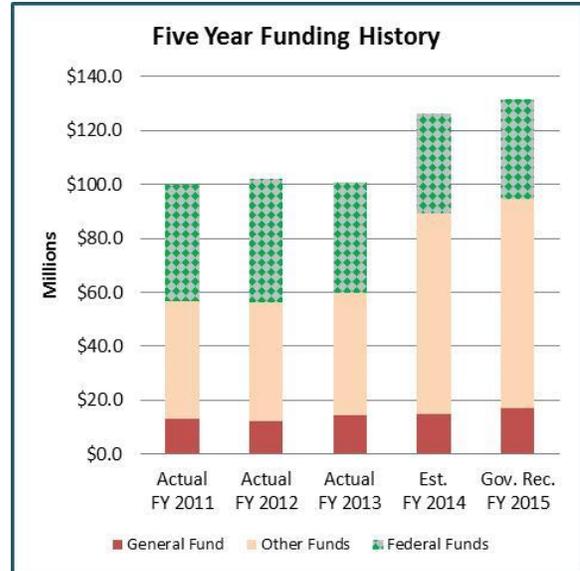
Overview and Funding History

Agency Overview: The Department of Natural Resources (DNR) is responsible for maintaining State parks and forests, protecting the environment, and managing energy, fish, wildlife, and land and water resources in Iowa. The Department has three operating divisions: the Management Services Division, the Environmental Services Division, and the Conservation and Recreation Division.

Funding History: Funding for the DNR has gradually increased from FY 2011 to estimated FY 2014. Beginning in FY 2013, the DNR was appropriated \$2,000,000 for the Floodplain Management Program and \$100,000 for the Forestry Health Program. In FY 2014, the Forestry Health Program funding was increased to \$200,000. Funding from other funds and federal funds remained constant for the five-year period.

Governor’s Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$17,134,307. This is an increase of \$2,072,000 compared to estimated FY 2014 for the support of Air Quality Programs. The Governor is also recommending other fund appropriations totaling \$73,454,057 for FY 2015, a decrease of \$725,000 compared to estimated FY 2014. Changes include a \$475,000 decrease to State Parks and Operations and a decrease of \$250,000 in one-time funding from the Groundwater Protection Fund for development of an online manure applicator education program.



FY 2012 Quick Fact

43,917
Acres of State Forest in Iowa

15.8 million
Visitors to Iowa State parks or recreational areas

57 watersheds
Number of [Hydrologic Unit Code \(HUC\) 8 watersheds](#) in Iowa as identified by the federal Geological Survey

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Natural Resources, Dept. of				
Natural Resources				
Natural Resources Operations	\$ 12,862,307	\$ 12,862,307	\$ 12,862,307	\$ 0
Air Quality Program Support	0	0	2,072,000	2,072,000
Floodplain Management Program	2,000,000	2,000,000	2,000,000	0
Forestry Health Management	200,000	200,000	200,000	0
Total Natural Resources, Dept. of	\$ 15,062,307	\$ 15,062,307	\$ 17,134,307	\$ 2,072,000

Governor's Recommendations – Significant Changes

Air Quality Program Support: A new appropriation to support air quality programs.	\$2,072,000
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Other Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Natural Resources, Dept. of				
Natural Resources				
Fish & Game- DNR Admin Expenses	\$ 41,223,225	\$ 41,223,225	\$ 41,223,225	\$ 0
GWF - Storage Tanks Study	100,303	100,303	100,303	0
GWF - Household Hazardous Waste	447,324	447,324	447,324	0
GWF - Well Testing Admin 2%	62,461	62,461	62,461	0
GWF - Groundwater Monitoring	1,686,751	1,686,751	1,686,751	0
GWF - Landfill Alternatives	618,993	618,993	618,993	0
GWF - Waste Reduction and Assistance	192,500	192,500	192,500	0
GWF - Solid Waste Authorization	50,000	50,000	50,000	0
GWF - Geographic Information System	297,500	297,500	297,500	0
Snowmobile Registration Fees	100,000	100,000	100,000	0
Administration Match - UST	200,000	200,000	200,000	0
Technical Tank Review - UST	200,000	200,000	200,000	0
GWF-Manure Applicator Education Program	250,000	0	0	-250,000
Volunteers and Keepers of Land - EFF	100,000	100,000	100,000	0
Park Operations & Maintenance - EFF	6,360,000	6,360,000	5,885,000	-475,000
GIS Information for Watershed - EFF	195,000	195,000	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	1,320,000	1,320,000	1,320,000	0
Ambient Air Quality Monitoring - EFF	425,000	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0
REAP - EFF	16,000,000	16,000,000	16,000,000	0
Keep Iowa Beautiful - EFF	200,000	200,000	200,000	0
Total Natural Resources, Dept. of	\$ 74,179,057	\$ 73,929,057	\$ 73,454,057	\$ -725,000

Governor’s Recommendations – Significant Changes

Manure Applicator Education Program: Eliminated one-time funding for the online program.	\$ -250,000
Park Operations and Maintenance: Decrease in the Environment First Fund appropriation. The Governor recommended \$2.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for a new State Park that borders South Dakota. This will be appropriated in the Transportation and Infrastructure Appropriations Subcommittee.	\$ -475,000

Issues

Air Quality Program Support – The Title V Air Operating Permit Program is the federal program established under the Clean Air Act and is administered by the federal Environmental Protection Agency (EPA). Air quality permits are issued to large or major sources of air pollution and fees are collected. The EPA has approved the DNR to issue federal Title V Operating Permits and collect annual emission fees. Iowa’s Title V fee is based on the first 4,000 tons of each regulated air pollutant emitted each calendar year from each major stationary source. Currently, the Iowa fee is \$56 per ton for the first 4,000 tons of each regulated pollutant. The fees are deposited in the Air Contaminant Source Fund and the funds are transferred to the DNR Air Quality Bureau to pay for the cost of issuing construction permits, prevention of significant deterioration (PSD) permits, and operating permits. Funds are also used for stack test observation, emission inventory, monitoring, compliance assistance, and inspections. *The Governor is recommending funding of \$2,072,000 for FY 2015 from the General Fund. This is a new appropriation.*

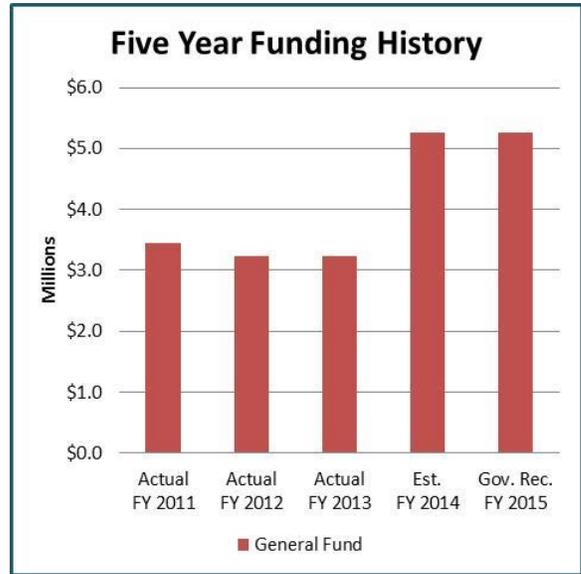
State Parks – The Iowa State Park system will celebrate their 100th anniversary in 2020. For FY 2014, State Parks will receive funding from the General Fund, the Environment First Fund, and the Rebuild Iowa Infrastructure Fund, as well as from camping receipts and other park-generated sources of income. There are 34 State Parks with a designated Friends Group with volunteers that cut grass and complete other activities related to maintenance and operations. The Groups also volunteer as campground hosts or help with interpretive programs, and many Friends Groups host fundraising activities. In the 2011 State Parks and Recreation Areas Annual Report, the DNR estimated that 1,905 volunteers provided 39,950 hours of service with an estimated value of \$853,000 in free labor for 2011. *The Governor is recommending funding of \$5,885,000 for FY 2015 from the Environment First Fund. This is a decrease of \$475,000 compared to estimated FY 2014.*

Forestry Health Management – The Emerald Ash Borer (EAB) has been confirmed in Allamakee, Des Moines, Jefferson, Cedar, and Union Counties in Iowa. On November 1, 2013, the DNR and the DALs announced a [quarantine for 25 counties](#) in Eastern Iowa to prevent the spread of the EAB. The EAB is a beetle that originated in Asia and was discovered in Canton, Michigan, in June 2002. The EAB larvae feed on the inner bark of ash trees, disrupting the tree's ability to transport water and nutrients that eventually destroys the tree. *The Governor is recommending funding of \$200,000 for FY 2015 from the General Fund for monitoring forest and tree health conditions. This is no change compared to estimated FY 2014.*

BOARD OF REGENTS

Agency Overview: The Board of Regents oversees the three State universities, including Iowa State University (ISU). The [Veterinary Diagnostic Laboratory](#) at ISU has historically received funding through the Agriculture and Natural Resources Appropriations Subcommittee. Beginning in FY 2014, ISU received \$1,500,000 for the creation of the [Iowa Nutrient Research Center](#).

Funding History: Funding for the Veterinary Diagnostic Laboratory has remained consistent from FY 2011 to FY 2013. In FY 2014, additional funding of \$1,500,000 was appropriated for the creation of the [Iowa Nutrient Research Center](#).



Governor’s Recommendations

FY 2015: The Governor is recommending a \$5,262,636 General Fund appropriation for FY 2015 for ISU. This is no change compared to estimated FY 2014.

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Regents, Board of				
Regents, Board of				
ISU - Veterinary Diagnostic Laboratory	\$ 3,762,636	\$ 4,000,000	\$ 3,762,636	\$ 0
ISU - Iowa Nutrient Research Center	1,500,000	1,548,000	1,500,000	0
Total Regents, Board of	\$ 5,262,636	\$ 5,548,000	\$ 5,262,636	\$ 0

Issues

Iowa Nutrient Research Center – [Senate File 435](#) (FY 2014 Agriculture and Natural Resources Appropriations Act) appropriated \$1,500,000 from the General Fund to ISU for a new Iowa Nutrient Research Center. The goal is to pursue science-based research that evaluates nutrient management practices, makes implementation recommendations, and develops new nutrient management practices. The following grants have been awarded for a total of \$1,400,000:

- University of Iowa – Institute of Hydraulic Research will develop a hydrosience and engineering work plan.
- University of Northern Iowa – Distribution, transport, and biogeochemical transformations of agriculturally derived nitrogen and phosphorus in the Cedar River watershed.

- US Department of Agriculture (USDA) Agriculture Research Service (ARS) and ISU – Investigating causes of corn yield decreases following cereal rye winter cover crop.
- ISU – Establishing pragmatically dynamic program for extending water quality best management practices financial information.
- ISU – Social-economic research work plan.
- USDA-ARS and ISU – Phosphorus transport in Iowa streams.
- USDA-ARS and ISU – Establishment and monitoring of saturated buffers within high-priority HUC– 12 watersheds
- ISU – Nonpoint source nitrogen and phosphorous loads at implementation. Overview of direct agricultural nutrient loads to surface waters in relation to land use and management.
- ISU and USDA-ARS – Impacts of cover crops on phosphorus and nitrogen loss with surface water runoff.
- ISU and Iowa Soybean Association – Bioreactor research and assessment.

The Governor is recommending funding of \$1,500,000 for the Center for FY 2015 from the General Fund. This is no change compared to estimated FY 2014.

Environment First Fund

The Environment First Fund was created by the 2000 General Assembly to provide funding for environmental programs and began with a standing appropriation of \$35,000,00 in FY 2001 from the Rebuild Iowa Infrastructure Fund (RIIF); however, funding levels have varied over the years. The Agriculture and Natural Resources Appropriations Subcommittee makes recommendations to the General Assembly regarding programs that should receive appropriations from the Fund.

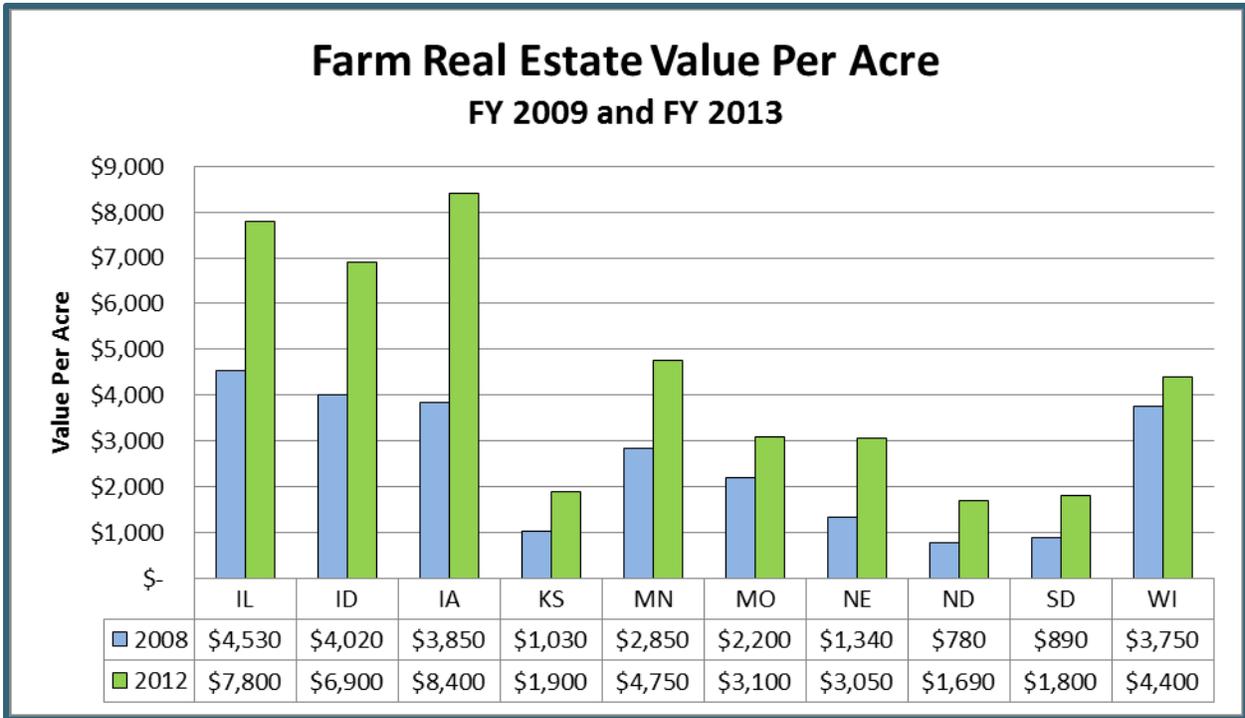
The Governor is recommending funding of \$42,000,000 from the Environment First Fund. This is no change compared to estimated FY 2014. Program funding changes include:

- *A decrease of \$75,000 for the Loess Hills Conservation Authority.*
- *An increase of \$550,000 for Agriculture Drainage Wells.*
- *A decrease of \$475,000 for State Parks Operations and Maintenance.*

	Actual FY 2013	Estimated FY 2014	Gov Rec FY 2015	Gov Rec vs FY 2014
Agriculture and Land Stewardship				
Conservation Reserve Enhance - EFF	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0
Agricultural Drainage Wells - EFF	550,000	0	550,000	550,000
Soil & Water Conservation - EFF	2,550,000	2,550,000	2,550,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0
Loess Hills Conservation Authority - EFF	525,000	525,000	450,000	-75,000
Cost Share - EFF	6,650,000	6,650,000	6,650,000	0
Total Agriculture and Land Stewardship	\$ 13,800,000	\$ 13,250,000	\$ 13,725,000	\$ 475,000
<u>Natural Resources</u>				
Natural Resources				
Volunteers and Keepers of Land - EFF	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Park Operations & Maintenance - EFF	3,710,000	6,360,000	5,885,000	-475,000
GIS Information for Watershed - EFF	195,000	195,000	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	620,000	1,320,000	1,320,000	0
Ambient Air Quality Monitoring - EFF	425,000	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0
REAP - EFF	12,000,000	16,000,000	16,000,000	0
Keep Iowa Beautiful - EFF	0	200,000	200,000	0
Total Natural Resources	\$ 21,200,000	\$ 28,750,000	\$ 28,275,000	\$ -475,000
Total Agriculture and Natural Resources	\$ 35,000,000	\$ 42,000,000	\$ 42,000,000	\$ 0

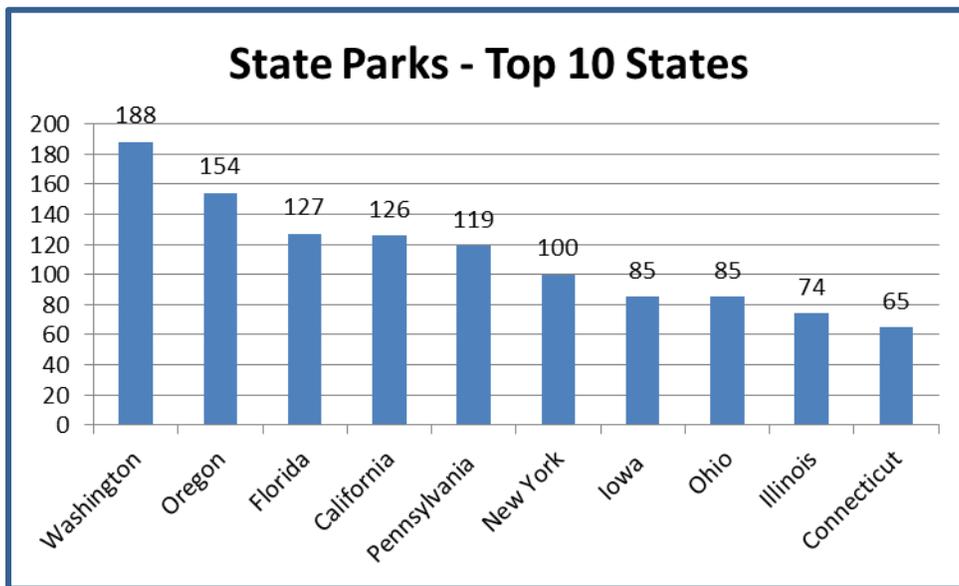
Comparison to Other States – Farmland Values

Data gathered from the [Land Values 2013 Summary Report](#) reported by the federal Department of Agriculture compared the average value per acre of farm real estate for 2009 through 2013. Over the four-year period, the average value per acre of farm real estate in the United States increased from \$2,110 to \$2,900 per acre (37.4%). However, in Iowa, the average value per acre increased from \$3,850 to \$8,400 per acre (118.2%). The following graph shows average value per acre and the percentage change from 2008 to 2012 in land value for states in the Midwest.



Comparison to Other States – State Parks

Data gathered from the [State Parks](#) website showed that Iowa tied with Ohio for the number of State Parks in the United States. The following graph has the top 10 states and the number of State Parks.



Interim Committees, Meetings, and Publications

All-Terrain and Off-Road Utility Vehicle Study Committee

The All-Terrain Vehicle (ATV) and Off-Road Utility Vehicle Study Committee met on October 28, 2013, in Des Moines. The Study Committee was chaired by Senator Brase and Representative Moore and the following was discussed:

- Committee members viewed ATV models in the parking lot near the Capitol.
- David Downing, Snowmobile and ATV Program Coordinator, Department of Natural Resources (DNR) and Mark Lowe, Director of Vehicle Services, Department of Transportation (DOT), discussed issues related to the current registration process for off-road vehicles. The following is a summary of vehicles registered in Iowa:

<u>Vehicle Type</u>	<u># Registered</u>	<u>% to Total</u>
All-Terrain Vehicle	28,222	55.2%
Off Road Vehicle	7,907	15.5%
Off Road Motorcycle	7,824	15.3%
Farm Registrations	4,835	9.5%
Nonresident User Permits	2,315	4.5%
Total	<u>51,103</u>	<u>100.0%</u>

- Other topics discussed included issues related to vehicle registration, law enforcement issues, and driver safety issues.

The members of the Study Committee discussed the issues that were presented and agreed to meet during the 2014 Legislative Session to discuss and review [HF 619](#) (All-Terrain Vehicles on Secondary Roads Bill). The Bill passed the House and members agreed to meet with stakeholders to discuss the legislation. For additional information, refer to the LSA [2013 Committee Briefing](#).

Iowa Rivers and Waterways Study Committee

The Iowa Rivers and Waterways Study Committee met on December 10, 2013, in Des Moines. The Study Committee was chaired by Senator Dearden and Representative Hein. Presentations included:

- Mike Steuck, Manchester Fisheries Management Office, Department of Natural Resources (DNR), discussed the benefits related to the environment and habitat when improving Iowa waterways.
- Nate Hoogeveen, Director of Rivers Programs, DNR, discussed current programs at the DNR related to Iowa waterways and the economic benefits derived from various projects.

- Jim Gillespie, Director, Soil Conservation Division, Department of Agriculture and Land Stewardship (DALs), discussed various soil conservation projects related to Iowa waterways and the benefits to the environment.
- Larry Gullett, Johnson County Conservation Board, discussed the need for education and training at the local level to improve Iowa waterways.
- Jerry Peckum, Iowa Rivers Revival, discussed the need for a program to provide education and outreach for Iowa waterway projects.
- Todd Sutphin, Iowa Soybean Association, discussed various environmental programs related to Iowa waterways.
- Marty Melchior, Interfluve Company, discussed river improvement programs in other states.
- Mike McGhee and Todd Bishop, Lake Restoration, DNR, discussed current programs at the DNR for improving Iowa lakes and the financing resources involved for improving lakes.
- Mimi Wagner, River Restoration Consultant and Associate Professor, Iowa State University, discussed stream assessment protocol.
- Tom Brownlow, City Administrator of Charles City, discussed the Riverfront Park project that was completed in Charles City and the benefits of completing the project.
- Wayne Petersen, DALs, discussed the importance of stream corridor stabilization in urban areas.
- Jody Kerns, private landowner, discussed a floodplain project completed several years ago and the benefits derived from the project.
- Eric Boehm, private landowner, discussed a project completed on Brush Creek and the benefits from the project.

The members of the Study Committee will meet on January 16, 2014, to make recommendations. For additional information, please refer to the LSA [2013 Committee Briefing](#).

Water Resources Coordinating Council

[House File 643](#) (FY 2012 Water Resource Coordinating Council Transfer Act), enacted during the 2011 Legislative Session, moved the Water Resources Coordinating Council (WRCC) from the Governor's Office to the DALs and designated the Secretary of Agriculture or his designee as the chair. In addition to existing duties, the WRCC was charged with reviewing and assessing the water monitoring plan of the DNR and developing a protocol to prioritize the use of Iowa's water quality monitoring resources. For more information, refer to the Council website: <http://www.iowaagriculture.gov/WRCC.asp>.

Watershed Planning Advisory Council

The Watershed Planning Advisory Council was created in [HF 2459](#) (FY 2011 Watershed Planning Advisory Council Act) and required an annual report with recommendations to improve water quality and mitigate floods. For more information, refer to the Council website: <http://www.iowadnr.gov/InsideDNR/BoardsCommissions/WatershedPlanningAdvisory.aspx>.

LSA Publications

The following *Fiscal Topics* and *Issue Reviews* have been published by the LSA that relate to the Agriculture and Natural Resources Appropriations Subcommittee:

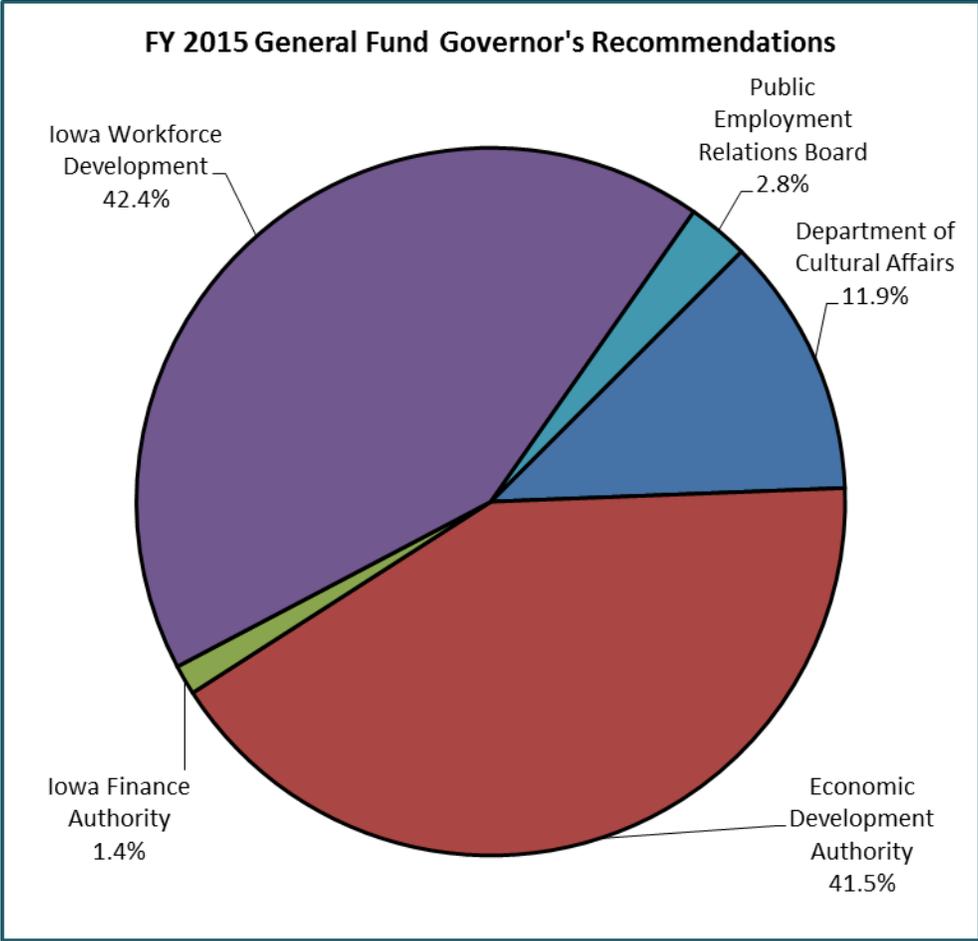
- *Issue Review:* [Leopold Center for Sustainable Agriculture](#)
- *Fiscal Audio One-On-One Topics:*
 - [DNR Healthy and Happy Outdoors Program](#) (link opens the mp3 file)
 - [Fish and Wildlife Trust Fund](#) (link opens the mp3 file)
- *Fiscal Topics:*
 - [Resource Enhancement and Protection Fund](#)
 - [Environment First Fund](#)
 - [Marine Fuel Tax Fund](#)
 - [Air Contaminant Fund](#)
- *Budget Unit Fiscal Topics:*
 - [Budget Unit: Water Quantity Program](#)
 - [Budget Unit: Farm Management Demonstration](#)
 - [Budget Unit: Soil and Water Conservation - Administration](#)
 - [Budget Unit: Soil Conservation Revolving Loan Fund](#)
 - [Budget Unit: Native Horse and Dog Program – Unclaimed Winnings](#)
 - [Budget Unit: Motor Fuel Inspection](#)
 - [Budget Unit: Grain Indemnity Fund](#)
 - [Budget Unit: Forestry Health Management](#)
 - [Budget Unit: Local Food and Farm](#)
 - [Budget Unit: Water Quality Monitoring](#)
 - [Budget Unit: Milk Inspections](#)
 - [Budget Unit: Loess Hills Development and Conservation Authority](#)
 - [Budget Unit: State Parks Operations and Maintenance](#)
 - [Budget Unit: Groundwater Protection Fund Appropriations](#)
 - [Budget Unit: Volunteers and Keepers of the Land](#)
 - [Budget Unit: Geographic Information System For Watershed Program](#)
 - [Budget Unit: Keep Iowa Beautiful Initiative](#)
 - [Budget Unit: National Pollutant Discharge Elimination System Permit Program](#)
 - [Budget Unit: Geological and Water Survey](#)
 - [Budget Unit: Floodplain Management](#)
 - [Budget Unit: Air Quality Monitoring](#)

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**Economic Development
 Appropriations Subcommittee**

Fiscal Staff: Kent Ohms

Analysis of Governor's Budget



FY 2015 General Fund Governor's Recommendations		
Department of Cultural Affairs	\$	5,714,011
Economic Development Authority		19,969,505
Iowa Finance Authority		658,000
Iowa Workforce Development		20,397,918
Public Employment Relations Board		1,342,452
Grand Total	\$	48,081,886

DEPARTMENT OF CULTURAL AFFAIRS

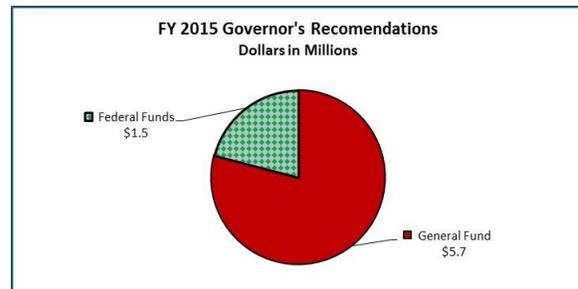
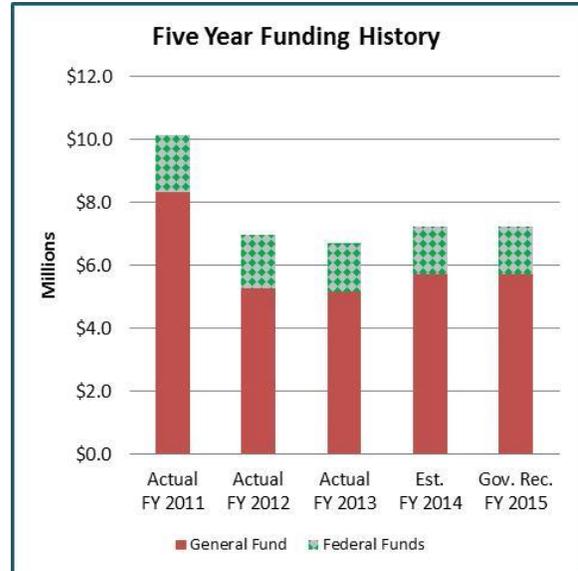
Overview and Funding History

Agency Overview: The [Iowa Department of Cultural Affairs](#) (DCA) has primary responsibility for development of the State’s interest in the areas of the arts, history, and other cultural matters. In fulfilling this responsibility, the DCA is advised and assisted by the State Historical Board of Trustees and the Iowa Arts Council.

Funding History: The DCA receives three main appropriations for the operation of its Divisions and other appropriations for individual projects and programs. Funding over the last five years has been decreasing slightly at both the State and federal levels as illustrated in the bar graph to the right with a small increase coming in FY 2013 and FY 2014 for the additional responsibility of operating a film office. The spike in General Fund appropriations in FY 2011 was for a \$3,000,000 supplemental appropriation for a grant to the nonprofit group that was awarded possession of the Battleship Iowa.

The DCA also receives funding for programs through the Rebuild Iowa Infrastructure Fund (RIIF) that is not reflected in the charts in this section. These include appropriations for Great Places and Historical Building Renovations. Please refer to the Transportation, Infrastructure, and Capitals Appropriations Subcommittee section for more detail on these appropriations.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$5,714,011. This is no change compared to estimated FY 2014.



Quick Facts

55,235
Estimated visitors at Historic Sites in FY 2013 during operating hours.

1,200
Current number of local newspaper bundles awaiting preservation.

18 Historical Program Specialists
Out of 54 FTE Positions at the DCA in FY 2013.

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Cultural Affairs, Dept. of				
Cultural Affairs, Dept. of				
Administration Division	\$ 176,882	\$ 376,882	\$ 176,882	\$ 0
Community Cultural Grants	172,090	172,090	172,090	0
Historical Division	3,167,701	3,167,701	3,167,701	0
Historic Sites	426,398	426,398	426,398	0
Arts Division	1,233,764	1,233,764	1,233,764	0
Great Places	150,000	150,000	150,000	0
Archiving Former Governor's Papers	65,933	65,933	65,933	0
Records Center Rent	227,243	227,244	227,243	0
Battle Flag Stabilization	94,000	60,000	94,000	0
Total Cultural Affairs, Dept. of	\$ 5,714,011	\$ 5,880,012	\$ 5,714,011	\$ 0

Issues

Produce Iowa – To fulfill the requirement of operating a film office, the DCA has created an office named “Produce Iowa” to act as a resource for film and media production in Iowa. Produce Iowa has contracted with a vendor to create a repository of locations, crews, and support services that will be launched in the future. In [SF 430](#) (FY 2014 Economic Development Appropriation Act), the General Assembly provided nonreversion language for the FY 2013 appropriation to the Office that had not been spent. This language was item vetoed by the Governor. The same Act allocated \$300,000 for FY 2014 and the Subcommittee may want to continue to evaluate and review the future funding needs of the Produce Iowa Office.

Newspaper Bundles – The weekly newspaper preservation program has not been funded by the DCA since 2009. There is currently an estimated backlog of 1,200 bundles of newspapers in possession of the Department that dates back to 2004. The Department estimates that it receives an additional 230 bundles of newspapers annually and that processing one bundle of newspapers for microfilming costs roughly \$200. The DCA is exploring the pros and cons of microfilming versus digital archiving from a cost and policy standpoint. This may be an area that the Subcommittee might want to gather more information on.

Museum Funding – The General Assembly provided an increase of \$400,000 for funding for the State Historical Society for the Museum in FY 2014 to assist with enhancing museum exhibits and additional staffing. The Subcommittee may want to review the progress being made in this area and the future needs for the Museum operations.

IOWA ECONOMIC DEVELOPMENT AUTHORITY

Overview and Funding History

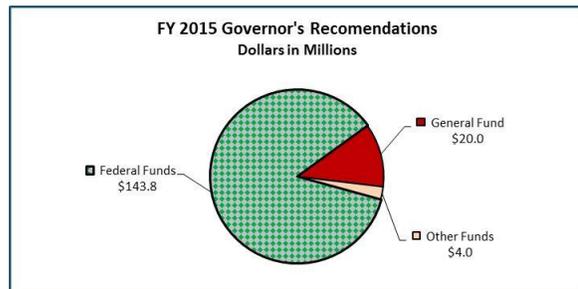
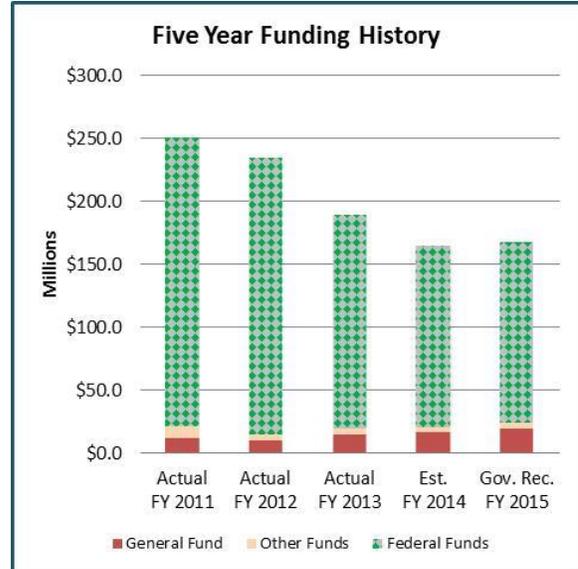
Agency Overview: The [Iowa Economic Development Authority](#) (IEDA) is responsible for fostering the economic vitality of the State by working in focused partnerships with businesses, entrepreneurs, communities, and educational entities. The IEDA’s primary responsibilities are in the areas of finance, marketing, local government and service coordination, exporting, tourism, job training and entrepreneurial assistance, and small business.

Funding History: The Economic Development appropriation first occurred in FY 2012, and funds the general operations of the IEDA. This appropriation currently represents approximately 77.8% of the IEDA’s operating budget. From FY 2003 through FY 2012, the Department of Economic Development received appropriations for the three main divisions (Administration, Business Development, and Community Development). Prior to that, the Department of Economic Development received separate appropriations for each program operated.

The graphs to the right cover all funds overseen by the IEDA. Most of the federal funds in these charts are part of the Community Development Block Grant (CDBG) Program that assists the development of viable communities by providing decent housing and suitable living environments and expanding economic opportunities, primarily for persons of low and moderate income.

The graphs to the right do not reflect appropriations that the IEDA has received for the High Quality Jobs Program, Grow Iowa Values Fund Program, Iowa Skilled Worker and Job Creation Fund, or other programs that receive funding though the RIIF.

FY 2015: The Governor is recommending General Fund appropriations totaling \$19,969,505. This is an increase of \$3,300,000 compared to estimated FY 2014.



Quick Facts

\$152.4 billion
Iowa’s Gross Domestic Product in 2012

6.6%
Percent Change in Real GDP
from 2009 to 2012

77
Economic Development Specialists
Out of 116 FTE Positions at the IEDA in FY 2013

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Economic Development Authority</u>				
Economic Development Authority				
Economic Development Appropriation	\$ 15,516,372	\$ 16,315,525	\$ 15,516,372	\$ 0
World Food Prize	800,000	1,000,000	1,000,000	200,000
Iowa Comm. Volunteer Ser.-Promise	178,133	178,133	178,133	0
Midwest Japanese Conference	0	0	100,000	100,000
Councils of Governments (COGs) Assistance	175,000	0	175,000	0
Apprenticeship Training	0	0	1,000,000	1,000,000
STEM Internship	0	0	2,000,000	2,000,000
Total Economic Development Authority	\$ 16,669,505	\$ 17,493,658	\$ 19,969,505	\$ 3,300,000

Governor’s Recommendations: Significant Changes

World Food Prize: An increase to fund the appropriation at the statutory level.	\$200,000
Midwest U.S.-Japan Association Conference: A one-time appropriation to support hosting the Midwest U.S. Japan Association Conference.	\$100,000
Apprenticeship Training Program: A new appropriation for expanding Apprenticeship Training.	\$1,000,000
STEM Internship: A new appropriation for a new Science, Technology, Engineering, and Mathematics (STEM) Internship Program.	\$2,000,000

Other Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Economic Development Authority</u>				
Economic Development Authority				
Workforce Development Fund- WDF	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0
Total Economic Development Authority	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0

Issues

High Quality Jobs Program (HQJP) Mid-Year Incentives Balance – The IEDA has two main components for business incentives through the HQJP: tax credits that are capped at \$170.0 million annually and cash incentives that are appropriated by the General Assembly. Within these tax credits and funds there are other programs that also have mandatory and discretionary allocation amounts.

[House File 604](#), section 30(2) (FY 2014 Education Appropriations Act) appropriated \$16,900,000 from the Skilled Worker and Job Creation Fund (SWJCF) for High Quality Job Creation Financial Assistance. The tables below reflect the adopted budget, estimated monthly utilization, and balance available to date through the December 2013 Board Meeting.

High Quality Job Creation Cash Incentives

Award Month	Amount
Revenue	
Fiscal Year 2014 Appropriation	\$ 16,900,000
Balance Brought Forward	8,000,000
Principal Repayments	31,800
Interest Repayments	6,254
Other Revenue	38,525
Total Revenue	\$ 24,976,579
Allocated Amounts	
Administration	\$ 1,500,000
Laborshed Studies	275,000
Technical Assistance and Information Technology	650,000
Regional Financial Assistance	200,000
Innovation and Commercialization Transfer	5,000,000
Entrepreneur Investment Awards Program Transfer	0
Balance Brought Forward Obligations	5,996,000
Mainstreet Allocation	1,000,000
Awards Obligated	
July Awards	\$ 200,000
August Awards	0
September Awards	460,000
October Awards	3,370,000
November Awards	240,000
December Awards*	75,000
Total Allocations and Awards	\$ 18,966,000
Balance Remaining	\$ 6,010,579

*Estimated from Project Award documents

Source: Iowa Economic Development Authority Board Documents

The IEDA also has a tax credit cap that was established for FY 2010 in Iowa Code section [15.119](#). If the IEDA exceeds the cap for a given fiscal year, the amount in excess is counted against the next fiscal year. Although the IEDA did not award more than \$120.0 million in FY 2012, it did reach the cap once the mandatory \$10.0 million allocation for Innovation Fund Tax Credits and Community-Based Seed Capital Fund Tax Credits was included. No tax credits were awarded for these programs in FY 2012. With the enactment of [2013 Iowa Acts chapter 126](#) (IEDA Programs and Financial Assistance), the cap was increased to \$170.0 million and the IEDA Board is allowed to reallocate amounts less than the sum provided in statute if they determine there is not enough demand. Restrictions were also placed on how much the cap could be exceeded in one fiscal year. At this point in the fiscal year, accounting for current awards, mandatory and discretionary allocations, and the use of the cap in FY 2013, the IEDA has \$82.6 million remaining in the cap for the current year.

Tax Credit Obligations					
Award Month	Business Awards (HQC and EZ)	Housing Enterprise Zones	Brownfield Redevelopment Program	Innovation Investment Tax Credit	Total Available Balance
Fiscal Year 2014 Allocations	\$ 123,300,000	\$ 26,700,000	\$ 10,000,000	\$ 10,000,000	\$ 170,000,000
Awards Made in FY 2013	-11,842,741	-2,225,078	0	0	
Available Cap in FY 2014	<u>\$ 111,457,259</u>	<u>\$ 24,474,922</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	\$ 155,932,181
Awards					
July Awards	\$ 26,859,645	\$ 2,534,725	\$ 0	\$ 0	126,537,811
August Awards	0	2,212,955	10,000,000	0	114,324,856
September Awards	447,220	951,297	0	0	112,926,339
October Awards	12,078,120	3,931,541	0	0	96,916,678
November Awards	6,558,850	6,829,070	0	0	83,528,758
December Awards*	937,956		0	0	82,590,802
FY 2014 Awards Total	<u>\$ 46,881,791</u>	<u>\$ 16,459,588</u>	<u>\$ 10,000,000</u>	<u>\$ 0</u>	
Unobligated Balance Remaining	<u>\$ 64,575,468</u>	<u>\$ 8,015,334</u>	<u>\$ 0</u>	<u>\$ 10,000,000</u>	

*Estimated from Project Award documents at that month's Board Meeting.
Source: Iowa Economic Development Authority Board Documents

Tax Credit Cap Utilization		
(in millions)		
Fiscal Year	Statutory Cap*	Awards
FY 2010	\$ 185.0	\$ 104.4
FY 2011	120.0	68.6
FY 2012	120.0	119.4
FY 2013	160.6	174.7
FY 2014 YTD	155.9	73.3

*Excludes previous year awards counted against cap.

Midwest U.S.-Japan Association Conference – The Governor is recommending an appropriation of \$100,000 to support hosting the 46th annual meeting of the [Midwest U.S.-Japan Association](#) (MWJA) September 7-9, 2014, in Des Moines. This is a one-time appropriation and will support the IEDA in the logistics and hosting of the meeting. The 2013 annual meeting was held in Tokyo, Japan. The MWJA includes Japan, Minnesota, Nebraska, Iowa, Missouri, Wisconsin, Illinois, Indiana, Michigan, and Ohio. The last time Iowa hosted this conference was in 1994 and the General Assembly allocated \$100,000 from a Department of Economic Development appropriation ([1994 Iowa Acts chapter 1201](#)).

Apprenticeship Training – The Governor plans to introduce legislation that will revise the [260F](#) program and plans to increase the amount of funds in the program for apprenticeship training by creating a new \$1,000,000 appropriation.

STEM Internships – The Governor plans to introduce legislation that will expand the Innovative Business Internship Program in Iowa Code section [15.411](#). The new second component of this program will be

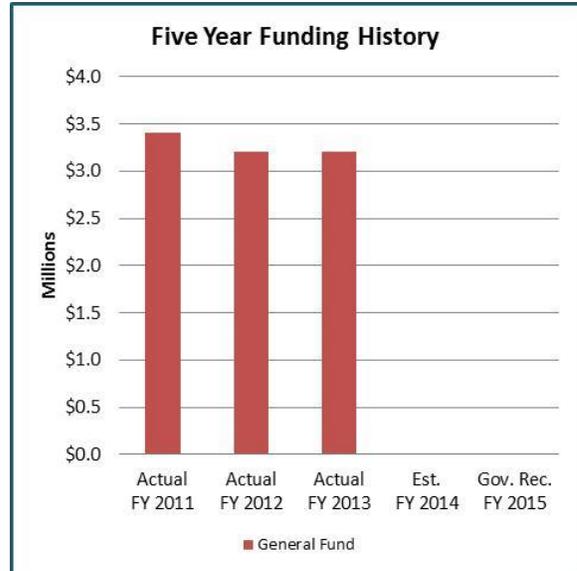
designed to place Iowa students studying in the fields of science, technology, engineering, and mathematics (STEM) in internships with Iowa employers. The program expansion will be funded by an appropriation of \$2,000,000 annually that will be spent on business incentives tied to how much the employer spends.

BOARD OF REGENTS

Overview and Funding History

The Economic Development Appropriations Subcommittee appropriates funds to the [Board of Regents](#) universities for the following purposes:

- The University of Iowa (UI) Economic Development appropriation includes the University of Iowa Pharmaceuticals, Research Park, and Technology Innovation Center. Please refer to the **Fiscal Topic Budget Unit: [University of Iowa Economic Development](#)** for more information.
- The Iowa State University (ISU) Economic Development appropriation includes the Institute for Physical Research and Technology, Small Business Development Centers, and Research Park. Please refer to the **Fiscal Topic Budget Unit: [Iowa State University Economic Development](#)** for more information.
- The University of Northern Iowa (UNI) Economic Development appropriation includes the Institute for Decision Making, Metal Casting Center, and MyEntre.Net Program. Please refer to the **Fiscal Topic Budget Unit: [University of Northern Iowa Economic Development](#)** for more information.



Prior to FY 2014, these appropriations were funded through the General Fund. Beginning in FY 2014, the appropriations were made from the Skilled Worker Job Creation Fund (SWJCF). The five-year funding history graph above does not reflect any funding the Board of Regents received through Economic Development Fund allocations, appropriations from the RIIF, or the SWJCF. Information on these appropriations can be found in the Education Appropriation Subcommittee section.

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Regents, Board of</u>				
Regents, Board of				
UI - Accelerating Iowa's Knowledge Economy	\$ 0	\$ 3,000,000	\$ 0	\$ 0
UNI - Entrepreneur Outreach Program	0	1,500,000	0	0
Total Regents, Board of	\$ 0	\$ 4,500,000	\$ 0	\$ 0

IOWA WORKFORCE DEVELOPMENT

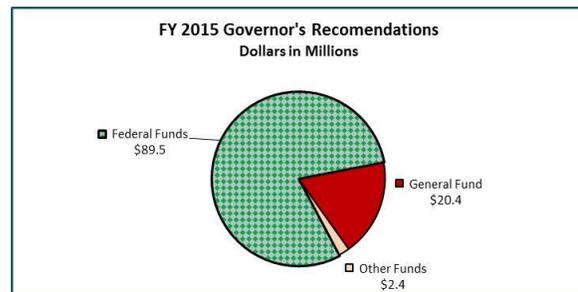
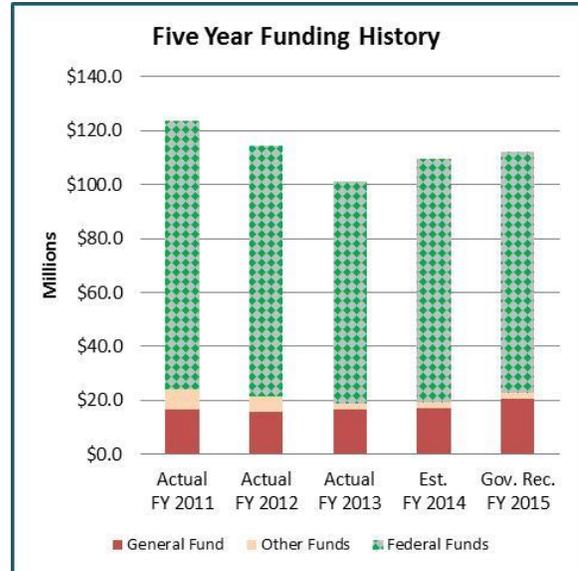
Overview and Funding History

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

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

Funding History: Funding for the IWD is illustrated in the charts to the right. These charts exclude the payments made through the Unemployment Insurance Trust Fund benefits. Total funding has been trending downward, with federal and other funds decreasing the most over the past five years, and General Fund dollars ranging from \$17.0 million to \$15.9 million.

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$20,397,918, an increase of \$3,400,000 compared to estimated FY 2014. Other fund appropriations total \$2,260,084. This total is no change compared to estimated FY 2014.



Quick Facts

268 Workforce Advisors
Out of 735 total FTE Positions
at the IWD in FY 2013

4.4%
Iowa's November 2013 Unemployment Rate

69.0%
Iowa's November 2013 Labor Force Participation Rate

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Iowa Workforce Development				
Labor Services Division	\$ 3,823,539	\$ 3,770,259	\$ 3,823,539	\$ 0
Workers' Compensation Division	3,259,044	3,109,044	3,259,044	0
Operations - Field Offices	9,179,413	9,179,413	9,179,413	0
Offender Reentry Program	284,464	284,464	284,464	0
Employee Misclassification Program	451,458	451,458	451,458	0
Digital and Vocational Literacy	0	0	1,400,000	1,400,000
Home Base Iowa	0	0	1,000,000	1,000,000
Home Base Iowa IWD Foundation	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000
Total Iowa Workforce Development	\$ 16,997,918	\$ 16,794,638	\$ 20,397,918	\$ 3,400,000

Governor's Recommendations: Significant Changes

Digital and Vocational Literacy: A new General Fund appropriation for a Digital and Vocational Literacy Training Program.	\$1,400,000
Home Base Iowa: A new General Fund appropriation for the Home Base Iowa Initiative to study the links between Iowa licensing requirements and military training, education, and occupational experience.	\$1,000,000
Home Base Iowa IWD Foundation: A new General Fund appropriation to the IWD Foundation for the Home Base Iowa Initiative marketing.	\$1,000,000

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Iowa Workforce Development				
Iowa Workforce Development				
Field Offices - Spec Cont Fund	\$ 1,766,084	\$ 1,627,084	\$ 1,627,084	\$ -139,000
Field Offices - UI Reserve Interest	494,000	633,000	633,000	139,000
Total Iowa Workforce Development	\$ 2,260,084	\$ 2,260,084	\$ 2,260,084	\$ 0

Issues

Workforce Development Field Offices Funding – The General Assembly may want to review the funding streams for the Workforce Development Field Offices. The total estimated FY 2014 appropriation from all funds is \$11,289,497. *The FY 2014 Governor's recommendation is no change, with \$633,000 from interest on the Unemployment Compensation Reserve Fund, \$1,627,084 from the Special Contingency Fund (also known as the Penalty & Interest or P&I Fund), and the remaining amounts appropriated from the General Fund.* The Reserve Fund balance as of January 12, 2014, is approximately \$150.0 million.

Iowa Workforce Development Layoffs – On Monday July 15, 2013, the IWD announced staff reductions due to shortfalls in federal funding related to the sequestration. This resulted in the Department eliminating 39.0 FTE positions affecting a total of 30 employees. Some of the nonlabor cost-saving measures taken before layoffs were used included:

- Negotiating interagency cost containment agreements with other state agencies.
- Implementation of an automated Unemployment Insurance claims process. The IWD now processes 41.0% of web-filed claims automatically.
- Utilizing increased electronic communications, significantly decreasing postage costs.
- Reducing office footprints (size and rent/utility costs) across the State.
- Reducing both in-state and out-of-state travel expenses.

Additional steps being taken by IWD include:

- Combining the Labor Market Information Division and the Communication Bureau to form a new “Communications and Labor Market Information Division.”
- The Communications and Labor Market Information Division will also house the customer service team that will help with the workload at the Unemployment Insurance Service Center.
- The Technology Bureau will assume management of the Automated Current Employment Statistics (ACES) program that was within the former Labor Market Information Division.
- The total amount in cost avoidance is estimated by the agency to be \$3.7 million.

The following contract and noncontract positions were eliminated in each division.

- Labor Services Division (reduced salary costs by an estimated \$908,000):
 - Contract: 2.0 Statistical Assistants, 1.0 Secretary 1, 1.0 Senior Industrial Hygienist, and 1.0 Information Technology Support Worker 2.
 - Noncontract: 1.0 Public Service Executive 2.
- Workforce Services (reduced salary costs by an estimated \$1.3 million):
 - Contract: 9.0 Workforce Advisors, 2.0 Workforce Associates, 3.0 Workforce Program Coordinators, and 1.0 Executive Officer 2.
 - Noncontract: 1.0 Workforce Development Supervisor and 1.0 Public Service Executive 3.
- Unemployment Insurance Division (reduced salary costs by an estimated \$1.3 million):
 - Contract: 11.0 Workforce Associates, 1.0 Typist Advanced, 1.0 Workforce Advisor, and 1.0 Accounting Clerk 2.
 - Noncontract: 1.0 Training Specialist.
- Unemployment Insurance Appeals Bureau (reduced salary costs by an estimated \$150,000):
 - Noncontract: 1.0 Administrative Law Judge 3.

Total savings from eliminating these positions is estimated at \$3.7 million. No field offices have been closed, but some offices are only open two or four days a week.

Wage Enforcement Investigator – The Labor Services Division appropriation received an additional \$53,280 in FY 2014 to hire an additional wage enforcement investigator. The Department reports that they have reassigned an employee that would have been laid off earlier in the year.

Offender Reentry Program – The Subcommittee may want to review the annual operating budget and staffing levels of the [Offender Reentry Program](#). In FY 2013, the Program was authorized to add an FTE position to allow for Program expansion from operating at three prisons to four. This FTE position was paid for utilizing a balance carry forward from FY 2012 of \$61,072. Combined with the FY 2013 appropriation, this gave the Program an operating revenue budget of \$345,500. At the end of FY 2013, \$38,052 was carried forward to FY 2014. Combined with the FY 2014 General Fund appropriation, the operating budget available for FY 2014 is \$322,500. See the chart on the next page for more information.

Offender Reentry Program

	Total Revenues	Total Expenditures*	FTE Positions
FY 2009	\$ 367,447	\$ 88,659	1.21
FY 2010	406,647	200,739	2.96
FY 2011	503,042	234,682	2.96
FY 2012	302,824	241,752	3.03
FY 2013	345,536	307,484	3.37
Est. FY 2014	322,516	322,516	4.00

* Excluding transfers to other programs and balance carry forwards.

Source: State Accounting System

A Mid-Iowa Organizational Strategy (AMOS) – The General Assembly appropriated \$100,000 in FY 2014 from the SWJCF to the IWD for [Project IOWA/AMOS](#) to further expand the enhanced worker training provided in the areas of advanced manufacturing and healthcare. A contract was signed between the IWD and Project IOWA/AMOS in December 2013. Additionally, Project IOWA/AMOS received \$100,000 from Des Moines Area Community College under the Pathways for Career and Employment Programs, that was also funded through the SWJCF, bringing total funding from the SWJCF to \$200,000 in FY 2014.

This is a workforce development initiative that seeks to move chronically underemployed and impoverished central Iowa residents through intensive skills training to a career track, living wage job with benefits. The cornerstone to this approach is combining relevant technical training (developed and taught by industry leaders) and employment skills training through classes taught concurrently.

Digital and Vocational Literacy – The Governor plans to introduce legislation that will create a Digital Literacy and Workforce Training Program. This appropriation will be \$1,400,000 annually to the IWD to assist individuals in developing the ability to locate, organize, understand, evaluate, and analyze information using digital technology. The Program will provide training at locations across the state. The IWD will consult with the State’s Chief Information Officer in the development of the Program and potentially an RFP for selecting a training provider.

Home Base Iowa Initiative – The Governor recommends a total of \$2,000,000 from two new appropriations to support the Home Base Iowa Initiative. The first \$1,000,000 appropriated will be for the IWD to fund a study researching the linking between military occupational education, training, and service to existing licensing requirements in Iowa. The funding will also be used for the implementation of these findings. The second \$1,000,000 appropriation will be for the IWD Foundation to be spent on marketing Iowa to veterans as a place to locate.

The Home Base Iowa Program is a public-private partnership that will raise private funds to support national targeted marketing efforts to veterans, including in-person outreach, a social media campaign, and outreach through military publications. The initiative also includes a Home Base Iowa Business component and a Home Base Iowa Community component. To become a Home Base Iowa Business, the company must pledge to hire a specific number of veterans, post their jobs on the Home Base Iowa website, and become members of the existing Skilled Iowa Program. Additional information can be found at the Governor’s website at <http://www.homebaseiowa.org/>.

IOWA FINANCE AUTHORITY

Overview and Funding History

Agency Overview: The [Iowa Finance Authority](#) (IFA) mission is to finance, administer, advance and preserve affordable housing, and to promote community and economic development for Iowans. The Authority receives no General Fund appropriation for operating expenses and does not have the ability to tax. The major funding sources for the Authority are bond proceeds, title guaranty fees, application fees, and interest earnings.

Program Funding History: The Rent Subsidy Program began in FY 1997 as an allocation of the General Fund State Supplementary Assistance appropriation to the Department of Human Services (DHS). The Program was funded with an annual allocation from the DHS until FY 2004, when the Program was funded by the Senior Living Trust Fund (SLTF) as part of a larger appropriation to the DHS. In FY 2005, the DHS transferred the Program to the IFA through an Iowa Code chapter [28E](#) agreement, and in FY 2006, the IFA received a direct appropriation for the Program from the SLTF. The Program resumed funding from the General Fund in FY 2012.

FY 2015: The Governor is recommending an FY 2015 General Fund appropriation of \$658,000. This is no change compared to estimated FY 2014.

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Iowa Finance Authority</u>				
Iowa Finance Authority				
Rent Subsidy Program	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
Total Iowa Finance Authority	<u>\$ 658,000</u>	<u>\$ 658,000</u>	<u>\$ 658,000</u>	<u>\$ 0</u>

Rent Subsidy Program — The Rent Subsidy Program had a reversion of \$49,641 of unused funds in FY 2013. The IFA indicates that the unexpended funds were partially due to the fluctuations in the Program recipients. As enrollment decreased during FY 2013, the IFA accepted new applications in April and added 100 new recipients to assist in the payment of May rent. Six months through FY 2014, the program has expended 49.0% of the available appropriation and is currently closed to new applicants.

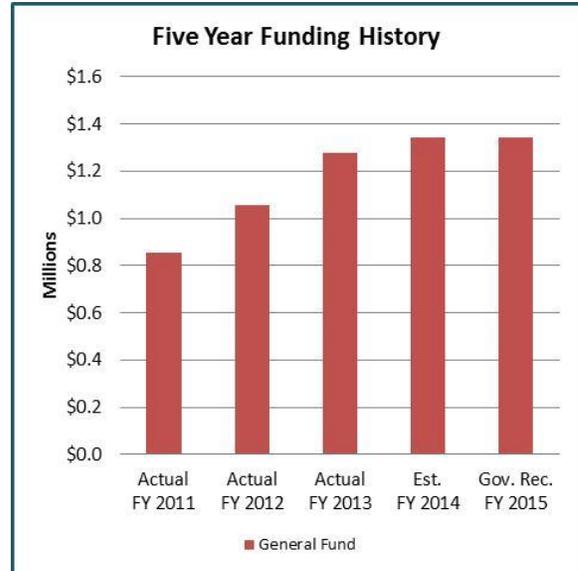
PUBLIC EMPLOYMENT RELATIONS BOARD

Overview and Funding History

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

Funding History: The line graph to the right shows the five-year funding history of the PERB. In FY 2011, there was a Cash Reserve Fund transfer of \$200,000 to backfill the reductions made to the appropriations during the fiscal year. This equalizes the appropriations in FY 2011 and FY 2012.

FY 2015: The Governor is recommending an FY 2015 General Fund appropriation of \$1,342,452. This is no change compared to estimated FY 2014.



Quick Facts

1,211
Total number of certified bargaining units in Iowa in FY 2013. An increase of six since FY 2012.

67
Current number of active grievance arbitrators on PERB’s list of neutrals. An increase of three since FY 2012.

General Fund Recommendations

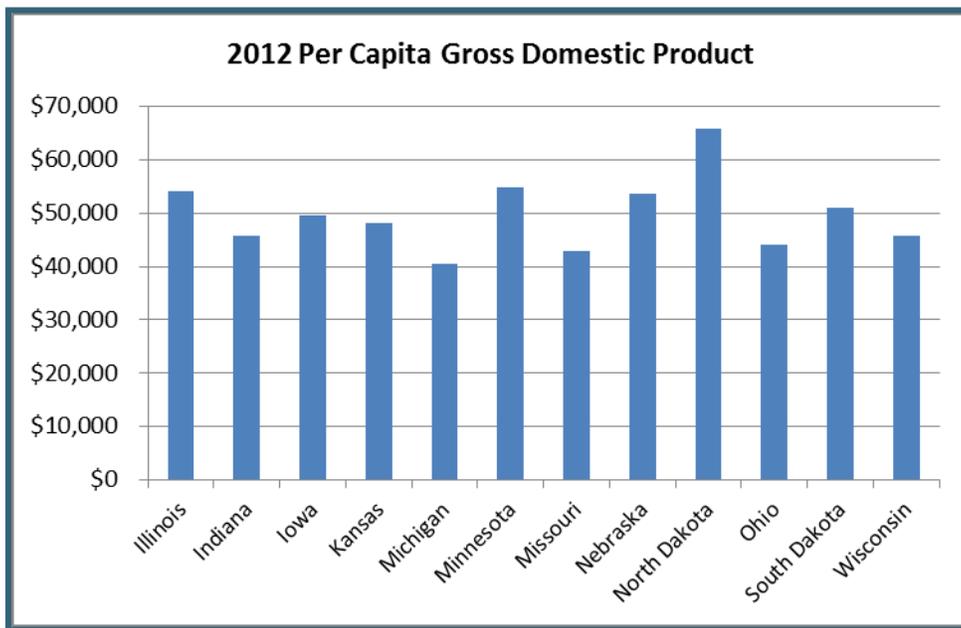
	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Public Employment Relations Board</u>				
Public Employment Relations				
General Office	\$ 1,342,452	\$ 1,413,927	\$ 1,342,452	\$ 0
Total Public Employment Relations Board	\$ 1,342,452	\$ 1,413,927	\$ 1,342,452	\$ 0

Comparisons to Other States — Gross Domestic Product

Data available from the [Council of State Governments \(CSG\) States Perform](#) website gathered by the [Bureau of Economic Analysis](#) (BEA) examines the Gross Domestic Product (GDP) by state. The GDP is the value added to goods and services by economic activity. It is equivalent to the gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus inputs (consumption of goods and services purchased from other U.S. industries or imported).

When evaluated on a per capita basis, Iowa ranked 6th, with a per capita GDP of \$49,586. The state with the highest per capita GDP was North Dakota (\$65,772), followed by Minnesota (\$54,791), and Illinois (\$53,998). The three lowest states were Michigan, Missouri, and Ohio.

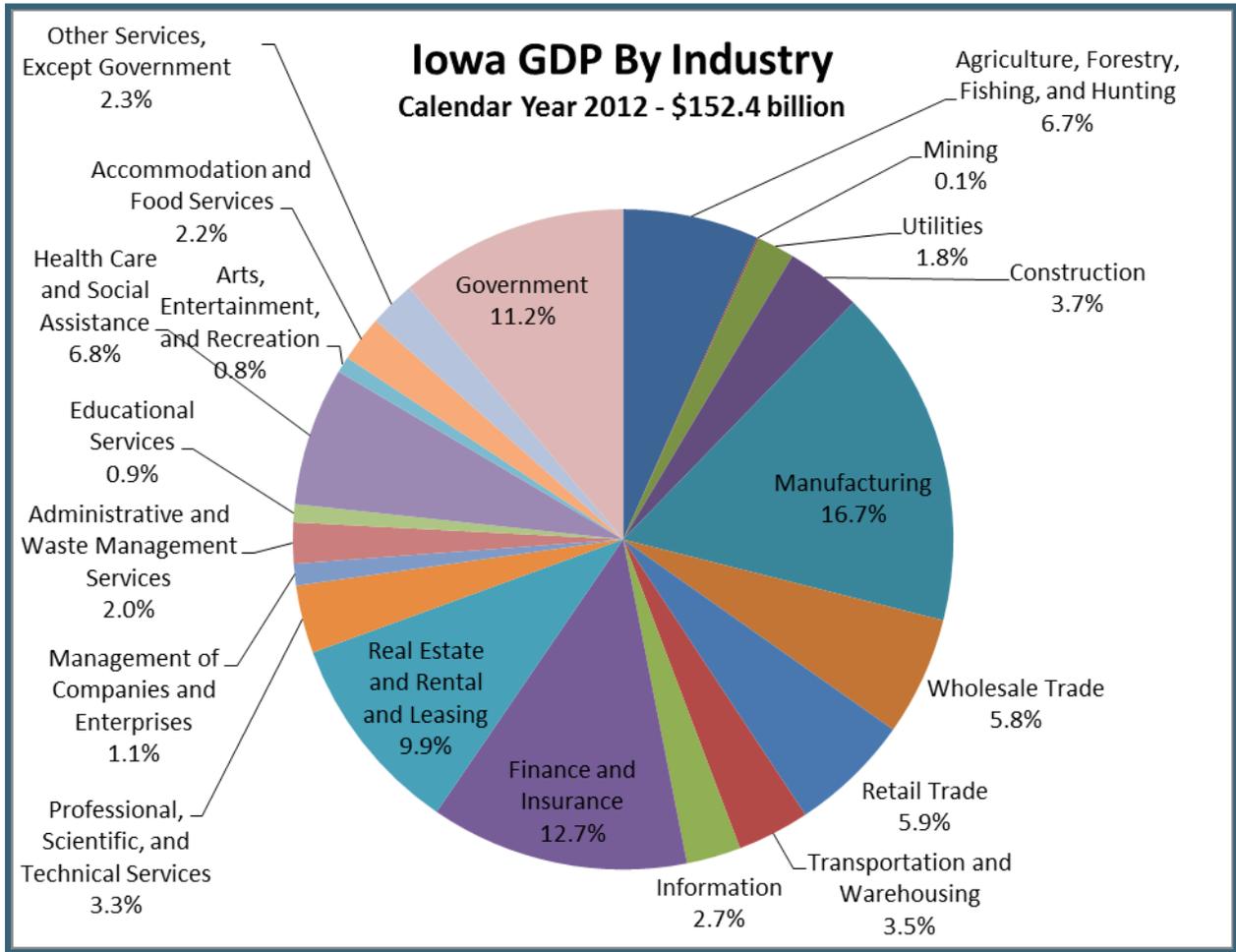
Since 2008, Iowa’s GDP has grown by 13.8%, fifth among all states compared. The state with the largest increase was North Dakota with 44.9%, followed by Nebraska (16.8%) and Indiana (14.4%). The states that had the slowest growth were Missouri (7.2%), Michigan (8.6%), and Ohio (9.2%).



The pie graph on the next page displays Iowa’s GDP by North American Industry Classification System (NAICS) sector. The largest three sectors of Iowa’s GDP: Manufacturing; Finance and Insurance; and Federal, Local, and State Government, make up 40.6% of Iowa’s total GDP.

When looking at Iowa’s GDP, the fastest growing sector since 2008 is Finance and Insurance. This sector increased 33.6%, followed by Management of Companies and Enterprises (23.7%), and Agriculture, Forestry, Fishing, and Hunting (17.4%). The sector with the slowest growth since 2008 is Information. This sector increased by 0.5%, followed by Manufacturing (4.2%), and Mining (4.2%). No sector decreased over this five-year span.

For additional comparisons, refer to www.statesperform.org or <http://www.bea.gov/regional/>.



Interim Committees and LSA Publications

Iowa Skilled Worker and Job Creation Fund Study Committee

The Iowa Skilled Worker and Job Creation Fund (SWJCF) Study Committee met on November 19, 2013, in Des Moines. The Study Committee was chaired by Senator Dotzler and Representative Hanusa and the following was discussed:

- Skilled worker training needs and training availability.
- University programs and initiatives that provide resources and research to help businesses, as well as programs for students to encourage entrepreneurship.
- Other topics discussed included business incentives and assistance, equipment purchases, and agency contracting.

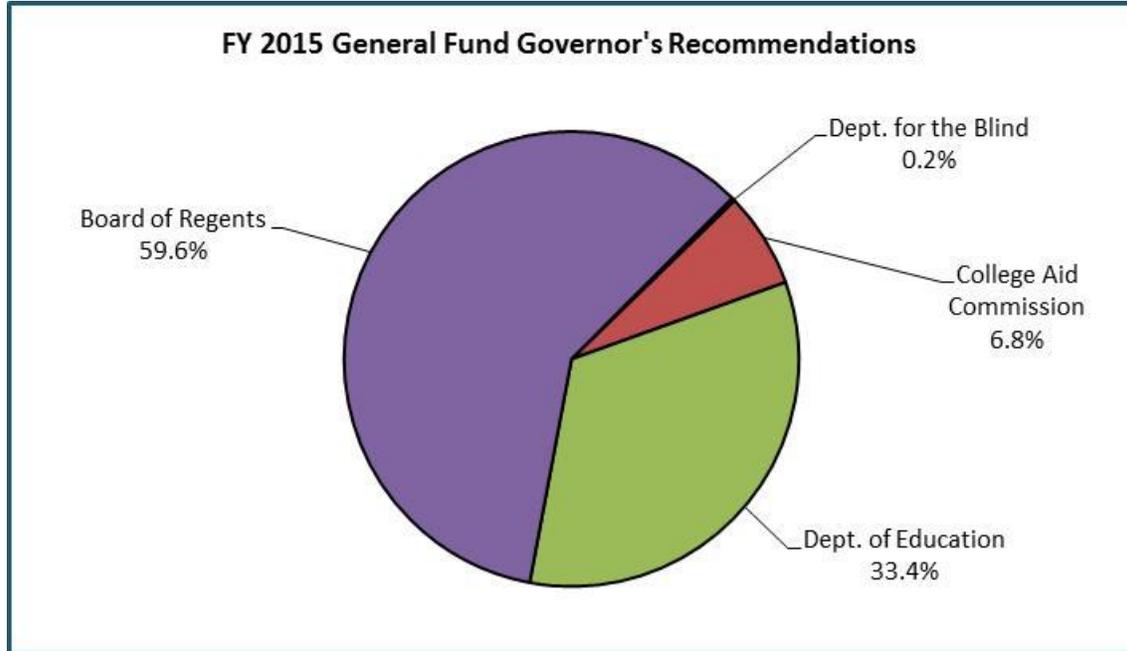
The members of the Study Committee discussed the issues that were presented and noted that the investments made and programs being operated within the SWJCF were moving economic development initiatives and living conditions forward. The Study Committee adjourned without making recommendations. The full briefing on the meeting can be found at (<https://www.legis.iowa.gov/docs/BriefOnMeetings/2014/BMKBH001.PDF>).

LSA Publications

The following documents have been published by the LSA that relate to the Economic Development Appropriations Subcommittee:

- *Issue Review:*
[Iowa Battle Flag Collection](#)
- *Budget Unit Fiscal Topics:*
[BUFT - IEDA: Iowa Commission on Volunteer Service/Promise Mentoring Partnership](#)
[Budget Unit: Boiler Safety Fund](#)
[Budget Unit: Elevator Safety Fund](#)
[Budget Unit: Records Center Rent](#)
[Budget Unit: Battle Flag Stabilization](#)

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Dept. for the Blind	\$	2,298,358
College Aid Commission		66,711,278
Dept. of Education		328,488,418
Board of Regents		585,226,481
Total	\$	982,724,535

DEPARTMENT FOR THE BLIND

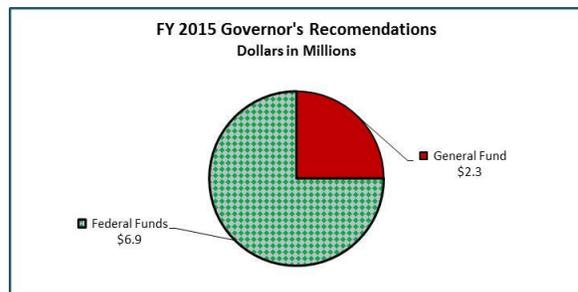
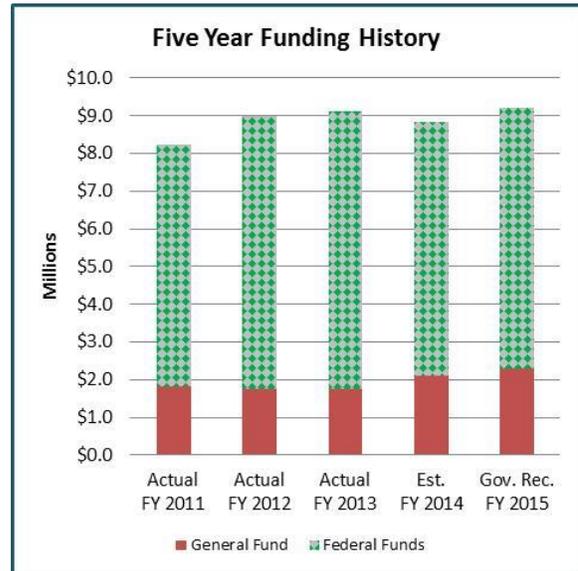
Overview and Funding History

Agency Overview: The Department for the Blind provides vocational rehabilitation, independent living skills, library services, and other essential services to blind lowans. The Department's three major service areas are Vocational Rehabilitation (VR), Independent Living (IL), and the Library for the Blind and Physically Handicapped.

Funding History: The budget funding history for the Department for the Blind has remained relatively stable for the last five years for the General Fund and federal funds. The bar chart on the right shows the funding history for the Department for the Blind from FY 2011 through the Governor's recommendations for FY 2015. The Department has not had any other fund appropriations for the last five years.

Governor's Recommendations

FY 2015: The Governor is recommending an FY 2015 General Fund appropriation of \$2,298,358, an increase of \$200,000 compared to estimated FY 2014. The pie chart on the right shows the FY 2015 Department for the Blind budget as recommended by the Governor.



FY 2014 Quick Facts - Blind

69,000
Estimated lowans that are blind or visually impaired

6,667
Individuals served by library services in CY 2012

60
Business enterprises owned by legally blind clients in CY 2012

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Blind, Dept. for the				
Department for the Blind				
Department for the Blind	\$ 2,048,358	\$ 2,048,358	\$ 2,248,358	\$ 200,000
Newsline for the Blind	50,000	50,000	50,000	0
Total Blind, Dept. for the	\$ 2,098,358	\$ 2,098,358	\$ 2,298,358	\$ 200,000

Governor's Recommendations: Significant Increases/Decreases – Department for the Blind

Department for the Blind	
An increase of 9.8% for the Department for the Blind for independent living purposes.	\$200,000

Issues

State Match Requirements for Federal Funds. The majority of the General Fund appropriation to the Department for the Blind serves as nonfederal match to draw down federal funds at a ratio of 21.3%/78.7%. This funding is also subject to a maintenance of effort (MOE) requirement. Reduction in this State funding can lead to a loss of federal funding.

For the Federal Fiscal Year ending September 30, 2012, the Department spent \$303,557 less than required by the federal MOE. Violation of the MOE requirement results in a reduction of federal funds at a dollar for dollar ratio. The Department experienced a federal funds reduction of \$303,557 in July 2013.

The Department was unable to match \$565,118 in federal formula grants in August of 2013, but met the MOE requirement for 2012.

For the current Federal Fiscal Year ending September 30, 2014, the Department expects to match all available federal formula grant funds and meet the maintenance of effort requirement.

Reserve Funds. As of September 30, 2012, the Department carried over approximately \$2,200,000 in federal formula grant funds. These funds are accumulated as a result of the federal stimulus program and from federal formula grants where the matching requirements have already been met or grants that required no matching funds. As of September 30, 2013, the Department carried over \$1,325,000 in federal formula grant funds.

COLLEGE STUDENT AID COMMISSION

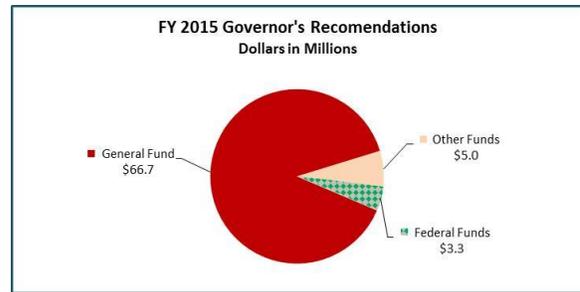
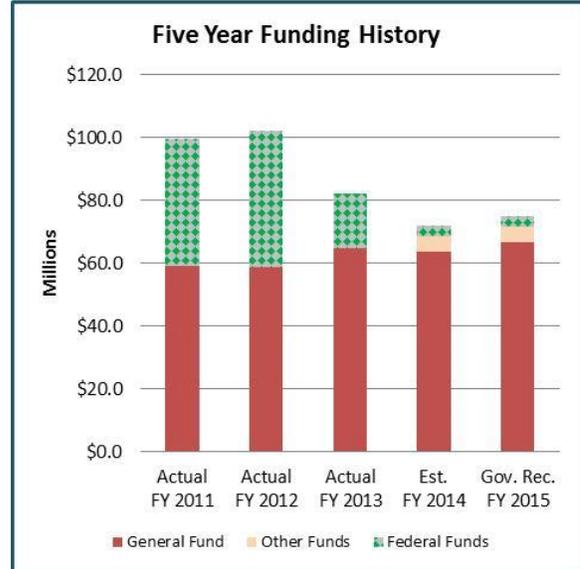
Overview and Funding History

Agency Overview: The College Student Aid Commission, under the direction of a 12-member commission, administers a variety of State and federal programs to connect students with resources and services to finance a college education. The Commission offers need-based scholarships, grants, work study, and loans and has served as Iowa’s student loan guarantee agency. The Commission provides school and lender services, borrower and collections services, communications services to assist students and families in planning and paying for college, and data collection and management.

Funding History: State funding for the College Student Aid Commission has been gradually increasing over the past few years. For FY 2014, the Skilled Workforce Shortage Grant was funded from the Skilled Worker and Job Creation Fund, rather than the General Fund. Combined General Fund and other fund support in FY 2014 reached \$68,611,278. The bar graph on the right shows a significant decrease in federal funding. This is a result of the discontinuation of the Federal Family Education Loan Program (FFELP). The Commission was the State guaranty agency for FFELP and received a variety of federal revenue as a result.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$66,711,278, an increase of \$3,100,000 compared to estimated FY 2014. The Governor is recommending an FY 2015 other fund appropriation of \$5,000,000. This is no change compared to estimated FY 2014. The pie chart on the right shows the FY 2015 College Student Aid Commission budget as recommended by the Governor.



FY 2014 Quick Facts - CSAC

3rd

Iowa’s ranking among the 50 states in percentage of 2012 college graduates with debt – 71.0%.

6th

Iowa’s ranking among the 50 states in the average amount of debt upon graduation in 2012 – \$29,456.

55.0%, 65.0%, 77.0%

The proportion of 2012 graduates with debt at University of Iowa, Iowa State University, and University of Northern Iowa, respectively.

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
College Aid Commission				
College Student Aid Comm.				
College Aid Commission	\$ 250,109	\$ 250,109	\$ 250,109	\$ 0
Iowa Grants	791,177	791,177	791,177	0
DMU Health Care Prof Recruitment	400,973	400,973	400,973	0
National Guard Benefits Program	5,100,233	5,100,233	5,100,233	0
Teacher Shortage Loan Forgiveness	392,452	392,452	392,452	0
All Iowa Opportunity Foster Care Grant	554,057	554,057	554,057	0
All Iowa Opportunity Scholarships	2,240,854	2,240,854	2,240,854	0
Nurse & Nurse Educator Loan	80,852	80,852	80,852	0
Barber & Cosmetology Tuition Grant Program	36,938	36,938	36,938	0
Tuition Grant Program - Standing	47,013,448	47,513,448	47,513,448	500,000
Tuition Grant - For-Profit	2,500,000	2,500,000	2,800,000	300,000
Vocational Technical Tuition Grant	2,250,185	2,250,185	2,250,185	0
Rural Iowa Primary Care Loan Repayment	1,600,000	1,600,000	1,600,000	0
Rural Nurse/PA Loan Repayment	400,000	400,000	400,000	0
Teach Iowa Scholars	0	0	2,300,000	2,300,000
Total College Aid Commission	\$ 63,611,278	\$ 64,111,278	\$ 66,711,278	\$ 3,100,000

Other Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
College Aid Commission				
College Student Aid Comm.				
Skilled Workforce Shortage Grant - SWJCF	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Total College Aid Commission	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0

Governor's Recommendations: Significant Increases/Decreases – College Student Aid Commission

General Fund	
An increase for the Iowa Tuition Grant – Nonprofit to continue the trend of gradually restoring funding to the FY 2009 level of \$49.3 million. See below.	\$500,000
An increase for the Iowa Tuition Grant – For-Profit. See below.	\$300,000
A new appropriation to fund the Teach Iowa Scholars Program created in HF 215 (Education Reform) in 2013.	\$2,000,000

Issues

Commissioners' Requested Funding Changes for FY 2015. As in past years, the members of the Commission submitted their own budget request to the Governor, separate from the official request submitted by Commission staff in October. The LSA appropriations tracking reflects the October staff budget. Following are the highlights of the Commissioners' request.

- An increase of \$99,272 for Administration to restore the appropriation to the FY 2010 level. This level of funding represents less than 0.5% of total State funding for financial aid programs. The increase would begin to phase out reliance on federal guaranty agency revenues for administrative support of State-funded programs. The revenues from the defunct Federal Family Educational Loan Program (FFELP) are declining and will continue to decline as the loan portfolio is discharged.
- An increase of 5.0% for state-funded need-based scholarship and grant programs, as follows:
 - Iowa Grants - \$39,559
 - National Guard Benefits Program - \$255,012
 - All Iowa Opportunity Foster Care Grant - \$27,703
 - All Iowa Opportunity Scholarship - \$112,043
 - Iowa Tuition Grant (Nonprofit) - \$2,350,672
 - Vocational Technical Tuition Grant - \$112,509
- A decrease of \$662,500 for the Iowa Tuition Grant for for-profit institutions. See explanation below.
- An increase of \$250,000 for the Skilled Workforce Shortage Tuition Grant.
- A decrease of \$36,938 to eliminate funding for the Barber and Cosmetology Grant. The Commissioners recommend allowing students at eligible barber and cosmetology schools (approximately 220 students) to qualify for the Vocational Technical Tuition Grant. This grant is currently available only to community college students. The cost of administering the program in FY 2014 is estimated to be \$54,000.
- An appropriation of \$1,250,000 for College Work Study. Iowa Code provides a standing appropriation of \$2,750,000 for this Program, but it is frequently nullified and unfunded. The last appropriation for Work Study occurred in FY 2009 in the amount of \$980,000.
- A new appropriation of \$2,316,000 for the Teach Iowa Scholar Program created in HF 215 (Education Reform Act) in the 2013 Legislative Session.
- A new appropriation of \$75,000 for Postsecondary Registration and Consumer Protection. Currently, the fees collected from registrants (\$2,000 for a two-year registration) are deposited in the General Fund. The Commission anticipates receiving approximately \$20,000 in fees in FY 2014. See below for additional information on this program.

The Commissioners are also recommending consolidating the following programs to eliminate duplication of effort:

- Rural Iowa Primary Care Loan Repayment and Health Care Professional Recruitment.
- Registered Nurse and Nurse Educator Loan Forgiveness and Rural Advanced Registered Nurse Practitioner and Physician Assistant Loan Repayment.
- Teach Iowa Scholar Program and Iowa Teacher Shortage Loan Forgiveness.

Nonprofit Iowa Tuition Grant. The Commission estimates that an appropriation of \$56,988,000 is needed to fully fund the statutory maximum award of \$5,000 per recipient for FY 2015.

For-Profit Iowa Tuition Grant. The Commission estimates that an appropriation of \$7,592,300 would be needed to fully fund the statutory maximum award of \$5,000 per recipient for FY 2015. Ashford University will change accreditation in FY 2015, and its students will no longer be eligible for the grant. Ashford students represented 31.0% of total recipients and awards in FY 2013. The Commission

members recommend reducing funding for the grant program by one-third. *The Governor is recommending an increase of \$300,000 for FY 2015.*

Postsecondary Registration. One of the FY 2015 Commissioners' budget requests is for a new appropriation of \$75,000 to defray administrative costs for administering the Postsecondary Registration Program, including 2.00 FTE positions dedicated to the program. The Commission anticipates registering 10 schools in FY 2014 and collecting fees totaling \$20,000 that will be deposited in the General Fund. In FY 2013, the Commission collected \$42,000 in fees. Prior to FY 2013, the fee was \$4,000 for a four-year registration.

In a report delivered to the Education Appropriations Subcommittee in February 2013, the Commission anticipated expenditures of \$325,000 in FY 2014 for this Program. Of that amount, \$181,000 (55.8%) was for 2.00 FTE positions. The remainder was for the Program's share of rent, supplies, printing, information technology, and department administration/support services. *The Governor is recommending no funding for Postsecondary Registration in FY 2015.*

Interstate Reciprocity for Postsecondary Registration (SARA). In April 2013, the Commission on the Regulation of Postsecondary Distance Education released its final report of recommendations for the State Authorization Reciprocity Agreement (SARA). The agreement will allow distance education providers to register in only one state, with other states recognizing that registration. Its purpose is to simplify and reduce the cost of registration for schools. However, it is also likely to reduce workload and administrative costs for state agencies currently responsible for registration.

The Commission was convened by representatives of the State Higher Education Executive Officers (SHEEO) and the American Association of Public Land-Grant Universities (APLU) and chaired by former U.S. Secretary of Education Richard Riley. Members represented a diverse group of stakeholders in postsecondary distance education policy.

The final report included recommendations for implementation. The Commission, the Council of State Governments, SHEEO, and the four regional higher education compacts convened a meeting in April 2013, attended by representatives of 47 states, to discuss implementation. Materials for that meeting, including the Commission's final report, can be found here: <http://www.sheeo.org/projects/state-authorization-postsecondary-education>

Since that time, the National Council for State Authorization Reciprocity Agreements (NC-SARA) has been established. The Council is funded by a \$2.3 million grant from the Lumina Foundation and works closely with the four regional higher education compacts that have agreed to administer SARA in their regions.

The Midwest Higher Education Compact (MHEC) expects at least four states to sign onto SARA by the end of FY 2014. In Iowa, the College Student Aid Commission is working with the Attorney General's Office to determine what legislation will be needed for Iowa to participate.

National Guard Education Assistance Program. An initial estimate by the Iowa National Guard anticipates 2,063 applications at an estimated cost of \$5,102,419 for FY 2015. The Program received an FY 2014 appropriation of \$5,100,233, and the agency's budget request is for flat funding. The Commission members requested \$5,355,245 in their own budget request to the Governor. *The Governor is recommending no change in funding for FY 2015.*

Commission Administrative Costs. In its report to the Education Appropriations Subcommittee in February 2013, the Commission provided data on estimated FY 2014 administrative costs by Program. Net administrative costs for State-funded financial aid programs totaled \$964,000 or 1.4% of State

appropriations for the programs. Net administrative costs are estimated expenditures minus any estimated revenue generated by the Program. The expenditures include shared and indirect costs that are spread over all programs, regardless of funding source. Net direct administrative costs, excluding shared or indirect expenses, totaled \$90,000 or 0.1% of State appropriations for the programs. The report did not include the Rural Nurse Practitioner and Physician Assistant Loan Repayment Program that was enacted later in the 2013 Legislative Session.

Administrative costs will increase significantly in FY 2016, when the Commission's office rent increases from \$4,289 per month to \$13,551. The increase is due to the closure and demolition of the old Des Moines General hospital building where the Commission was housed. The Department of Administrative Services has agreed to pay the difference in rent (\$9,261) for two years through June 2015.

The Commission currently has 42.00 authorized FTE positions and 5.00 of those positions are vacant. The Commission anticipates filling 2.00 vacant FTEs before the end of FY 2014. *The Governor is recommending no change in funding for FY 2015.*

DEPARTMENT OF EDUCATION

Overview and Funding History

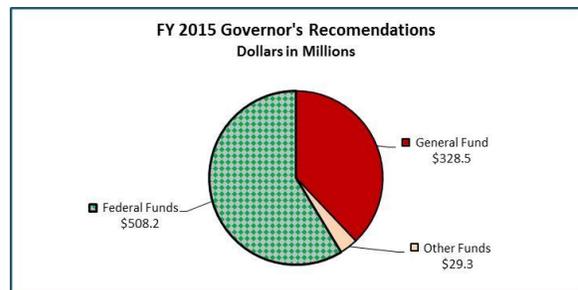
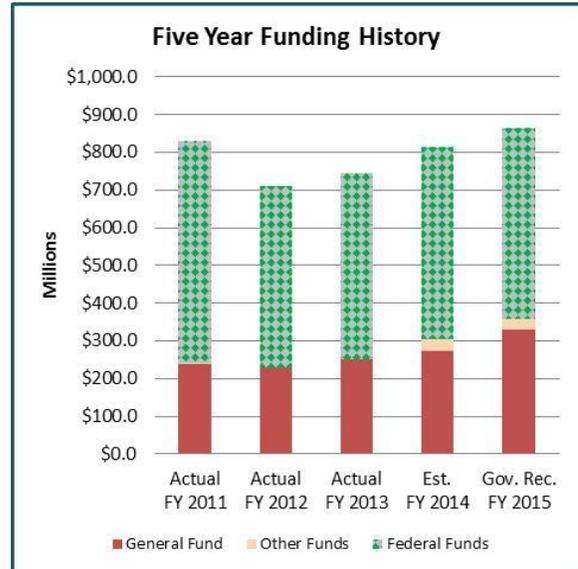
Agency Overview: The Department of Education oversees K-12 education in Iowa, as well as the community college system. In addition, the Department’s budget includes early childhood programming, the State Library and local library support, Iowa Public Television (IPTV), and Iowa Vocational Rehabilitation Services (IVRS). Direct aid to local schools is not part of the Subcommittee’s budget. For more information on school aid, see the Standing Appropriations section of this document.

Funding History: The budget funding history for the Department of Education has remained relatively stable for the last five years for General Fund and federal funds. The bar chart on the right shows the funding history for the Department of Education from FY 2011 through the Governor’s recommendations for FY 2015. Other fund appropriations include a \$4,630,000 appropriation in FY 2011 from the Cash Reserve Fund (CRF) for the Preschool Program, Jobs for America’s Graduates, and Sac and Fox Education. Other fund appropriations from the Skilled Worker and Job Creation Fund for FY 2014 totaled \$29,300,000 for Workforce Training and Economic Development, Adult Literacy for the Workforce, Pathways for Academic Career and Employment (PACE) Program, Gap Tuition Assistance Program, and Workbased Learning Intermediary Network.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$328,488,418. This is an increase of \$54,369,126 compared to estimated FY 2014. The appropriation increase includes \$57,100,000 for Education Reform, outlined in more detail in the “Education Reform Initiative” section in this document. The pie chart on the right shows the FY 2015 Department of Education budget as recommended by the Governor.

The Governor is recommending other fund appropriations totaling \$29,300,000 for FY 2015. This is no change compared to estimated FY 2014.



FY 2014 Quick Facts - DE

25
Iowa’s Average Public School Teacher Salary Rank for 2012-2013 when compared to the nation.

2,185
Total IVRS Successful Rehabilitation Closures in FFY 2013

25
Number of new communities in Iowa participating in IPTV’s New Ready for School Initiative

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Education, Dept. of				
Education, Dept. of				
Administration	\$ 6,304,047	\$ 7,692,747	\$ 6,304,047	\$ 0
Vocational Education Administration	598,197	598,197	598,197	0
State Library	2,715,063	2,715,063	2,715,063	0
State Library - Enrich Iowa	2,524,228	2,524,228	2,524,228	0
Vocational Education Secondary	2,630,134	2,630,134	2,630,134	0
Food Service	2,176,797	2,176,797	2,176,797	0
ECI General Aid (SRG)	5,386,113	5,386,113	5,386,113	0
ECI Preschool Tuition Assistance (SRG)	5,428,877	5,428,877	5,428,877	0
ECI Family Support and Parent Ed (SRG)	12,364,434	12,364,434	12,364,434	0
Special Ed. Services Birth to 3	1,721,400	1,721,400	1,721,400	0
Nonpublic Textbook Services	600,214	600,214	600,214	0
Core Curriculum	1,000,000	2,000,000	1,000,000	0
Student Achievement/Teacher Quality	6,307,351	6,800,000	6,307,351	0
Jobs For America's Grads	670,000	670,000	670,000	0
Education Reform	6,840,000	72,000,000	57,100,000	50,260,000
Iowa Reading Research Center	1,331,000	2,000,000	3,931,000	2,600,000
Midwestern Higher Education Compact	100,000	100,000	100,000	0
Community Colleges General Aid	193,274,647	193,274,647	193,274,647	0
Community College Salary Increase	500,000	500,000	500,000	0
Early Head Start Projects	400,000	400,000	400,000	0
Successful Progression for Early Readers	8,000,000	18,200,000	8,000,000	0
Competency-Based Education	425,000	425,000	425,000	0
Iowa Learning Online Initiative	0	1,500,000	0	0
Regional Telecommunications Councils	0	992,913	992,913	992,913
Bullying Prevention	0	0	25,000	25,000
Total Education, Dept. of	\$ 261,297,502	\$ 342,700,764	\$ 315,175,415	\$ 53,877,913
Vocational Rehabilitation				
Vocational Rehabilitation	\$ 5,146,200	\$ 5,296,200	\$ 5,296,200	\$ 150,000
Independent Living	39,128	39,128	39,128	0
Entrepreneurs with Disabilities Program	145,535	145,535	145,535	0
Independent Living Center Grant	40,294	40,294	40,294	0
Total Vocational Rehabilitation	\$ 5,371,157	\$ 5,521,157	\$ 5,521,157	\$ 150,000
Iowa Public Television				
Iowa Public Television	\$ 7,450,633	\$ 8,188,846	\$ 7,791,846	\$ 341,213
Total Education, Dept. of	\$ 274,119,292	\$ 356,410,767	\$ 328,488,418	\$ 54,369,126

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Education, Dept. of				
Education, Dept. of				
Workforce Training and Econ Dev Funds - SW.	\$ 15,300,000	\$ 15,300,000	\$ 15,100,000	\$ -200,000
Adult Literacy for the Workforce - SWJCF	5,500,000	5,500,000	5,500,000	0
PACE and Regional Sectors - SWJCF	5,000,000	5,000,000	5,000,000	0
Gap Tuition Assistance Fund - SWJCF	2,000,000	2,000,000	2,000,000	0
Workbased Lng Intermed Network - SWJCF	1,500,000	1,500,000	1,500,000	0
Workforce Preparation Outcome Reporting Syst	0	0	200,000	200,000
ACE Infrastructure - SWJCF	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 0
Total Education, Dept. of	\$ 35,300,000	\$ 35,300,000	\$ 35,300,000	\$ 0

Governor's Recommendations: Significant Increases/Decreases – Department of Education

General Fund	
An increase for Education Reform Initiatives. See below for more information, or go to the section of this document titled "Education Reform Initiative."	\$50,260,000
An increase for the Iowa Reading Research Center.	\$2,600,000
An increase for Regional Telecommunications Councils. The Councils were previously funded at \$993,000 through the Iowa Telecommunications and Technology Commission for FY 2013 and FY 2014. In FY 2012 and prior years, the appropriation was under the purview of Iowa Public Television (IPTV).	\$992,913
A new appropriation for a Bullying Prevention Program.	\$25,000
An increase of 2.9% for Vocational Rehabilitation for client services.	\$150,000
An increase of 4.6% for Iowa Public Television to develop integrated content.	\$341,213

Other Fund	
A decrease for the Workforce Training and Economic Development Funds appropriation from the Skilled Worker and Job Creation Fund.	\$-200,000
A new appropriation from the Skilled Worker and Job Creation Fund for the Workforce Preparation Outcome Reporting System to support the reporting of educational and employment outcomes for various workforce preparation programs in partnership with Iowa Workforce Development.	\$200,000

Issues

Federal Funds Department of Education. There are four appropriations under the Department of Education that fulfill MOE requirements for federal funds.

- **Vocational Education Administration and Vocational Education Secondary.** These funds are part of the State's receipt of federal Perkins funding. To fulfill MOE requirements, the State must spend an amount equal to or greater than the amount spent the previous year, unless the federal award is decreased. Failure to meet MOE requirements in either of these appropriations may jeopardize the entire Perkins funding of \$12,132,554. For FY 2012, the State appropriation for Vocational Education Administration failed to meet the MOE

requirement. The Department was cited and the FY 2013 appropriation was increased to meet the MOE requirement.

- **School Food Service.** Based on past usage, the federal government determines how much funding the State is eligible for in the coming year and then determines the amount of State match required. The current match rate is 28.5%. Reductions in State funding for this appropriation may result in the need to lower meal reimbursement rates to schools.
- **Special Education Services Birth to Three.** This appropriation funds the State's early childhood special education services under the federal Individuals with Disabilities Education Act (IDEA). Any reduction in State funding for this Program results in the loss of all federal funds for this Program that currently totals \$3,960,706.

Mentoring and Induction. The FY 2014 allocation for this Program under the General Fund appropriation for Student Achievement/Teacher Quality Program was insufficient to pay the full \$1,300 to school districts for each first and second year teacher in the Program. The DE has the ability under Iowa law to prorate the payments to districts due to insufficient funds. Districts received 77.0% (\$1,001) of the \$1,300 they were supposed to receive for the year. Funding allows for an annual award of \$1,000 to be paid to mentors and the remaining money can be used by the district to pay for related Program costs, including FICA or IPERS. The DE estimates that most districts did not prorate the annual awards to mentors, and used districts' general funds to pay for the related Program costs.

Federal Funds Iowa Vocational Rehabilitation Services (IVRS). For FFY 2013 (ended September 30, 2013), the IVRS had a federal funds match shortage of \$1,424,000, and this resulted in the loss of \$5,261,000 in federal funds not earned. The Division also failed the MOE requirement by \$36,371; as a result, the federal funding available to the Division in the subsequent year was reduced by that amount.

- For FFY 2014, the IVRS estimates a match shortage of \$1,232,000, and this will mean the loss of \$4,554,000 in federal funds not earned. The Division does not anticipate a MOE deficit for 2014.
- For FFY 2015, the IVRS estimates a match shortage of \$1,081,000 and a subsequent loss of federal funds not earned of \$3,995,000. The IVRS does not anticipate a MOE deficit for 2015.
- For FFY 2016, the IVRS estimates a match shortage of \$1,040,000 and a subsequent loss of federal funds not earned of \$3,844,000. The IVRS does not anticipate a MOE deficit in FFY 2016.

The Governor is recommending an increase in State funding for the Department for FY 2015 of \$150,000, a 2.9% increase compared to estimated FY 2014. The additional State funding of \$150,000 will match \$553,500 in federal funds.

Waiting List. The Division notes, with the current level of funding, 618 fewer people will be served in FY 2014. Individuals not served by the Division are added to a waiting list. The waiting list averaged 3,813 people in 2011, 3,258 people in 2012, and 1,803 people in 2013. Currently the waiting list has 1,300 people.

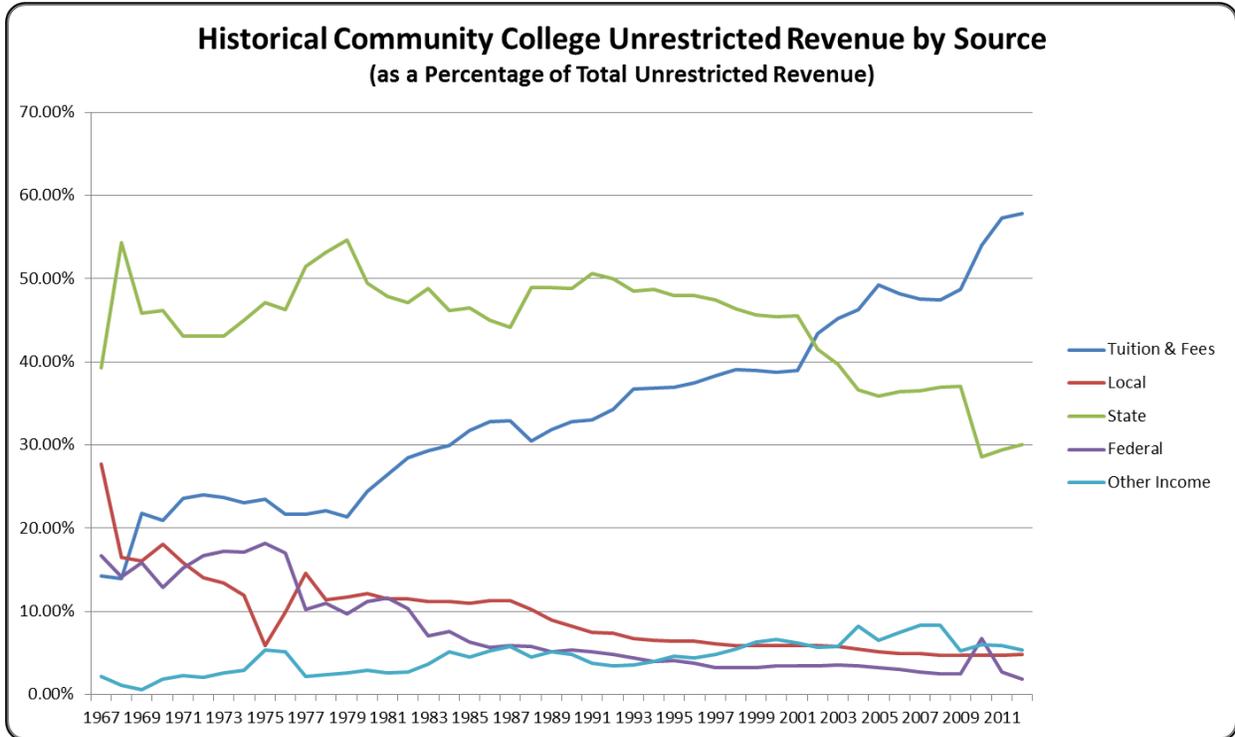
Governor’s Education Reform Recommendation. The Governor is recommending \$57,100,000 in FY 2015 for Education Reform, an increase of \$50,260,000 compared to estimated FY 2014. The table below outlines the Governor’s recommended funding amounts. The proposal is outlined in the section of this document titled “Education Reform Initiative.”

FY 2015 Governor's Recommendation	
Provision	Gov Recommendation FY 2015
Iowa Learning Online Initiative	\$ 1,500,000
Teacher Leadership Grants and Aid	49,300,000
Teacher Leadership Dept. of Education Assistance	700,000
Career Paths Delivery System	1,300,000
Principal Academy and Administrative Mentoring Program	2,000,000
Extended Learning Time Pilots	500,000
English Language Learner Effective Practices Pilot Projects	500,000
TeachIowa Job Board and Licensure System	250,000
Attendance Center Performance Indicator System	1,000,000
Ongoing Council and Task Force Support	50,000
Total	\$ 57,100,000

Community College Revenue. At the meeting of the Administrative Costs in Higher Education Study Committee in November, a legislator recalled hearing that the original intent of the creators of the community college system was that 50.0% of revenues would come from State appropriations, 25.0% from tuition, and 25.0% from local property tax.

The following graph shows the historical funding by source as percentages of total unrestricted revenue. State funding (green line) remained between 45.0% and 55.0% until FY 2002. Tuition (dark blue line) began climbing above 25.0% around FY 1980 and became the largest source of revenue in FY 2002. Local property tax (the 20.5-cent general levy) (red line) represented 27.7% of revenue in the initial year of 1967, but dropped below 20.0% the next year. It declined through the 1970s, leveled off between 11.0% and 12.0% in the 1980s, and then began steadily declining again in FY 1989. The remaining two sources of revenue on the graph are federal and other. After a decline in federal revenue through the 1980s, the two sources have remained relatively stable as a percentage of total revenue.

The Governor is recommending no increase in funding for Community College General Aid or the salary appropriation.



Use of Financial Aid at Community Colleges. According to data submitted by institutions of higher education to the Integrated Postsecondary Data System (IPEDS), 63.0% of full-time first-time students at Iowa’s community colleges in the 2010-2011 academic year took out student loans compared to the national median for the public two-year sector of 17.0%. Other differences include greater usage of institutional grants (21.0% in Iowa vs. 8.0% nationally) and lower usage of state and local grants (6.0% in Iowa vs. 28.0% nationally). See **Comparison to Other States** at the end of this section for additional information.

BOARD OF REGENTS

Overview and Funding History

Agency Overview: The Board of Regents is a nine-member board that oversees the University of Iowa, Iowa State University, the University of Northern Iowa, the Iowa School for the Deaf, and the Iowa Braille and Sight Saving School. The Board establishes policy for the institutions; hires the university presidents and special school superintendents; approves budgets, tuition and fees, bonding, investment policies, and other business and finance matters; reviews and approves academic programs; and serves as the trustees for the University of Iowa Hospitals and Clinics (UIHC).

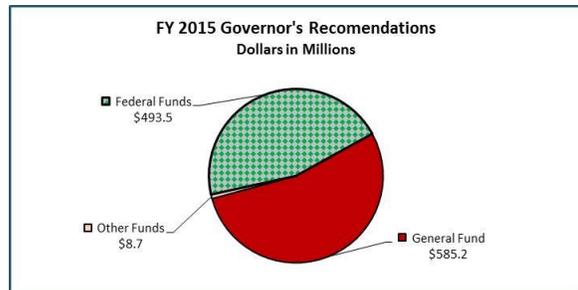
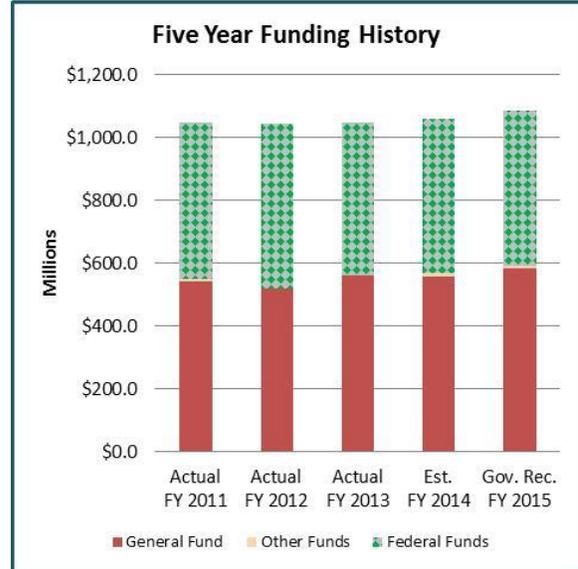
Funding History: The FY 2014 level of General Fund support for the Board of Regents was \$559,156,460. Federal funding increased as State General Fund support decreased, and federal support has leveled off at a slightly lower level.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$585,226,481. This is an increase of \$26,070,021 compared to estimated

FY 2014. The Governor is recommending FY 2015 other fund appropriations totaling \$8,700,000. This is no change compared to estimated FY 2014. The pie chart on the right shows the FY 2015 Board of Regents budget as recommended by the Governor.

The Governor is recommending funding of \$29,735,423 for tuition replacement from the Rebuild Iowa Infrastructure Fund (RIIF), an increase of \$1,867,648 compared to estimated FY 2014. The Governor is also recommending a decrease of \$49,830,075 for the UIHC from IowaCare funds due to the elimination of the IowaCare program. The IowaCare Program expired on December 31, 2013. Individuals who received coverage under the Program will be covered by the new Iowa Health and Wellness Program or through the insurance exchange. These other fund appropriations are under the purview of the Transportation, Infrastructure, and Capitals Appropriations Subcommittee and the Health and Human Services Appropriations Subcommittee, respectively.



FY 2014 Quick Facts - Regents

58.0% and 38.0%
 Percentage of FY 2013 university operating revenues from tuition and fees and from State appropriations, respectively.

\$4.89 billion
 Total FY 2013 revenue for the Board of Regents enterprise, including \$1.43 billion in general operating revenue, \$1.03 billion in UIHC operating revenue, and \$2.43 billion in restricted revenue.

68.8%
 Percentage of FY 2013 General Operating Fund expended on salaries at all the Regents institutions, excluding the UIHC.

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Regents, Board of				
Regents, Board of				
Regent Board Office	\$ 1,094,714	\$ 1,129,745	\$ 1,094,714	\$ 0
GRA - SW Iowa Regents Resource Ctr	182,734	209,381	182,734	0
GRA - Tri State Graduate Center	66,601	278,550	66,601	0
GRA - Quad Cities Graduate Center	34,513	5,000	34,513	0
IPR - Iowa Public Radio	391,568	404,098	391,568	0
University of Iowa - General	222,041,351	230,923,005	230,923,005	8,881,654
UI - Oakdale Campus	2,186,558	2,256,528	2,186,558	0
UI - Hygienic Laboratory	4,402,615	4,543,499	4,402,615	0
UI - Family Practice Program	1,788,265	1,845,489	1,788,265	0
UI - Specialized Children Health Services	659,456	680,559	659,456	0
UI - Iowa Cancer Registry	149,051	153,821	149,051	0
UI - Substance Abuse Consortium	55,529	57,306	55,529	0
UI - Biocatalysis	723,727	746,886	723,727	0
UI - Primary Health Care	648,930	669,696	648,930	0
UI - Iowa Birth Defects Registry	38,288	39,513	38,288	0
UI - Iowa Nonprofit Resource Center	162,539	167,740	162,539	0
UI - IA Online Advanced Placement Acad.	481,849	497,268	481,849	0
UI - Iowa Flood Center	1,500,000	1,548,000	1,500,000	0
Iowa State University - General	173,986,353	180,945,807	180,945,807	6,959,454
ISU - Agricultural Experiment Station	28,111,877	30,923,457	30,611,877	2,500,000
ISU - Cooperative Extension	18,266,722	19,180,257	18,266,722	0
ISU - Leopold Center	397,417	410,134	397,417	0
ISU - Livestock Disease Research	172,844	178,375	172,844	0
University of Northern Iowa - General	83,222,819	96,951,732	90,951,732	7,728,913
UNI - Recycling and Reuse Center	175,256	180,864	175,256	0
UNI - Math and Science Collaborative	5,200,000	5,200,000	5,200,000	0
UNI - Real Estate Education Program	125,302	129,312	125,302	0
Iowa School for the Deaf	9,030,634	9,391,859	9,030,634	0
Iowa Braille and Sight Saving School	3,765,136	3,915,741	3,765,136	0
ISD/IBS - Tuition and Transportation	11,763	12,234	11,763	0
ISD/IBS - Licensed Classroom Teachers	82,049	85,331	82,049	0
UNI - Applied Sciences Program	0	1,500,000	0	0
UI - Belin-Blank Academy	0	500,000	0	0
Total Regents, Board of	\$ 559,156,460	\$ 595,661,187	\$ 585,226,481	\$ 26,070,021

Other Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Regents, Board of				
Regents, Board of				
UI - Economic Development - SWJCF	\$ 209,279	\$ 215,976	\$ 209,279	\$ 0
UI - Entrepreneur and Econ Growth - SWJCF	2,000,000	2,064,000	2,000,000	0
ISU - Economic Development - SWJCF	2,424,302	3,278,880	2,424,302	0
UNI - Economic Development - SWJCF	1,066,419	1,100,544	1,066,419	0
Regents Innovation Fund - SWJCF	3,000,000	3,096,000	3,000,000	0
Total Regents, Board of	\$ 8,700,000	\$ 9,755,400	\$ 8,700,000	\$ 0

Governor's Recommendations: Significant Increases/Decreases – Board of Regents

General Fund	
A 4.0% increase to each of the State universities for general operational support.	\$19,170,021
An additional increase for the University of Northern Iowa (UNI) to address UNI's unique funding challenges.	\$4,400,000
A general increase for Iowa State University's Agriculture Experiment Station.	\$2,500,000

Issues

Tuition Freeze. For the second year in a row, the Board of Regents voted to keep tuitions frozen at the FY 2013 level in FY 2015, contingent upon receiving a 4.0% increase in general university appropriations to the three universities. *The Governor is recommending a 4.0% increase in general university appropriations, with an additional increase for the University of Northern Iowa.*

Performance-Based Funding Task Force. The Board of Regents' Performance-Based Revenue Model Task Force began meeting in October to review the general funding model for the universities and recommend allocation methods to link dollars more directly to priorities. The Task Force is chaired by former Regent David Miles and includes current Regent President Pro Tem Katie Mulholland, as well as Len Hadley, Cara Heiden, and Mark Oman, community representatives with financial expertise. On October 18, 2013, the Task Force heard a presentation by Art Hauptman, an independent public policy consultant specializing in higher education finance issues, who discussed national trends in state funding and governance, the features of a good funding model, and his suggestions for reforming Iowa's financing of higher education.

On December 17, 2013, the Task Force heard presentations from Matt Pellish, Director of Strategic Research for the Education Advisory Board, on the basics of performance funding; David Peters, Iowa State University (ISU) Assistant Professor of Sociology-AGLS, on the demographics of the college student population in Iowa; and Tahira Hira, ISU Senior Policy Advisor, and Roberta Johnson, ISU Director of Financial Aid, on student debt.

The next meeting of the Task Force is scheduled for January 21, 2014, at the Board of Regents Office in Urbandale, Iowa. At future meetings, the Task Force anticipates hearing from a representative of at least one state that has adopted performance-based funding. The group then will meet with the university presidents, consider data and metrics, and finalize recommendations for presentation to the Board of Regents in June 2014.

Use of Financial Aid at Regents Institutions. According to data submitted by institutions of higher education to the Integrated Postsecondary Data System (IPEDS), 24.0% of full-time first-time undergraduates at Iowa's Regents universities in the 2010-2011 academic year received federal grants compared to the national median for the public four year sector of 43.0%. Other differences include a greater usage of institutional grant aid (59.0% in Iowa vs. 36.0% nationally) and lower usage of State and local grants (3.0% in Iowa vs. 37.0% nationally). See **Comparison to Other States** below for additional information.

Transfer of Funds between Graduate Study Centers – On September 4, 2013, the General Assembly was notified of an FY 2014 transfer of \$29,513 from the Quad Cities Graduate Center to the Southwest Iowa Regents Resource Center (\$20,000) and the Northwest Iowa Regents Resource Center (\$9,513). The transfer brought total FY 2014 funding to \$202,734 for Southwest, \$76,114 for Northwest, and \$5,000 for Quad Cities. The decrease in funding for Quad Cities was due to the level of direct services to Regents students and reliance on online delivery for the majority of the graduate programs offered. The services offered to Regents student by the Quad Cities Center are duplicative of services provided by the universities. *The Governor is recommending funding at the FY 2014 appropriated level prior to the transfer.*

IOWA ECONOMIC DEVELOPMENT AUTHORITY

The Iowa Economic Development Authority (IEDA) is responsible for fostering the economic vitality of the State by working in focused partnerships with businesses, entrepreneurs, communities and educational entities.

The Skilled Worker and Job Creation Fund was created in the 2013 Legislative Session. In FY 2014, the Fund received \$66,000,000 from State gambling revenues. One of the appropriations from the Fund in FY 2014 was \$16,900,000 for the High Quality Jobs Program for cash incentives for businesses. *The Governor is recommending no change in funding for this program for FY 2015.*

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Economic Development Authority</u>				
Economic Development Authority				
High Quality Jobs Program - SWJCF	\$ 16,900,000	\$ 16,900,000	\$ 16,900,000	\$ 0
Total Economic Development Authority	\$ 16,900,000	\$ 16,900,000	\$ 16,900,000	\$ 0

IOWA WORKFORCE DEVELOPMENT

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

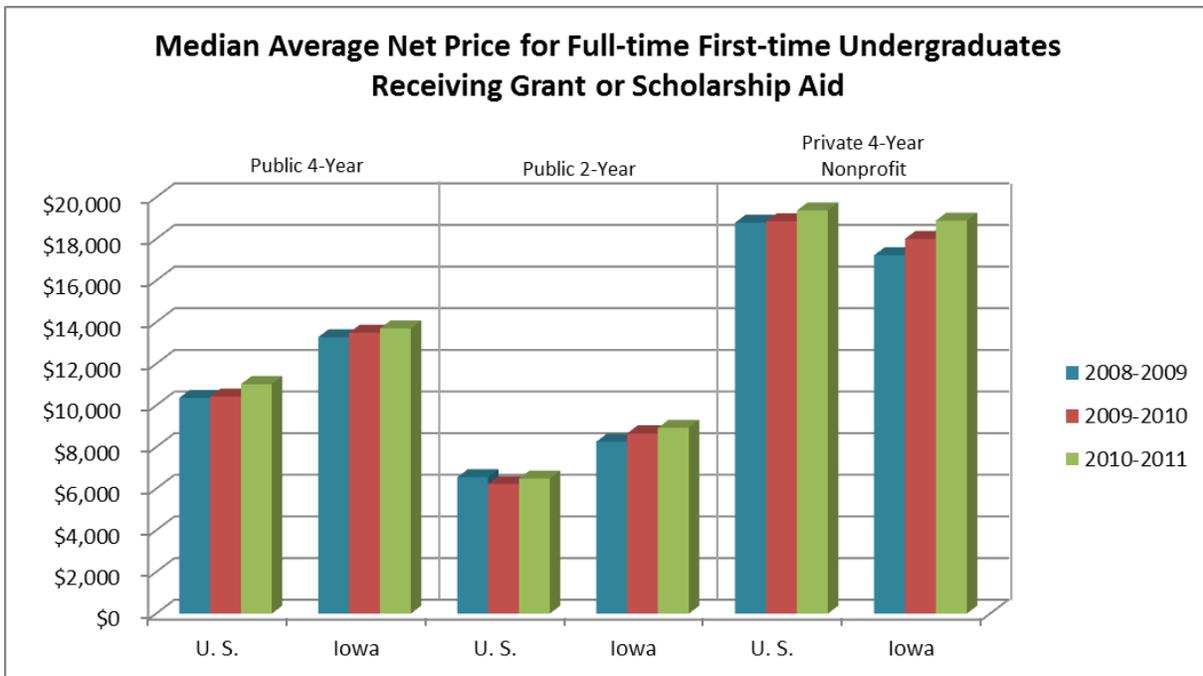
The Skilled Worker and Job Creation Fund was created in the 2013 Legislative Session. In FY 2014, the Fund received \$66,000,000 from State gambling revenues. One of the appropriations from the Fund in FY 2014 was \$100,000 for a new program to be developed by A Mid-Iowa Organizing Strategy (AMOS). *The Governor is recommending no change in funding for this program for FY 2015.*

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Iowa Workforce Development</u>				
Iowa Workforce Development				
AMOS Mid-Iowa Organizing Strategy - SWJCF	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Total Iowa Workforce Development	\$ 100,000	\$ 0	\$ 100,000	\$ 0

Comparison to Other States – Average Net Price of College Attendance and Use of Financial Aid

Average Net Price. According to data submitted by institutions to the National Center for Education Statistics’ (NCES) Integrated Postsecondary Data System (IPEDS) for the three academic years between 2008 and 2011, Iowa’s public four-year and two-year institutions ranked above the national median in average net price of attendance for full-time first-time undergraduates that received grant or scholarship aid.

The following graph compares the U.S. median and the Iowa median average net price by sector.



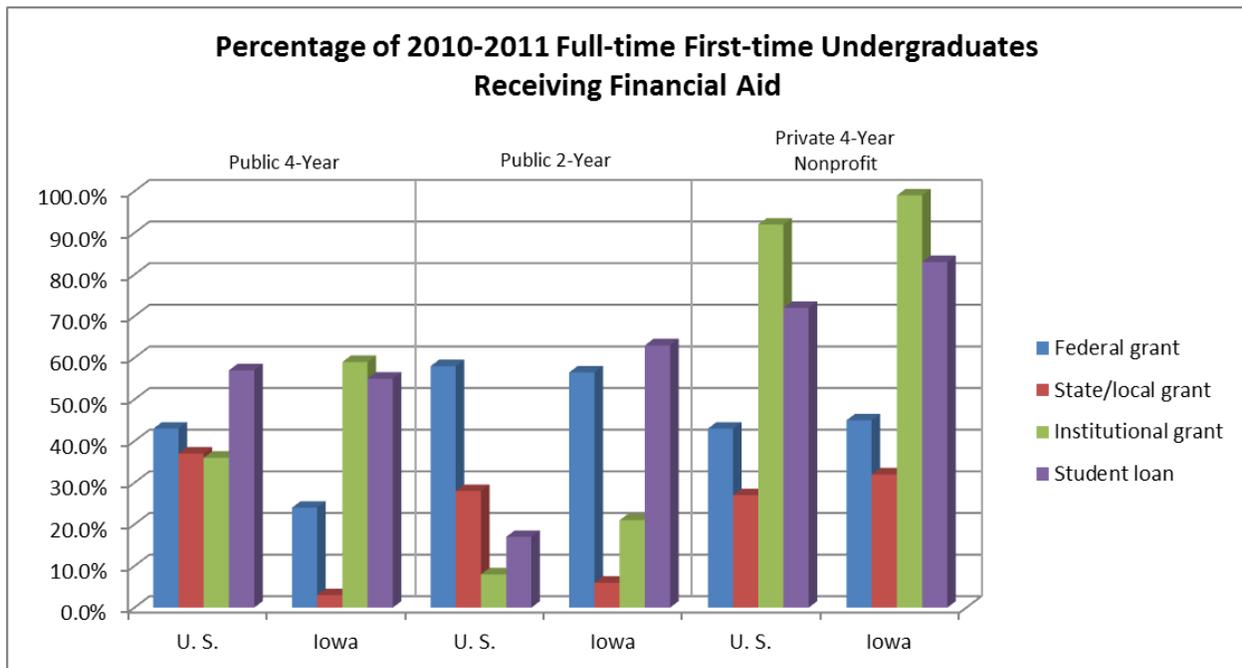
For public four-year institutions, the average net price increased by 3.1% in Iowa over the three years, compared to 6.4% nationally. The difference between the Iowa median and the national median ranged between 24.2% and 29.3% over the three years.

For public two-year institutions, the increase in net price in Iowa was 8.2%, while the national median decreased by 0.9%. The difference between the Iowa median and the national median ranged between 26.0% and 39.1% over the three years.

While the average net price in the private nonprofit sector is significantly higher than the public sector, Iowa's private four-year nonprofit institutions remained slightly below the national median. The growth in average net price in Iowa, however, was 9.7% over the three years, compared to 3.1% nationally.

Use of Financial Aid. Based on IPEDS data for the 2010-2011 academic year, approximately 87.0% of full-time first-time undergraduates at Iowa's public four-year and public two-year institutions received some type of financial aid. The national median percentage for public four-years was also 87.0%, while it was only 80.0% for public two-years. At Iowa's private nonprofit four-year institutions, 100.0% of full-time first-time undergraduates received financial aid, while the national median for the sector was 98.0%.

The following graph shows the percentage of students receiving financial aid by institutional sector and type of aid.

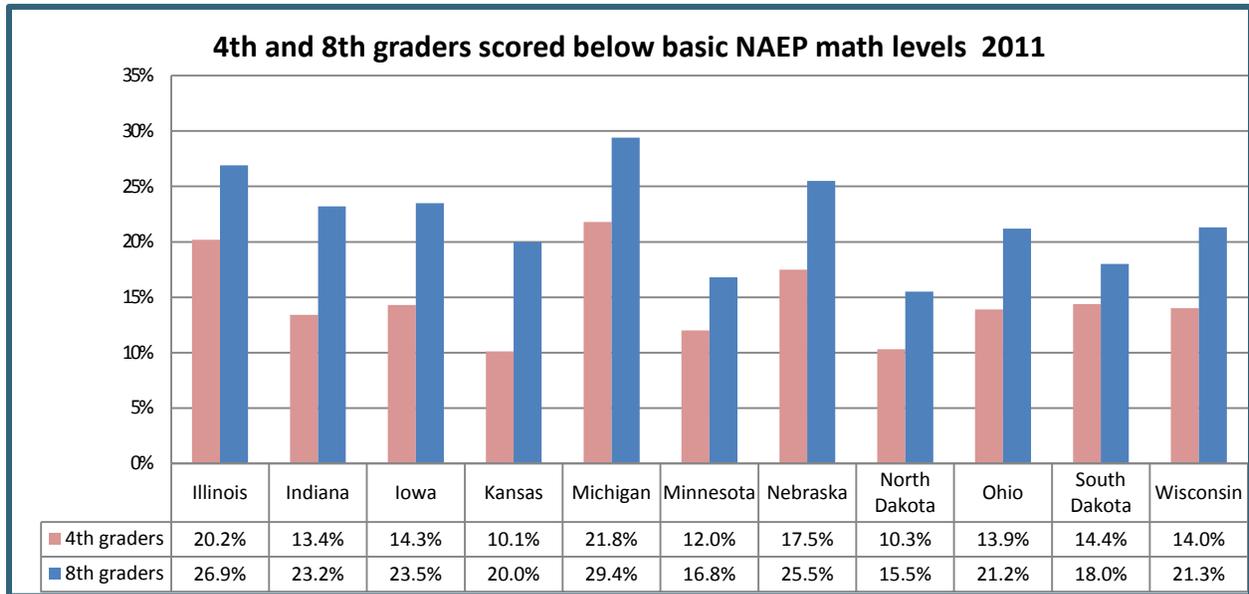


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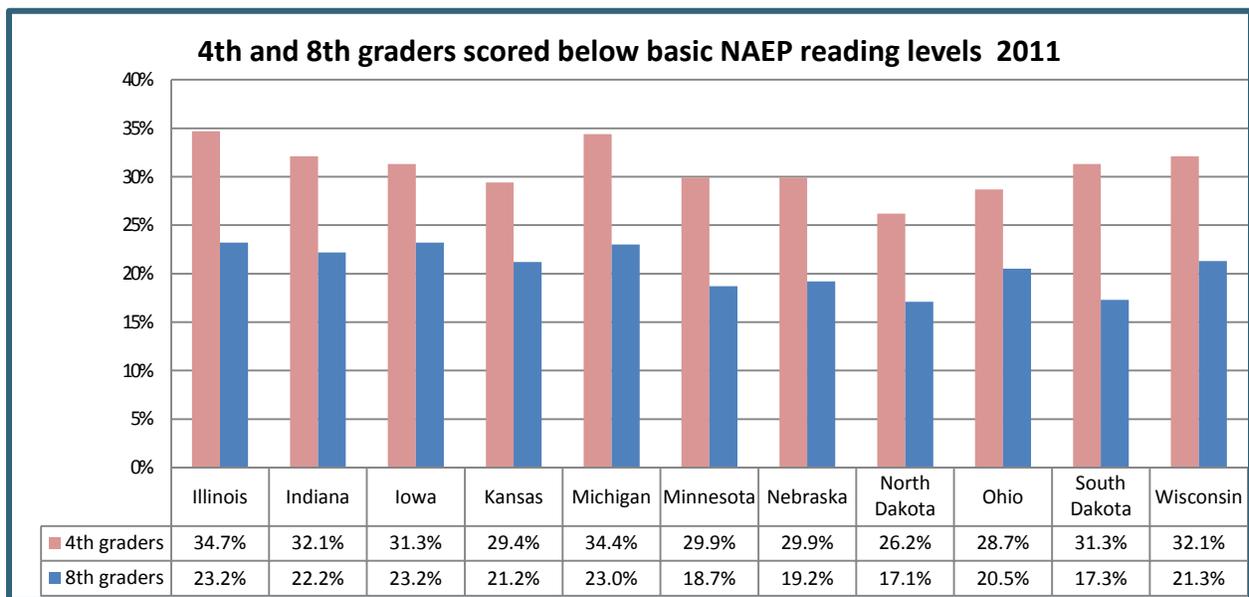
- 1) NCES is located within the U.S. Department of Education and the Institute of Education Sciences (IES). Data in the IPEDS system is reported by individual schools, colleges, and universities.
- 2) Average net price is generated by subtracting the average amount of federal, state, or local government, or institutional grant and scholarship aid from the total cost of attendance. Total cost of attendance is the sum of published tuition and required fees (lower of in-district or in-state), books and supplies and the weighted average room and board and other expenses.

Comparison to Other States – Education Outcomes

Data gathered from the [Council of State Governments States Perform](#) website show the percent of Iowa's students that scored below basic levels in math on the National Assessment of Educational Progress (NAEP) in 2011 was 14.3% for 4th graders and 23.5% for 8th graders. The following figure shows the percentages of 4th and 8th graders that scored below basic NAEP math levels in 2011 for the Midwest region.



In reading, the percentage of Iowa students that scored below basic levels on the NAEP was 31.3% for 4th graders and 23.2% for 8th graders. The following figure below shows the percentages of 4th and 8th graders that scored below basic NAEP reading levels in 2011 for the Midwest region.



For additional comparison, refer to <http://www.statesperform.org/Default.aspx>.

Iowa Skilled Worker and Job Creation Fund Study Committee

The Iowa Skilled Worker and Job Creation Fund (SWJCF) Study Committee met on November 19, 2013, in Des Moines. The Study Committee was chaired by Senator Dotzler and Representative Hanusa and the following was discussed:

- Skilled worker training needs and training availability.
- University programs and initiatives that provide resources and research to help businesses, as well as programs for students to encourage entrepreneurship.
- Other topics discussed included business incentives and assistance, equipment purchases, and agency contracting.

The members of the Study Committee discussed the issues that were presented and noted that the investments made and programs being operated within the SWJCF were moving economic development initiatives and living conditions forward. The Study Committee adjourned without making recommendations. The full briefing on the meeting can be found at (<https://www.legis.iowa.gov/docs/BriefOnMeetings/2014/BMKBH001.PDF>).

Administrative Costs in Higher Education Study Committee

The Administrative Costs in Higher Education Study Committee met on November 5, 2013, in Des Moines. The Study Committee was chaired by Senator Hart and Representative Forristall and heard from the following groups:

- Department of Education, Division of Community Colleges.
- Iowa Association of Independent Colleges and Universities.
- Representatives of several for-profit institutions.
- Board of Regents and the state universities.

The Study Committee's discussion included issues of student debt; dual enrollment; costs of textbooks; fundraising; articulation efforts; graduation rates and efforts to improve on-time graduation; faculty staffing levels; administrator salaries; student aid provided by the colleges; remedial education; the impact of socioeconomic status; the importance of science, technology, engineering, and mathematics (STEM) education; student expectations which have resulted in higher fees for student recreation and wellness facilities; financial literacy education; and efficiency efforts.

The full briefing on the meeting can be found at (<https://www.legis.iowa.gov/docs/BriefOnMeetings/2014/BMKBH000.PDF>).

LSA Publications – Education

The following documents that relate to the Education Appropriations Subcommittee have been published by the LSA:

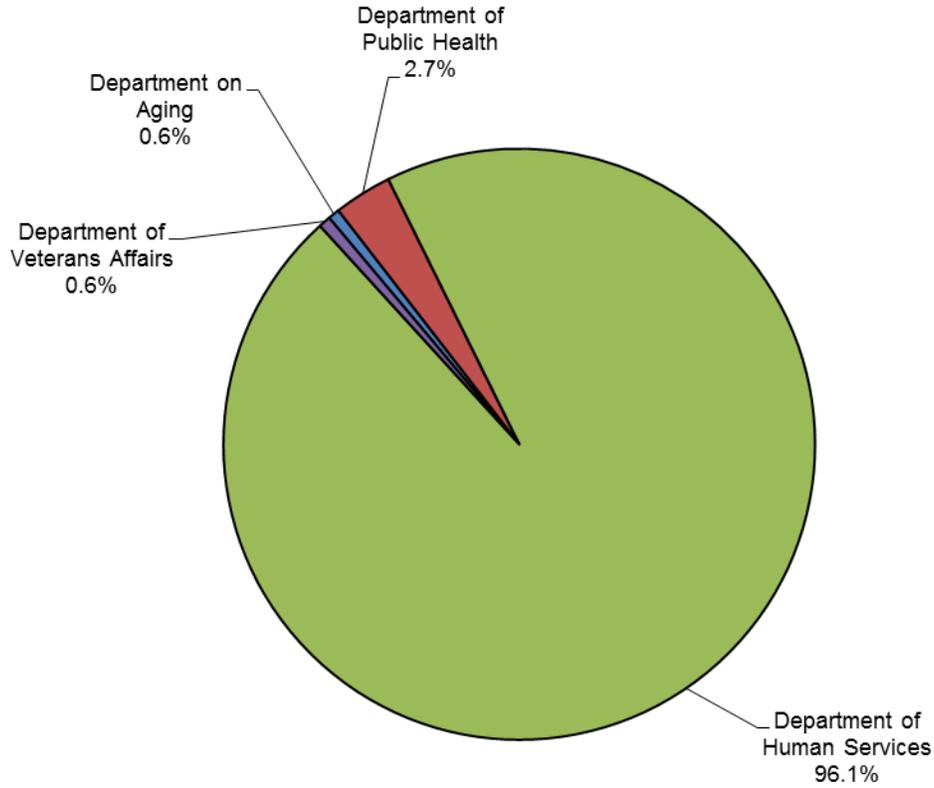
- *Budget Unit Fiscal Topics:*
 - [Budget Unit: All Iowa Opportunity Foster Care Grant Program](#)
 - [Budget Unit: All Iowa Opportunity Scholarship Program](#)
 - [Budget Unit: Barber and Cosmetology Tuition Grant Program](#)
 - [Budget Unit: College Student Aid Commission](#)

[Budget Unit: College Work Study](#)
[Budget Unit: Community College General Aid](#)
[Budget Unit: Competency-Based Education](#)
[Budget Unit: Competency-Based Education](#)
[Budget Unit: Core Curriculum](#)
[Budget Unit: Core Curriculum](#)
[Budget Unit: Department for the Blind](#)
[Budget Unit: Department of Education Administration](#)
[Budget Unit: Early Childhood Iowa Initiative](#)
[Budget Unit: Early Head Start Projects](#)
[Budget Unit: Education Reform](#)
[Budget Unit: Entrepreneurs with Disabilities Program](#)
[Budget Unit: Health Care Professional Recruitment](#)
[Budget Unit: Independent Living](#)
[Budget Unit: Independent Living Center Grant](#)
[Budget Unit: Iowa Braille and Sightsaving School](#)
[Budget Unit: Iowa Grants](#)
[Budget Unit: Iowa Jobs for America's Graduates](#)
[Budget Unit: Iowa Learning Online Initiative](#)
[Budget Unit: Iowa Public Radio](#)
[Budget Unit: Iowa Public Television](#)
[Budget Unit: Iowa Reading Research Center](#)
[Budget Unit: Iowa School for the Deaf](#)
[Budget Unit: Midwestern Higher Education Compact](#)
[Budget Unit: National Guard Educational Assistance Program](#)
[Budget Unit: Newsline for the Blind](#)
[Budget Unit: Nonpublic Textbook Services](#)
[Budget Unit: Regents Board Office](#)
[Budget Unit: Regents Resource Centers](#)
[Budget Unit: Regents Universities General Education](#)
[Budget Unit: Registered Nurse and Nurse Educator Loan Forgiveness Program](#)
[Budget Unit: Rural Nurse Practitioner and Physician Assistant Loan Repayment Program](#)
[Budget Unit: Rural Primary Care Loan Repayment Program](#)
[Budget Unit: School Food Service](#)
[Budget Unit: Skilled Workforce Shortage Grant Program](#)
[Budget Unit: Special Education Services for Children from Birth to Age Three](#)
[Budget Unit: State Library](#)
[Budget Unit: State Library - Enrich Iowa](#)
[Budget Unit: Statewide Voluntary Preschool](#)
[Budget Unit: Student Achievement/Teacher Quality](#)
[Budget Unit: Successful Progression for Early Readers](#)
[Budget Unit: Teacher Shortage Loan Forgiveness Program](#)
[Budget Unit: Tuition Grant Program](#)
[Budget Unit: Vocational Rehabilitation](#)
[Budget Unit: Vocational-Technical Tuition Grant](#)
[Budget Units: Vocational Education](#)

- *Fiscal Topics:*
 - [Board of Regents: State Funding](#)
 - [Community College Property Tax Revenue](#)
 - [Community College Revenue](#)
 - [Community Colleges: State Funding](#)
 - [Postsecondary School Registration in Iowa](#)
 - [School Aid - Additional Levy Components](#)
 - [School District Cash Reserve Levy](#)
 - [School District Reorganization Incentives](#)
- *Issue Reviews:*
 - [Flood Recovery at the University of Iowa](#)
 - [Salary Growth of Iowa Teachers and School Administrators](#)
 - [School Finance Formula - Aid and Levy Worksheet](#)
 - [Secure an Advanced Vision for Education \(SAVE\) Funding - FY 2011 Report](#)
 - [State School Aid Funding for Special Education](#)
 - [University Revenue Growth Adjusted for Inflation and Enrollment Change](#)
- *Fiscal One-on-One Audio Interviews:* (links open the mp3 files)
 - [Iowa School Aid Funding Formula](#)
 - [Comparing Iowa College Student Aid to Nation](#)
 - [The Founding of Iowa's Community College System](#)
 - [Iowa Public Television \(IPTV\)](#)
 - [Iowa College Student Aid Commission](#)

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FY 2015 Governor's General Fund Recommendations



FY 2015 Governor's General Fund Recommendations

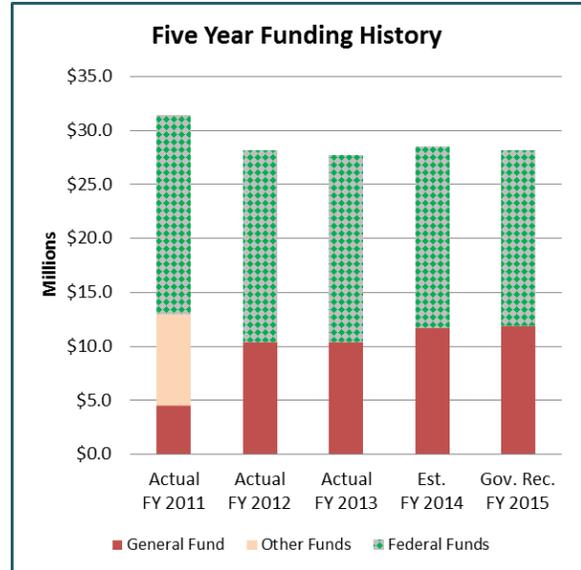
Department on Aging	\$ 11,860,381
Department of Public Health	58,973,924
Department of Human Services	1,776,287,767
Department of Veterans Affairs	12,180,947
Total	\$ 1,859,303,019

DEPARTMENT ON AGING

Overview and Funding History

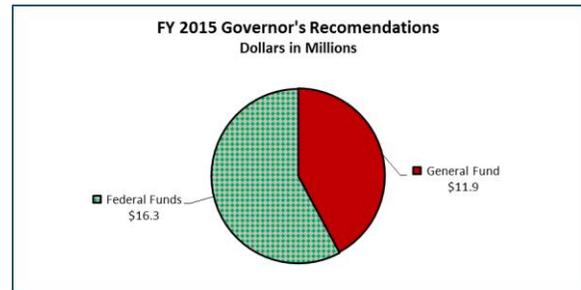
Agency Overview: The Department on Aging is designated as the State Unit on Aging. The Department advocates for lowans age 60 and older and is responsible for developing a comprehensive and coordinated system of services and activities for older lowans through the 13 local Area Agencies on Aging across the State.

Funding History: Funding for the Department on Aging from all sources has declined by approximately \$3.2 million from FY 2011 to FY 2013 due mainly to budget reductions, however, funding was increased in FY 2014. Federal funding has remained relatively stable between \$16.9 million and \$18.5 million per year over the last five years. The Department received an appropriation from the Senior Living Trust Fund up until FY 2013 when funding from the fund was exhausted.



Governor’s Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$11,860,381. This is an increase of \$232,608 compared to estimated FY 2014.



FY 2014 Quick Facts

60,351
Number of consumers that received one or more services

2.7+ Million
Number of meals provided

1,869
Complaints investigated by Long-Term Care Ombudsman

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Aging, Dept. on</u>				
Aging, Dept. on				
Aging Programs	\$ 10,606,066	\$ 10,606,066	\$ 10,931,066	\$ 325,000
Office of Long-Term Care Residents Advocate	1,021,707	929,315	929,315	-92,392
Total Aging, Dept. on	\$ 11,627,773	\$ 11,535,381	\$ 11,860,381	\$ 232,608

Governor’s Recommendations – Significant Changes

Aging Programs – An increase of \$325,000.	
An increase for a new Office of Substitute Decision Maker. The Office will assist those with limited, or no, decision making capabilities with making personal care and financial decisions.	\$325,000

Office of Long-Term-Care (LTC) Resident Advocate – A net decrease of \$92,000.	
An increase for a Discharge Specialist.	\$107,608
A decrease to reflect the Governor’s FY 2014 veto of two additional LTC Resident Advocates.	\$-200,000

Issues

Elder Abuse Prevention and Intervention Study Committee – The Elder Abuse Task Force met throughout the latter part of 2013 and concluded with a Legislative Interim Committee meeting to review the recommendations of the Task Force, available here: <https://www.iowaaging.gov/sf-446-elder-abuse-task-force-final-report-2013>. The Task Force presented their recommendations to the Legislative Interim Committee and each of the members of the interim committee voiced their specific priorities for moving forward, and their recommendations are recorded in the minutes of the meeting.

The Legislature may wish to review the recommendations from the Task Force and the Interim Committee.

DEPARTMENT OF PUBLIC HEALTH

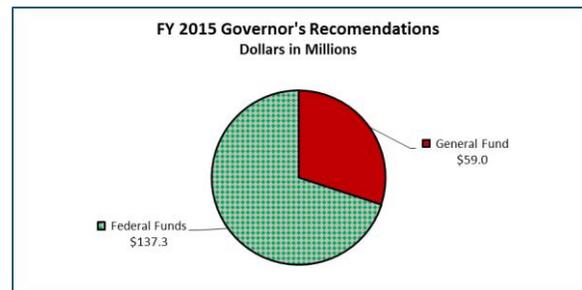
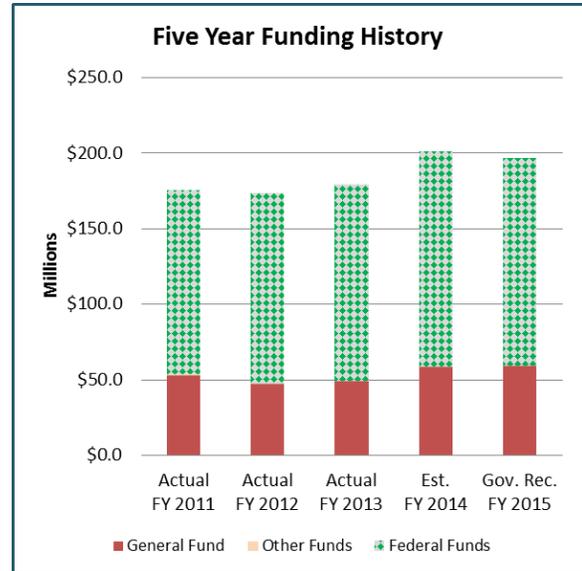
Overview and Funding History

Agency Overview: The Department of Public Health (DPH) works with local public health agencies to ensure quality health services in Iowa communities through contracts with more than 1,165 entities, in all 99 counties, to provide population-based health services and a limited number of personal health services. The Department assists in the administrative support for 24 licensure boards; prevention of epidemics and the spread of disease; protection against environmental hazards; preventing injuries; promoting and encouraging healthy behaviors and mental health; preparing for and responding to public health emergencies and assisting communities in recovery; and assuring the quality and accessibility of health services.

Funding History: State Funding for the Department of Public Health remained steady between \$48.3 and \$52.5 million between FY 2011 to FY 2013; however, funding was increased in FY 2014 and FY 2015. Federal funding has also increased between FY 2011 and FY 2014 from \$121.8 million to \$142.6 million.

Governor’s Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$58,973,924. The recommendation is an increase of \$943,356 (1.4%) compared to estimated FY 2014.



FY 2014 Quick Facts

- 144**
Number of federally certified rural health clinics in Iowa with primary care services.
- 3,581**
Number of children served annually in a Child Protection Center funded by the DPH.
- 50,000**
Number Iowan’s who sought treatment through DPH licensed substance abuse assessment and treatment programs.

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Public Health, Dept. of				
Public Health, Dept. of				
Addictive Disorders	\$ 27,163,690	\$ 26,588,690	\$ 27,088,690	\$ -75,000
Healthy Children and Families	3,653,559	3,628,559	3,628,559	-25,000
Chronic Conditions	5,080,692	4,430,692	5,040,692	-40,000
Community Capacity	8,562,617	6,956,717	9,562,617	1,000,000
Healthy Aging	7,297,142	7,297,142	7,297,142	0
Environmental Hazards	803,870	803,870	803,870	0
Infectious Diseases	1,335,155	1,335,155	1,335,155	0
Public Protection	3,278,771	3,297,127	3,297,127	18,356
Resource Management	855,072	855,072	920,072	65,000
Total Public Health, Dept. of	\$ 58,030,568	\$ 55,193,024	\$ 58,973,924	\$ 943,356

Governor’s Recommendations – Significant Changes

Addictive Disorders: A decrease to eliminate a social media campaign to address tobacco use reduction.	\$-50,000
Addictive Disorders: A decrease to general tobacco use education.	\$-25,000
Healthy Children and Families: A decrease to the Audiological Services for Kids Program that provides audiological services and hearing aids to children.	\$-25,000
Chronic Conditions: A decrease for the Medical Home System Advisory Council.	\$-40,000
Community Capacity: An increase for the Medical Residency Program. The Program will provide loan repayment assistance for doctors serving in rural areas.	\$1,000,000
Public Protection: A decrease due to one-time FY 2014 funding to assist with transitioning the licensing of orthotics, prosthetics, and pedorthists to a fee-supported model.	\$-28,000
Public Protection: An increase for an Emergency Medical Services (EMS) trauma system review.	\$75,000
Public Protection: A decrease due to the Governor’s FY 2014 veto of the one-time EMS taskforce.	\$-28,644
Resource Management: An increase for EMS software maintenance.	\$65,000

DEPARTMENT OF HUMAN SERVICES

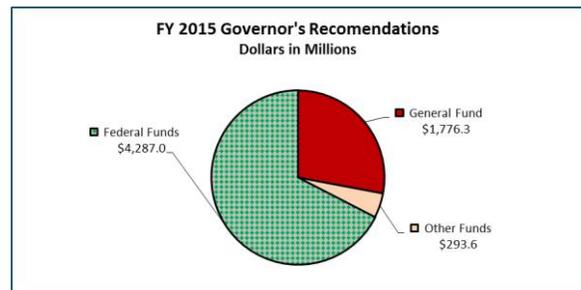
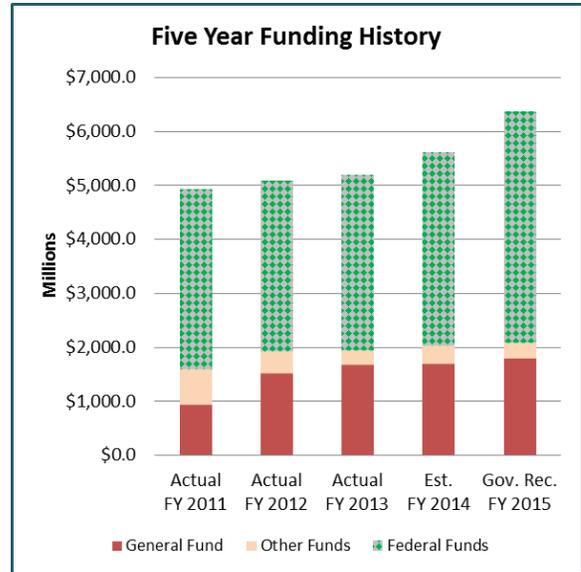
Overview and Funding History

Agency Overview: The Department of Human Services (DHS) is responsible for administering cash assistance for needy families (Family Investment Program), food assistance, Medicaid, child support enforcement, subsidized adoption, child abuse assessments, dependent adult abuse assessments, foster care, various family preservation and strengthening programs, child care registration and subsidy, two institutions for juveniles, refugee services, and services for the mentally ill and developmentally disabled, including the operation of four mental health institutes and two resource centers for individuals with intellectual disabilities.

Funding History: Funding for the Department of Human Services (DHS) has continued to increase from FY 2011 through estimated FY 2014 mainly due to increasing caseloads during the recession and increased costs of services. General Fund appropriations declined in FY 2010 through FY 2011 as a result of federal stimulus dollars provided through the federal American Recovery and Reinvestment Act. In addition, the Federal Medical Assistance Percentage (FMAP) match rate continues to decline resulting in a need for additional General Fund appropriations for numerous DHS Programs. (For more information on the FMAP rate decline, see the Medicaid section of this document.) Other funds increased in FY 2014 due to dedicating the entire tobacco tax to the Health Care Trust Fund that is used for Medicaid.

Governor’s Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$1,776,287,767. This is an increase of \$106,252,132 compared to estimated FY 2014. The Governor is also recommending other fund appropriations totaling \$293,575,912 for FY 2015. This recommendation is a decrease of \$46,534,936 compared to estimated FY 2014.



FY 2013 Quick Facts

233,894
 Number of children served by the Medicaid Program

857
 Inpatient licensed community psychiatric beds in the State

1,897
 Number of children served on average each month in family foster care.

Governor's General Fund Recommendations – Department of Human Services

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Human Services, Dept. of				
Assistance				
Family Investment Program/JOBS	\$ 48,503,875	\$ 48,503,875	\$ 48,503,875	\$ 0
Medical Assistance	1,144,208,805	965,176,853	962,091,053	-182,117,752
Medical Contracts	12,320,048	21,790,930	16,323,366	4,003,318
State Supplementary Assistance	16,516,858	15,127,343	14,121,154	-2,395,704
State Children's Health Insurance	36,817,261	45,881,995	45,877,998	9,060,737
Child Care Assistance	62,735,563	61,571,218	57,925,206	-4,810,357
Child and Family Services	91,329,427	91,537,151	91,762,511	433,084
Adoption Subsidy	40,729,282	42,855,854	42,580,749	1,851,467
Family Support Subsidy	1,093,288	1,079,739	1,079,739	-13,549
Connors Training	33,632	33,632	33,632	0
Volunteers	84,686	84,686	84,686	0
Mental Health Redesign	0	266,459,813	279,826,402	279,826,402
MHDS Equalization	29,820,478	0	29,820,478	0
Total Assistance	\$ 1,484,193,203	\$ 1,560,103,089	\$ 1,590,030,849	\$ 105,837,646
Toledo Juvenile Home				
Toledo Juvenile Home	\$ 8,867,121	\$ 8,916,081	\$ 788,531	\$ -8,078,590
Juvenile CINA/Female Adj Delinq Placem	0	0	5,110,534	5,110,534
Total Toledo Juvenile Home	\$ 8,867,121	\$ 8,916,081	\$ 5,899,065	\$ -2,968,056
Eldora Training School				
Eldora Training School	\$ 11,268,202	\$ 11,500,098	\$ 11,500,098	\$ 231,896
Cherokee				
Cherokee MHI	\$ 5,964,737	\$ 6,031,934	\$ 6,031,934	\$ 67,197
Clarinda				
Clarinda MHI	\$ 6,757,689	\$ 6,787,309	\$ 6,787,309	\$ 29,620
Independence				
Independence MHI	\$ 10,334,082	\$ 10,470,334	\$ 10,484,386	\$ 150,304
Mt Pleasant				
Mt Pleasant MHI	\$ 1,374,061	\$ 1,417,796	\$ 1,417,796	\$ 43,735
Glenwood				
Glenwood Resource Center	\$ 20,349,122	\$ 21,088,074	\$ 21,695,266	\$ 1,346,144
Woodward				
Woodward Resource Center	\$ 14,286,191	\$ 14,760,906	\$ 14,855,693	\$ 569,502
Cherokee CCUSO				
Civil Commitment Unit for Sexual Offenders	\$ 9,425,568	\$ 9,923,563	\$ 9,923,563	\$ 497,995
Field Operations				
Child Support Recoveries	\$ 14,215,081	\$ 14,911,230	\$ 14,911,230	\$ 696,149
Field Operations	66,670,976	68,457,024	66,670,976	0
Total Field Operations	\$ 80,886,057	\$ 83,368,254	\$ 81,582,206	\$ 696,149
General Administration				
General Administration	\$ 16,329,602	\$ 16,376,555	\$ 16,079,602	\$ -250,000
Total Human Services, Dept. of	\$ 1,670,035,635	\$ 1,750,743,993	\$ 1,776,287,767	

Governor's Recommendations – Significant Changes

Family Investment Program (FIP)/Promise Jobs – No net change.	
An increase to meet federal Maintenance of Effort (MOE) requirements for FIP.	\$3,502,157
An increase to meet federal MOE requirements for Promise Jobs.	\$774,528
An increase to provide funding for the new eligibility system (ELIAS).	\$422,157
A decrease due to a reduction in Promise Jobs referrals.	\$-1,196,685
A decrease due to a reduction in FIP caseload.	\$-3,502,157

Medicaid – A net decrease of \$182.1 million.	
An increase to fund the FY 2014 shortfall in FY 2015.	\$38,192,881
An increase to reflect changes in the State's FMAP rate.	\$35,139,094
An increase due to miscellaneous changes in revenue.	\$16,191,074
An increase due to inflation in the HCBS Waiver and Home Health.	\$8,076,590
An increase to replace carryforward available in FY 2014.	\$7,385,771
An increase due to growth in the managed care contracts.	\$5,369,431
An increase for behavioral health services.	\$3,831,362
An increase for fee-for-service enrollment increases.	\$2,696,082
An increase due to an increase in nursing facility bed days.	\$2,114,318
An increase due to growth in targeted case management.	\$1,872,169
An increase for other program areas.	\$1,241,556
An increase for Medicare-related payments.	\$207,613
An increase for Intermediate Care Facility for Intellectual Disabilities (ICF/ID) inflation.	\$34,457
A decrease due to an adjustment for administrative costs.	\$-132,566
A decrease to reflect the Governor's veto of the Chronic Care Consortium.	\$-200,000
A decrease to fund Medicaid at the Governor's recommended funding level.	\$-3,085,800
A decrease due to fewer recoveries and offsets.	\$-4,819,338
A decrease to reflect the Governor's veto of the HCBS Waiver buy-down.	\$-8,715,473
A decrease due to savings from health homes.	\$-9,135,935
A decrease due to the elimination of the IowaCare transfer.	\$-11,921,225
A decrease to transfer funding to a separate Mental Health Redesign appropriation.	\$-266,459,813

Medical Contracts – An increase of \$4.0 million.	
An increase to replace one-time funding from the Pharmaceutical Settlement Account.	\$6,650,000
An increase due to increased administrative costs for the Iowa Health and Wellness Program.	\$1,597,515
An increase due to contract, technology, and operations increases.	\$1,223,367
A decrease due to available funds in the Pharmaceutical Settlement Account in FY 2015.	-\$5,467,564

State Supplementary Assistance – A decrease of \$2.4 million.	
A decrease due to lower caseloads.	\$-2,395,704

State Children's Health Insurance Program – An increase of \$9.1 million.	
An increase to replace hawk-i Trust Fund revenue.	\$3,080,838
An increase to maintain current caseload.	\$2,214,026
An increase due to increases in premiums.	\$1,482,307
An increase to reflect changes in the State's FMAP rate.	\$1,433,789
An increase due to a growth in caseload.	\$849,777

Child Care Assistance – A decrease of \$4.8 million.	
An increase to replace one-time Temporary Assistance for Needy Families (TANF) funds.	\$3,000,000
A decrease due to increased TANF funds.	\$-5,214,423
An increase to replace one-time federal carryforward funds.	\$1,818,140
An increase to replace a reduction to the federal Child Care Development Fund (CCDF) grant.	\$472,547
A decrease due to the reduction of available surplus federal funds carried forward.	\$-2,866,414
An increase to replace one-time Child Care Facility Fund for record checks.	\$318,572
A reduction due to lower estimated child care expenditures.	\$-2,238,779
A reduction due to one-time database expenditures.	\$-100,000
Child and Family Services – An increase of \$433,000.	
An increase to reflect changes in the FMAP rate.	\$433,084
An increase for family foster care rates to provide for 65.0% of the U.S. Department of Agriculture (USDA) estimated cost to raise a child in the Midwest.	\$1,297,421
A decrease to notwithstanding the family foster care rates to provide for 65.0% of the USDA estimated cost to raise a child in the Midwest and maintain payment rates at the FY 2013 level.	\$-1,297,421
Adoption Subsidy – An increase of \$1.9 million.	
An increase to reflect changes in the FMAP rate.	\$1,255,956
A caseload increase for additional adoption subsidy cases.	\$595,511
An increase for adoption subsidy maintenance rates to provide for 65.0% of the USDA estimated cost to raise a child in the Midwest.	\$3,567,799
A decrease to notwithstanding the adoption subsidy maintenance rates to provide for 65.0% of the USDA estimated cost to raise a child in the Midwest and maintain payment rates at the FY 2013 level.	\$-3,567,799
Family Support Subsidy – A decrease of \$13,500.	
A decrease to account for the children that have aged out of the program.	\$-62,549
An increase to expand the Children at Home Program by one provider.	\$49,000
Mental Health Redesign (Medicaid) – An increase of \$279.8 million.	
An increase to separate out funds that were appropriated directly to Medicaid in FY 2014.	\$266,459,813
An increase to reflect changes in the State's FMAP rate, growth, and utilization.	\$13,366,589
Toledo Juvenile Home – A decrease of \$8.1 million.	
A decrease for the closure of the facility.	\$-8,859,355
An increase for the maintenance, security, and utilities of the closed facility.	\$780,765
Juvenile CINA/Female Adjudicated Delinquent Placements – An increase of \$5.1 million.	
An increase for the placement of Children In Need of Assistance (CINA) and juvenile delinquents.	\$3,892,534
An increase for the education of CINA and juvenile delinquents.	\$1,218,000
Eldora State Training School – An increase of \$231,900.	
An increase to meet new federal sexual harassment and abuse standards.	\$168,140
An increase due to increased pharmaceutical, food, transportation, and utility costs.	\$63,756

Cherokee Mental Health Institute – An increase of \$67,000.	
An increase for food, pharmaceuticals, transportation, and utilities costs.	\$67,197
Clarinda Mental Health Institute – An increase of \$30,000.	
An increase for food, pharmaceuticals, transportation, and utilities costs.	\$29,620
Independence Mental Health Institute – An increase of \$150,000.	
An increase for food, pharmaceuticals, transportation, and utilities costs.	\$114,665
An increase to reflect changes in the FMAP rate.	\$35,639
Mt. Pleasant Mental Health Institute – An increase of \$44,000.	
An increase for food, pharmaceuticals, transportation, and utilities costs.	\$43,735
Glenwood Resource Center – An increase of \$1.3 million.	
An increase to reflect changes in the FMAP rate.	\$1,574,097
A decrease to reflect a funding restoration of less than 50.0%.	\$-227,953
Woodward Resource Center – An increase of \$570,000.	
An increase to reflect changes in the FMAP rate.	\$980,399
A decrease to reflect a funding restoration of less than 50.0%.	\$-410,897
Civil Commitment Unit for Sexual Offenders – An increase of \$498,000.	
An increase to add five additional offenders in FY 2015.	\$312,469
An increase to annualize the cost of eight offenders in FY 2014.	\$185,526
Child Support Recovery Unit – An increase of \$696,000.	
An increase to replace lost federal incentives and other one-time funding.	\$483,963
An increase due to increased DAS services, corporate technology, and IT expenses.	\$212,186
General Administration – A decrease of \$250,000.	
A decrease to eliminate the Mental Health Advocate Transfer vetoed by the Governor.	\$ -250,000

Other Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Human Services, Dept. of				
Assistance				
Medical Assistance - HCTF	\$ 224,446,400	\$ 218,046,400	\$ 221,790,000	\$ -2,656,400
Medical Contracts-Pharm Settlement - PhSA	6,650,000	0	5,467,564	-1,182,436
Broadlawns Hospital - ICA	35,500,000	0	0	-35,500,000
Regional Provider Network - ICA	2,993,183	0	0	-2,993,183
Nonparticipating Providers - NPPR	1,000,000	0	0	-1,000,000
Medical Assistance - QATF	28,788,917	29,195,653	29,195,653	406,736
Medical Assistance-HHCAAT	34,288,000	34,700,000	34,700,000	412,000
Nonparticipating Provider Reimb Fund-HHCAAT	412,000	0	0	-412,000
IowaCare Fund - Admin	371,552	0	0	-371,552
Lab Test & Radiology Pool - ICA	1,500,000	0	0	-1,500,000
Medicaid Supplemental - Medicaid Fraud	4,160,796	2,422,695	2,422,695	-1,738,101
Total Human Services, Dept. of	\$ 340,110,848	\$ 284,364,748	\$ 293,575,912	\$ -46,534,936

Governor’s Recommendations – Significant Changes

Pharmaceutical Settlement Account – A decrease of \$1.2 million.	
A decrease to Medical Contracts due to less revenue from settlements with drug companies.	\$1,182,436
Health Care Trust Fund – A decrease of \$2.7 million.	
A decrease to Medicaid due to less revenue available from the Fund.	\$-2,656,400
Nonparticipating Provider Reimbursement Fund – A decrease of \$1.0 million.	
A decrease for the Fund due to the expiration of IowaCare. This Fund will no longer exist.	\$-1,00,000
IowaCare Account – A decrease of \$40.4 million. The IowaCare Program expired in FY 2014.	
A decrease to Broadlawns Hospital due to the expiration of the IowaCare Program.	\$ -35,500,000
A decrease to the regional provider network due to the expiration of the IowaCare Program.	\$-2,993,183
A decrease to the lab and radiology pool due to the expiration of the IowaCare Program.	\$ -1,500,000
A decrease to administrative expenses due to the expiration of the IowaCare Program.	\$-371,552
Quality Assurance Trust Fund – An increase of \$407,000.	
An increase to Medicaid due to increased revenue available in the Trust Fund.	\$406,736
Hospital Health Care Access Trust Fund – No net change.	
An increase due to a shift in funding from the Nonparticipating Provider Reimbursement Fund to Medicaid.	\$412,000
A decrease for the Nonparticipating Provider Reimbursement Fund due to the expiration of the IowaCare Program.	\$-412,000

Issues

FMAP – The FMAP match rate is a formula that is used to determine the State and federal share of expenditures for the Medicaid Program. The rate is based on a three-year per capita average of Iowa compared to the rest of the states. Iowa continues to do better economically compared to other states, and because of this FMAP continues to decline. For FY 2014, the decline in FMAP is estimated to be \$90.0 million across all General Fund appropriations. For more information regarding FMAP and Medicaid funding see the Medicaid Section of this document.

Medical Assistance (Medicaid) – For FY 2014, the Governor is recommending a transfer of \$12.7 million in other fund revenue and using \$4.0 million in one-time savings to cover part of the Medicaid shortfall. With these changes, the Governor is funding Medicaid at \$11.3 million below the Medicaid Forecasting Groups midpoint. The Governor funds Medicaid at \$5.3 million below the Medicaid Forecasting Group's midpoint if the Medicaid woodwork effect related to the Affordable Care Act is not included. The Governor did not provide any funding for the woodwork effect in FY 2014.

For FY 2015, the Governor is recommending an additional \$97.7 million from the General Fund for the Medicaid Program compared to estimated FY 2014. The Governor is funding Medicaid at \$47.0 million below the Medicaid Forecasting Group's midpoint estimate and by \$25.0 million if the Medicaid woodwork effect related to the Affordable Care Act is not included. The Governor did not provide any funding for woodwork effect. For more information, see the Medicaid statewide issue in this document.

Mental Health – With the passage of [Senate File 446](#) (FY 2014 Health and Human Services Appropriations Act), the General Assembly continued the [Mental Health and Disability Services Redesign Fiscal Viability Study Committee](#) for a second year. The committee met twice during the latter part of 2013 and although they did not make any formal recommendations, they did compile a list of recommendations from each member to submit to the General Assembly. The Health and Human Services Appropriations Subcommittee may wish to review the recommendations made by the members Mental Health Interim Committee.

Integrated Health Care Models and Multi-payer Delivery Systems Study Committee – The General Assembly approved an Interim Study Committee on [Integrated Health Care Models and Multi-payer Delivery Systems](#). The committee met for two days at the end of November and received a number of updates on topics including The State Innovation Model (SIM) Grant initiative, Medical Homes, Accountable Care Organizations, Community Engagement, unique populations in an integrated system, and health information. The members discussed additional information needs and lessons learned during the meetings, and these are included in the minutes of the meetings and no formal recommendations were made.

Child Care Assistance (CCA) – In September 2013, the DHS was required to pay back \$2.5 million in federal funds as a result of an FY 2004 re-obligation issue noted in an Office of Inspector General audit.

Iowa Juvenile Home and Girls State Training School at Toledo – On December 9, 2013, the DHS announced the closure of the Juvenile Home and State Training School by the end of January 2014 and alternative placement of the youth currently being served. The DHS stated that the closure and alternative placement decision was based on Executive Branch interpretations of recommendations from a [report](#) submitted by the 2013 Iowa Juvenile Home Protection Task Force created by Governor Branstad with [Executive Order Number 82](#) in August 2013. As of January 7th, 2014, three youth remain on the Toledo campus.

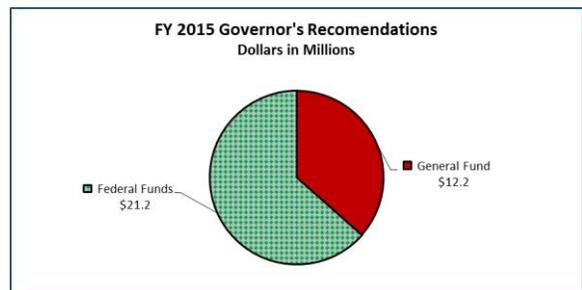
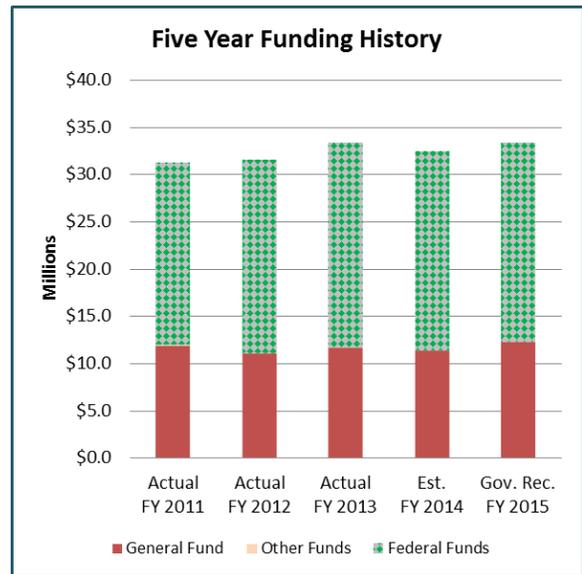
Since July 1, 2013, there have been 46 discharges from the Facility, none were out of state. Examples of post-Facility placements include group care (Four Oaks, Clarinda Academy, Quakerdale, Children and Families of Iowa, Lutheran Services of Iowa, Hillcrest, and House of Mercy), detention centers (Central Iowa Detention, Linn County Detention, and Scott County Detention), youth shelters (Foundation Two, Four Oaks, Youth Shelter Care of North Central Iowa, and Youth Emergency Shelter and Services), Psychiatric Medical Institution for Children (Four Oaks), foster family homes, independent living, waiver homes (Optimae), mental health institutions (Cherokee Mental Health Institute), and the Eldora State Training School.

DEPARTMENT OF VETERANS AFFAIRS

Agency Overview: The Department of Veteran Affairs includes the Department and the Iowa Veterans Home. The Department provides services to veterans regarding federal pension applications, identifying services to reimburse from the Veterans Trust Fund interest revenues, establishing the Veterans Cemetery, and providing assistance for the County Grant Program, the Injured Veterans Grant Program, and the Vietnam Veterans Bonus Program. The Iowa Veterans Home provides services to veterans at the Home in Marshalltown, including domiciliary, residential, and pharmaceutical. Funding for the Department has been relatively stable from FY 2011 to FY 2014.

Governor’s Recommendations

FY 2015: The Governor is recommending an increase of \$900,000 (7.8%) compared to estimated FY 2014. The increase is for the Iowa Veterans Homeownership Assistance Program, which provides up to \$5,000 in down payment or closing costs assistance for eligible home purchases.



General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Veterans Affairs, Dept. of</u>				
Veterans Affairs, Department of				
General Administration	\$ 1,095,951	\$ 1,095,951	\$ 1,095,951	\$ 0
Vets Home Ownership Program	1,600,000	1,600,000	2,500,000	900,000
Veterans County Grants	990,000	990,000	990,000	0
Total Veterans Affairs, Department of	\$ 3,685,951	\$ 3,685,951	\$ 4,585,951	\$ 900,000
Veterans Affairs, Dept. of				
Iowa Veterans Home	\$ 7,594,996	\$ 7,594,996	\$ 7,594,996	\$ 0
Total Veterans Affairs, Dept. of	\$ 11,280,947	\$ 11,280,947	\$ 12,180,947	\$ 900,000

Issues

Veterans Home Ownership Assistance Program – The Veterans Home Ownership Assistance Program is administered by the Iowa Finance Authority. The Program was created in FY 2005 and provides eligible service members and veterans with a \$5,000 grant for down payment and closing costs for the purchase of a home in Iowa. In November 2011, the Iowa Finance Authority ceased accepting Military Homeownership Assistance Program Grant requests, due to the funding level. The Program received an appropriation from the Rebuild Iowa Infrastructure Fund of \$1.0 million in FY 2012. In FY 2013 and FY 2014, the Program received an appropriation of \$1.6 million from the General Fund. *The Governor is recommending an increase of \$900,000 for FY 2015.*

BOARD OF REGENTS

The Board of Regents oversees the University of Iowa Hospitals and Clinics (UIHC) and receives funding for IowaCare through the Health and Human Services Appropriations Subcommittee.

The Governor is recommending no other fund appropriations from the IowaCare Account in FY 2015. The IowaCare Program expired December 31, 2013, and individuals on IowaCare are now covered under the Iowa Health and Wellness Program or have access to the Insurance Exchange.

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Regents, Board of</u>				
Regents, Board of				
UI - UIHC IowaCares Program - ICA	\$ 13,642,292	\$ 0	\$ 0	\$ -13,642,292
UI - UIHC IowaCares Expansion Pop - ICA	26,284,600	0	0	-26,284,600
UI - UIHC IowaCares Physicians - ICA	9,903,183	0	0	-9,903,183
Total Regents, Board of	\$ 49,830,075	\$ 0	\$ 0	\$ -49,830,075

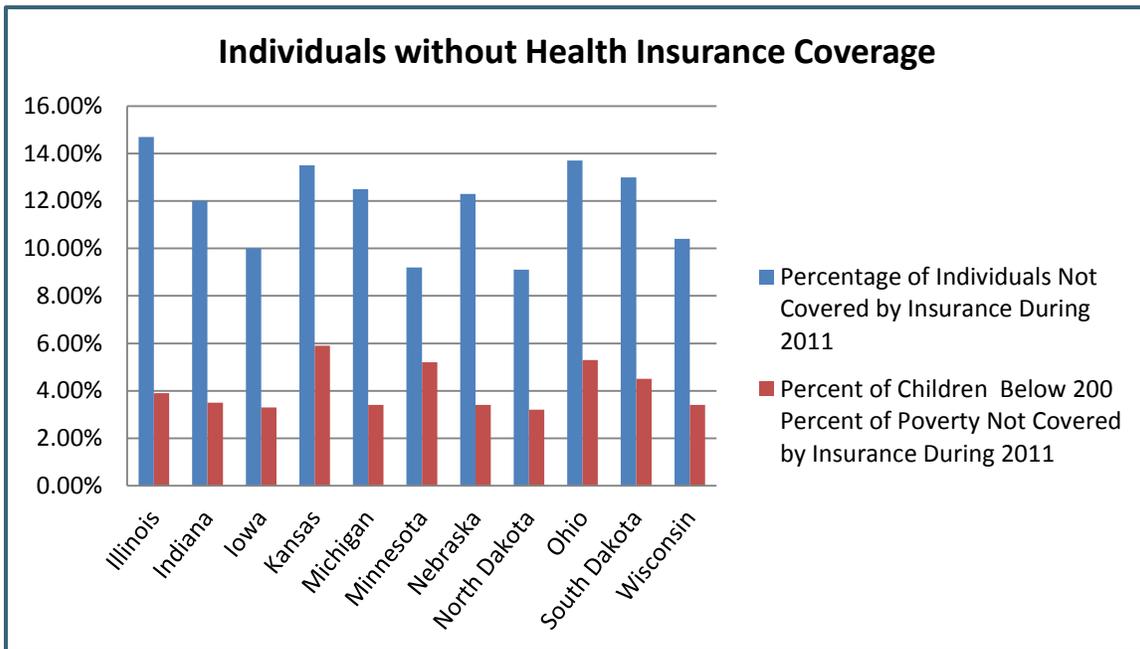
Governor’s Recommendations – Significant Changes

IowaCare Account – A decrease of \$49.8 million.	
A decrease to the UIHC for the expansion population due to the expiration of the IowaCare Program.	\$ -26,284,600
A decrease to the UIHC due to the expiration of the IowaCare Program.	\$ -13,642,292
A decrease to the UIHC physicians due to the expiration of the IowaCare Program.	\$ -9,903,183

Comparison to Other States – Children’s Health Insurance Coverage Outcomes

Data gathered from the [Council of State Governments States Perform](#) website, showed that Iowa is about in the middle compared with other states in the Midwest region when insuring children with family incomes below 200.0% of the Federal Poverty Level (FPL) in CY 2010. Iowa had a 4.1% uninsured rate for that population compared to 2.6% for Wisconsin. Illinois had the highest rate of uninsured children below 200.0% of the FPL with 6.4%.

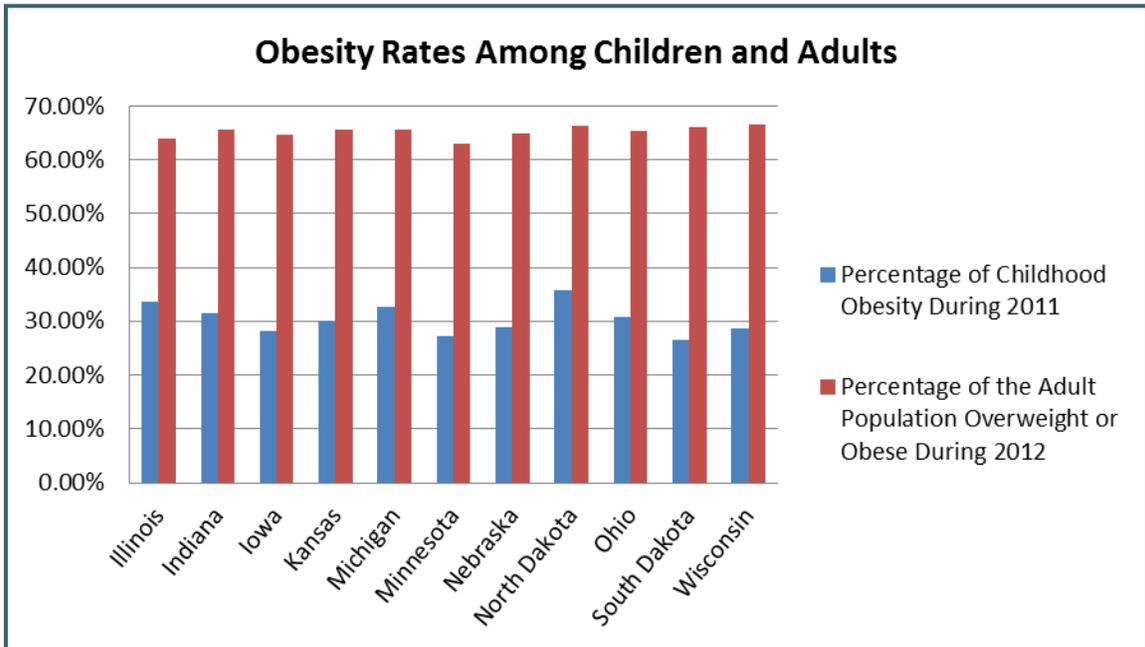
Among the adult population, Iowa is near the top with the lowest rate of uninsured with only 12.3% of individuals not having insurance coverage in CY 2010. That is compared to Illinois with the highest uninsured rate in the Midwest region at 14.8% and Wisconsin with the lowest rate at 9.4%. The majority of states in the Midwest region had about 13.0% uninsured.



Comparison to Other States – Obesity Rates

Data gathered from the [Council of State Governments States Perform](#) website, showed that Iowa’s CY 2011 childhood obesity rate ranks near the low end compared with other states in the Midwest region. Iowa had a 28.3% childhood obesity rate compared to South Dakota with the lowest rate in the Midwest at 26.5%. Illinois had the highest rate of childhood obesity with 33.6%.

Among the adult population, Iowa is also near the low end with an adult obesity rate of 64.7%. The state in the Midwest region with the lowest adult obesity rate is Minnesota with a rate of 63.0%. Wisconsin has the highest adult obesity rate in the Midwest at 66.5% of the population either obese or overweight in CY 2012.

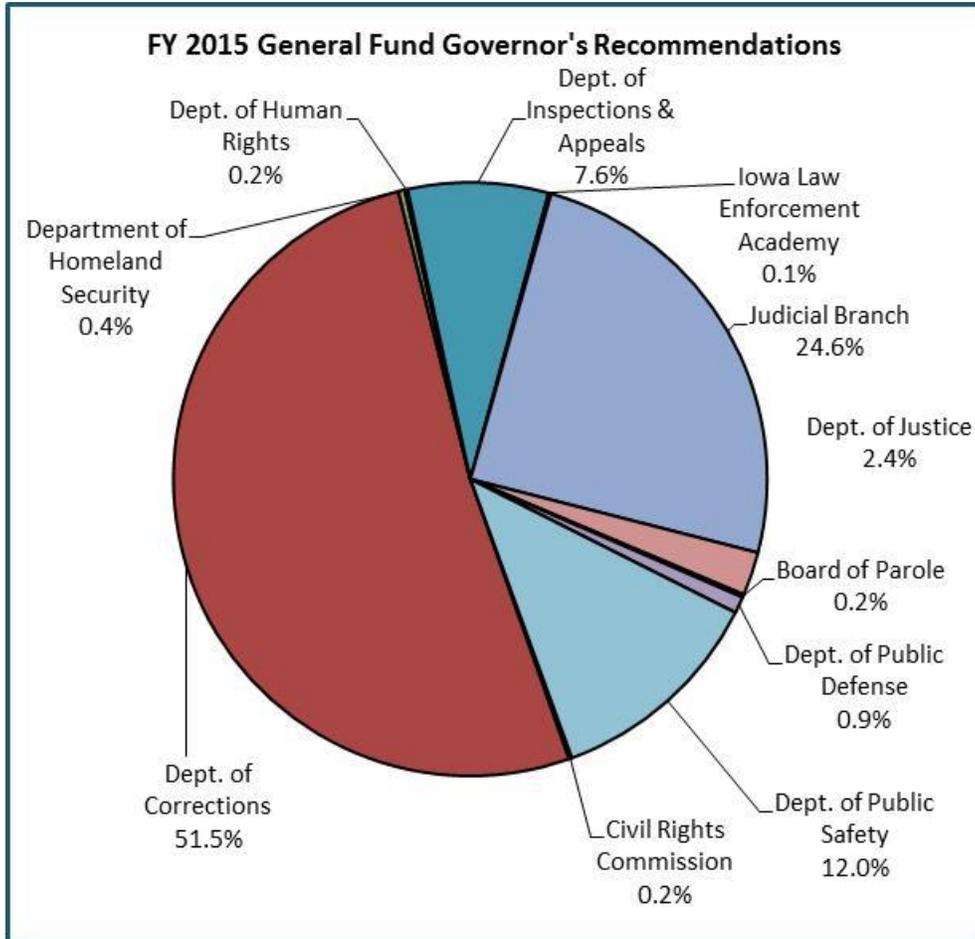


LSA Publications

The following publications have been published by the LSA that relate to the Health and Human Services Appropriations Subcommittee:

- *Fiscal Topics:*
 - [AIDS Drug Assistance Program \(ADAP\)/Ryan White CARE Act](#)
 - [Childhood Lead Poisoning Prevention Program](#)
 - [Cigarette and Tobacco Tax Revenue](#)
 - [Federal Medical Assistance Percentage \(FMAP\) Rates](#)
 - [Governor's Wellness Council](#)
 - [Iowa Donor Registry](#)
 - [Fulfilling Iowan's Need for Dentists \(FIND\) Projects](#)
 - [Iowa Statewide Poison Control Center](#)
 - [Iowa Veterans Home](#)
 - [PKU Assistance](#)
 - [Psychology Postdoctoral Internship Program](#)
 - [Reach Out and Read](#)
 - [Shelter Care](#)
- *Budget Unit Fiscal Topics:*
 - [Addictive Disorders](#)
 - [Child Care Assistance](#)
 - [Child Support Recovery Unit](#)
 - [Iowa Veterans Cemetery](#)
 - [Iowa Veterans Home](#)
 - [Glenwood Resource Center](#)
 - [Medicaid](#)
 - [Medical Contracts](#)
 - [State Children's Health Insurance Program](#)
 - [State Supplementary Assistance](#)
 - [Toledo Juvenile Home and State Training School](#)
 - [Veterans Trust Fund](#)
 - [Woodward Resource Center](#)

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FY 2015 General Fund Governor's Recommendations

Civil Rights Commission	\$	1,169,540
Dept. of Corrections		375,543,114
Department of Homeland Security		2,629,623
Dept. of Human Rights		1,100,105
Dept. of Inspections & Appeals		55,784,172
Iowa Law Enforcement Academy		1,003,214
Judicial Branch		179,388,424
Dept. of Justice		17,299,305
Board of Parole		1,204,583
Dept. of Public Defense		6,554,478
Dept. of Public Safety		87,688,467
Total	\$	729,365,025

DEPARTMENT OF JUSTICE

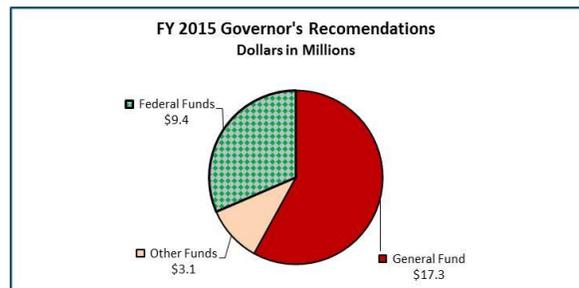
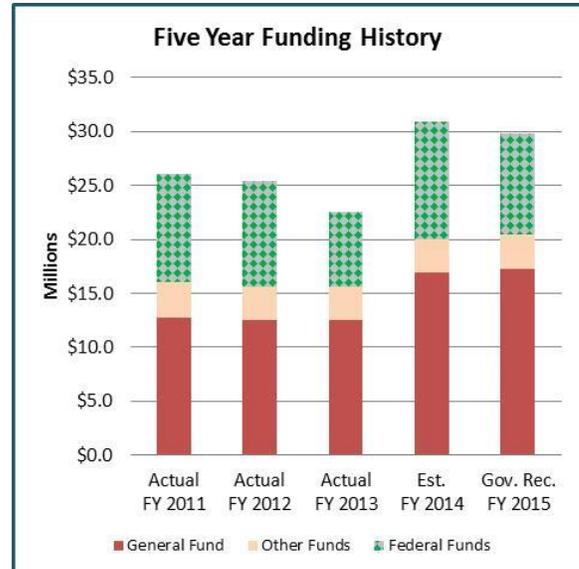
Overview and Funding History

Agency Overview: The Attorney General is the head of the Department and is elected by popular vote every four years. The Department is composed of the [Attorney General's Office](#), Prosecuting Attorney Training Coordinator, the Consumer Advocate's Office, and the Victim Assistance Program. The Department represents the State in all litigation, issues formal and informal opinions and advice to State agencies, prosecutes criminal offenders at the request of county attorneys and handles all criminal appeals, and administers the Farm Mediation, Crime Victim Assistance, and Legal Services Poverty Grants.

Funding History: The bar chart to the right shows the funding history for the Department of Justice. The Department receives General Fund appropriations for the Office of the Attorney General, Victim Assistance Grants, and Legal Services Poverty Grants. The General Fund appropriations increased in FY 2014 for all three budgets. The Crime Victim Assistance Division receives federal funds that have declined slightly over the same period. Other funds include the Department of Commerce Revolving Fund appropriation to the Office of the Consumer Advocate, and Attorney General reimbursements from other agencies, funds, boards, grants, or internal accounts. Balances brought forward are unspent receipts from previous fiscal years. These funds are available for expenditure in the current or future fiscal years. The sources of the balances brought forward are restricted internal funds under the control of the Office of the Attorney General, the Victim Compensation Fund, and the Mortgage Servicing Settlement Fund.

Governor's Recommendations

FY 2015: The Governor is recommending FY 2015 General Fund appropriations totaling \$17,299,305 for the Department of Justice. This is an increase of \$394,438 that includes \$175,000 for the Office of the Attorney General and \$219,438 for Legal Services Poverty Grants compared to estimated FY 2014. The Governor is recommending Department of Commerce Revolving Fund appropriations of \$3,137,588 for the Office of the Consumer Advocate. This is no change compared to the current funding level.



FY 2013 Quick Facts - DOJ

28,053

Number of victims served

163 Attorneys

Out of 260.0 FTE positions in the Iowa Department of Justice

15 Divisions

In the Department of Justice

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Justice, Department of				
Justice, Dept. of				
General Office A.G.	\$ 7,989,905	\$ 8,164,905	\$ 8,164,905	\$ 175,000
Victim Assistance Grants	6,734,400	6,734,400	6,734,400	0
Legal Services Poverty Grants	2,180,562	2,400,000	2,400,000	219,438
Total Justice, Department of	\$ 16,904,867	\$ 17,299,305	\$ 17,299,305	\$ 394,438

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Justice, Department of				
Consumer Advocate				
Consumer Advocate - CMRF	\$ 3,137,588	\$ 3,137,588	\$ 3,137,588	\$ 0
Total Justice, Department of	\$ 3,137,588	\$ 3,137,588	\$ 3,137,588	\$ 0

Governor's Recommendations: Significant Changes

Operations	
An increase to fill 2.00 vacant, unfunded Assistant Attorney General positions.	\$175,000
An increase for the contract with Iowa Legal Aid.	\$219,438

Issues

Appellate Cases – During the Governor's November 2013 budget hearing, the Governor and Attorney General discussed the Supreme Court changing its approach to appellate defender motions to withdraw for frivolous appeals. This Supreme Court rule change has increased the workload of both the State Public Defender's Office and the Office of the Attorney General. In FY 2009, there were 16 attorneys in the Criminal Appeals Division of the Attorney General's Office. They received 32.50 briefs in an average month. In FY 2013, there were 14.50 attorneys receiving 51 briefs in an average month. This is a staffing decrease of 9.38% and a workload increase of 56.92%. The Attorney General's Office received a General Fund increase of \$175,000 in FY 2014 for two additional criminal appeals attorneys. The positions have been filled. The Office is requesting an increase of \$175,000 in FY 2015 to fill two existing vacancies, one in the Criminal Appeals Division and one in the Area Prosecutions Division. *The Governor is recommending an increase of \$175,000 in FY 2015 to fill two attorney positions.*

Consumer Education and Litigation Fund – Iowa Code section [714.16C\(2\)](#) makes a standing limited appropriation of \$1,125,000 from the Fund to the Office of the Attorney General for public education related to consumer fraud as well as enforcement of Iowa and federal consumer fraud laws. Iowa Code section 714.16C(2) makes a standing limited appropriation of \$75,000 from the Fund to the Office of the

Attorney General for investigation, prosecution, and consumer education related to consumer and criminal fraud committed against older Iowans. The spending authority is limited to \$1,200,000 annually. However, SF 510 (FY 2012 Justice System Appropriations Act) notwithstanding the above appropriation limits for FY 2009 through FY 2013 and increased the standing limited appropriation for public education related to consumer fraud and enforcement of Iowa and federal consumer fraud laws to \$1,875,000. The standing limited appropriation for investigation, prosecution, and consumer education related to consumer and criminal fraud committed against older Iowans was increased to \$125,000. This permitted the Office of the Attorney General to spend up to \$2,000,000 annually from the Fund. The General Assembly amended Iowa Code section 714.16C(2) in [SF 447](#) (FY 2014 Justice System Appropriations Act) to set the funding cap at \$2,000,000 million annually. The Governor vetoed this change. The Office's spending authority from the Fund was reduced to \$1,200,000 in FY 2014. The Office is using other internal funds, such as the [Elderly Victim Fraud Fund](#), the [Iowa Consumer Credit Code Fund](#), and the [Mortgage Servicing Settlement Fund](#) to offset the \$800,000 reduction in spending authority. The Office of the Attorney General is requesting that the spending cap be increased to \$2,000,000 through FY 2016. *The Governor is not opposing this request.*

Victim Services – The current General Fund appropriation for victim services grants is \$6,734,400 in FY 2014; this is an increase of \$3,858,000 (134.12%) compared to FY 2013. The Governor vetoed language in [SF 447](#) (FY 2014 Justice System Appropriations Act) that permitted the ending balance of the Cigarette Fire Safety Standard Fund to be transferred to the Department of Justice for the Victims Assistance Grants Program. The ending balance was estimated to be \$142,000. The Office of the Attorney General is not requesting additional funds for FY 2015 in the Governor's budget. The Office worked with victim coalitions to reconfigure victim services to provide:

- Equitable distribution of funds statewide.
- Improved services in both urban and rural areas.
- Service to more victims.
- Long term housing solutions.

The State was split into six regions; each region has one or two shelters, one or two comprehensive programs for domestic abuse, and one or two comprehensive programs for sexual assault. The Crime Victim Assistance Division used a competitive grant process to award funds to nine shelter-based programs, 12 domestic abuse comprehensive programs, and 10 sexual abuse comprehensive programs. There are now about 120 victim advocates working across the State. The Crime Victim Assistance Division projects an increase of 4,344 (15.50%) in the number of victims served during FY 2014 with the redesign of victim services. The Division projects 41,361 victims will be served in FY 2015; this is an increase of 13,308 victims (47.44%) compared to FY 2013. For additional information concerning victims services, refer to the ***Fiscal Topics*** recently published by the LSA: [Budget Unit: Victim Assistance Grants](#), [Crime Victim Assistance Division](#), [Budget Unit: Victim Compensation Fund](#), [Crime Victim Compensation Program](#), and [Iowa's Victim Information and Notification Everyday System](#).

Legal Services Poverty Grants – The Office administers this State grant program that provides civil legal services to indigent Iowans. The Office contracts with [Iowa Legal Aid](#) to provide these services. The General Fund appropriation was increased by \$365,731 in FY 2014. The increase permitted Iowa Legal Aid to fill four vacant positions and was also used as non-federal matching funds for grants. Refer to the ***Fiscal Topic Budget Unit: Legal Services Poverty Grants*** for more information. The Office is requesting an additional \$219,438 in FY 2015 for this Program. *The Governor is recommending an increase of \$219,438 in FY 2015 for this Program.*

CIVIL RIGHTS COMMISSION

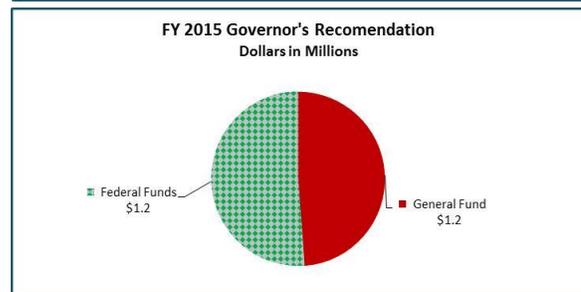
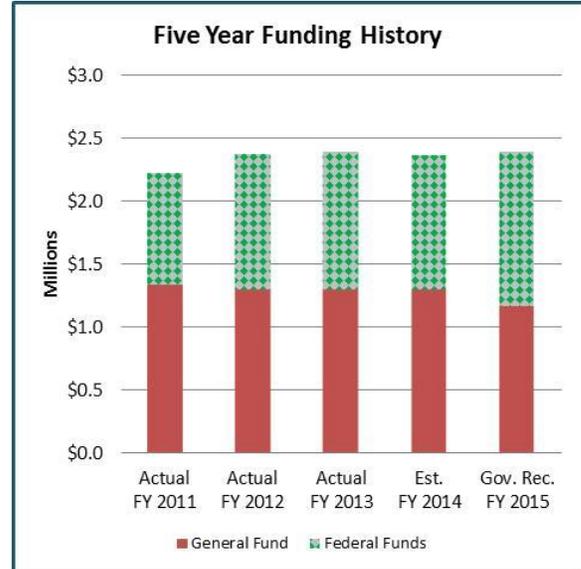
Overview and Funding History

Agency Overview: The Commission exists to protect the civil rights of all persons throughout Iowa. The [Civil Rights Commission's](#) primary functions are to enforce the Iowa Civil Rights Act, investigate and resolve discrimination complaints as a neutral fact finder, advocate for compliance with civil rights laws, and educate and train Iowans about the Commission and how to recognize and prevent discrimination. Refer to the **Fiscal Topic Budget Unit: Iowa Civil Rights Commission** for additional information.

Funding History: The bar chart to the right shows the five-year funding history of the Civil Rights Commission. Funding from all sources has been relatively stable.

Governor's Recommendations

FY 2015: The Governor is recommending a General Fund appropriation of \$1,169,540. This is a decrease of \$129,707 compared to estimated FY 2014.



FY 2013 Quick Facts - CRC

- 1,555**
Total number of cases received
- 52.8%**
General Fund percentage of the total budget
- 19,852**
Participants in civil rights education and outreach

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Civil Rights Commission</u>				
Civil Rights Commission				
Civil Rights Commission	\$ 1,299,247	\$ 1,169,540	\$ 1,169,540	\$ -129,707
Total Civil Rights Commission	\$ 1,299,247	\$ 1,169,540	\$ 1,169,540	\$ -129,707

Issues

FY 2015 Significant Changes – Director Beth Townsend presented the Civil Rights Commission’s FY 2015 budget request to the Governor November 26, 2013. The request is \$1,169,540 for FY 2015; this is a decrease of \$129,707 (9.98%) compared to estimated FY 2014. The reduction is possible due to decreased reimbursement for the assigned Attorney General, reduction in overall personnel costs, efficiencies in travel, advertising, outside services, and office supplies. *The Governor is recommending a General Fund decrease of \$129,707 for FY 2015.*

Sequestration – The [Equal Employment Opportunity Commission](#) (EEOC) reimburses the Civil Rights Commission for handling certain cases, per contract. The EEOC contract case reimbursement rate to the Civil Rights Commission was reduced during FY 2013 due to sequestration. The Civil Rights Commission completed \$120,000 of work that the EEOC did not pay for. The federal [Housing and Urban Development](#) (HUD) contract was not impacted by sequestration.

Housing and Urban Development (HUD) – The Civil Rights Commission processed 170 HUD cases in FY 2013, an increase of 10 cases compared to FY 2012. The HUD awarded a \$98,000 grant to the Commission in FY 2014 for training and outreach; housing cases tend to be settled through training landlords and ending discriminatory policies.

Statistics – The Civil Rights Commission processed 1,550 cases in FY 2013, a reduction of about 200 complaints compared to previous years. Employment makes up the largest area of complaints, at 75.00% of the total received. The backlog of cases was eliminated in FY 2013. The average number of days required to process a case is now 243; this is a reduction of about 13.00% compared to FY 2012. There were 57 Probable Cause findings in FY 2013; this is an increase of 30.00% compared to FY 2012. The Civil Rights Commission had 94 No Probable Cause findings in FY 2013; this is an increase of 34.00% compared to FY 2012. Findings of No Probable Cause are final action; the complainant cannot sue in district court after such a finding.

DEPARTMENT OF CORRECTIONS

Overview and Funding History

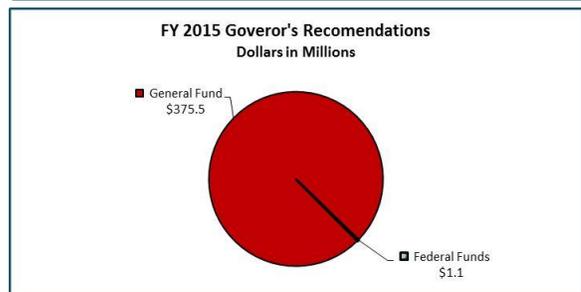
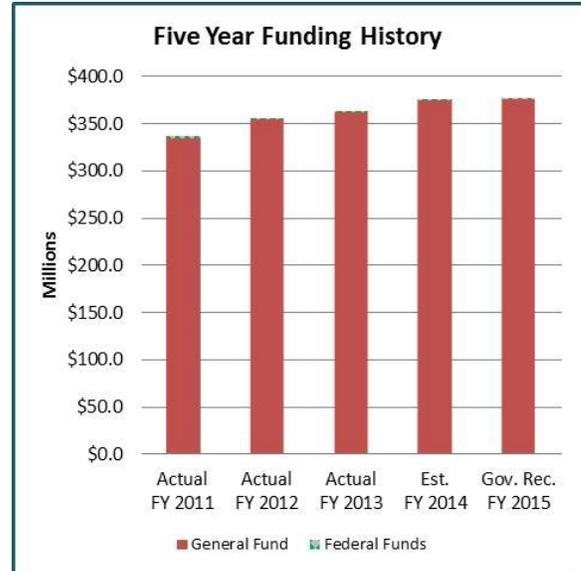
Agency Overview: The [Department of Corrections'](#) mission is to protect the public, employees, and offenders from victimization. The Department of Corrections (DOC) operates nine prisons to incarcerate legally committed adult offenders; partners with eight Community-Based Corrections (CBC) District Departments to provide supervision for offenders on parole, probation, work release, and Operating While Intoxicated (OWI) offenses; provides opportunities for offenders to make improvements through various educational, skill development, and counseling programs; trains professional staff; operates Iowa Prison Industries; and provides oversight of local jails.

Funding History: The total budget for the DOC is \$437,344,665 in FY 2014. The majority of the budget

(86.24%) is appropriated from the General Fund. Most of the remaining 13.76% is either local income in the CBC District Departments or major maintenance funding in the Institutions (prison system). The bar graph to the right shows the General Fund appropriations to the DOC have been trending upward over the last five years.

Governor's Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$375,543,114 for the DOC. This is an increase of \$1,014,923 compared to estimated FY 2014.



FY 2013 Quick Facts - DOC

38,900
Offenders under correctional supervision in Iowa

31st
Iowa's national rank in the incarceration rate

30.3%
Iowa's FY 2010 recidivism rate – 3.6 percentage point decrease since FY 2004

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Corrections, Dept. of				
Central Office				
Corrections Administration	\$ 5,093,810	\$ 5,093,810	\$ 5,270,010	\$ 176,200
County Confinement	1,075,092	1,075,092	1,075,092	0
Federal Prisoners/Contractual	484,411	484,411	484,411	0
Corrections Education	2,608,109	2,608,109	2,608,109	0
Iowa Corrections Offender Network	2,000,000	2,000,000	2,000,000	0
Mental Health/Substance Abuse	22,319	22,319	22,319	0
Hepatitis Treatment And Education	167,881	0	0	-167,881
DOC - Department Wide Duties	2,571,309	0	0	-2,571,309
Total Central Office	\$ 14,022,931	\$ 11,283,741	\$ 11,459,941	\$ -2,562,990
Fort Madison				
Ft. Madison Institution	\$ 43,135,932	\$ 42,655,684	\$ 42,655,684	\$ -480,248
Anamosa				
Anamosa Institution	\$ 32,943,488	\$ 33,344,253	\$ 33,344,253	\$ 400,765
Oakdale				
Oakdale Institution	\$ 58,607,768	\$ 59,132,786	\$ 59,132,786	\$ 525,018
Newton				
Newton Institution	\$ 27,146,108	\$ 27,464,108	\$ 27,464,108	\$ 318,000
Mt Pleasant				
Mt. Pleasant Inst.	\$ 24,832,135	\$ 24,982,135	\$ 24,982,135	\$ 150,000
Rockwell City				
Rockwell City Institution	\$ 9,678,353	\$ 9,728,353	\$ 9,728,353	\$ 50,000
Clarinda				
Clarinda Institution	\$ 25,259,319	\$ 25,717,430	\$ 25,717,430	\$ 458,111
Mitchellville				
Mitchellville Institution	\$ 21,617,466	\$ 21,937,970	\$ 21,937,970	\$ 320,504
Fort Dodge				
Ft. Dodge Institution	\$ 29,883,648	\$ 29,989,648	\$ 29,989,648	\$ 106,000
CBC District 1				
CBC District I	\$ 14,099,085	\$ 14,329,085	\$ 14,653,677	\$ 554,592
CBC District 2				
CBC District II	\$ 10,870,425	\$ 10,962,969	\$ 11,098,361	\$ 227,936
CBC District 3				
CBC District III	\$ 7,105,865	\$ 7,105,865	\$ 7,241,257	\$ 135,392

	Estimated FY 2014	Dept Request FY 2015	Gov Rec FY 2015	Gov Rec vs Est FY 2014
	(1)	(2)	(3)	(4)
Corrections, Dept. of (cont)				
CBC District 4				
CBC District IV	\$ 5,495,309	\$ 5,540,309	\$ 5,608,005	\$ 112,696
CBC District 5				
CBC District V	\$ 19,375,428	\$ 19,614,428	\$ 19,817,516	\$ 442,088
CBC District 6				
CBC District VI	\$ 14,638,537	\$ 14,638,537	\$ 14,833,623	\$ 195,086
CBC District 7				
CBC District VII	\$ 7,609,781	\$ 7,609,781	\$ 7,745,173	\$ 135,392
CBC District 8				
CBC District VIII	\$ 8,206,613	\$ 8,065,498	\$ 8,133,194	\$ -73,419
Total Corrections, Dept. of	<u>\$ 374,528,191</u>	<u>\$ 374,102,580</u>	<u>\$ 375,543,114</u>	<u>\$ 1,014,923</u>

Governor's Recommendations: Significant Changes

Open New Beds – A decrease of \$425,611	
Increase to provide additional funding for the new beds at Mitchellville. Includes additional 4.00 FTE positions.	\$215,504
Decrease in the Eighth CBC District Department to reflect the FY 2014 one-time costs of opening the Ottumwa CBC facility.	\$ -141,115
Decrease to reflect the FY 2014 one-time costs of renovating a bunk house at Fort Madison.	\$ -500,000
Drug Court Funding	
Increase in the First (\$189,200) and Sixth (\$127,390) CBC District Departments to replace expired federal funds.	\$316,590
Sex Offender Supervision and Community Monitoring	
Increase of \$947,744 and 14.00 FTE positions to supervise the increasing number of sex offenders on special sentences under community supervision in all eight of the CBC District Departments.	\$947,744
Prison Rape Elimination Act (PREA) Compliance	
Increase of \$176,200 and 2.00 FTE positions in the DOC Central Office.	\$176,200
Transfers and Reallocations	
Transfer \$167,881 from the Hepatitis Treatment and Education appropriation to the Iowa Medical Classification Center at Oakdale. This eliminates the separate appropriation for Hepatitis Treatment and Education.	\$0
Transfer \$2,571,309 from the appropriation for statewide duties to the operating budgets for the nine State prisons and four of the eight CBC District Departments. This eliminates the separate appropriation for statewide duties.	\$0
Transfer \$147,248 and 2.00 FTE positions from the Iowa State Penitentiary at Fort Madison to the Clarinda Correctional Facility. This is a Psychologist and Treatment Director from the Clinical Care Unit (CCU) at Fort Madison. The majority of the offenders in the CCU were transferred to the Clarinda Correctional Facility in FY 2013 and FY 2014.	\$0
Transfer \$160,863 from the Iowa Medical Classification Center at Oakdale to the Clarinda Correctional Facility for 3.00 FTE positions (new correctional officers). The funds are available to transfer from Oakdale due to savings generated by the Central Pharmacy.	\$0

Issues

Operating Costs of Beds for Women – Construction for repair and/or replacement of buildings at the Iowa Correctional Institution for Women (ICIW) at Mitchellville was first approved by the General Assembly in FY 2009. The DOC received a General Fund increase of \$5,262,310 and 76.00 FTE positions in FY 2014 to gradually open beds at Mitchellville. The General Assembly reduced the General Fund appropriation to Mount Pleasant by \$1,736,195 to close the 100-bed Women’s Unit in FY 2014; that Unit closed in August 2013. At Mitchellville, Building A (Administration and Visiting Room) opened in September 2013; Building W (Warehouse) opened in October 2013. Buildings F (Food Service), G (General Population beds), H (Health Services), and N (treatment and classrooms) are scheduled to open in January and February 2014. Buildings Y (Minimum Live Out – MLO) and Z (MLO support, including programming, dining area, and visiting room) are scheduled to be completed in the Fall of 2014. Building P (vocational training, education, gym, and library) is scheduled to open in April and May 2015. Refer to the *Issue Review*, [Construction Status and Operating Costs of New Corrections Beds](#), for additional information. The Board of Corrections approved an increase of \$935,779 and 16.00 FTE positions for Mitchellville in FY 2015 if funding is available. This includes 5.00 Nurses, 10.00 Correctional Officers, and 1.00 Senior Correctional Officer to staff Building Y (MLO) and the assisted living, hospice, skilled nursing, and infirmary in Building H. *The Governor is recommending an increase of \$215,504 and 4.00 FTE positions (correctional officers) to fully fund staff at the Reception Center at the ICIW at Mitchellville.*

New Iowa State Penitentiary at Fort Madison – The DOC plans to open the new prison at Farm One within the existing budget in March 2014. Once the new prison opens, the current maximum security facility (588 beds), John Bennett Unit (152-bed minimum security facility), and the Clinical Care Unit (160-bed maximum security facility) will close. Approximately 200 beds will remain vacant at the new prison. The DOC previously estimated that an additional \$3,700,000 is required to staff those beds. The Board of Corrections did not approve this funding. *The Governor is not recommending this funding.*

Farm One Bunkhouse – The DOC received a General Fund increase of \$500,000 in FY 2014 to renovate or replace the bunkhouse so minimum security offenders may be co-located at the new maximum security prison. The DOC is working with the Department of Administrative Services (DAS) to determine whether to renovate or replace the existing building. The DOC is requesting language to permit the funds to carry forward into FY 2015 due to time constraints. *The Governor is recommending a decrease of \$500,000 to eliminate the FY 2014 one-time costs.*

New CBC Beds – The DOC received a General Fund increase of \$3,952,686 in FY 2014 to open new CBC beds as follows:

- First CBC District Department – \$1,140,322 to open a 45-bed Women’s Facility for Change. The facility opened in Waterloo in December 2013.
- Third CBC District Department – \$867,410 to open 42 beds at the Sioux City Residential Facility. The beds opened in November 2013.
- Sixth CBC District Department – \$543,129 to open the 26-bed ANCHOR Center in Cedar Rapids. The District Department plans to open 12 to 16 beds in March or April of 2014. The District Department received General Fund increases in previous years for this facility. The total General Fund budget for the facility is \$1,532,854.

- Seventh CBC District Department – \$714,147 to open 39 beds at the Davenport Residential Facility. The beds opened in October 2013.
- Eighth CBC District Department – \$687,678 to open 25 beds at the Ottumwa Residential Facility. The budget includes \$141,115 in one-time costs for FY 2014. The beds opened in October 2013.

The CBC District Departments are gradually opening the new beds by accepting a limited number of offenders into the facilities weekly. Once the CBC beds are completely operational, the prison population may be reduced by the Board of Parole increasing work releases to these facilities and/or judges placing probationers in these facilities rather than sending them to State prison. The CBC facility waiting list was 726 offenders on January 3, 2014. This includes offenders waiting in the federal prison system, or on the following supervision status: Operating While Intoxicated (OWI), parole or county jail, probation, pre-trial release, special sentence, and work release. The majority of the offenders, 70.93%, were waiting for a residential bed while on probation supervision or in prison while waiting for a work release bed.

Sex Offender Treatment and Monitoring – The General Assembly enacted enhanced penalties for sex offenders in the 2005 Legislative Session, including electronic monitoring (amended in 2009 to be at the DOC's discretion), longer sentences, and a special sentence of 10 years or lifetime supervision (depending upon the specific conviction) that begins after the original sentence is served. The number of sex offenders under CBC supervision has grown steadily since the enactment of the enhanced penalties. For example, there were 358 offenders on special sentence supervision in FY 2011 compared to 622 such offenders in FY 2013, an increase of 264 (73.7%) over two years. The DOC expects the number of offenders on special sentence to continue to steadily increase, and projects 871 offenders in FY 2014 and 1,107 offenders in FY 2015. The Board of Corrections approved an increase of \$1,091,453 and 16.00 FTE positions for sex offender treatment and monitoring in the CBC District Departments in FY 2015 if funding is available. *The Governor is recommending an increase of \$947,744 and 14.00 FTE positions to supervise the increasing number of sex offenders on special sentences under community supervision in all eight of the CBC District Departments.*

Central Pharmacy – There are two central pharmacies in place and fully staffed. The DOC pharmacy moved from the Iowa Building to the Iowa Correctional Institution for Women at Mitchellville in FY 2014. This Central Pharmacy processes prescriptions for Newton, Mitchellville, Fort Dodge, Rockwell City, and Clarinda's DOC patients. Oakdale is processing Anamosa, Fort Madison, Mount Pleasant, and its own DOC patients. The DOC pharmacy staff is working with the University of Iowa College of Pharmacy to increase efficiencies. Centralizing pharmacy operations at two locations has generated savings. The DOC Board approved transferring \$160,863 from Oakdale to Clarinda for 3.00 FTE positions (new correctional officers) in FY 2015. The funds are available to transfer from Oakdale due to savings generated by the Central Pharmacy. *The Governor is recommending this transfer.*

Prison Rape Elimination Act (PREA) – The rules went into effect August 20, 2012, for this federal law. The law and federal rules have many standards that the DOC is required to meet for adult and juvenile offenders. One requirement of the PREA is that offenders under 18 years of age who are sentenced as adults must be housed separately from the general population. The DOC created a PREA Unit at the Anamosa State Penitentiary in FY 2014 to house these offenders. Another requirement is that all PREA investigations must be conducted promptly by trained investigators. The DOC is currently conducting these investigations with one staff that has other duties. The Board of Corrections approved \$502,242 and 5.00 FTE positions (four investigators and one secretary) for FY 2015 if funding is available. *The Governor is*

recommending an increase of \$176,200 and 2.00 FTE positions to comply with the PREA investigations requirement.

Drug Courts – The first Drug Court in Iowa began in FY 1996 with federal funds in the Fifth CBC District Department. Other CBC District Departments applied for federal grants or State appropriations to start Drug Courts. Currently in FY 2014, there are eight Drug Courts operating in seven CBC District Departments. The Drug Court in Waterloo closed in FY 2013 when federal funds expired and were not replaced. See the ***Issue Review, Cost-Benefit Analysis of Adult Drug Courts*** for information regarding the funding history, offender population, average length of stay in Adult Drug Court supervision, success rates, recidivism data, cost-benefit analysis, and budget impact of these Adult Drug Courts. The Board of Corrections approved \$316,590 for Adult Drug Courts in FY 2015 if funding is available. This replaces federal and local income (\$189,200) in the First CBC District Department that will allow the Drug Court in Waterloo to be re-established and maintain the Drug Court in Dubuque. The approved funding also includes \$127,390 for the Sixth CBC District Department that replaces a Substance Abuse and Mental Health Services Administration (SAMHSA) grant that expired in FY 2013. The grant provided employment opportunities with Goodwill Industries. *The Governor is recommending an increase of \$316,590 for Drug Courts in FY 2015.*

Review of the Sixth CBC District Department – The Office of the Auditor of State released the [Report on a Review of the Sixth Judicial District Department of Correctional Services](#) on January 10, 2014. The review was requested by the DOC regarding concerns about the relationship between the CBC District Department and the nonprofit Community Corrections Improvement Association (CCIA). The report covered the reporting period of FY 2008 through FY 2012. The report:

- States three Board members serve on both the CCIA Board of Directors and the Sixth CBC Board. The former District Director serves as the Executive Director of the CCIA. Routine interaction occurs between the two entities, and employees of both entities perform functions for either entity. The report states the Sixth CBC District Board “failed to exercise proper fiduciary oversight.”
- Calculates there were \$775,716.72 of improper disbursements and \$158,094.17 of potential improper liabilities by the Sixth CBC District Department. It cannot be determined if more improper disbursements occurred because of inadequate records. Of the estimated improper disbursements, \$563,113.27 was made on behalf of the CCIA. This amount includes \$443,900 for calculated payroll costs for certain management employees and \$119,000 estimated for District Office space used by the CCIA.
- Vacation accrual rates are higher than allowed by law in the First, Fifth, and Sixth CBC District Departments. The First and Sixth CBC District Departments have a higher sick leave accrual rate than allowed by law. The report states the First and Fifth CBC Districts will be reviewed separately. Higher sick leave accrual rates permit employees to have a larger sick leave balance to use in participating in the Sick Leave Incentive Program (SLIP) upon retirement and impact the Districts’ liabilities. Higher vacation accrual rates impact the Districts’ actual expenses and liabilities.
- CCIA reimbursed the Sixth CBC District Department for health and dental insurance costs of CCIA employees. The CCIA employees were included in the Sixth CBC District’s payroll records. The CCIA employees were covered under the State’s health and dental insurance plans and should not have been. The report has been filed with the Office of the Attorney General, the Internal Revenue Service (IRS), and the Iowa Public Employees Retirement System (IPERS). A copy of the report is available at <http://auditor.iowa.gov/specials/1260-2380-BE00.pdf>.

DEPARTMENT OF INSPECTIONS AND APPEALS – STATE PUBLIC DEFENDER

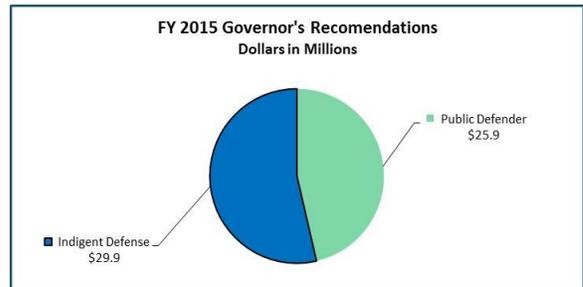
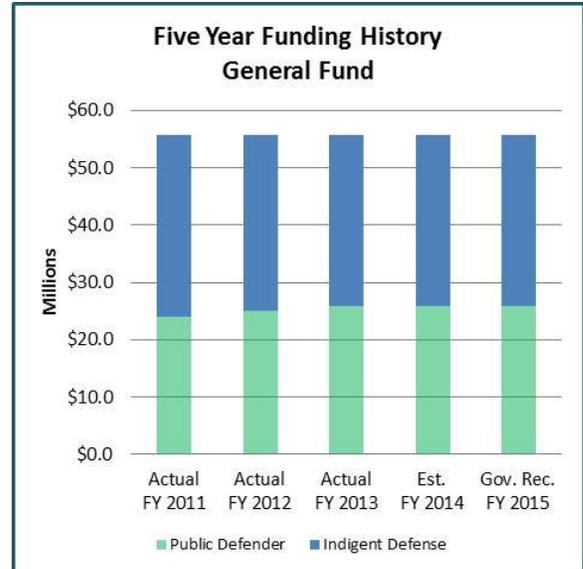
Overview and Funding History

Agency Overview: General Fund appropriations for the [Department of Inspections and Appeals](#) are the responsibility of the [Administration and Regulation Subcommittee](#), except for the State Public Defender’s Office and indigent defense. The [State Public Defender’s Office](#) administers local public defender offices; provides legal counsel to indigent convicted criminals on appeals and for postconviction relief proceedings; is responsible for indigent juvenile cases; and reviews all expense claim reimbursements from private attorneys for indigent defense cases. In FY 1988, the costs of providing legal counsel to indigent criminal defendants and juveniles (indigent defense) were transferred to the State as part of court reorganization. Before FY 1988, these costs were paid by the counties.

Funding History: The bar graph shows total General Fund appropriations for the State Public Defender’s Office and Indigent Defense for the last five years. Spending has remained relatively stable over the reporting period.

Governor’s Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$55,784,172. This is no change compared to estimated FY 2014.



FY 2013 Quick Facts – SPD

\$508
Average Cost per Claim for Indigent Defense

\$282
Average cost per case for State Public Defender

145 Attorneys
Out of 219 FTE positions in the State Public Defender’s Office

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Inspections & Appeals, Dept. of</u>				
Public Defender				
Public Defender	\$ 25,882,243	\$ 25,882,243	\$ 25,882,243	\$ 0
Indigent Defense Appropriation	29,901,929	29,901,929	29,901,929	0
Total Inspections & Appeals, Dept. of	\$ 55,784,172	\$ 55,784,172	\$ 55,784,172	\$ 0

Issues

Governor's Budget Hearing – State Public Defender Sam Langholz presented the Office of the State Public Defender's FY 2015 budget request to the Governor November 15, 2013. Mr. Langholz provided an overview of the Office structure, locations of local offices around the State, indigent defense spending (public defenders and private attorneys), and cost comparisons between public defenders and the private bar. Continued fiscal challenges include:

- Lack of control over criminal and juvenile court filings and limited control over costs of representation. The cost of juvenile cases has been increasing. It is now 46.00% of total spending while criminal cases are 48.00% of the total, and miscellaneous expenditures make up the remaining 6.00%.
- Increases in appellate cases and costs. The indigent defense costs have increased by \$250,000 from FY 2012 to FY 2013. The Supreme Court changed its approach to appellate defender motions to withdraw for frivolous appeals. This has increased the workload of both the State Public Defender's Office and the Office of the Attorney General.
- Conflicts of interest removals issue in Polk County. A judge has ruled that if a public defender office has previously represented a prosecution witness in a defendant's case, then it cannot continue to represent that defendant unless the defendant and the witnesses all waive any conflict of interest. The ruling is being appealed. The ruling creates limitations on the Office that will result in more cases being sent to the private bar, if the ruling stands.
- The Judicial Branch is implementing the Electronic Document Management System (EDMS). In the short term, this will impact the support budget for the State Public Defender's Office (shifting some work currently performed by the Clerk of Court offices to the State Public Defender). In the long term, there should be savings as the criminal court system becomes paperless.

Gideon Fellowships – Mr. Langholz indicated the Office is requesting 2.00 FTE positions with no additional cost for FY 2015. This will permit implementation of proposed Gideon Fellowships that are two year appointments of top law students. Mr. Langholz indicated he anticipates net savings of \$225,000 in total expenditures when the Fellowships are fully implemented.

JUDICIAL BRANCH

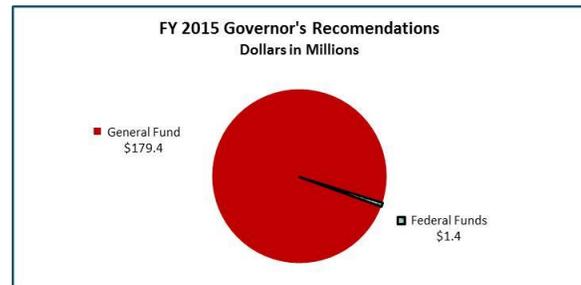
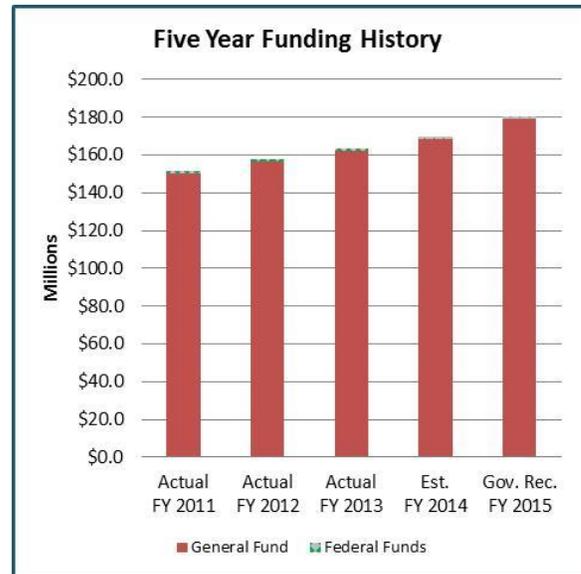
Overview and Funding History

Agency Overview: Iowa has a unified trial court system known as the Iowa District Court that has general jurisdiction over all civil, criminal, juvenile, and probate matters in the State. The Iowa District Court is composed of different kinds of judicial officers with varying amounts of jurisdiction including judicial magistrates, associate juvenile judges, associate probate judges, district associate judges, and district court judges. There are two appellate courts in Iowa's judicial system—the Iowa Supreme Court and the Iowa Court of Appeals. Seven justices sit on the Supreme Court and nine judges form the Court of Appeals.

Funding History: The bar graph to the right shows the funding history for the Judicial Branch. Beginning in FY 2011, the Jury and Witness Fee Revolving Fund began receiving a General Fund appropriation. Prior to this, two-year-old court debt was deposited in the Fund; however, this was changed in [SF 2383 \(Debt Collection Act\)](#) enacted during the 2010 Legislative Session.

Governor's Recommendations

FY 2015: For the [Judicial Branch](#), the Governor passed through the FY 2015 General Fund appropriation request totaling \$179,388,424. This includes a request of \$176,288,424 for the operating budget and \$3,100,000 for the Jury and Witness Fee Revolving Fund. This is an increase of \$10,701,677 and 71.50 FTE positions compared to estimated FY 2014.



FY 2014 Quick Facts – Judicial Branch

September 3, 2013

As of September 3, 2013, all Clerk of Court officers are open Monday through Friday
8:00 – 4:30.

\$633,542,552

The amount of overall court debt according to the June 30, 2013 Accounts Receivable report.

43

The number of counties where EDMS has been completed as of December 31, 2013.

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
Judicial Branch				
Judicial Branch				
Judicial Branch	\$ 165,586,747	\$ 176,288,424	\$ 176,288,424	\$ 10,701,677
Jury & Witness Revolving Fund	3,100,000	3,100,000	3,100,000	0
Total Judicial Branch	<u>\$ 168,686,747</u>	<u>\$ 179,388,424</u>	<u>\$ 179,388,424</u>	<u>\$ 10,701,677</u>

Governor's Recommendations: Significant Changes

Operations	
An increase for the annualization of salaries and benefits for judges, magistrates, and non-judicial officer personnel and salary increases for contract and noncontract Judicial Branch employees.	\$4,294,596
An increase for an additional 4.50% salary increase for each judicial officer (judges) effective July 1, 2014.	\$2,036,831
An increase for 74.50 FTE positions throughout the Judicial Branch including 45.00 judicial assistants, 8.00 specialty court coordinators, 1.00 business court law clerk, 1.50 court program analysts, 8.00 information system specialist IT staff, 2.00 audiovisual coordinators, 3.00 staff attorneys for the Court of Appeals, and 6.00 law clerks for the Supreme Court. (See information below the chart for position details.)	\$4,180,250
An increase for a language access coordinator to implement the Judicial Branch's language access plan.	\$190,000

FY 2015 Requested Position FTE Information

Judicial assistants – Position located at the trial court level to be used as the Judicial Branch continues to roll out Electronic Document Management System (EDMS) in both EDMS and non-EDMS counties and districts. In an EDMS county, a judicial assistant may provide additional courtroom and administrative support directly to judges. In a non-EDMS county, it might be a position in the clerk of court office.

Specialty court coordinators – Provides administrative support for various specialty court dockets, e.g., family treatment court, drug court, mental health court, etc. Counties included in budget request are Wapello, Polk, Woodbury, Cherokee, Ida, Scott, Linn, Johnson, Washington, Buena Vista, Webster, Warren and Black Hawk. In addition, one position will be in the State Court Administrators Office to coordinate all specialty dockets statewide.

Business court law clerk – Position is a district court law clerk to assist the three judges assigned to the business court docket. The law clerk would be assigned to one of the districts where the three judges reside; and would assist other district court judges in that district when not working specifically on court cases.

Court program analyst – These positions have been vacant since 2006. Half of one of the positions will be funded with Juvenile Court Improvement funds from the federal government. These two positions will provide quantitative and qualitative information to be used in Judicial Branch policy decision making and planning. Examples of work to be performed:

- Analyzing and presenting court caseload and statistics to assist in planning, evaluating programs and assessing staff and judgeship needs.
- Working with court and information technology staff to enhance the accuracy and uniformity of statewide caseload statistics.
- Staffing Judicial Branch advisory committees and projects.
- Writing and editing reports and materials for Judicial Branch education programs, advisory committees and the Judicial Branch website.
- Assisting in delivery of Judicial Branch education programs.
- Making presentations to court staff and judges.
- Fiscal note analysis.

IT staff information system specialists – Computer programmers and support staff to assist with both EDMS and other computer projects across the State.

Audio Visual (AV) coordinator – Assists the Judicial Branch in implementing many of the recommendations from the court's Civil Justice Reform Task Force Report, especially in the area of increasing the use of teleconferencing in the courts.

Staff attorneys for the court of appeals – Allows the Judicial Branch to reach a staffing ratio of one staff attorney (career position) and one law clerk (transient position) for each member of the Court of Appeals, as well as and one staff attorney for senior judges assigned to the court of appeals.

Law clerks for the Supreme Court – Bring the Supreme Court up to a staffing ratio of two law clerks per Justice.

Language access coordinator – Duties include recruiting, training, testing, and supervising interpreters (e.g., observation of new interpreters during proceedings); translation of court forms, instructions, etc.; translation of key content on the Iowa courts' website; training judges and staff on language access issues; staffing and advising the Language Access in the Courts Advisory Committee; producing an annual report on language access services in the courts; developing and coordinating community outreach activities related to language access in the courts; and serving as a court interpreter, as needed, in Des Moines.

Issues

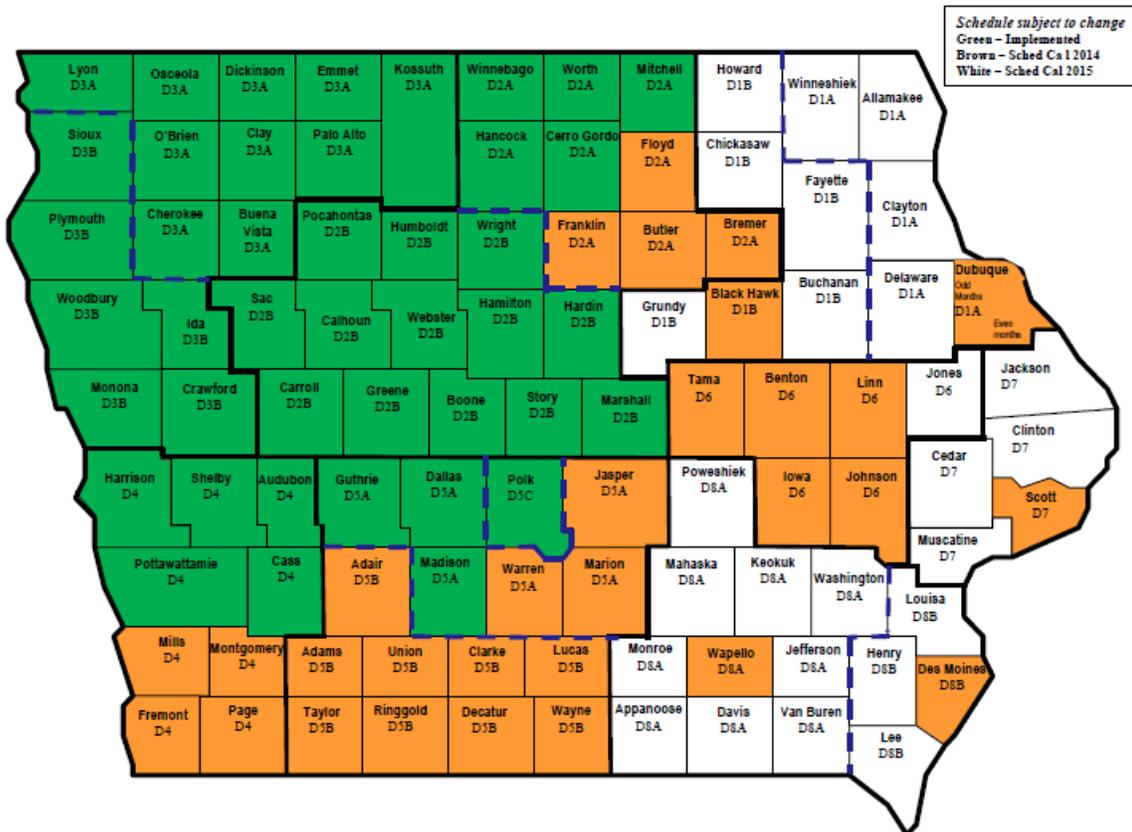
Electronic Document Management System (EDMS) – The implementation of the Electronic Document Management System (EDMS), the electronic filing system for cases and documents with the Iowa Court System, is set to be completed by the end of Calendar Year (CY) 2015. The following provides the timing for the EDMS rollout.

- Calendar Year 2014 - The Judicial Branch plans to complete subdistricts 2A, 5A and 5B; District 4; Linn, Johnson; Scott; Black Hawk and Dubuque; Wapello and Des Moines Counties. The scheduling for Fall

2014 is still in process so Tama, Benton, Iowa, and Jones Counties may be added to the Calendar 2014 implementation.

- Calendar Year 2015 - The Judicial Branch plans to complete the following:
 - District 1 Counties: Howard, Winneshiek, Allamakee, Chickasaw, Fayette, Clayton, Buchanan, Delaware, and Grundy.
 - District 7 Counties: Jackson, Clinton, Cedar, and Muscatine.
 - District 8 Counties: Poweshiek, Mahaska, Keokuk, Washington, Louisa, Henry, Jefferson, Monroe, Appanoose, Davis, Van Buren, and Lee.

The following map shows the implementation schedule (subject to change). As of December 31, 2013, the counties in green have been implemented, the counties in brown are scheduled to be done in CY 2014, and the counties in white are scheduled to be implemented in CY 2015.



Court Debt Collection Update

As of June 30, 2013, total court debt was \$633,542,552. Of the overall debt, 72.00% is criminal, 23.00% is traffic, 3.00% is civil, and the remaining 2.00% is classified as miscellaneous. Currently, no debt has been written off by the Judicial Branch as uncollectable.

The following table shows the current revenue collected from outstanding court debt for FY 2011 through FY 2013.

	<u>Actual FY 2011</u>	<u>Actual FY 2012</u>	<u>Difference FY 2011 to FY 2012</u>	<u>Actual FY 2013</u>	<u>Difference FY 2012 to FY 2013</u>
Judicial Offsets	\$ 9,300,000	\$ 10,200,000	\$ 900,000	\$ 10,200,000	\$ 0
Court Debt Amnesty	2,765,514	\$ 0	-2,765,514	\$ 0	\$ 0
County Treasurer - DOR Taxes	259,830	246,903	-12,927	168,954	-77,949
County Treasurer - Court Debt	0	467,000	467,000	324,500	-142,500
Centralized Collections Unit (CCU)	25,422,000	26,763,000	1,341,000	31,700,000	4,937,000
County Attorneys	10,500,000	12,900,000	2,400,000	16,400,000	3,500,000
Racing and Gaming Offset Program	2,676,877	2,858,266	181,389	2,684,114	-174,152
Professional Licensing	3,100,000	4,000,000	900,000	5,200,000	1,200,000
Private Debt Collector	0	3,400,000	3,400,000	5,500,000	2,100,000
	<u>\$ 54,024,221</u>	<u>\$ 60,835,169</u>	<u>\$ 6,810,948</u>	<u>\$ 72,177,568</u>	<u>\$ 11,342,399</u>

NOTES:

The county treasurer court debt collection and the private debt collector programs did not begin until FY 2012.

The centralized collection unit amounts include the 10.0% CCU add on fee.

The private debt collector amounts include the 25.0% add on fee.

The county attorney amounts include both the State portion and the portion retained by the counties.

Review of FY 2014 FTE positions

Because no salary adjustment was received by the Judicial Branch for non-judicial officer positions in FY 2014, the Judicial Branch could not authorize all the FTE positions authorized in [SF 442](#) (FY 2014 Judicial Branch Appropriations Act). In FY 2014, the Judicial Branch received \$2,389,929 for 53.00 FTE positions to restore cuts from 2009 to the Clerk of Court offices. As of December 5, 2013, of the 53.00 FTE positions appropriated, the Judicial Branch authorized filling 41.30 positions. Of the 41.30 positions, 9.20 FTE positions remain to be filled in Districts 1, 2, and 6. The Judicial Branch is working to fill the remaining positions.

The Judicial Branch received \$2,741,968 for 42.00 FTE positions to restore non-clerk positions throughout the Judicial Branch. As of December 5, 2013, of the 42.00 FTE positions appropriated, the Judicial Branch authorized filling 38.10 positions (90.80%). The Judicial Branch is still in the process of filling some of these positions including a juvenile court officer in District 1, and an Iowa Court Information System (ICIS) position and a portion of a law clerk in District 2.

The Judicial Branch received \$555,648 for 8.00 FTE positions to help expedite the implementation of the electronic document management system (EDMS) in all counties. As of December 5, 2013, the IT Division completed a reorganization and the Judicial Branch authorized and plans to fill 2.00 FTE position.

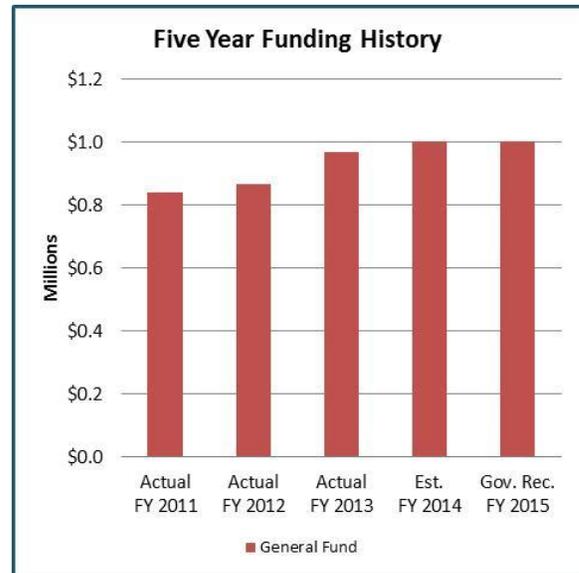
LAW ENFORCEMENT ACADEMY

Overview and Funding History

Agency Overview: The [Iowa Law Enforcement Academy \(ILEA\)](#) provides training for city and county law enforcement officers, Tribal government officers, conservation officers for the Department of Natural Resources, as well as jailers and telecommunicators in the State. The Academy also administers a program of psychological testing for applicants for law enforcement positions, approves regional training programs, establishes minimum hiring standards for law enforcement personnel, and provides audio-visual resources for law enforcement training and educational institutions. The Academy is also responsible for removing or suspending an officer's certification. The Director and staff are employed pursuant to the Iowa merit system.

The Basic Training provided at the ILEA is a 14-week course offered up to six times per year. In addition, the ILEA offers one-day specialty schools and in-service seminars for law enforcement personnel. The ILEA facility is located at Camp Dodge, including dormitory rooms with a capacity for 112 people, classrooms, a cafeteria, physical fitness center, photography and video production studios, and administrative offices. The Academy shares firing ranges and tactical facilities with the Iowa National Guard and a driving campus with the Des Moines Area Community College campus. In addition to the ILEA, the Department of Public Safety, the Cedar Rapids Police Department, and the Des Moines Police Department offer training courses certified by ILEA. Training is also offered at Hawkeye Community College and Western Iowa Tech Community College for people with a two-year or four-year degree.

Funding History: The bar graph shows the five-year funding history for ILEA. One-third of the cost to attend the Basic ILEA is funded from the General Fund, and the remaining two-thirds of the cost are billed to the local entity (city or county government). The local entity has the choice to bill the candidate for one-third of the cost to attend the Academy. Officers for Tribal governments and for the Department of Natural Resources pay the full cost to attend. The ILEA Council annually reviews the costs associated with the Academy at their spring meeting to determine the tuition for the following year. In addition, fees are charged for continuing education programs. (Beginning July 2012, the Department of Transportation law enforcement staff attend the Department of Public Safety Academy.)



FY 2014 Quick Facts - ILEA

\$8,061.13

The full cost to attend the Basic Academy. Tuition charged to local law enforcement for the ILEA Basic Academy is \$5,374.09.

14 weeks

The length of one Basic Academy.

181

In FY 2013, ILEA trained 181 officers in Basic training and six of those officers were State employees from the Department of Natural Resources (DNR).

Governor's Recommendations

FY 2015: The Governor is recommending no change for FY 2015 compared to estimated FY 2014.

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Iowa Law Enforcement Academy</u>				
Iowa Law Enforcement Academy	\$ 1,003,214	\$ 1,003,214	\$ 1,003,214	\$ 0
Total Iowa Law Enforcement Academy	\$ 1,003,214	\$ 1,003,214	\$ 1,003,214	\$ 0

BOARD OF PAROLE

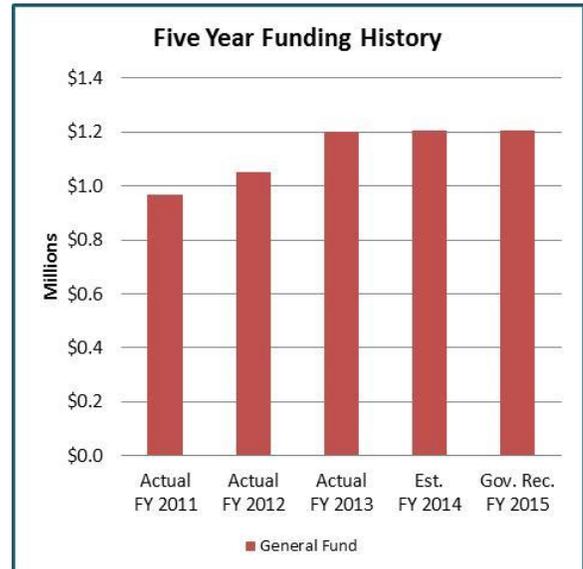
Overview and Funding History

Agency Overview: The [Board of Parole's](#) mission is to reintegrate offenders into the community to become productive and responsible citizens. There are offenders that the Board has determined can be released from prison without detriment to the public or themselves. The Board performs risk evaluations for inmates, reviews eligible parole cases, holds parole hearings for eligible inmates, and selects inmates for conditional release on parole and work release. The Board revokes conditional releases and returns to prison those offenders that have failed. The Board also notifies victims of relevant information before a parole hearing and advises the Governor on matters of executive clemency and commutations. For more information regarding the duties and workload, see the *Fiscal Topic*, [Budget Unit: Board of Parole](#).

Funding History: The bar graph shows the Board's General Fund appropriations for the last five years. The budget trended upward from FY 2011 through FY 2013, and has been stable the last two years.

Governor's Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$1,204,583. This is no change compared to estimated FY 2014.



FY 2013 Quick Facts - BOP

23.0%

Increase in parole releases from prison in FY 2013

-24.9%

Decrease in prison releases due to expiration of sentence in FY 2013

30.3%

Iowa's FY 2010 recidivism rate – 3.6 percentage point decrease since FY 2004

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Parole, Board of</u>				
Parole Board				
Parole Board	\$ 1,204,583	\$ 1,204,583	\$ 1,204,583	\$ 0
Total Parole, Board of	\$ 1,204,583	\$ 1,204,583	\$ 1,204,583	\$ 0

Issues

Strategic Initiatives – The Board:

- Made recent improvements to its computer system. The Board now reviews cases constantly. Annual offender reviews used to occur every other month. Now they occur every month. The Board is cross-training staff on a variety of functions. The Parole Board continues to work closely with DOC staff and its contractor (ATG) to develop an electronic filing and management system in conjunction with the Iowa Corrections Offender Network (ICON). The system is currently functioning as a filing system, voting, and notification platform. The Board continues to develop additional modules to handle all victim services, revocations proceedings, and executive clemency functions.
- Developed FY 2015 priorities for its computer system that include creating an automated revocation docket, enhancing victim notification, and continuing work with the DOC to develop reporting and statistical functions in ICON that Board members can access.
- Eliminated the backlog of requests for commutations. The Board decided 64 cases; only cases from out of state are behind schedule. The Board intends to provide a decision on these requests within a year of being filed. Offenders may file a commutation request every 10 years.

Board Turnover – The Board membership has fluctuated significantly over the last four years. The Vice Chairperson and two part time members of the Board resigned in FY 2014. The current Chairperson was appointed in September 2012. The General Assembly enacted [HF 538](#) (Board of Parole Reserve Members Act) during the 2013 Legislative Session. The Act creates a pool of three alternate members to substitute for Board members that are disqualified or are unavailable for hearings. The Governor appointed W. Ray Richardson and former Board of Parole members Nancy Boyd and Jacky Romp as the alternates, and Charles Larson, Senior as a permanent part-time member. These appointments are subject to Senate confirmation. Mr. Carlstrom indicated the Act has been beneficial to the hearing schedule, but there are concerns about maintaining training of alternate members, especially as the Board work becomes more automated.

Required Report – Iowa Code section [906.5\(2\)](#) requires the Board to implement an early release plan. The section also requires the Board to file a monthly report with the LSA on the implementation of the plan and average length of stay of those paroled under the plan. The Board does not file the report with the LSA. Statistics such as the number of paroles granted and average length of stay in prison are available from the Criminal and Juvenile Justice Planning Division (CJJPD) of the Department of Human Rights and the Department of Corrections (DOC). The Subcommittee may want to discuss this Code section.

DEPARTMENT OF PUBLIC DEFENSE

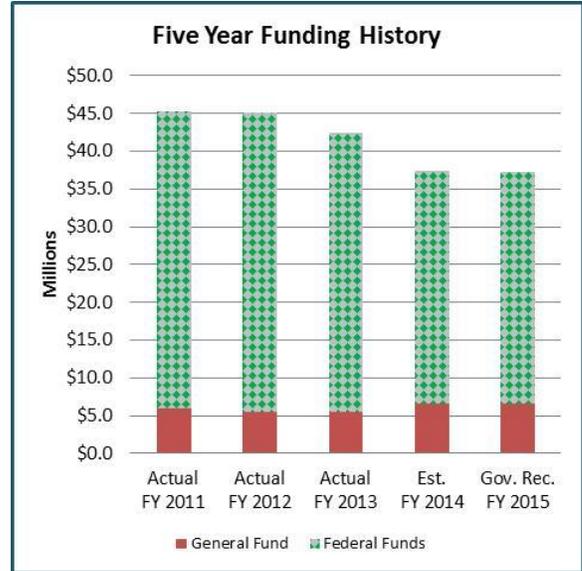
Overview and Funding History

Agency Overview: The Department of Public Defense (Iowa National Guard) provides units and equipment to protect life and property, to preserve peace and order, and to ensure public safety for the citizens of Iowa.

Funding History: The budget funding history in the bar chart shows the funding for the Military Division. Appropriations from the General Fund have remained fairly steady while funding from federal sources has declined.

Governor’s Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$6,554,478 for FY 2015. This is no change compared to estimated FY 2014.

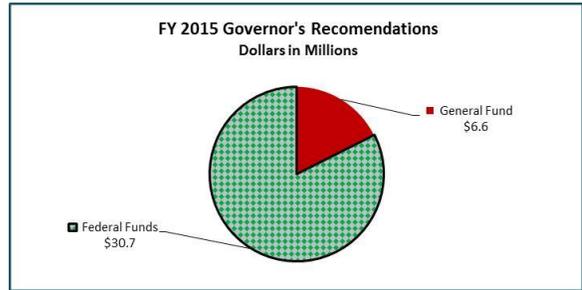


FY 2014 Quick Facts - DPD

9,107
Total personnel assigned to the Iowa National Guard as of December 9, 2013, including 1,875 airmen and 7,232 soldiers.

46
Number of Readiness Centers (armories) in Iowa (includes four on Camp Dodge)

95.00%
There are approximately 304 State employees, and 95.00% of the State FTEs are fully or partially federal reimbursed.



General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Public Defense, Dept. of				
Public Defense, Dept. of	\$ 6,554,478	\$ 6,554,478	\$ 6,554,478	\$ 0
Total Public Defense, Dept. of	\$ 6,554,478	\$ 6,554,478	\$ 6,554,478	\$ 0

DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

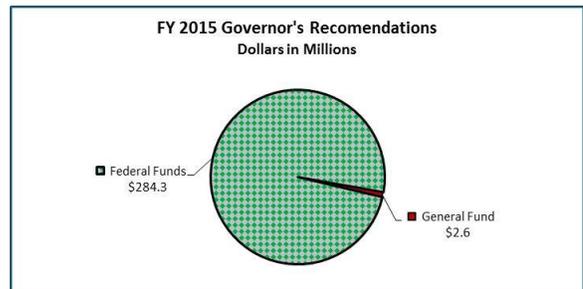
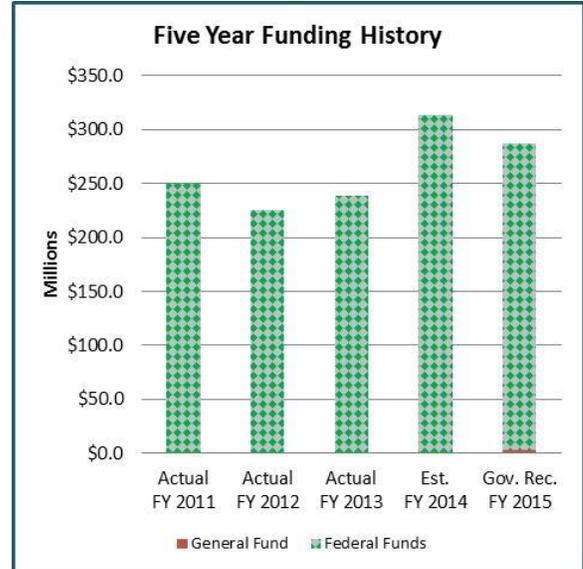
Overview and Funding History

Agency Overview: The Department of Homeland Security and Emergency Management manages risks and hazards with local and federal entities through mitigation, preparedness, response, and recovery initiatives. In FY 2014, [House File 307](#) established the Department of Homeland Security and Emergency Management rather than a Division under the Department of Public Defense.

Funding History: The budget funding history in the bar chart shows that the Department of Homeland Security and Emergency Management Division receives most of its funding from federal sources with a small proportion coming from the General Fund.

Governor’s Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$2,629,623. This is an increase of \$400,000 compared to estimated FY 2014.



FY 2014 Quick Facts - HSEMD

- 66**
The number of school safe room projects approved and/or completed in Iowa
- 115**
Number of Public Safety Answering Points (PSAPS) in Iowa
- 18**
Number of current open Presidential major disasters in the State, the oldest being from 2007

General Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Department of Homeland Security				
Department of Homeland Security Homeland Security & Emer. Mgmt	\$ 2,229,623	\$ 2,616,573	\$ 2,629,623	\$ 400,000
Total Department of Homeland Security	\$ 2,229,623	\$ 2,616,573	\$ 2,629,623	\$ 400,000

Governor’s Recommendations: Significant Changes

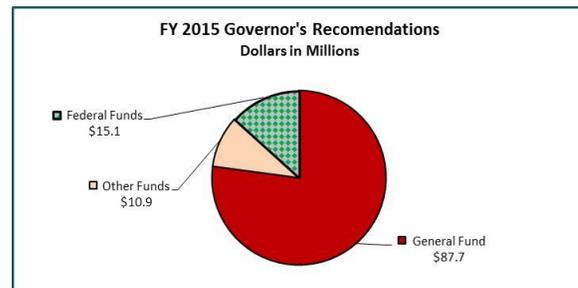
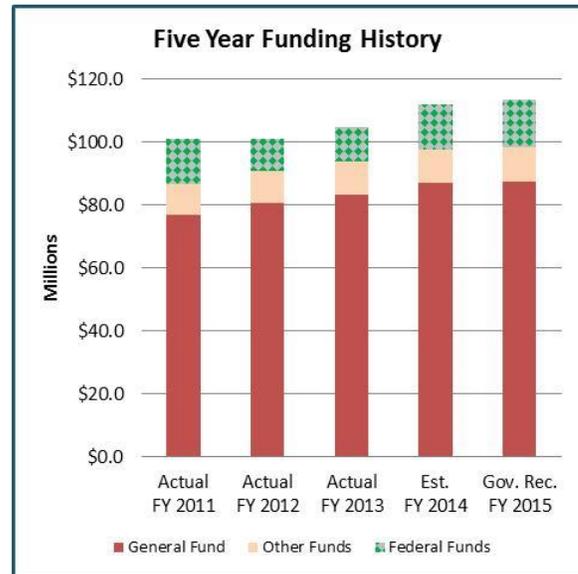
Operations	
For the implementation of a statewide Mass Communication System that could be used by all 99 counties to disseminate information simultaneously during emergency situations and disaster recovery.	\$400,000

DEPARTMENT OF PUBLIC SAFETY

Overview and Funding History

Agency Overview: The [Department of Public Safety](#) (DPS) is the State law enforcement agency. The Department includes: Administrative Services Division, Division of Criminal Investigation (DCI), Division of Narcotics Enforcement, Fire Marshal’s Office, and the State Patrol Division.

Funding History: The bar graph to the right shows the five-year funding history for the DPS. In FY 2011, the Gaming Enforcement Fund was created for the collection of fees for direct and indirect costs paid by licensees for the regulation of boats and racetracks by the DCI. The DCI no longer receives a General Fund appropriation for gaming enforcement but instead receives an appropriation from the Gaming Enforcement Fund.



Governor's Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$87,688,467. This is an increase of \$721,661 compared to estimated FY 2014.

FY 2014 Quick Facts - DPS**316**

Number of traffic fatalities reported in Iowa as of December 30, 2013

5,876

Number of registrants on the Sex Offender Registry as of January 7, 2014

273

Number of meth lab incidents reported to the Division of Narcotics Enforcement as of December 31, 2013

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
Public Safety Administration	\$ 4,154,349	\$ 4,183,349	\$ 4,183,349	\$ 29,000
Public Safety DCI	12,933,414	13,158,414	13,625,414	692,000
DCI - Crime Lab Equipment/Training	302,345	302,345	302,345	0
Narcotics Enforcement	6,755,855	6,919,855	6,919,855	164,000
Public Safety Undercover Funds	109,042	109,042	109,042	0
DPS Fire Marshal	4,470,556	4,590,556	4,590,556	120,000
Iowa State Patrol	55,536,208	56,698,208	56,698,208	1,162,000
DPS/SPOC Sick Leave Payout	279,517	279,517	279,517	0
Fire Fighter Training	725,520	725,520	825,520	100,000
Public Safety - Department Wide Duties	1,700,000	0	0	-1,700,000
Interoperable Communications Sys Board	0	0	154,661	154,661
Total Public Safety, Department of	\$ 86,966,806	\$ 86,966,806	\$ 87,688,467	\$ 721,661

Governor's Recommendations: Significant Changes

Operations	
An increase for the Administration Division's portion of the \$1,700,000 FY 2014 appropriation for operations, costs, and miscellaneous purposes.	\$29,000
<ul style="list-style-type: none"> An increase of \$225,000 for the Division of Criminal Investigation's portion of the \$1,700,000 FY 2014 appropriation for operations, costs, and miscellaneous purposes An increase of \$327,000 and 2.00 FTE positions for the DCI Crime Lab to implement the Convicted Offender DNA Program (HF 527 (DNA Sampling Act) that takes effect July 1, 2014). An increase of \$140,000 to maintain 2.00 existing evidence and identification positions at the DCI Crime Lab previously funded through a High Intensity Drug Trafficking Area (HIDTA) Grant. 	\$692,000

An increase for the Division of Narcotics Enforcement's portion of the \$1,700,000 FY 2014 appropriation for operations, costs, and miscellaneous purposes.	\$164,000
An increase for the Office of the State Fire Marshal's portion of the \$1,700,000 FY 2014 appropriation for operations, costs, and miscellaneous purposes.	\$120,000
An increase for the Iowa State Patrol's portion of the \$1,700,000 FY 2014 appropriation for operations, costs, and miscellaneous purposes.	\$1,162,000
An increase to Fire Fighter Training for State assistance to fire departments for training.	\$100,000
An increase for Statewide Interoperable Communications and Broadband activities.	\$ 154,661

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Public Safety, Department of				
Public Safety, Dept. of				
DPS Gaming Enforcement - GEF	\$ 10,898,008	\$ 10,898,008	\$ 10,898,008	\$ 0
Total Public Safety, Department of	\$ 10,898,008	\$ 10,898,008	\$ 10,898,008	\$ 0

Issues

Narrowband Mandate and State Agency Communications Systems – The Federal Communications Commission mandated that all nonfederal public safety license holders on frequencies ranging from 150-512 MHz reduce their operating bandwidth from 25 kHz to 12.5 kHz narrowband channels and update their operating licenses by January 1, 2013.

The DPS and DNR narrowbanding deadline is November 14, 2014, and the DOC narrowbanding deadline is November 30, 2014. The Department of Transportation does not require a waiver as they are already narrowband compliant.

\$1,000,000 FY 2013 General Fund appropriation for equipment – As of January 7, 2014, this money has not been encumbered for any specific purpose. [House File 648](#) (Bond Repayment and Supplemental Appropriations Act) provided the DPS with a supplemental appropriation to be used for the purchase of equipment (except for the purchase of land mobile radio communications equipment).

Statewide Interoperable and Broadband Communications Fund – *The Governor is recommending a General Fund appropriation of \$154,661 to be used for statewide broadband and interoperable communications. The funds will be expended through the Statewide Interoperable and Broadband Communications Fund.*

Department of Public Safety Reorganization – As of January 3, 2014, the DPS reduced the number of division directors from six to three and reassigned staff to fill vacant field staff positions and to save money. The Subcommittee may wish to discuss with the DPS the cost savings identified from the changes and the impact to services within the divisions of DPS.

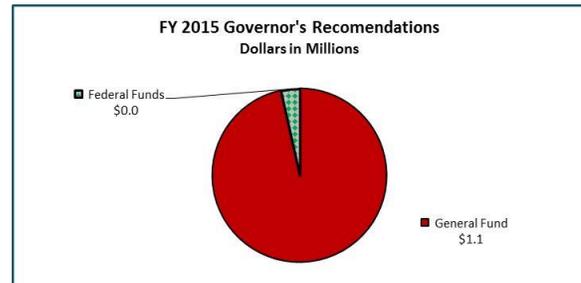
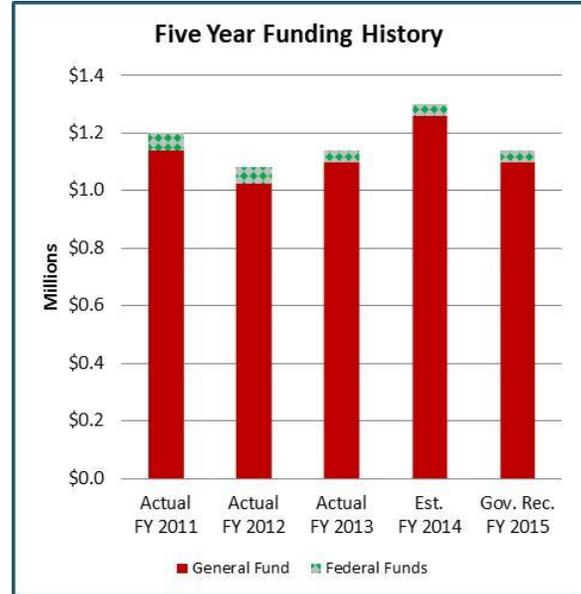
CRIMINAL AND JUVENILE JUSTICE PLANNING DIVISION, DEPARTMENT OF HUMAN RIGHTS**Overview and Funding History**

Agency Overview: The Division of Criminal and Juvenile Justice Planning (CJJP) is within the Department of Human Rights. The Division carries out research, policy analysis, program development and data analysis activities to assist policy makers, justice system agencies and others to identify issues of concern and to improve the operation and effectiveness of Iowa's justice system. The CJJP staff provide a justice system information clearinghouse service to system officials and the general public.

Funding History: The CJJP administers federal and state grant programs to fund local and State projects to prevent juvenile crime, provide services to juvenile offenders and otherwise improve Iowa's juvenile justice system. Annually, this funding is made available through competitive grant application procedures.

Governor's Recommendations

FY 2015: The Governor is recommending General Fund appropriations totaling \$1,100,105. This is a decrease of \$160,000 compared to estimated FY 2014.

**FY 2014 Quick Facts - CJJP****4**

The number of advisory committees and councils staffed by CJJP

\$1,490,083

The amount of grant funding received by the Criminal and Juvenile Justice Planning Division

7

The number of federal pass-through grant programs administered by the Criminal and Juvenile Justice Planning Division

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Human Rights, Dept. of</u>				
Human Rights, Department of Criminal & Juvenile Justice	\$ 1,260,105	\$ 1,100,105	\$ 1,100,105	\$ -160,000
Total Human Rights, Dept. of	\$ 1,260,105	\$ 1,100,105	\$ 1,100,105	\$ -160,000

Governor's Recommendations: Significant Changes

Operations	
A general reduction.	\$ -160,000

Comparison to Other States – Outcomes

Corrections

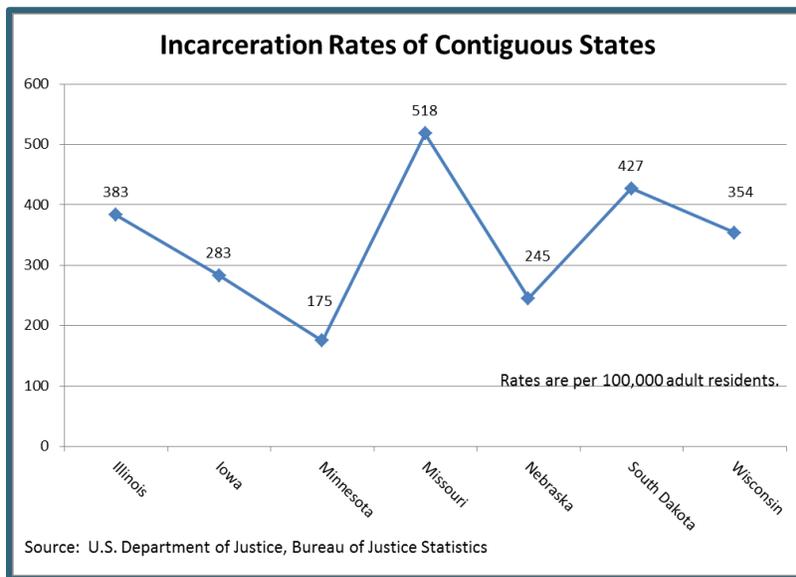
According to data from the [Council of State Governments States Perform](#) website, state prison recidivism rates range from 22.00% (Oregon) to 62.00% (Minnesota). Iowa's recidivism rate is 34.00%, or 40th in the nation (three states – Idaho, Iowa, and Mississippi – have a recidivism rate of 34.00%). In comparison to surrounding states, only Nebraska's rate of 33.00% is lower than Iowa.

According to the Council of State Governments (CSG), Iowa's violent crime rate is 273.50 per 100,000 residents, or 33rd in the nation. Contiguous states show the following violent crime rates: Illinois 435.20, Minnesota 236.00, Missouri 455.00, Nebraska 279.50, South Dakota 268.50, and Wisconsin 248.70. Iowa's property crime rate is 2,242.50 per 100,000 residents, or 41st nationally. Surrounding states show the following property crime rates: Illinois 2,681.00, Minnesota 2,572.30, Missouri 3,346.40, Nebraska 2,673.20, South Dakota 1,852.40, and Wisconsin 2,507.70.

Iowa ranks 31st nationally in terms of the incarceration rate of sentenced prisoners, with 283 inmates per 100,000 adult residents ([U.S. Department of Justice, Bureau of Justice Statistics](#)). Minnesota (175) and Nebraska (245) have lower incarceration rates than Iowa. Iowa ranks 33rd nationally in terms of the number of offenders under community supervision, with 1,455 offenders per 100,000 adult residents. Of the surrounding states, only Nebraska has a lower rate (1,118) than Iowa. See the chart below for information regarding incarceration rates of contiguous states.

Iowa ranks 34th nationally for State corrections spending, according to the [U.S. Census Bureau, 2011 Annual Survey of State Government Finances](#). Contiguous states rank as follows: Illinois 9th, Minnesota 28th, Missouri 21st, Nebraska 40th, South Dakota 49th, and Wisconsin 14th.

For additional information, please refer to the CSG website at <http://www.statesperform.org/Default.aspx> or the Bureau of Justice Statistics website at <http://bjs.ojp.usdoj.gov/> or the U.S. Census database at <http://www.census.gov/govs/state/>.



Judicial Branch

The [National Center for State Courts](#) (NCSC) has published the [Survey of Judicial Salaries](#) for 30 years. The most recent data available was of [January 1, 2013](#); however, new data for 2014 should be published in the near future.

In Iowa, the salary for a Justice on the Iowa Supreme Court is \$163,200 and this ranks 19 out of 51 in the nation. The national salary range for a Justice is \$119,476 to \$218,237, and the mean amount is \$155,143, and the median amount is \$150,000. In Iowa, the salary for a Judge on the Court of Appeals is \$147,900, a rank of 18 out of 39. This position is not in all 50 States and Washington, D.C. The national salary range for a Court of Appeals Judge is \$114,994 to \$204,599, the mean amount is \$148,834, and the median amount is \$140,732. In Iowa, the salary for a District Court Judge is \$137,700 and ranks 23 out of 51 in the nation. The national salary range for a District Court Judge is \$111,631 to \$182,429, the mean amount is \$139,166, and the median amount is \$134,943. (Mean is the average and the median is the numeric value separating the higher half from the lower half.)

Criminal and Juvenile Justice Planning Division

The [Criminal and Juvenile Justice Planning Division](#) of the Department of Human Rights staffs several committees and issues research reports on topics of interest to the justice system. Reports issued by CJJD include research on both the adult and juvenile justice systems. Reports can be accessed at: <http://www.humanrights.iowa.gov/cjpd/publications/index.html>. The CJJD provides [Prison Population Forecasts](#), [recidivism studies](#), [reports on sex offenders](#), [violent offender reports](#), and other documents. Additional information is available on the [CJJP website](#).

LSA Publications – Justice

The following documents have been published by the LSA that relate to the Justice System Appropriations Subcommittee:

- *Issue Reviews:*
 - [Cost-Benefit Analysis of Drug Courts](#)
 - [Financial Analysis of Farmland Owned by the Departments of Corrections and Human Services](#)
 - [Federal Funds Reduction for Criminal Intelligence Information](#)
 - [Emergency Medical Services](#)
- *Budget Unit Fiscal Topics:*
 - [Division of Criminal Investigation Criminal History Data Check Prepayment Fund](#)
 - [Criminalistics Laboratory](#)
 - [Mortgage Servicing Settlement Fund](#)
 - [Adult Correctional Institutions](#)
 - [Gaming Enforcement Revolving Fund](#)
 - [Victim Assistance Grants](#)
 - [Victim Compensation Fund](#)
 - [Community-Based Corrections](#)

[Cigarette Fire Safety Fund](#)
[Indigent Defense Fund](#)
[Office of the State Public Defender](#)
[Abandoned Vehicles](#)
[Department of Homeland Security and Emergency Management](#)
[Electrician and Installers Licensing and Inspection Fund](#)
[Board of Parole](#)
[Division of Narcotics Enforcement](#)
[Undercover Funds](#)
[Attorney General – Federal Forfeiture Asset Sharing Fund](#)

- *Fiscal Topics:*

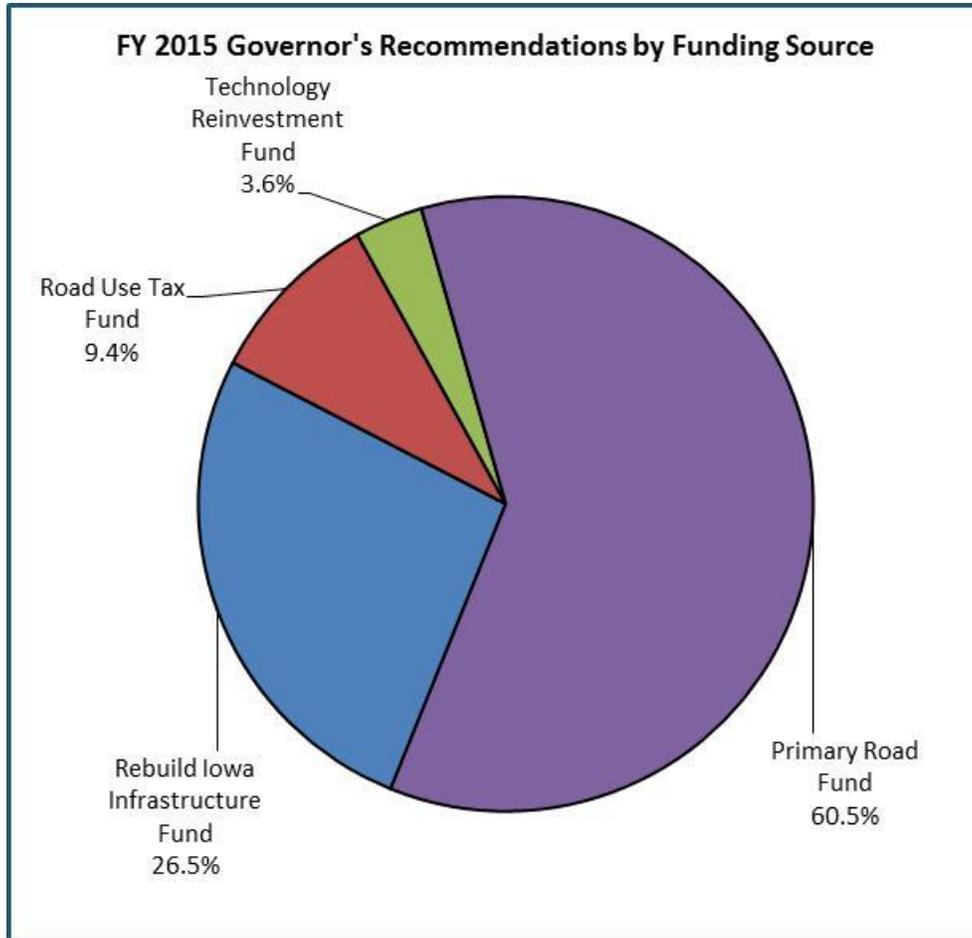
[Electronic Document Management System \(EDMS\)](#)
[Department of Public Safety Academy](#)
[Crime Victim Compensation Program](#)
[Crime Victim Assistance Division](#)
[Iowa's Victim Information and Notification Everyday System](#)
[Department of Public Safety – Temporary Incapacity for Peace Officers](#)
[Jury Trials](#)
[Judgeships](#)
[Judicial Retirement System](#)
[411 System Deferred Retirement Option Plan](#)
[Department of Public Safety – Peace Officer Sick Leave Benefits](#)
[Enhanced 911 Communications Wireline and Wireless Funding](#)

- *Fiscal One-On-One Audio Interviews (links open the mp3 files):*

[State and Federally Declared Disasters](#)
[Iowa Correctional Institution for Women at Mitchellville](#)
[7th Judicial District Department of Correctional Services, Community-Based Corrections \(CBC\)](#)

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FY 2015 Governor's Recommendations by Funding Source		
Rebuild Iowa Infrastructure Fund	\$	135,742,423
Road Use Tax Fund		47,999,103
Technology Reinvestment Fund		18,436,000
Primary Road Fund		310,199,558
Total	\$	512,377,084

DEPARTMENT OF TRANSPORTATION

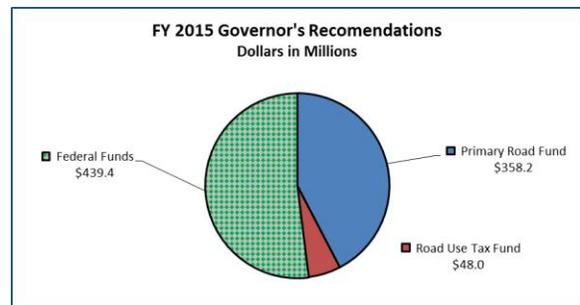
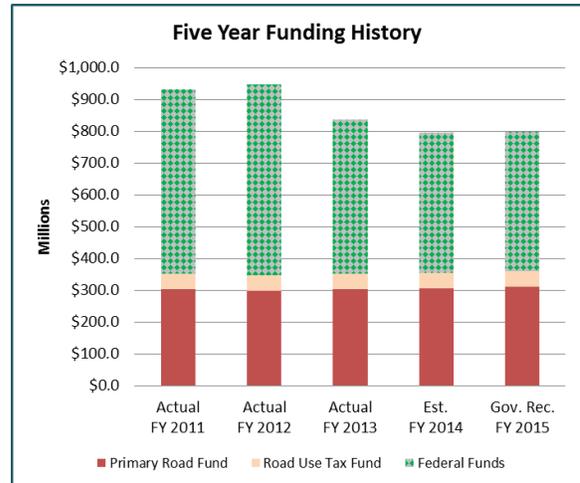
Overview and Funding History

Agency Overview: The mission of the Department of Transportation (DOT) is to serve the public by delivering a modern transportation system that supports the economic and social vitality of Iowa, increases safety, and maximizes customer satisfaction. The DOT consists of six operating divisions: Operations and Finance; Planning, Programming, and Modal; Motor Vehicle; Information Technology; and Highway. The four operating budget units that receive appropriations to fund the divisions include: Operations, Planning and Programming, Motor Vehicle, and Highway. In addition to the operating budget units, the DOT receives special purpose and capital appropriations that are not part of the operating division budget units but are essential for operation of the Department.

Funding History: The funding for the DOT comes from the State road funds, the Road Use Tax Fund, and the Primary Road Fund, and has remained relatively stable for the last five years. The funding history chart shows funding for the DOT from FY 2011 through the Governor’s recommendations for FY 2015. Federal funding increased in FY 2011 due to the federal stimulus funding provided by the American Recovery and Reinvestment Act, but has resumed the typical funding levels for federal transportation funds of approximately \$440.0 million annually.

Governor’s Recommendations

FY 2015: The Governor is recommending FY 2015 appropriations totaling \$358,198,661 from the State road funds. This is an increase of \$5,358,006 compared to estimated FY 2014. The total recommendation includes \$47,999,103 from the Road Use Tax Fund and \$310,199,558 from the Primary Road Fund. The State funding provided for the DOT is comprised of 13.4% from the Road Use Tax Fund and 86.6% from the Primary Road Fund. The pie chart shows the FY 2015 DOT budget as recommended by the Governor. Of the \$358,198,661 the Governor is recommending, 3.5% is for special purpose appropriations, 4.8% is for DOT capital appropriations, and 91.7% is for operating budgets of all divisions within the DOT.



CY 2012 Quick Facts - DOT

4,097
Number of bridges maintained by Iowa DOT

19,114
Number of bridges maintained by Iowa counties

4,203,979
Number of vehicles registered in Iowa

Governor's Recommendations: Department of Transportation FY 2014

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Transportation, Dept. of</u>				
Road Use Tax Fund				
RUTF-Drivers' Licenses	3,876,000	3,876,000	3,876,000	0
RUTF-Operations	6,384,960	6,384,960	6,384,960	0
RUTF-Planning & Programming	414,000	414,000	414,000	0
RUTF-Motor Vehicle	33,921,000	33,921,000	34,616,659	695,659
RUTF-Performance and Technology	460,040	460,040	460,040	0
RUTF-DAS Personnel & Utility Services	215,000	235,125	235,125	20,125
RUTF-Unemployment Compensation	7,000	7,000	7,000	0
RUTF-Workers' Compensation	114,000	114,000	114,000	0
RUTF-Indirect Cost Recoveries	78,000	78,000	78,000	0
RUTF-Auditor Reimbursement	67,319	67,319	67,319	0
RUTF-County Treasurers Support	1,406,000	1,406,000	1,406,000	0
RUTF-Road/Weather Conditions Info	100,000	100,000	100,000	0
RUTF-Mississippi River Park. Comm.	40,000	40,000	40,000	0
RUTF-Scale/MVD Facilities Maint.	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0
RUTF-Scale Replacement	280,000	0	0	-280,000
Total Road Use Tax Fund	\$ 47,563,319	\$ 47,303,444	\$ 47,999,103	\$ 435,784
Primary Road Fund				
PRF-Operations	39,225,906	39,225,906	39,225,906	0
PRF-Planning & Programming	7,865,454	7,865,454	7,865,454	0
PRF-Highway	232,031,295	232,234,295	235,717,855	3,686,560
PRF-Motor Vehicle	1,413,540	1,413,540	1,460,575	47,035
PRF-Performance and Technology	2,825,960	2,825,960	2,825,960	0
PRF-DAS Personnel & Utility Services	1,321,000	1,444,627	1,444,627	123,627
PRF-DOT Unemployment	138,000	138,000	138,000	0
PRF-DOT Workers' Compensation	2,743,000	2,743,000	2,743,000	0
PRF-Garage Fuel & Waste Mgmt.	800,000	800,000	800,000	0
PRF-Indirect Cost Recoveries	572,000	572,000	572,000	0
PRF-Auditor Reimbursement	415,181	415,181	415,181	0
PRF-Transportation Maps	160,000	242,000	242,000	82,000
PRF-Inventory & Equip.	5,366,000	5,366,000	5,366,000	0
PRF-Field Facility Deferred Maint.	1,500,000	1,700,000	1,700,000	200,000
PRF-Utility Improvements	400,000	400,000	400,000	0
PRF-Garage Roofing Projects	500,000	500,000	500,000	0
PRF-HVAC Improvements	500,000	700,000	700,000	200,000
PRF-Waste Water Treatment	1,000,000	1,000,000	1,000,000	0
PRF-Mason City Combined Facility	6,500,000	0	0	-6,500,000
PRF-Des Moines North Garage	0	6,353,000	6,353,000	6,353,000
PRF-Traffic Operations Center	0	730,000	730,000	730,000
Total Primary Road Fund	\$ 305,277,336	\$ 306,668,963	\$ 310,199,558	\$ 4,922,222
Total Transportation, Dept. of	\$ 352,840,655	\$ 353,972,407	\$ 358,198,661	\$ 5,358,006

Governor’s Recommendations: Significant Increases/Decreases – DOT

Operations	
An increase to the Motor Vehicle Division for personal services and salaries.	\$742,694
An increase to the Highway Division for increased operational costs.	\$3,686,560

Special Purpose	
Transportation Maps – An increase to fund printing 1.8 million maps every two years.	\$82,000
DAS Utility Services – An increase for reimbursement to the Department of Administrative Services for personnel and utility services.	\$143,752

Capitals	
Des Moines North Garage – The DOT typically renovates one garage a year. The current facility was constructed in 1960 and has been outgrown due to population growth and technology improvements.	\$6,353,000
Traffic Operations Center – A new appropriation to relocate the Traffic Operations Center from Ames to Ankeny. The appropriation will also fund upgrades to communications and information technology equipment.	\$730,000
HVAC Improvements – Funding to replace or retrofit exhaust and radiant heat systems that were installed 25 years ago. Improvements will be made at the Ames headquarters, DeWitt, Missouri Valley, Coralville, Mt. Pleasant, West Burlington, Ottumwa, and Perry.	\$200,000
Field Facility Deferred Maintenance – An increase to address ongoing major maintenance needs.	\$200,000

Issues

Traffic Operations Center - The DOT requested and the Governor is recommending \$730,000 to relocate the Traffic Operations Center (TOC) from Ames to Ankeny in the Motor Vehicle Division building. The TOC directs traffic operations on Iowa’s Primary Highway System and is coordinated by the DOT. The DOT identified the following activities:

- Operating overhead and side mounted message boards.
- Identifying and setting up alternative routes and detours.
- Providing situational awareness to law enforcement and DOT operational staff.
- Providing public information and media releases.

The DOT intends to maintain the existing site to back up the new facility. The requested appropriation will cover remodeling the existing space, a video wall, new communications equipment, and IT equipment. The DOT identified several advantages to relocating the TOC to Ankeny:

- Lower capital costs.
- Increased facility space.
- New equipment.
- Redundant backup locations.
- Law enforcement presence.
- Proximity to Motor Vehicle Enforcement.

Transportation Funding Concepts - In fall of 2013, the DOT developed a list of transportation funding changes for discussion with interested stakeholders and Iowans. These concepts were designed to increase revenue to Iowa’s transportation system. The document, referred to as DOT Transportation Funding Concepts (TFC), listed nine total concepts estimated to increase transportation funding. Five of

these concepts are estimated to increase road funding at the State, county, and city level. The DOT’s FY 2015 budget request did not include the Funding Concepts, and the TFC was not recommended by the DOT and is not in the Governor’s budget recommendations.

Central to stated intent of the TFC is an estimated \$215.0 million annual shortfall for critical needs on Iowa’s public roadway system. This assessment originates from a 2011 Road Use Tax Fund Study. This estimated shortfall identifies the funding required to maintain and repair key portions of Iowa’s Interstate, county roads, and city streets. These critical needs include the Interstate, Commercial and Industrial Network, Farm-to-Market Network, important city streets, and obsolete and deficient bridges. The 2011 Study also estimated the resources required to maintain the current road system. In addition to the critical funding shortfall, the shortfall to meet all needs on Iowa’s public roadway system is estimated to be \$1.6 billion per year.

The following table describes the TFC, estimated revenue increases, the impacted fund, and roads. Funding estimates are from the DOT.

Funding Change	10-Year Average*	Fund	Road System
Increase oversize and overweight vehicle permits	\$10 million	Road-Use Tax Fund	Primary Roads (47.5%), Secondary Road (24.5%), City Roads (20.0%), Farm-to-
Increase the fee for new vehicle registration from 5% to 6%	\$60 million	TIME-21	Primary Roads (60%), Secondary Road (20.0%), City Roads (20.0%)
Excise tax on fuel (replaces State per gallon gas tax)	\$42 million	Road-Use Tax Fund	Primary Roads (47.5%), Secondary Road (24.5%), City Roads (20.0%), Farm-to-
Local Option Sales Tax on fuel sales	\$80 million	Primary Road Fund, Street Construction Fund	Secondary Road and City Roads
Excise tax on dyed fuel sales	\$38 million	New - Modern Agriculture Infrastructure Fund	Secondary Road, rural bridges and roads
Total Estimated Annual Increase	\$230 million		

*Calculated by the DOT. The DOT conducted a eleven-year revenue projection estimating existing and current revenue. Estimates used here are based on a eleven-year average.

Federal Highway Trust Fund - For more than 10 years, Congressional appropriations from the Highway Trust Fund (HTF) have exceeded federal Highway Trust Fund (HTF) revenue. Congress had used the existing HTF balance to maintain appropriations without increasing revenue, but with the balance depleted, Congress has transferred General Fund revenue to the HTF to sustain funding levels. Since 2008, Congress has transferred \$41.0 billion from the General Fund to the HTF. Additional General Fund transfers were authorized in the 2012 federal surface transportation reauthorization bill, “Moving Ahead for Progress in the 21st Century” (MAP-21). MAP-21 expires on September 30, 2014, and Congress must extend or replace MAP-21 to maintain surface transportation funding. To sustain current expenditure levels, the extension or replacement must include a General Fund transfer or new HTF revenue. The Congressional Budget Office estimates that \$15.0 billion is required to continue 2013 funding levels (adjusting for inflation) in Federal FY 2015.

According to the Iowa DOT, without additional revenue, HTF funding for FFY 2015 will be almost entirely eliminated. The impact to Iowa will reduce federal highway funding by \$440.0 million for cities, counties, and the Iowa DOT. If Congress does not address the HTF shortfall, projects on the Iowa primary road system will be cut by roughly 50.0%. Currently, projects totaling \$482.7 million are

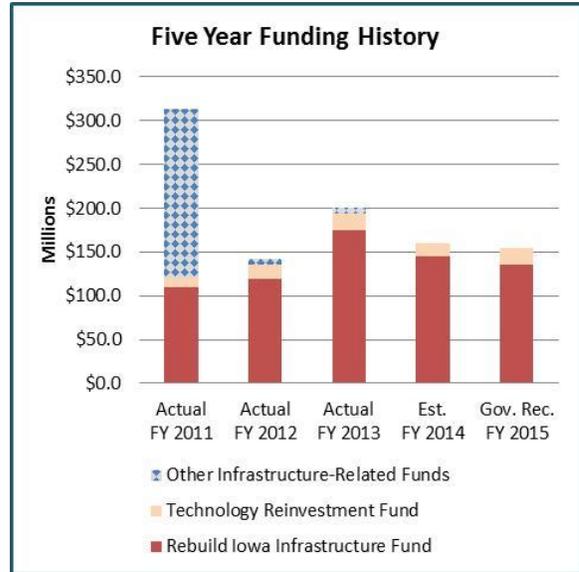
forecast for FY 2015. The Transportation Commission has not identified impacted projects if the HTF shortfall is unresolved, but the DOT states that major projects underway would likely be delayed.

At the state level, the Iowa Transportation Commission has developed and adopted a Five-Year Transportation Improvement Program for the state-owned system that anticipates Congress will keep the HTF solvent without a significant decrease in project funding during FFY 2015. Should Congress take no action, the Transportation Commission has developed criteria to identify projects for delay or removal from the Highway Program.

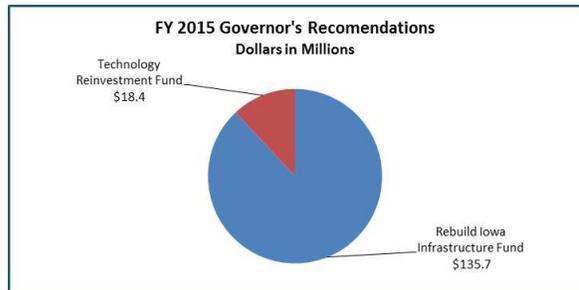
INFRASTRUCTURE

Overview and Funding History

Infrastructure Overview: Primary infrastructure funding sources include the Rebuild Iowa Infrastructure Fund (RIIF) and the Technology Reinvestment Fund (TRF). The RIIF is funded mainly from wagering taxes paid to the State, after specific allocations in accordance with [Iowa Code section 8.57](#). Generally, wagering tax revenue comprises 75.0% to 85.0% of the revenue depositing in the RIIF. The TRF receives a standing appropriation from the General Fund of \$17.5 million, but for several years the funding source has been shifted to the RIIF. In FY 2013, the funding for the TRF was provided by wagering taxes and in FY 2014 was appropriated from RIIF. Funding is scheduled from the General Fund again in FY 2015.



Funding History: In actual FY 2013, additional infrastructure resources included the Endowment for Iowa’s Health Restricted Capitals Fund (RC2) and the Mortgage Servicing Settlement Fund. Other prior year funding sources included other tax-exempt bond proceeds such as the RC2, the Revenue Bonds Capitals Fund (RBC), and the Revenue Bonds Capitals II Fund (RBC2). The funding history chart shows funding for infrastructure appropriations from FY 2011 through the Governor’s recommendations for FY 2015. Funding in FY 2011 reflects continued appropriations from the RBC and the RBC2.



Governor’s Recommendations

FY 2015: The Governor is recommending a total of \$154,178,423 for infrastructure-related projects and programs for FY 2015. This is an overall decrease of \$6,560,196 compared to estimated FY 2014. The pie chart shows the FY 2015 infrastructure budget as recommended by the Governor. Of the \$154,178,423 in recommendations, \$135,742,423 is being recommended from the RIIF and \$18,436,000 from the TRF.

FY 2013 Quick Facts - Infrastructure

18

Number of casinos providing wagering taxes to the State.

\$281 million

Estimated wagering tax and license fee revenue to the State.

73.0%

Of RIIF revenue that came from wagering taxes.

Governor's Recommendations – RIIF Appropriations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Administrative Services - Capitals</u>				
Administrative Services - Capitals				
Major Maintenance - RIIF	\$ 3,800,000	\$ 14,000,000	\$ 21,000,000	\$ 17,200,000
Major Maintenance (CHIP) - RIIF	11,310,648	0	0	-11,310,648
Routine Maintenance - RIIF	0	0	2,000,000	2,000,000
Total Administrative Services - Capitals	\$ 15,110,648	\$ 14,000,000	\$ 23,000,000	\$ 7,889,352
<u>Corrections Capital</u>				
Corrections Capital				
Fort Madison Construction and FFE Costs - RIIF	\$ 3,000,000	\$ 0	\$ 0	\$ -3,000,000
Anamosa Boiler - RIIF	0	1,250,000	0	0
Construction Project Management - RIIF	200,000	0	0	-200,000
Mitchellville Construction and FFE Costs - RIIF	15,569,040	0	0	-15,569,040
Total Corrections Capital	\$ 18,769,040	\$ 1,250,000	\$ 0	\$ -18,769,040
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
Great Places Infrastructure Grants - RIIF	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
Civil War Sesquicentennial - RIIF	1,000,000	0	0	-1,000,000
Total Cultural Affairs, Dept. of	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ -1,000,000
<u>Cultural Affairs Capital</u>				
Cultural Affairs Capital				
Historical Bldg Museum Repair/Renovation - RIIF	\$ 0	\$ 25,000,000	\$ 3,800,000	\$ 3,800,000
Total Cultural Affairs Capital	\$ 0	\$ 25,000,000	\$ 3,800,000	\$ 3,800,000
<u>Economic Development Authority</u>				
Economic Development Authority				
World Food Prize Borlaug/Ruan Scholar - RIIF	\$ 100,000	\$ 0	\$ 0	\$ -100,000
Community Attraction & Tourism Grants - RIIF	7,000,000	5,000,000	5,000,000	-2,000,000
Regional Sports Authorities - RIIF	500,000	500,000	500,000	0
Total Economic Development Authority	\$ 7,600,000	\$ 5,500,000	\$ 5,500,000	\$ -2,100,000
<u>Human Services, Dept. of</u>				
Assistance				
Broadlawns-Construction & Expansion - RIIF	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
Total Human Services, Dept. of	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
<u>Human Services Capital</u>				
Human Services - Capital				
Maintenance Health Safety Loss - RIIF	\$ 0	\$ 4,606,024	\$ 0	\$ 0
Maintenance - RIIF	0	396,666	0	0
ADA Capital - RIIF	0	596,500	0	0
Major Projects - RIIF	0	4,153,251	0	0
Total Human Services Capital	\$ 0	\$ 9,752,441	\$ 0	\$ 0

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Iowa Finance Authority</u>				
Iowa Finance Authority				
State Housing Trust Fund - RIIF	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
Total Iowa Finance Authority	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
<u>Natural Resources, Dept. of</u>				
Natural Resources				
Water Trails Low Head Dam Prog - RIIF	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
Total Natural Resources, Dept. of	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
<u>Natural Resources Capital</u>				
Natural Resources Capital				
State Park Infrastructure - RIIF	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Lake Restoration & Water Quality - RIIF	8,600,000	8,600,000	8,600,000	0
Lake Delhi Improvements - RIIF	2,500,000	0	0	-2,500,000
Total Natural Resources Capital	\$ 16,100,000	\$ 13,600,000	\$ 13,600,000	\$ -2,500,000
<u>Public Defense Capital</u>				
Public Defense Capital				
Facility/Armory Maintenance - RIIF	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0
Gold Star Museum Upgrades - RIIF	0	0	250,000	250,000
Statewide Modernization Readiness Ctrs - RIIF	2,000,000	2,000,000	2,000,000	0
Camp Dodge Infrastructure Upgrades - RIIF	500,000	500,000	0	-500,000
Total Public Defense Capital	\$ 4,500,000	\$ 4,500,000	\$ 4,250,000	\$ -250,000
<u>Regents, Board of</u>				
Regents, Board of				
Regents Tuition Replacement - RIIF	\$ 27,867,775	\$ 29,735,423	\$ 29,735,423	\$ 1,867,648
Total Regents, Board of	\$ 27,867,775	\$ 29,735,423	\$ 29,735,423	\$ 1,867,648
<u>Regents Capital</u>				
Regents Capital				
Fire Safety and Deferred Maint All Institut - RIIF	\$ 0	\$ 75,000,000	\$ 0	\$ 0
ISU - Ag/Biosystems Engineering - RIIF	21,750,000	18,600,000	18,600,000	-3,150,000
ISU - Biosciences Building - RIIF	0	5,000,000	2,000,000	2,000,000
UI - Dental Science Building - RIIF	9,750,000	8,000,000	8,000,000	-1,750,000
UI - Pharmacy Building Renovation - RIIF	0	6,000,000	2,000,000	2,000,000
UNI - Bartlett Hall - RIIF	10,267,000	1,947,000	1,947,000	-8,320,000
UNI - Schindler Ed Center Renovation - RIIF	0	3,000,000	2,000,000	2,000,000
Total Regents Capital	\$ 41,767,000	\$ 117,547,000	\$ 34,547,000	\$ -7,220,000

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
State Fair Authority Capital				
State Fair Authority Capital				
Youth Inn Renovation & Impr - RIIF	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
Total State Fair Authority Capital	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
Transportation, Dept. of				
Transportation, Dept. of				
Recreational Trails Grants - RIIF	\$ 3,000,000	\$ 2,500,000	\$ 2,500,000	\$ -500,000
Public Transit Infra Grants - RIIF	1,500,000	1,500,000	1,500,000	0
Commercial Aviation Infra Grants - RIIF	1,500,000	1,500,000	1,500,000	0
General Aviation Infra Grants - RIIF	750,000	750,000	750,000	0
Railroad Revolving Loan & Grant - RIIF	0	2,000,000	2,000,000	2,000,000
Total Transportation, Dept. of	\$ 6,750,000	\$ 8,250,000	\$ 8,250,000	\$ 1,500,000
Treasurer of State				
Treasurer of State				
County Fair Improvements-RIIF	\$ 1,060,000	\$ 1,060,000	\$ 1,060,000	\$ 0
Total Treasurer of State	\$ 1,060,000	\$ 1,060,000	\$ 1,060,000	\$ 0
Veterans Affairs, Dept. of				
Veterans Affairs, Department of				
DVA Fire/Energy/ADA Improvements - RIIF	\$ 250,000	\$ 0	\$ 0	\$ -250,000
Total Veterans Affairs, Dept. of	\$ 250,000	\$ 0	\$ 0	\$ -250,000
Natural Resources, Dept. of				
Natural Resources				
Iowa Park Foundation - RIIF	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000
Good Earth Park - RIIF	0	0	2,000,000	2,000,000
Total Natural Resources, Dept. of	\$ 0	\$ 0	\$ 4,000,000	\$ 4,000,000
Total Rebuild Iowa Infrastructure Fund	\$ 145,774,463	\$ 235,194,864	\$ 135,742,423	\$ -10,032,040

Note: The amount of \$135,742,423 recommended from the RIIF does not reflect the \$42.0 million for the Environment First Fund (in order to avoid double counting). Total appropriations recommended from the RIIF as reflected on the RIIF balance sheet equal \$177.7 million. See **Appendix C** for the RIIF balance sheet.

Current Law RIIF Appropriations and Changes Recommended:

Under current law, there is \$101.3 million in previously enacted and standing appropriations from the RIIF for FY 2015. The current law appropriations include the standing appropriations of \$42.0 million from the RIIF to the Environment First Fund and \$3.0 million to the Housing Trust Fund. In addition, several multiyear projects are receiving funding, including construction projects at the three universities, State Park infrastructure, Community and Attraction Tourism Program grants, and \$3.8 million for renovation of the State Historical Building. *The Governor is recommending a \$7.0 million increase to the previously enacted RIIF appropriation of \$14.0 million for major maintenance needs for state properties.*

Governor’s Significant Recommendations – RIIIF

Board of Regents Projects – The Board of Regents requested a total of \$14.0 million for three new projects, one at each university under the Board’s direction. Those three projects include the Biosciences Building at Iowa State University (\$5.0 million), the Pharmacy Building at the University of Iowa (\$6.0 million), and the renovation of the Schindler Ed Center at the University of Northern Iowa (\$3.0 million). *The Governor is recommending funding of \$2,000,000 each for the Biosciences Building, the Pharmacy Building, and the Schindler Ed Center for FY 2015 from the RIIIF. This is an increase of \$6,000,000 for the three projects compared to estimated FY 2014.*

Iowa Park Foundation – In 2008, the [Iowa Parks Foundation](#) was created to develop a private/public relationship and reconnect Iowa citizens to State Parks and other natural resource areas. The organization is working with the DNR to improve Iowa’s most significant parks for the 100th year celebration in 2020. *The Governor is recommending funding of \$2,000,000 for FY 2015 from the RIIIF. This is a new appropriation in FY 2015.*

Good Earth Park – This is a new State Park concept where a portion of the park is in Iowa and the other portion is in South Dakota. The park is located along the Big Sioux River and is called Blood Run as the river water is red. South Dakota named their portion of the park as the Good Earth State Park ([map of the area](#)). The land in Iowa is owned by the Iowa Department of Cultural Affairs. *The Governor is recommending funding of \$2,000,000 for FY 2015 from the RIIIF. This is a new appropriation in FY 2015.*

Iowa State Fair, Youth Inn Remodel and Improvements – The Iowa State Fair has requested a total of \$3.0 million dollars over a two year period to address several issues at the Youth Inn, built in 1939, where 4-H and FFA youth reside each year during the Fair. Improvements include handicap accessibility, dormitory rehabilitation, and removal and replacement of the roof and the mechanical system. *The Governor is recommending funding of \$1,500,000 for FY 2015 from the RIIIF. This is a new appropriation in FY 2015.*

Governor’s Recommendations – General Fund Appropriation

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Transportation, Dept. of				
Transportation, Dept. of				
Freight Transportation Fund	\$ 0	\$ 5,500,000	\$ 0	\$ 0
Street Construction Fund	135,000	0	0	-135,000
Total Transportation, Dept. of	\$ 135,000	\$ 5,500,000	\$ 0	\$ -135,000
Total Transportation, Infrastructure, and Capita	\$ 135,000	\$ 5,500,000	\$ 0	\$ -135,000

Issues – General Fund Multimodal Transportation Funding

The Department of Transportation has requested a \$5.5 million appropriation from the General Fund for FY 2015 to improve the State’s multimodal transportation system for enhancing economic development. *However, the Governor is not recommending funding from the General Fund for multimodal programs.* Typically, appropriations for multimodal transportation programs are provided in the annual infrastructure budget. For estimated FY 2014, \$6.8 million was appropriated from the RIIIF for various multimodal programs. *For FY 2015, the Governor is recommending \$8.3 million from the RIIIF for multimodal programs.*

The multimodal programs funded by the RIIF are freight rail, commercial service and general aviation airport vertical infrastructure, public transit vertical infrastructure, and recreational trails, and each have restrictions of how the funds may be used. An example of multimodal funding that has an economic development component is the Railroad Revolving Loan and Grant Program. For additional information about existing multimodal programs under the DOT, see the related ***Issue Review*** published by the LSA.

Governor’s Recommendations – TRF Appropriations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
Grout Museum District Oral History Exhibit - TRF	\$ 129,450	\$ 0	\$ 0	\$ -129,450
Total Cultural Affairs, Dept. of	\$ 129,450	\$ 0	\$ 0	\$ -129,450
<u>Education, Dept. of</u>				
Education, Dept. of				
ICN Part III Leases & Maintenance - TRF	\$ 2,727,000	\$ 3,647,000	\$ 2,727,000	\$ 0
Statewide Ed Data Warehouse - TRF	600,000	1,000,000	600,000	0
State Library Computer Resources	250,000	0	0	-250,000
Workforce Prep Outcome Reporting Sys - TRF	0	200,000	0	0
Prog and Common Course Numbering Mgmt S	0	150,000	150,000	150,000
Total Education, Dept. of	\$ 3,577,000	\$ 4,997,000	\$ 3,477,000	\$ -100,000
Iowa Public Television				
IPTV Equipment Replacement - TRF	\$ 960,000	\$ 1,285,000	\$ 1,000,000	\$ 40,000
Total Education, Dept. of	\$ 4,537,000	\$ 6,282,000	\$ 4,477,000	\$ -60,000
<u>Human Rights, Dept. of</u>				
Human Rights, Department of				
Criminal Justice Info System (CJIS) - TRF	\$ 1,454,734	\$ 0	\$ 1,300,000	\$ -154,734
Justice Data Warehouse - TRF	0	0	314,474	314,474
Total Human Rights, Dept. of	\$ 1,454,734	\$ 0	\$ 1,614,474	\$ 159,740
<u>Human Services Capital</u>				
Human Services - Capital				
Medicaid Technology - TRF	\$ 3,415,163	\$ 3,345,684	\$ 3,345,684	\$ -69,479
Homestead Autism Clinics Technology - TRF	154,156	0	0	-154,156
Total Human Services Capital	\$ 3,569,319	\$ 3,345,684	\$ 3,345,684	\$ -223,635
<u>Iowa Tele & Tech Commission</u>				
Iowa Communications Network				
ICN Equipment Replacement - TRF	\$ 2,248,653	\$ 2,245,653	\$ 2,245,653	\$ -3,000
Total Iowa Tele & Tech Commission	\$ 2,248,653	\$ 2,245,653	\$ 2,245,653	\$ -3,000

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Management, Dept. of</u>				
Management, Dept. of				
Searchable Online Databases - TRF	\$ 45,000	\$ 0	\$ 0	\$ -45,000
Iowa Grants Mgmt Implementation - TRF	0	0	100,000	100,000
Total Management, Dept. of	\$ 45,000	\$ 0	\$ 100,000	\$ 55,000
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Technology Consolidation - TRF	\$ 480,000	\$ 0	\$ 0	\$ -480,000
EMS Data System - TRF	0	215,000	150,000	150,000
Total Public Health, Dept. of	\$ 480,000	\$ 215,000	\$ 150,000	\$ -330,000
<u>Public Safety Capital</u>				
Public Safety Capital				
Radio Communication Upgrades Mandate - TRF	\$ 2,500,000	\$ 0	\$ 0	\$ -2,500,000
Critical Comm. Tower Repair/Repl - TRF	0	0	275,000	275,000
Total Public Safety Capital	\$ 2,500,000	\$ 0	\$ 275,000	\$ -2,225,000
<u>Chief Information Officer, Office of the</u>				
Chief Information Officer, Office of the				
IT Consolidation - TRF	\$ 0	\$ 6,613,663	\$ 6,228,189	\$ 6,228,189
Total Chief Information Officer, Office of the	\$ 0	\$ 6,613,663	\$ 6,228,189	\$ 6,228,189
Total Transportation, Infrastructure, and Capitals	\$ 14,964,156	\$ 18,702,000	\$ 18,436,000	\$ 3,471,844

Current Law TRF Appropriations and Changes Recommended:

Under current law, there is \$10.0 million in previously enacted funding from the TRF for FY 2015. Previously enacted TRF funding for FY 2015 includes \$6.6 million for information technology consolidation projects and \$3.3 million for Medicaid technology. *The Governor is not recommending any changes to previously enacted TRF appropriations for FY 2015.*

Issues

Wallace Building Renovation

The Wallace Building was completed in 1978 at an estimated cost of \$20.4 million, including planning and design, landscaping, artwork, and moving expenses. Of that amount, \$10.4 million was for actual construction. The building has 229,317 square feet with net usable space of 159,223 square feet. During the 2004 Legislative Session, the General Assembly required the DAS to study the condition of the Wallace Building and evaluate the costs and benefits of renovating or demolishing the facility. The evaluation, completed by AMEC E&C Service, a construction consultant in Minneapolis, MN, determined that the building should be used into the 21st century and remodeling offers the best use of capital. The estimated renovation at that time was \$31.2 million, including actual construction and design costs, but not including furniture, fixtures, and equipment (FF&E) costs, or relocation or leasing costs. While some corrective measures were undertaken to alleviate some health, life, and safety issues and make some tenant improvements, the building has not undergone renovation. Phase 1 of the 2010 Capitol Complex Master Plan included the demolition of the current Wallace Building and construction of a new office building in that location. Any decisions regarding the building are on hold pending direction from the Governor and the General Assembly. During the last year, there was renewed focus on the future of the Wallace Building and the Iowa Building (the former Des Moines General Hospital) that prompted the DAS to have three private firms review the buildings and make recommendations. The three firms agreed in their recommendations that it was more cost-effective to demolish the Iowa Building and renovate the Wallace Building. *The DAS did not request, and the Governor did not recommend, funding in FY 2015 for Wallace building renovations.*

Historical Building Renovation

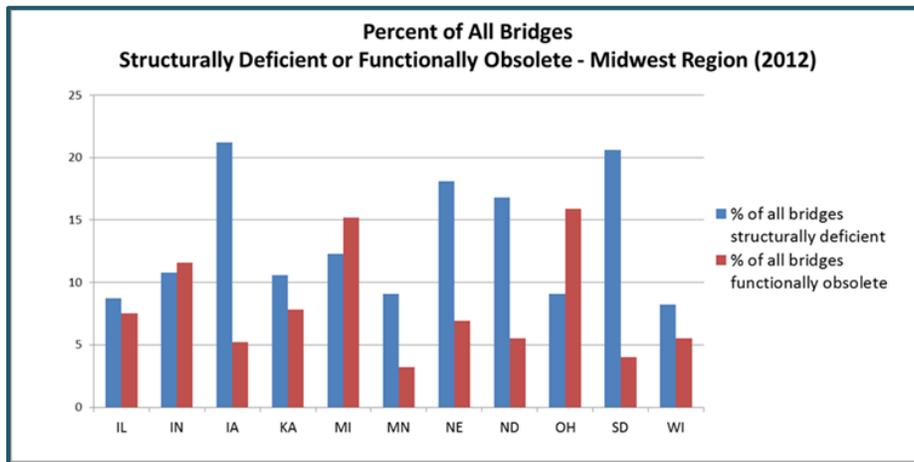
The State Historical Building was completed in December 1987 and houses the Iowa Department of Cultural Affairs (DCA), the State Historical Museum, the State Historical Library and Archives, as well as the preservation office and the records center. The DCA hired a museum consultant to complete a needs assessment and make recommendations for improvements. The building does not meet modern museum construction standards and collections are at risk. The consultant provided three scenarios: addressing deferred maintenance only; renovation of the west wing and rebuilding the east wing; or demolition and complete rebuilding. According to the consultant, the building has millions of dollars in deferred maintenance issues and several key issues that need addressing in order for the museum to follow industry best practices and to ensure museum collections are not at risk. The renovation project as proposed includes a visitor center that complements the West Capitol Terrace as the gateway for visitors to the Capitol. A complete renovation will alleviate the deferred maintenance issues and bring the building into modern museum construction standards. The DCA requested \$25.0 million in FY 2015 for renovation of the State Historical Building. An appropriation of \$1.0 million for FY 2014 for repairs to the Historical Building was previously enacted in SF 2316 (FY 2013 Infrastructure Appropriations Act) during the 2012 Legislative Session. *The Governor is recommending maintaining the previously enacted appropriation of \$3.8 million from the RIF for FY 2015.*

Comparison to Other States – Transportation Outcomes

Bridges

Data gathered from the [Council of State Governments States Perform](#) website showed the percent of Iowa's bridge infrastructure that was [structurally deficient](#) was 21.2%, the highest level in the Midwest region. Surrounding states showed the following percentages for state-owned structurally deficient bridges: Kansas 10.6%, Nebraska 18.1%, South Dakota 20.6%, Illinois 8.7%, and Minnesota 9.1%. For [functionally obsolete](#) bridges, Iowa was the one of the lowest in the Midwest region and third lowest in the United States.

The chart shows the percentages for both types of bridge classifications for each state in the Midwest region. According to the [Iowa DOT Five Year Improvement Program](#), approximately, \$43.0 million is slated to be used in improvement projects for the approximately 4,000 State-owned bridges for FY 2014.



Traffic Fatalities

Iowa ranked fourth among the 11 states within the Midwest region with one of the lowest numbers of traffic fatalities, a total of 360 fatalities for CY 2011. Surrounding states showed higher numbers, including Illinois with a total of 918, Indiana with 750, Kansas with 386, and Minnesota with 368. However, comparing traffic fatalities per 100 million annual vehicle miles traveled (VMT) within the same region, Iowa's rank was eighth with a total of 1.15 fatalities per 100 million VMT annually. Only Kansas (1.29), South Dakota (1.23) and North Dakota (1.62) ranked higher in the region. Iowa ranks 29th nationally when comparing traffic fatalities per 100 million VMT annually (2011).

For additional comparison, please refer to <http://www.statesperform.org/Default.aspx>.

LSA Publications – Transportation and Infrastructure

The following documents have been published by the LSA that relate to the Transportation, Infrastructure, and Capitals Appropriations Subcommittee:

- *Issue Reviews:*
 - [Multimodal Transportation Funding](#)
 - [Iowa State Patrol and the Office of Motor Vehicle Enforcement Potential Integration](#)

- *Fiscal Topics:*
 - [State Recreational Trails Program](#)
 - [Weight Enforcement Scale Replacement](#)
 - [Transportation Maps](#)
 - [Special License Plates](#)
 - [Railroad Revolving Loan and Grant Program](#)

- *Budget Unit Fiscal Topics:*
 - Transportation Budget – [Auditor of the State Reimbursement](#)
 - Transportation Budget – [Field Facility Deferred Maintenance](#)
 - Transportation Budget – [Indirect Cost Recoveries to the General Fund](#)
 - Transportation Budget – [Mississippi River Parkway Commission](#)
 - Transportation Budget – [Service Fees Paid to the Department of Administration](#)
 - Transportation Budget – [Weight Enforcement Scale Replacement](#)
 - Transportation Budget – [Drivers' Licenses](#)
 - Transportation Budget – [Des Moines North Garage](#)
 - Transportation Budget – [Mason City Combined Facility](#)
 - Transportation Budget – [Inventory and Equipment](#)
 - Transportation Budget – [Garage Fuel and Waste Program](#)
 - Transportation Budget – [Garage Roofing Projects](#)
 - Transportation Budget – [Performance and Technology Division](#)

 - Infrastructure Budget – [Board of Regents Tuition Replacement](#)
 - Infrastructure Budget – [Commercial Air Service Vertical Infrastructure Grant Program](#)
 - Infrastructure Budget – [Community Attraction and Tourism Program Grants](#)
 - Infrastructure Budget – [Iowa National Guard Facility/Armory Major Maintenance](#)
 - Infrastructure Budget – [Leases for Part III of the Iowa Communications Network](#)
 - Infrastructure Budget – [Railroad Revolving Loan and Grant Program](#)
 - Infrastructure Budget – [Statewide Education Data Warehouse](#)
 - Infrastructure Budget – [Lake Restoration and Water Quality Program](#)
 - Infrastructure Budget – [DAS Major Maintenance](#)
 - Infrastructure Budget – [Water Trails and Low Head Dam Mitigation Program](#)

- *Fiscal One-on-One Audio Interviews:*
 - [Gas Tax](#) – Interview with Stu Anderson, Director of the Planning, Programming and Modal Division, Iowa DOT (link opens the mp3 file)
 - [Rail Transportation in Iowa](#) – Interview with Tammy Nicholson, Director of the Office of Rail, Iowa DOT (link opens the mp3 file)

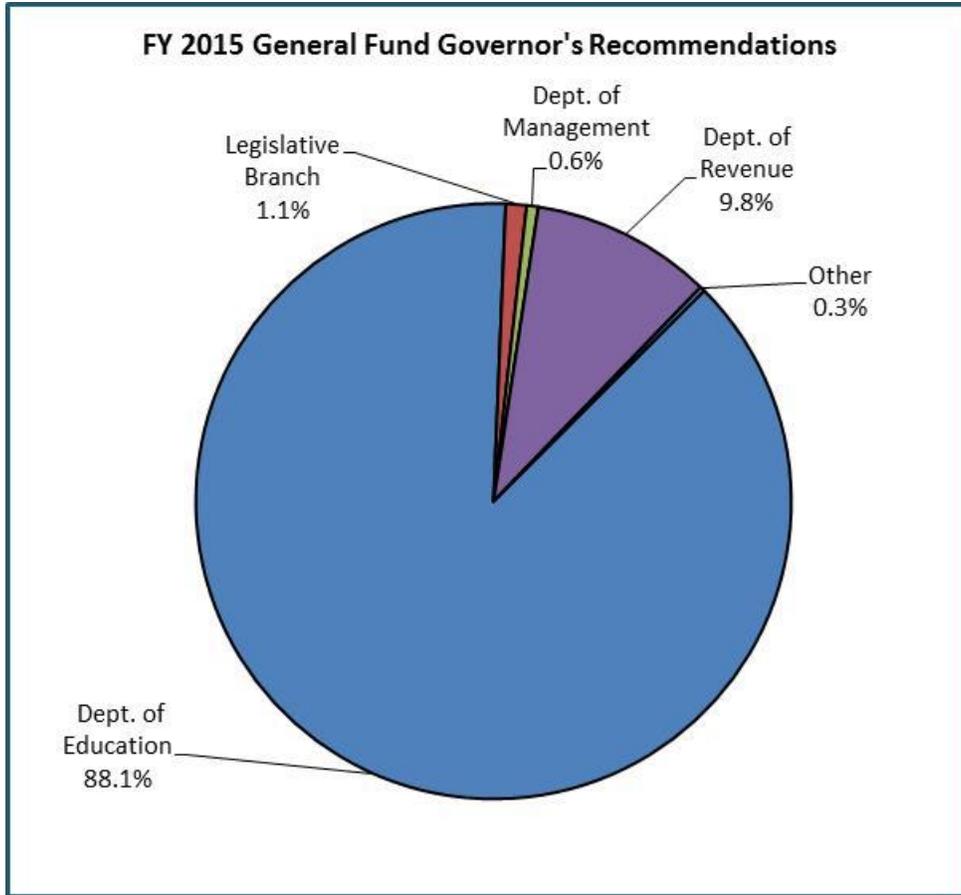
- *Fiscal Lunch and Learn Presentations:*
 - [Infrastructure Funding](#) – Presentation dated February 18, 2013
 - [Road Funding](#) – Presentation dated February 25, 2013

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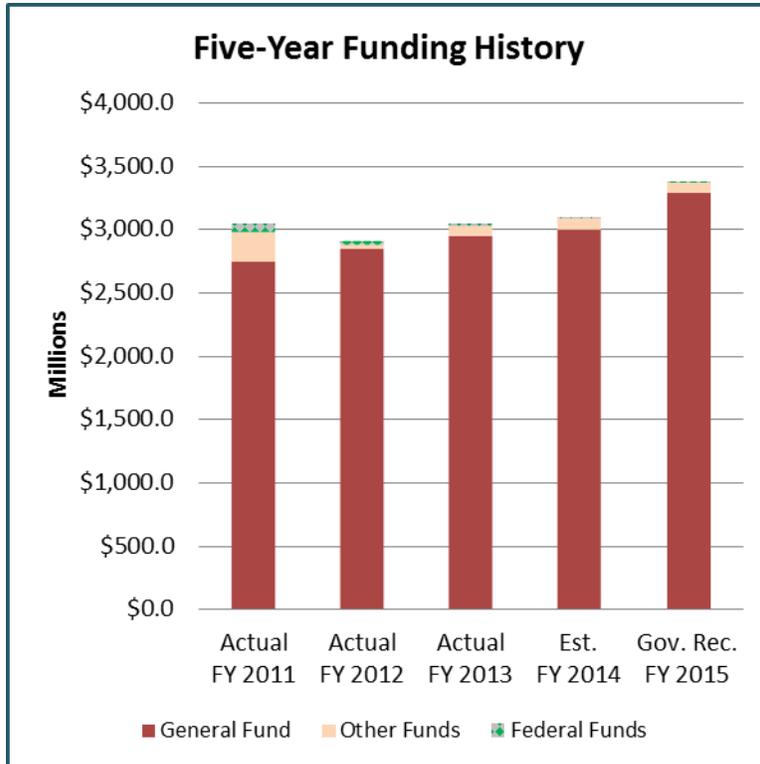
Unassigned Standing Appropriations

Fiscal Staff: Dave Reynolds, Shawn Snyder,
 and Dwayne Ferguson

Analysis of Governor's Budget



Dept. of Administrative Services	\$	796,958
Dept. of Corrections		59,733
Dept. of Cultural Affairs		416,702
Economic Development Authority		1,164,000
Dept. of Education		2,893,616,974
Executive Council		119,847
Governor		3,032
Dept. of Human Services		376,833
Legislative Branch		37,026,548
Dept. of Management		20,600,000
Dept. of Public Defense		344,644
Dept. of Public Health		232,500
Dept. of Public Safety		5,000,000
Dept. of Revenue		322,898,597
Total	\$	3,282,656,368



Unassigned Standing Appropriations

A significant portion of the General Fund budget is appropriated automatically by statute. These appropriations do not fall under the purview of a specific appropriations committee. There are two types of standing appropriations:

- Standing Limited Appropriations – These are appropriations of a specific dollar amount. An example is the appropriation to the Technology Reinvestment Fund in [Iowa Code section 8.57C.3\(a\)](#) that states, “There is appropriated from the General Fund of the State for the fiscal year beginning, July 1, 2012, and for each subsequent fiscal year thereafter, the sum of seventeen million five hundred thousand dollars to the technology reinvestment fund.” However, in actual practice for the past several years, this appropriation has been notwithstanding and a lesser amount has been appropriated from the Rebuild Iowa Infrastructure Fund to the Technology Reinvestment Fund.
- Standing Unlimited Appropriations – These are appropriations of an unspecified dollar amount. An example is State aid for public schools pursuant to [Iowa Code section 257.16](#) that states, "There is appropriated each year from the General Fund of the state an amount necessary to pay the foundation aid under [this chapter](#), the preschool foundation aid under [chapter 256C](#), supplementary aid under [section 257.4, subsection 2](#), and adjusted additional property tax levy aid under [section 257.15, subsection 4](#)." The General Assembly may choose to place a dollar limit on a standing unlimited appropriation in a particular year to cap expenditures.

General Fund Recommendations

	Estimated FY 2014 <u>(1)</u>	Dept Request FY 2015 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs Est FY 2014 <u>(4)</u>
<u>Administrative Services, Dept. of</u>				
State Accounting Trust Accounts				
Federal Cash Management - Standing	\$ 356,587	\$ 356,587	\$ 356,587	\$ 0
Unemployment Compensation - Standing	440,371	440,371	440,371	0
Total Administrative Services, Dept. of	\$ 796,958	\$ 796,958	\$ 796,958	\$ 0
<u>Corrections, Dept. of</u>				
Central Office				
State Cases Court Costs	\$ 59,733	\$ 59,733	\$ 59,733	\$ 0
Total Corrections, Dept. of	\$ 59,733	\$ 59,733	\$ 59,733	\$ 0
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
County Endowment Funding - DCA Grants	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0
Total Cultural Affairs, Dept. of	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0
<u>Economic Development Authority</u>				
Economic Development Authority				
Tourism Marketing - Adjusted Gross Receipts	\$ 1,164,000	\$ 810,306	\$ 1,164,000	\$ 0
Total Economic Development Authority	\$ 1,164,000	\$ 810,306	\$ 1,164,000	\$ 0
<u>Education, Dept. of</u>				
Education, Dept. of				
Child Development	\$ 12,606,196	\$ 12,606,198	\$ 12,606,196	\$ 0
Nonpublic School Transportation	8,560,931	8,560,931	8,560,931	0
Sac Fox Settlement Education	100,000	100,000	100,000	0
State Foundation School Aid	2,716,949,847	2,887,468,326	2,872,349,847	155,400,000
Total Education, Dept. of	\$ 2,738,216,974	\$ 2,908,735,455	\$ 2,893,616,974	\$ 155,400,000
<u>Executive Council</u>				
Executive Council				
Court Costs	\$ 59,772	\$ 59,772	\$ 59,772	\$ 0
Public Improvements	39,848	39,848	39,848	0
Drainage Assessment	20,227	20,227	20,227	0
Total Executive Council	\$ 119,847	\$ 119,847	\$ 119,847	\$ 0

Unassigned Standing Appropriations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Legislative Branch</u>				
Legislative Branch				
Legislative Branch	\$ 34,029,786	\$ 37,026,548	\$ 37,026,548	\$ 2,996,762
Total Legislative Branch	\$ 34,029,786	\$ 37,026,548	\$ 37,026,548	\$ 2,996,762
<u>Governor</u>				
Governor's Office				
Interstate Extradition	\$ 3,032	\$ 3,032	\$ 3,032	\$ 0
Total Governor	\$ 3,032	\$ 3,032	\$ 3,032	\$ 0
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Congenital & Inherited Disorders Registry	\$ 232,500	\$ 232,500	\$ 232,500	\$ 0
Total Public Health, Dept. of	\$ 232,500	\$ 232,500	\$ 232,500	\$ 0
<u>Human Services, Dept. of</u>				
General Administration				
Commission of Inquiry	\$ 1,394	\$ 1,394	\$ 1,394	\$ 0
Nonresident Transfers	67	67	67	0
Nonresident Commitment Mental Illness	142,802	142,802	142,802	0
Total General Administration	\$ 144,263	\$ 144,263	\$ 144,263	\$ 0
Assistance				
Child Abuse Prevention	\$ 232,570	\$ 232,570	\$ 232,570	\$ 0
Total Human Services, Dept. of	\$ 376,833	\$ 376,833	\$ 376,833	\$ 0
<u>Management, Dept. of</u>				
Management, Dept. of				
Special Olympics Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Appeal Board Claims	3,000,000	7,086,307	3,000,000	0
Technology Reinvestment Fund Appropriation	0	17,500,000	17,500,000	17,500,000
Total Management, Dept. of	\$ 3,100,000	\$ 24,686,307	\$ 20,600,000	\$ 17,500,000
<u>Public Defense, Dept. of</u>				
Public Defense, Dept. of				
Compensation and Expense	\$ 344,644	\$ 344,644	\$ 344,644	\$ 0
Total Public Defense, Dept. of	\$ 344,644	\$ 344,644	\$ 344,644	\$ 0
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
DPS-POR Unfunded Liabilities Until 85 Percent	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Total Public Safety, Department of	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0

Unassigned Standing Appropriations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
Revenue, Dept. of				
Revenue, Dept. of				
Ag Land Tax Credit - GF	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 0
Homestead Tax Credit Aid - GF	138,000,000	139,000,000	135,000,000	-3,000,000
Elderly & Disabled Tax Credit - GF	27,200,000	28,700,000	26,000,000	-1,200,000
Printing Cigarette Stamps	124,652	562,500	124,652	0
Tobacco Reporting Requirements	18,416	18,416	18,416	0
Military Service Tax Refunds	2,400,000	2,400,000	2,175,000	-225,000
Comm/Industrial Prop Tax Replacement	0	78,700,000	70,480,529	70,480,529
Business Property Tax Credit	0	50,000,000	50,000,000	50,000,000
Total Revenue, Dept. of	\$ 206,843,068	\$ 338,480,916	\$ 322,898,597	\$ 116,055,529
Total Unassigned Standings	\$ 2,990,704,077	\$ 3,317,089,781	\$ 3,282,656,368	\$ 291,952,291

Governor's Recommendations: Significant General Fund Increases/Decreases

Department of Education	
School Foundation Aid: This increase reflects funding for allowable growth at 4.0% and continuation of the \$15.0 million reduction for AEA's.	\$ 155,400,000
Legislative Branch	
The increase reflects the revised budget estimate for FY 2015 submitted by the Legislative Branch. The Governor does not make a recommendation regarding the Legislative Branch budget.	\$2,996,762
Department of Management	
Technology Reinvestment Fund: This increase represents a return to the statutory appropriation amount. For FY 2014, this Fund received an appropriation of \$14.3 million from the Rebuild Iowa Infrastructure Fund. Under current statute, this appropriation is provided from the General Fund unless legislative action is taken to change the funding.	\$17,500,000
Department of Revenue	
Homestead Tax Credit Aid: The Governor recommends fully funding the credit. The decrease reflects the difference in the estimated need compared to FY 2014.	\$-3,000,000
Elderly and Disabled Tax Credit Aid: The Governor recommends fully funding the credit. The decrease reflects the difference in the estimated need compared to FY 2014.	\$-1,200,000
Military Service Tax Refunds: The Governor recommends fully funding the credit. The decrease reflects the difference in the estimated need compared to FY 2014.	\$-225,000
Commercial/Industrial Property Tax Replacement: The increase represents fully funding the credit as enacted in SF 295 during the 2013 Legislative Session.	\$70,480,529
Business Property Tax Credit: The increase represents fully funding the credit as enacted in SF 295 during the 2013 Legislative Session.	\$50,000,000

Other Fund Recommendations

	Estimated FY 2014 (1)	Dept Request FY 2015 (2)	Gov Rec FY 2015 (3)	Gov Rec vs Est FY 2014 (4)
<u>Economic Development Authority</u>				
Economic Development Authority				
Endow Iowa Admin - County Endw Fund	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0
Total Economic Development Authority	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0
<u>Executive Council</u>				
Executive Council				
Performance of Duty - EEF	\$ 33,975,745	\$ 34,516,949	\$ 28,649,530	\$ -5,326,215
Total Executive Council	\$ 33,975,745	\$ 34,516,949	\$ 28,649,530	\$ -5,326,215
<u>Management, Dept. of</u>				
Management, Dept. of				
Environment First Fund - RIIF	\$ 42,000,000	\$ 42,000,000	\$ 42,000,000	\$ 0
Technology Reinvestment Fund - RIIF	14,310,000	0	0	-14,310,000
Total Management, Dept. of	\$ 56,310,000	\$ 42,000,000	\$ 42,000,000	\$ -14,310,000
<u>Regents, Board of</u>				
Regents, Board of				
ISU -Midwest Grape & Wine Industry -WGTF	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
Total Regents, Board of	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
<u>Transportation, Dept. of</u>				
Transportation, Dept. of				
RUTF-Personal Delivery of Services	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0
RUTF-County Treasurer Equipment Standing	650,000	650,000	650,000	0
Total Transportation, Dept. of	\$ 875,000	\$ 875,000	\$ 875,000	\$ 0
Total Unassigned Standings	\$ 91,480,745	\$ 77,711,949	\$ 71,844,530	\$ -19,636,215

Governor's Recommendations: Significant Other Fund Increases/Decreases

Executive Council	
Performance of Duty: An increase to reflect revised estimates submitted by the Emergency Management and Homeland Security Division of the Department of Public Defense. These funds are used by the Executive Council to fund emergency repairs to state property if sufficient funds are not available in a state agency's budget as well as disaster-related costs for state and local governments. The funds are also used to match a significant amount of federal funds authorized by the Federal Emergency Management Agency (FEMA).	\$5,326,215
Department of Management	
Technology Reinvestment Fund: Represents a reduction in the Rebuild Iowa Infrastructure Fund (RIIF) appropriation to reflect the shift in funding back to the General Fund as currently authorized in statute.	\$-14,310,000

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Appendix A – Appropriations Tracking by Subcommittee

Fiscal Staff: Dave Reynolds and Jennifer Action

Analysis of Governor’s Budget

COMMON ACRONYMS USED IN THE APPROPRIATIONS TABLES

AEA =	Area Education Agency	DHSRF =	Department of Human Services Reinvestment Fund
ACE =	Accelerated Career Education	DIA =	Department of Inspections and Appeals
ADA =	Americans with Disabilities Act	DOE =	U.S. Department of Energy
AG =	Office of the Attorney General	EBT =	Electronic Benefits Transfer
ARRA =	American Recovery and Reinvestment Act of 2009	ECI =	Early Childhood Iowa
CAT =	Community Attractions and Tourism	EEF =	Economic Emergency Fund
CBC =	Community-Based Corrections	EFF =	Environment First Fund
CCUSO =	Civil Commitment Unit for Sexual Offenders	EMS =	Emergency Management Services
CEF =	County Endowment Fund	ENDW =	Endowment for Iowa Health Account (Tobacco)
CPB =	Corporation for Public Broadcasting	ESCF =	Employment Security Contingency Fund
CRF =	Cash Reserve Fund	ESEA =	Elementary and Secondary Education Act
CSBG =	Community Services Block Grant	FaDSS =	Family Development and Self-Sufficiency Program
CSG =	Radio Community Service Grant	FES =	Federal Economic Stimulus Fund
CMRF =	Commerce Revolving Fund	FFE =	Furniture, Fixtures, and Equipment
DAS =	Department of Administrative Services	FRRF =	Federal Recovery and Reinvestment Fund
DD =	Developmental Disabilities	GEF =	Gambling Enforcement Revolving Fund
DCA =	Department of Cultural Affairs	GF =	General Fund

DE =	Department of Education	GIVF =	Grow Iowa Values Fund
GRF =	Gaming Regulatory Revolving Fund	MH =	Mental Health
GSL =	Guaranteed Student Loan Program	MHI =	Mental Health Institute
GTF =	Gamblers Treatment Fund	MMBF =	Merchant Marine Bonus Fund
GWF =	Groundwater Protection Fund	MSSF =	Mortgage Servicing Settlement Fund
HCTA =	Health Care Transformation Account	MVFT =	Motor Vehicle Fuel Tax
HCTF =	Health Care Trust Fund	NAEP =	National Assessment of Educational Progress
HITT =	Healthy Iowans Tobacco Trust Fund	NCES =	National Center for Education Statistics
HHCAT =	Hospital Health Care Access Trust Fund	NPDES =	National Pollutant Discharge Elimination System
HR =	Human Resources	NPRF =	Nonparticipating Provider Revolving Fund
HSRF =	Human Services Revolving Fund	NTIA =	National Telecommunications and Information Administration
IBSSS =	Iowa Braille and Sight Saving School	PBF =	Prison Bond Fund
ICA =	IowaCare Account	PhSA =	Pharmaceutical Settlement Account
ICIW =	Iowa Correctional Institute for Women	PPTF =	Pharmacy Provider Tax Fund
ICN =	Iowa Communications Network	P & I =	Special Contingency Fund
lowAccess =	lowAccess Revolving Fund	PCF =	Prison Construction Fund
IPERS =	Iowa Public Employees Retirement System	PRF =	Primary Road Fund
IPTV =	Iowa Public Television	PSEF =	Public Safety Enforcement Fund
ISD =	Iowa School for the Deaf	PTRF =	Property Tax Relief Fund
ISP =	Iowa State Patrol	PTCF =	Property Tax Credit Fund
ISU =	Iowa State University	QATF =	Quality Assurance Trust Fund
ITE =	Information Technology Enterprise	RBC =	Revenue Bonds Capitals Fund
MFA =	Medicaid Fraud Account	RBC2 =	Revenue Bonds Capitals II Fund
RC2 =	Endowment for Iowa's Health Restricted Capitals Fund (Tobacco)	WIRB =	Watershed Improvement Review Board

RCF =	Restricted Capital Fund (Tobacco)
REAP =	Resource Enhancement and Protection
REC =	Revenue Estimating Conference
RFIF =	Renewable Fuel Infrastructure Fund
RFP =	Request for Proposal
RIIF =	Rebuild Iowa Infrastructure Fund
RUTF =	Road Use Tax Fund
SAF =	State Aviation Fund
SIF =	School Infrastructure Fund
SLTF =	Senior Living Trust Fund
SRG =	School Ready Grants
TANF =	Temporary Assistance for Needy Families
TOS =	Treasurer of State
TRF =	Technology Reinvestment Fund
TSB =	Targeted Small Business
UI =	University of Iowa
UNI =	University of Northern Iowa
UST =	Underground Storage Tank Fund
VTF =	Veterans Trust Fund
WDF =	Workforce Development Fund
WGTF =	Wine Gallonage Tax Fund

Summary Data

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
Administration and Regulation	\$ 53,216,188	\$ 52,788,682	\$ 53,709,769	\$ 921,087
Agriculture and Natural Resources	56,974,860	40,824,631	45,096,631	4,272,000
Economic Development	42,204,041	41,381,886	48,081,886	6,700,000
Education	880,191,195	898,985,388	982,724,535	83,739,147
Health and Human Services	1,730,727,409	1,750,974,923	1,859,303,019	108,328,096
Justice System	687,040,096	716,422,033	729,365,025	12,942,992
Transportation, Infrastructure, and Capitals	37,517,940	135,000	0	-135,000
Unassigned Standings	<u>2,943,746,878</u>	<u>2,990,704,077</u>	<u>3,282,656,368</u>	<u>291,952,291</u>
Grand Total	<u>\$ 6,431,618,607</u>	<u>\$ 6,492,216,620</u>	<u>\$ 7,000,937,233</u>	<u>\$ 508,720,613</u>

NOTE: The Legislative Services Agency publishes *Budget Unit Fiscal Topics* that discuss the purpose of particular appropriations and programs. If a publication is available, it has been hyperlinked in the title of the appropriation. The titles with underlines are linked.

Administration and Regulation

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Administrative Services, Dept. of</u>				
Administrative Services				
Administrative Services, Dept.	\$ 4,020,344	\$ 4,067,924	\$ 4,067,924	\$ 0
Utilities	2,676,460	2,658,909	2,658,909	0
Terrace Hill Operations	405,914	405,914	405,914	0
I3 Distribution	3,277,946	0	0	0
Iowa Building Operations	995,535	0	0	0
Total Administrative Services, Dept. of	\$ 11,376,199	\$ 7,132,747	\$ 7,132,747	\$ 0
<u>Auditor of State</u>				
Auditor Of State				
Auditor of State - General Office	\$ 905,468	\$ 914,506	\$ 944,506	\$ 30,000
Total Auditor of State	\$ 905,468	\$ 914,506	\$ 944,506	\$ 30,000
<u>Ethics and Campaign Disclosure</u>				
Campaign Finance Disclosure				
Ethics & Campaign Disclosure Board	\$ 490,000	\$ 490,335	\$ 550,335	\$ 60,000
Total Ethics and Campaign Disclosure	\$ 490,000	\$ 490,335	\$ 550,335	\$ 60,000
<u>Chief Information Officer, Office of the</u>				
Chief Information Officer, Office of the				
Office of Chief Information Officer	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
Broadband Data Collection	0	0	250,000	250,000
Total Chief Information Officer, Office of the	\$ 0	\$ 0	\$ 1,750,000	\$ 1,750,000
<u>Commerce, Dept. of</u>				
Alcoholic Beverages				
Alcoholic Beverages Operations	\$ 1,220,391	\$ 1,220,391	\$ 1,220,391	\$ 0
Banking Division				
Financial Literacy	\$ 100,000	\$ 0	\$ 0	\$ 0
Professional Licensing and Reg.				
Professional Licensing Bureau	\$ 600,353	\$ 601,537	\$ 601,537	\$ 0
Total Commerce, Dept. of	\$ 1,920,744	\$ 1,821,928	\$ 1,821,928	\$ 0

Administration and Regulation

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Iowa Tele & Tech Commission</u>				
Iowa Communications Network				
Regional Telecom Councils	\$ 992,913	\$ 992,913	\$ 0	\$ -992,913
Total Iowa Tele & Tech Commission	\$ 992,913	\$ 992,913	\$ 0	\$ -992,913
<u>Governor</u>				
Governor's Office				
Governor/Lt. Governor's Office	\$ 2,194,914	\$ 2,196,455	\$ 2,196,455	\$ 0
Terrace Hill Quarters	93,111	93,111	93,111	0
Total Governor	\$ 2,288,025	\$ 2,289,566	\$ 2,289,566	\$ 0
<u>Governor's Office of Drug Control Policy</u>				
Office of Drug Control Policy				
Drug Policy Coordinator	\$ 240,000	\$ 241,134	\$ 241,134	\$ 0
Total Governor's Office of Drug Control Policy	\$ 240,000	\$ 241,134	\$ 241,134	\$ 0
<u>Human Rights, Dept. of</u>				
Human Rights, Department of				
Individual Development Accounts	\$ 100,000	\$ 0	\$ 0	\$ 0
Human Rights Administration	206,103	224,184	240,184	16,000
Community Advocacy and Services	1,028,077	1,028,077	1,086,077	58,000
Total Human Rights, Dept. of	\$ 1,334,180	\$ 1,252,261	\$ 1,326,261	\$ 74,000
<u>Inspections & Appeals, Dept. of</u>				
Inspections and Appeals, Dept. of				
Administration Division	\$ 248,409	\$ 545,242	\$ 545,242	\$ 0
Administrative Hearings Division	528,753	678,942	678,942	0
Investigations Division	1,168,639	2,573,089	2,573,089	0
Health Facilities Division	3,917,666	5,092,033	5,092,033	0
Employment Appeal Board	42,215	42,215	42,215	0
Child Advocacy Board	2,680,290	2,680,290	2,680,290	0
Food and Consumer Safety	1,279,331	1,279,331	1,279,331	0
Total Inspections & Appeals, Dept. of	\$ 9,865,303	\$ 12,891,142	\$ 12,891,142	\$ 0

Administration and Regulation

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Management, Dept. of</u>				
Management, Dept. of Department Operations	\$ 2,393,998	\$ 2,550,220	\$ 2,550,220	\$ 0
Total Management, Dept. of	\$ 2,393,998	\$ 2,550,220	\$ 2,550,220	\$ 0
<u>Public Information Board</u>				
Public Information Board Iowa Public Information Board	\$ 0	\$ 350,000	\$ 350,000	\$ 0
Total Public Information Board	\$ 0	\$ 350,000	\$ 350,000	\$ 0
<u>Revenue, Dept. of</u>				
Revenue, Dept. of Revenue, Department of	\$ 17,659,484	\$ 17,880,839	\$ 17,880,839	\$ 0
Total Revenue, Dept. of	\$ 17,659,484	\$ 17,880,839	\$ 17,880,839	\$ 0
<u>Secretary of State</u>				
Secretary of State Secretary of State - Operations	\$ 2,895,585	\$ 2,896,699	\$ 2,896,699	\$ 0
Total Secretary of State	\$ 2,895,585	\$ 2,896,699	\$ 2,896,699	\$ 0
<u>Treasurer of State</u>				
Treasurer of State Treasurer - General Office	\$ 854,289	\$ 1,084,392	\$ 1,084,392	\$ 0
Total Treasurer of State	\$ 854,289	\$ 1,084,392	\$ 1,084,392	\$ 0
Total Administration and Regulation	\$ 53,216,188	\$ 52,788,682	\$ 53,709,769	\$ 921,087

Agriculture and Natural Resources

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Administrative Division	\$ 17,081,328	\$ 17,605,492	\$ 17,605,492	\$ 0
Milk Inspections	189,196	189,196	189,196	0
Farmers with Disabilities	130,000	130,000	130,000	0
GF-Soil Conservation Division	7,000,000	0	0	0
Local Food and Farm	75,000	75,000	75,000	0
Agricultural Education	25,000	25,000	25,000	0
Water Quality Initiative	10,000,000	2,400,000	4,400,000	2,000,000
Silos And Smokestacks	0	0	200,000	200,000
GF-Ag Drainage Wells	1,620,000	0	0	0
Total Agriculture and Land Stewardship	\$ 36,120,524	\$ 20,424,688	\$ 22,624,688	\$ 2,200,000
Loess Hills Dev. and Conservation				
Loess Hills Dev/Cons Authority	\$ 0	\$ 75,000	\$ 75,000	\$ 0
Total Agriculture and Land Stewardship	\$ 36,120,524	\$ 20,499,688	\$ 22,699,688	\$ 2,200,000
<u>Natural Resources, Dept. of</u>				
Natural Resources				
Natural Resources Operations	\$ 12,516,700	\$ 12,862,307	\$ 12,862,307	\$ 0
Floodplain Management Program	2,000,000	2,000,000	2,000,000	0
Air Quality Program Support	0	0	2,072,000	2,072,000
Forestry Health Management	100,000	200,000	200,000	0
Total Natural Resources, Dept. of	\$ 14,616,700	\$ 15,062,307	\$ 17,134,307	\$ 2,072,000
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Veterinary Diagnostic Laboratory	\$ 3,237,636	\$ 3,762,636	\$ 3,762,636	\$ 0
ISU - Iowa Nutrient Research Center	0	1,500,000	1,500,000	0
Total Regents, Board of	\$ 3,237,636	\$ 5,262,636	\$ 5,262,636	\$ 0
<u>Treasurer of State</u>				
Treasurer of State				
Watershed Improvement Fund	\$ 3,000,000	\$ 0	\$ 0	\$ 0
Total Treasurer of State	\$ 3,000,000	\$ 0	\$ 0	\$ 0
Total Agriculture and Natural Resources	\$ 56,974,860	\$ 40,824,631	\$ 45,096,631	\$ 4,272,000

Economic Development General Fund

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
Administration Division	\$ 171,813	\$ 176,882	\$ 176,882	\$ 0
Community Cultural Grants	172,090	172,090	172,090	0
Historical Division	2,767,701	3,167,701	3,167,701	0
Historic Sites	426,398	426,398	426,398	0
Arts Division	1,133,764	1,233,764	1,233,764	0
Great Places	150,000	150,000	150,000	0
Archiving Former Governor's Papers	65,933	65,933	65,933	0
Records Center Rent	227,243	227,243	227,243	0
Battle Flag Stabilization	60,000	94,000	94,000	0
Total Cultural Affairs, Dept. of	\$ 5,174,942	\$ 5,714,011	\$ 5,714,011	\$ 0
<u>Economic Development Authority</u>				
Economic Development Authority				
Economic Development Appropriation	\$ 9,783,424	\$ 15,516,372	\$ 15,516,372	\$ 0
World Food Prize	750,000	800,000	1,000,000	200,000
Iowa Comm. Volunteer Ser.-Promise	178,133	178,133	178,133	0
Midwest Japanese Conference	0	0	100,000	100,000
Councils of Governments (COGs) Assistance	0	175,000	175,000	0
CV TechWorks Adv Manufacturing Hub	3,500,000	0	0	0
Apprenticeship Training	0	0	1,000,000	1,000,000
STEM Apprenticeships	0	0	2,000,000	2,000,000
Regional Hub National Network for Manuf.	500,000	0	0	0
ESOP	500,000	0	0	0
Total Economic Development Authority	\$ 15,211,557	\$ 16,669,505	\$ 19,969,505	\$ 3,300,000
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Economic Development	\$ 2,424,302	\$ 0	\$ 0	\$ 0
UI - Economic Development	209,279	0	0	0
UNI - Economic Development	574,716	0	0	0
Total Regents, Board of	\$ 3,208,297	\$ 0	\$ 0	\$ 0

Economic Development General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Iowa Finance Authority</u>				
Iowa Finance Authority				
Rent Subsidy Program	\$ 658,000	\$ 658,000	\$ 658,000	\$ 0
Total Iowa Finance Authority	<u>\$ 658,000</u>	<u>\$ 658,000</u>	<u>\$ 658,000</u>	<u>\$ 0</u>
<u>Public Employment Relations Board</u>				
Public Employment Relations				
General Office	\$ 1,278,426	\$ 1,342,452	\$ 1,342,452	\$ 0
Total Public Employment Relations Board	<u>\$ 1,278,426</u>	<u>\$ 1,342,452</u>	<u>\$ 1,342,452</u>	<u>\$ 0</u>
<u>Iowa Workforce Development</u>				
Iowa Workforce Development				
Labor Services Division	\$ 3,495,440	\$ 3,823,539	\$ 3,823,539	\$ 0
Workers' Compensation Division	3,262,044	3,259,044	3,259,044	0
Operations - Field Offices	9,179,413	9,179,413	9,179,413	0
Offender Reentry Program	284,464	284,464	284,464	0
Employee Misclassification Program	451,458	451,458	451,458	0
Digital and Vocational Literacy	0	0	1,400,000	1,400,000
Home Base Iowa IWD Foundation	0	0	1,000,000	1,000,000
Home Base Iowa	0	0	1,000,000	1,000,000
Total Iowa Workforce Development	<u>\$ 16,672,819</u>	<u>\$ 16,997,918</u>	<u>\$ 20,397,918</u>	<u>\$ 3,400,000</u>
Total Economic Development	<u><u>\$ 42,204,041</u></u>	<u><u>\$ 41,381,886</u></u>	<u><u>\$ 48,081,886</u></u>	<u><u>\$ 6,700,000</u></u>

Education General Fund

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>Blind, Dept. for the</u>				
Department for the Blind				
Department for the Blind	\$ 1,691,815	\$ 2,048,358	\$ 2,248,358	\$ 200,000
Newsline for the Blind	50,000	50,000	50,000	0
Total Blind, Dept. for the	\$ 1,741,815	\$ 2,098,358	\$ 2,298,358	\$ 200,000
<u>College Aid Commission</u>				
College Student Aid Comm.				
College Aid Commission	\$ 232,943	\$ 250,109	\$ 250,109	\$ 0
Iowa Grants	791,177	791,177	791,177	0
DMU Health Care Prof Recruitment	325,973	400,973	400,973	0
National Guard Benefits Program	4,800,233	5,100,233	5,100,233	0
Teacher Shortage Loan Forgiveness	392,452	392,452	392,452	0
All Iowa Opportunity Foster Care Grant	554,057	554,057	554,057	0
All Iowa Opportunity Scholarships	2,240,854	2,240,854	2,240,854	0
Nurse & Nurse Educator Loan	80,852	80,852	80,852	0
Barber & Cosmetology Tuition Grant Program	36,938	36,938	36,938	0
Skilled Workforce Shortage Tuition Grant	5,000,000	0	0	0
Tuition Grant Program - Standing	45,513,448	47,013,448	47,513,448	500,000
Tuition Grant - For-Profit	2,500,000	2,500,000	2,800,000	300,000
Vocational Technical Tuition Grant	2,250,185	2,250,185	2,250,185	0
Rural Iowa Primary Care Loan Repayment Prog.	0	1,600,000	1,600,000	0
Rural Nurse/PA Loan Repayment	0	400,000	400,000	0
Teach Iowa Scholars	0	0	2,300,000	2,300,000
Total College Aid Commission	\$ 64,719,112	\$ 63,611,278	\$ 66,711,278	\$ 3,100,000

Education

General Fund

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
Education, Dept. of				
Education, Dept. of				
Administration	\$ 5,913,812	\$ 6,304,047	\$ 6,304,047	\$ 0
Vocational Education Administration	598,197	598,197	598,197	0
State Library	2,215,063	2,715,063	2,715,063	0
State Library - Enrich Iowa	2,174,228	2,524,228	2,524,228	0
Vocational Education Secondary	2,630,134	2,630,134	2,630,134	0
Food Service	2,176,797	2,176,797	2,176,797	0
ECI General Aid (SRG)	5,386,113	5,386,113	5,386,113	0
ECI Preschool Tuition Assistance (SRG)	5,428,877	5,428,877	5,428,877	0
ECI Family Support and Parent Ed (SRG)	12,364,434	12,364,434	12,364,434	0
Special Ed. Services Birth to 3	1,721,400	1,721,400	1,721,400	0
Nonpublic Textbook Services	560,214	600,214	600,214	0
Core Curriculum	2,000,000	1,000,000	1,000,000	0
Student Achievement/Teacher Quality	4,785,000	6,307,351	6,307,351	0
Jobs For America's Grads	540,000	670,000	670,000	0
Education Reform	0	6,840,000	57,100,000	50,260,000
Iowa Reading Research Center	2,669,000	1,331,000	3,931,000	2,600,000
Midwestern Higher Education Compact	100,000	100,000	100,000	0
Community Colleges General Aid	177,274,647	193,274,647	193,274,647	0
Community College Salary Increase	500,000	500,000	500,000	0
Gap Tuition Assistance Fund	2,000,000	0	0	0
Workforce Training and Econ. Dev. Funds	8,000,000	0	0	0
Early Head Start Projects	0	400,000	400,000	0
Successful Progression for Early Readers	0	8,000,000	8,000,000	0
Competency-Based Education	0	425,000	425,000	0
Regional Telecommunications Councils	0	0	992,913	992,913
Bullying Prevention	0	0	25,000	25,000
Total Education, Dept. of	\$ 239,037,916	\$ 261,297,502	\$ 315,175,415	\$ 53,877,913
Vocational Rehabilitation				
Vocational Rehabilitation	\$ 4,963,168	\$ 5,146,200	\$ 5,296,200	\$ 150,000
Independent Living	39,128	39,128	39,128	0
Entrepreneurs with Disabilities Program	145,535	145,535	145,535	0
Independent Living Center Grant	40,294	40,294	40,294	0
Total Vocational Rehabilitation	\$ 5,188,125	\$ 5,371,157	\$ 5,521,157	\$ 150,000
Iowa Public Television				
Iowa Public Television	\$ 6,969,021	\$ 7,450,633	\$ 7,791,846	\$ 341,213
Total Education, Dept. of	\$ 251,195,062	\$ 274,119,292	\$ 328,488,418	\$ 54,369,126

Education

General Fund

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
Regents, Board of				
Regents, Board of				
Regent Board Office	\$ 1,065,005	\$ 1,094,714	\$ 1,094,714	\$ 0
GRA - SW Iowa Regents Resource Ctr	87,471	182,734	182,734	0
GRA - NW Iowa Regents Resource Ctr	66,601	66,601	66,601	0
GRA - Quad Cities Graduate Center	129,776	34,513	34,513	0
IPR - Iowa Public Radio	391,568	391,568	391,568	0
University of Iowa - General	216,414,572	222,041,351	230,923,005	8,881,654
UI - Oakdale Campus	2,186,558	2,186,558	2,186,558	0
UI - Hygienic Laboratory	3,536,716	4,402,615	4,402,615	0
UI - Family Practice Program	1,788,265	1,788,265	1,788,265	0
UI - Specialized Children Health Services	659,456	659,456	659,456	0
UI - Iowa Cancer Registry	149,051	149,051	149,051	0
UI - Substance Abuse Consortium	55,529	55,529	55,529	0
UI - Biocatalysis	723,727	723,727	723,727	0
UI - Primary Health Care	648,930	648,930	648,930	0
UI - Iowa Birth Defects Registry	38,288	38,288	38,288	0
UI - Iowa Nonprofit Resource Center	162,539	162,539	162,539	0
UI - IA Online Advanced Placement Acad.	481,849	481,849	481,849	0
UI - Iowa Flood Center	1,500,000	1,500,000	1,500,000	0
Iowa State University - General	169,577,342	173,986,353	180,945,807	6,959,454
ISU - Agricultural Experiment Station	28,111,877	28,111,877	30,611,877	2,500,000
ISU - Cooperative Extension	17,936,722	18,266,722	18,266,722	0
ISU - Leopold Center	397,417	397,417	397,417	0
ISU - Livestock Disease Research	172,845	172,844	172,844	0
University of Northern Iowa - General	81,113,859	83,222,819	90,951,732	7,728,913
UNI - Recycling and Reuse Center	175,256	175,256	175,256	0
UNI - Math and Science Collaborative	4,700,000	5,200,000	5,200,000	0
UNI - Real Estate Education Program	125,302	125,302	125,302	0
Iowa School for the Deaf	8,853,563	9,030,634	9,030,634	0
Iowa Braille and Sight Saving School	3,691,310	3,765,136	3,765,136	0
ISD/IBS - Tuition and Transportation	11,763	11,763	11,763	0
ISD/IBS - Licensed Classroom Teachers	82,049	82,049	82,049	0
ISU - Leading the BioEconomy	7,500,000	0	0	0
UNI - FY 13 Supplemental	10,000,000	0	0	0
Total Regents, Board of	\$ 562,535,206	\$ 559,156,460	\$ 585,226,481	\$ 26,070,021
Total Education	\$ 880,191,195	\$ 898,985,388	\$ 982,724,535	\$ 83,739,147

Health and Human Services

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Aging, Dept. on</u>				
Aging, Dept. on				
Aging Programs	\$ 10,342,086	\$ 10,606,066	\$ 10,931,066	\$ 325,000
Office of Long-Term Care Resident's Advocate	0	1,021,707	929,315	-92,392
Total Aging, Dept. on	\$ 10,342,086	\$ 11,627,773	\$ 11,860,381	\$ 232,608
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Addictive Disorders	\$ 23,863,690	\$ 27,163,690	\$ 27,088,690	\$ -75,000
Healthy Children and Families	2,603,559	3,653,559	3,628,559	-25,000
Chronic Conditions	3,905,429	5,080,692	5,040,692	-40,000
Community Capacity	4,869,980	8,562,617	9,562,617	1,000,000
Healthy Aging	7,297,142	7,297,142	7,297,142	0
Environmental Hazards	803,870	803,870	803,870	0
Infectious Diseases	1,335,155	1,335,155	1,335,155	0
Public Protection	2,779,127	3,278,771	3,297,127	18,356
Resource Management	804,054	855,072	920,072	65,000
Iowa Youth Suicide Prevention	50,000	0	0	0
Total Public Health, Dept. of	\$ 48,312,006	\$ 58,030,568	\$ 58,973,924	\$ 943,356

Health and Human Services

General Fund

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
Human Services, Dept. of				
Assistance				
Family Investment Program/JOBS	\$ 48,397,214	\$ 48,503,875	\$ 48,503,875	\$ 0
Medical Assistance	975,993,421	1,144,208,805	962,091,053	-182,117,752
Medical Contracts	5,791,994	12,320,048	16,323,366	4,003,318
State Supplementary Assistance	15,450,747	16,516,858	14,121,154	-2,395,704
State Children's Health Insurance	36,806,102	36,817,261	45,877,998	9,060,737
Child Care Assistance	62,264,342	62,735,563	57,925,206	-4,810,357
Child and Family Services	81,231,561	91,329,427	91,762,511	433,084
Adoption Subsidy	37,743,429	40,729,282	42,580,749	1,851,467
Family Support Subsidy	1,096,784	1,093,288	1,079,739	-13,549
Conners Training	33,622	33,632	33,632	0
MI/MR/DD State Cases	11,150,820	0	0	0
MH/DD Community Services	14,211,100	0	0	0
Volunteers	84,660	84,686	84,686	0
MH/DD Growth Factor	74,697,893	0	0	0
MH Property Tax Relief	81,199,911	0	0	0
Mental Health Redesign	40,000,000	0	279,826,402	279,826,402
MHDS Equalization	0	29,820,478	29,820,478	0
Food Bank Assistance	1,000,000	0	0	0
Total Assistance	\$ 1,487,153,600	\$ 1,484,193,203	\$ 1,590,030,849	\$ 105,837,646
Toledo Juvenile Home				
Toledo Juvenile Home	\$ 8,297,765	\$ 8,867,121	\$ 788,531	\$ -8,078,590
Juvenile CINA/Female Adjudicated Delinquent Placements	0	0	5,110,534	5,110,534
Total Field Operations	\$ 8,297,765	\$ 8,867,121	\$ 5,899,065	\$ -2,968,056
Eldora Training School				
Eldora Training School	\$ 10,680,143	\$ 11,268,202	\$ 11,500,098	\$ 231,896
Cherokee				
Cherokee MHI	\$ 5,535,738	\$ 5,964,737	\$ 6,031,934	\$ 67,197
Clarinda				
Clarinda MHI	\$ 6,442,688	\$ 6,757,689	\$ 6,787,309	\$ 29,620
Independence				
Independence MHI	\$ 9,738,520	\$ 10,334,082	\$ 10,484,386	\$ 150,304
Mt Pleasant				
Mt Pleasant MHI	\$ 885,459	\$ 1,374,061	\$ 1,417,796	\$ 43,735

Health and Human Services

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
Glenwood				
Glenwood Resource Center	\$ 18,866,116	\$ 20,349,122	\$ 21,695,266	\$ 1,346,144
Woodward				
Woodward Resource Center	\$ 13,033,115	\$ 14,286,191	\$ 14,855,693	\$ 569,502
Cherokee CCUSO				
Civil Commitment Unit for Sexual Offenders	\$ 8,899,686	\$ 9,425,568	\$ 9,923,563	\$ 497,995
Field Operations				
Child Support Recoveries	\$ 13,149,541	\$ 14,215,081	\$ 14,911,230	\$ 696,149
Field Operations	61,636,313	66,670,976	66,670,976	0
Total Field Operations	<u>\$ 74,785,854</u>	<u>\$ 80,886,057</u>	<u>\$ 81,582,206</u>	<u>\$ 696,149</u>
General Administration				
General Administration	\$ 16,100,684	\$ 16,329,602	\$ 16,079,602	\$ -250,000
Total Human Services, Dept. of	<u>\$ 1,660,419,368</u>	<u>\$ 1,670,035,635</u>	<u>\$ 1,776,287,767</u>	<u>\$ 106,252,132</u>
<u>Veterans Affairs, Dept. of</u>				
Veterans Affairs, Department of				
General Administration	\$ 1,025,819	\$ 1,095,951	\$ 1,095,951	\$ 0
War Orphans Educational Assistance	12,416	0	0	0
Vets Home Ownership Program	1,600,000	1,600,000	2,500,000	900,000
Veterans County Grants	990,000	990,000	990,000	0
Total Veterans Affairs, Department of	<u>\$ 3,628,235</u>	<u>\$ 3,685,951</u>	<u>\$ 4,585,951</u>	<u>\$ 900,000</u>
Veterans Affairs, Dept. of				
Iowa Veterans Home	\$ 8,025,714	\$ 7,594,996	\$ 7,594,996	\$ 0
Total Veterans Affairs, Dept. of	<u>\$ 11,653,949</u>	<u>\$ 11,280,947</u>	<u>\$ 12,180,947</u>	<u>\$ 900,000</u>
Total Health and Human Services	<u>\$ 1,730,727,409</u>	<u>\$ 1,750,974,923</u>	<u>\$ 1,859,303,019</u>	<u>\$ 108,328,096</u>

Justice System General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Justice, Department of</u>				
Justice, Dept. of				
General Office A.G.	\$ 7,792,930	\$ 7,989,905	\$ 8,164,905	\$ 175,000
Victim Assistance Grants	2,876,400	6,734,400	6,734,400	0
Legal Services Poverty Grants	1,814,831	2,180,562	2,400,000	219,438
Total Justice, Department of	\$ 12,484,161	\$ 16,904,867	\$ 17,299,305	\$ 394,438
<u>Civil Rights Commission</u>				
Civil Rights Commission				
Civil Rights Commission	\$ 1,297,069	\$ 1,299,247	\$ 1,169,540	\$ -129,707
Total Civil Rights Commission	\$ 1,297,069	\$ 1,299,247	\$ 1,169,540	\$ -129,707
<u>Corrections, Dept. of</u>				
Central Office				
Corrections Administration	\$ 5,081,582	\$ 5,093,810	\$ 5,270,010	\$ 176,200
County Confinement	1,075,092	1,075,092	1,075,092	0
Federal Prisoners/Contractual	484,411	484,411	484,411	0
Corrections Education	2,358,109	2,608,109	2,608,109	0
Iowa Corrections Offender Network	424,364	2,000,000	2,000,000	0
Mental Health/Substance Abuse	22,319	22,319	22,319	0
Hepatitis Treatment And Education	167,881	167,881	0	-167,881
DOC - Department Wide Duties	0	2,571,309	0	-2,571,309
Total Central Office	\$ 9,613,758	\$ 14,022,931	\$ 11,459,941	\$ -2,562,990
Fort Madison				
Ft. Madison Institution	\$ 42,686,899	\$ 43,135,932	\$ 42,655,684	\$ -480,248
Anamosa				
Anamosa Institution	\$ 32,920,521	\$ 32,943,488	\$ 33,344,253	\$ 400,765
Oakdale				
Oakdale Institution	\$ 57,950,613	\$ 58,607,768	\$ 59,132,786	\$ 525,018
Newton				
Newton Institution	\$ 27,127,290	\$ 27,146,108	\$ 27,464,108	\$ 318,000
Mt Pleasant				
Mt. Pleasant Inst.	\$ 26,751,707	\$ 24,832,135	\$ 24,982,135	\$ 150,000

Justice System General Fund

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
Rockwell City				
Rockwell City Institution	\$ 9,671,148	\$ 9,678,353	\$ 9,728,353	\$ 50,000
Clarinda				
Clarinda Institution	\$ 25,241,616	\$ 25,259,319	\$ 25,717,430	\$ 458,111
Mitchellville				
Mitchellville Institution	\$ 16,341,725	\$ 21,617,466	\$ 21,937,970	\$ 320,504
Fort Dodge				
Ft. Dodge Institution	\$ 29,865,232	\$ 29,883,648	\$ 29,989,648	\$ 106,000
CBC District 1				
CBC District I	\$ 12,958,763	\$ 14,099,085	\$ 14,653,677	\$ 554,592
CBC District 2				
CBC District II	\$ 10,870,424	\$ 10,870,425	\$ 11,098,361	\$ 227,936
CBC District 3				
CBC District III	\$ 6,238,455	\$ 7,105,865	\$ 7,241,257	\$ 135,392
CBC District 4				
CBC District IV	\$ 5,495,309	\$ 5,495,309	\$ 5,608,005	\$ 112,696
CBC District 5				
CBC District V	\$ 19,375,428	\$ 19,375,428	\$ 19,817,516	\$ 442,088
CBC District 6				
CBC District VI	\$ 14,095,408	\$ 14,638,537	\$ 14,833,623	\$ 195,086
CBC District 7				
CBC District VII	\$ 6,895,634	\$ 7,609,781	\$ 7,745,173	\$ 135,392
CBC District 8				
CBC District VIII	\$ 7,518,935	\$ 8,206,613	\$ 8,133,194	\$ -73,419
Total Corrections, Dept. of	<u>\$ 361,618,865</u>	<u>\$ 374,528,191</u>	<u>\$ 375,543,114</u>	<u>\$ 1,014,923</u>
<u>Inspections & Appeals, Dept. of</u>				
Public Defender				
Public Defender	\$ 25,862,182	\$ 25,882,243	\$ 25,882,243	\$ 0
Indigent Defense Appropriation	29,901,929	29,901,929	29,901,929	0
Total Inspections & Appeals, Dept. of	<u>\$ 55,764,111</u>	<u>\$ 55,784,172</u>	<u>\$ 55,784,172</u>	<u>\$ 0</u>

Justice System

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Judicial Branch</u>				
Judicial Branch				
Judicial Branch	\$ 158,911,822	\$ 165,586,747	\$ 176,288,424	\$ 10,701,677
Jury & Witness Revolving Fund	3,100,000	3,100,000	3,100,000	0
Total Judicial Branch	<u>\$ 162,011,822</u>	<u>\$ 168,686,747</u>	<u>\$ 179,388,424</u>	<u>\$ 10,701,677</u>
<u>Iowa Law Enforcement Academy</u>				
Iowa Law Enforcement Academy				
Law Enforcement Academy	\$ 968,698	\$ 1,003,214	\$ 1,003,214	\$ 0
Total Iowa Law Enforcement Academy	<u>\$ 968,698</u>	<u>\$ 1,003,214</u>	<u>\$ 1,003,214</u>	<u>\$ 0</u>
<u>Parole, Board of</u>				
Parole Board				
Parole Board	\$ 1,203,835	\$ 1,204,583	\$ 1,204,583	\$ 0
Total Parole, Board of	<u>\$ 1,203,835</u>	<u>\$ 1,204,583</u>	<u>\$ 1,204,583</u>	<u>\$ 0</u>
<u>Public Defense, Dept. of</u>				
Public Defense, Dept. of				
Public Defense, Department of	\$ 5,527,042	\$ 6,554,478	\$ 6,554,478	\$ 0
Total Public Defense, Dept. of	<u>\$ 5,527,042</u>	<u>\$ 6,554,478</u>	<u>\$ 6,554,478</u>	<u>\$ 0</u>

Justice System General Fund

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
Public Safety Administration	\$ 4,007,075	\$ 4,154,349	\$ 4,183,349	\$ 29,000
Public Safety DCI	12,533,931	12,933,414	13,625,414	692,000
DCI - Crime Lab Equipment/Training	302,345	302,345	302,345	0
Narcotics Enforcement	6,429,884	6,755,855	6,919,855	164,000
Public Safety Undercover Funds	109,042	109,042	109,042	0
DPS Fire Marshal	4,298,707	4,470,556	4,590,556	120,000
Iowa State Patrol	53,493,490	55,536,208	56,698,208	1,162,000
DPS/SPOC Sick Leave Payout	279,517	279,517	279,517	0
Fire Fighter Training	725,520	725,520	825,520	100,000
DPS Equipment	1,000,000	0	0	0
Public Safety - Department Wide Duties	0	1,700,000	0	-1,700,000
Interoperable Communications Sys Board	48,000	0	154,661	154,661
Total Public Safety, Department of	\$ 83,227,511	\$ 86,966,806	\$ 87,688,467	\$ 721,661
<u>Human Rights, Dept. of</u>				
Human Rights, Department of				
Criminal & Juvenile Justice	\$ 1,100,105	\$ 1,260,105	\$ 1,100,105	\$ -160,000
Total Human Rights, Dept. of	\$ 1,100,105	\$ 1,260,105	\$ 1,100,105	\$ -160,000
<u>Department of Homeland Security</u>				
Department of Homeland Security				
Homeland Security & Emer. Mgmt.	\$ 1,836,877	\$ 2,229,623	\$ 2,629,623	\$ 400,000
Total Department of Homeland Security	\$ 1,836,877	\$ 2,229,623	\$ 2,629,623	\$ 400,000
Total Justice System	\$ 687,040,096	\$ 716,422,033	\$ 729,365,025	\$ 12,942,992

Transportation, Infrastructure, and Capitals

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Administrative Services - Capitals</u>				
Administrative Services - Capitals				
Capital Lightning Protection	\$ 330,000	\$ 0	\$ 0	\$ 0
Major Maintenance	2,700,000	0	0	0
Total Administrative Services - Capitals	\$ 3,030,000	\$ 0	\$ 0	\$ 0
<u>Corrections Capital</u>				
Corrections Capital				
Mitchellville Prison Expansion	\$ 11,200,000	\$ 0	\$ 0	\$ 0
Total Corrections Capital	\$ 11,200,000	\$ 0	\$ 0	\$ 0
<u>Economic Development Authority</u>				
Economic Development Authority				
Camp Sunnyside Facility Renovations	\$ 250,000	\$ 0	\$ 0	\$ 0
AAU Summer Junior Olympics	250,000	0	0	0
Total Economic Development Authority	\$ 500,000	\$ 0	\$ 0	\$ 0
<u>Judicial Branch</u>				
Judicial Branch				
Electronic Document Management System	\$ 3,000,000	\$ 0	\$ 0	\$ 0
Total Judicial Branch	\$ 3,000,000	\$ 0	\$ 0	\$ 0
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Vet Surgical Off Site Modernization	\$ 1,000,000	\$ 0	\$ 0	\$ 0
Total Regents, Board of	\$ 1,000,000	\$ 0	\$ 0	\$ 0

Transportation, Infrastructure, and Capitals

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Regents Capital</u>				
Regents Capital				
ISU - Research Park Core Facility	\$ 12,000,000	\$ 0	\$ 0	\$ 0
UI - Hygienic Lab Multipurpose Facility	1,000,000	0	0	0
Regents - Fire Safety/Def Maintenance	2,000,000	0	0	0
Total Regents Capital	\$ 15,000,000	\$ 0	\$ 0	\$ 0
<u>State Fair Authority Capital</u>				
State Fair Authority Capital				
Cultural Center Renovation	\$ 250,000	\$ 0	\$ 0	\$ 0
Plaza Construction	1,000,000	0	0	0
Total State Fair Authority Capital	\$ 1,250,000	\$ 0	\$ 0	\$ 0
<u>Transportation, Dept. of</u>				
Transportation, Dept. of				
Street Construction Fund	\$ 0	\$ 135,000	\$ 0	\$ -135,000
Total Transportation, Dept. of	\$ 0	\$ 135,000	\$ 0	\$ -135,000
<u>Veterans Affairs, Dept. of</u>				
Veterans Affairs, Department of				
Remodeling/Upgrades IDVA Camp Dodge	\$ 137,940	\$ 0	\$ 0	\$ 0
Iowa Veterans Cem - Legion Post Facility	600,000	0	0	0
Total Veterans Affairs, Dept. of	\$ 737,940	\$ 0	\$ 0	\$ 0
<u>Human Services, Dept. of</u>				
Assistance				
PMIC Construction Grant	\$ 1,000,000	\$ 0	\$ 0	\$ 0
Homestead Autism Clive Facility	800,000	0	0	0
Total Human Services, Dept. of	\$ 1,800,000	\$ 0	\$ 0	\$ 0
Total Transportation, Infrastructure, & Capitals	\$ 37,517,940	\$ 135,000	\$ 0	\$ -135,000

Unassigned Standings

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Administrative Services, Dept. of</u>				
State Accounting Trust Accounts				
Federal Cash Management - Standing	\$ 0	\$ 356,587	\$ 356,587	\$ 0
Unemployment Compensation - Standing	557,326	440,371	440,371	0
Volunteer Emerg. Serv. Provider Death Benefit	100,000	0	0	0
Total Administrative Services, Dept. of	\$ 657,326	\$ 796,958	\$ 796,958	\$ 0
<u>Corrections, Dept. of</u>				
Central Office				
State Cases Court Costs	\$ 0	\$ 59,733	\$ 59,733	\$ 0
Total Corrections, Dept. of	\$ 0	\$ 59,733	\$ 59,733	\$ 0
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
County Endowment Funding - DCA Grants	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0
Total Cultural Affairs, Dept. of	\$ 416,702	\$ 416,702	\$ 416,702	\$ 0
<u>Economic Development Authority</u>				
Economic Development Authority				
Tourism Marketing - Adjusted Gross Receipts	\$ 810,306	\$ 1,164,000	\$ 1,164,000	\$ 0
Total Economic Development Authority	\$ 810,306	\$ 1,164,000	\$ 1,164,000	\$ 0
<u>Education, Dept. of</u>				
Education, Dept. of				
Child Development	\$ 10,728,891	\$ 12,606,196	\$ 12,606,196	\$ 0
Nonpublic School Transportation	7,060,931	8,560,931	8,560,931	0
Sac Fox Settlement Education	100,000	100,000	100,000	0
State Foundation School Aid	2,652,633,798	2,716,949,847	2,872,349,847	155,400,000
State Aid Supplemental	57,149,400	0	0	0
Total Education, Dept. of	\$ 2,727,673,020	\$ 2,738,216,974	\$ 2,893,616,974	\$ 155,400,000

Unassigned Standings

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Executive Council</u>				
Executive Council				
Court Costs	\$ 301,633	\$ 59,772	\$ 59,772	\$ 0
Public Improvements	0	39,848	39,848	0
Drainage Assessment	67,379	20,227	20,227	0
Total Executive Council	\$ 369,012	\$ 119,847	\$ 119,847	\$ 0
<u>Legislative Branch</u>				
Legislative Branch				
Legislative Branch	\$ 33,682,514	\$ 34,029,786	\$ 37,026,548	\$ 2,996,762
Total Legislative Branch	\$ 33,682,514	\$ 34,029,786	\$ 37,026,548	\$ 2,996,762
<u>Governor</u>				
Governor's Office				
Interstate Extradition	\$ 0	\$ 3,032	\$ 3,032	\$ 0
Total Governor	\$ 0	\$ 3,032	\$ 3,032	\$ 0
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Congenital & Inherited Disorders Registry	\$ 213,842	\$ 232,500	\$ 232,500	\$ 0
Total Public Health, Dept. of	\$ 213,842	\$ 232,500	\$ 232,500	\$ 0
<u>Human Services, Dept. of</u>				
General Administration				
Commission of Inquiry	\$ 1,394	\$ 1,394	\$ 1,394	\$ 0
Nonresident Transfers	67	67	67	0
Nonresident Commitment Mental Illness	142,802	142,802	142,802	0
Total General Administration	\$ 144,263	\$ 144,263	\$ 144,263	\$ 0
Assistance				
Child Abuse Prevention	\$ 213,842	\$ 232,570	\$ 232,570	\$ 0
Total Human Services, Dept. of	\$ 358,105	\$ 376,833	\$ 376,833	\$ 0

Unassigned Standings

General Fund

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Management, Dept. of</u>				
Management, Dept. of				
Special Olympics Fund	\$ 50,000	\$ 100,000	\$ 100,000	\$ 0
Appeal Board Claims	6,872,577	3,000,000	3,000,000	0
Technology Reinvestment Fund Appropriation	0	0	17,500,000	17,500,000
Total Management, Dept. of	\$ 6,922,577	\$ 3,100,000	\$ 20,600,000	\$ 17,500,000
<u>Public Defense, Dept. of</u>				
Public Defense, Dept. of				
Compensation and Expense	\$ 435,135	\$ 344,644	\$ 344,644	\$ 0
Total Public Defense, Dept. of	\$ 435,135	\$ 344,644	\$ 344,644	\$ 0
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
DPS-POR Unfunded Liabilities Until 85 Percent	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0
Total Public Safety, Department of	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0
<u>Revenue, Dept. of</u>				
Revenue, Dept. of				
Ag Land Tax Credit - GF	\$ 39,100,000	\$ 39,100,000	\$ 39,100,000	\$ 0
Homestead Tax Credit Aid - GF	106,983,518	138,000,000	135,000,000	-3,000,000
Elderly & Disabled Tax Credit - GF	23,757,432	27,200,000	26,000,000	-1,200,000
Printing Cigarette Stamps	120,041	124,652	124,652	0
Tobacco Reporting Requirements	18,416	18,416	18,416	0
Military Service Tax Refunds	2,228,932	2,400,000	2,175,000	-225,000
Comm/Industrial Prop Tax Replacement	0	0	70,480,529	70,480,529
Business Property Tax Credit	0	0	50,000,000	50,000,000
Total Revenue, Dept. of	\$ 172,208,339	\$ 206,843,068	\$ 322,898,597	\$ 116,055,529
Total Unassigned Standings	\$ 2,943,746,878	\$ 2,990,704,077	\$ 3,282,656,368	\$ 291,952,291

Summary Data

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
Administration and Regulation	\$ 53,984,067	\$ 51,247,701	\$ 49,333,201	\$ -1,914,500
Agriculture and Natural Resources	82,089,582	88,484,573	88,234,573	-250,000
Economic Development	6,260,084	6,260,084	6,260,084	0
Education	0	66,000,000	66,000,000	0
Health and Human Services	368,087,688	389,940,923	293,575,912	-96,365,011
Justice System	14,034,171	14,035,596	14,035,596	0
Transportation, Infrastructure, and Capitals	551,528,837	513,579,274	512,377,084	-1,202,190
Unassigned Standings	<u>83,345,370</u>	<u>91,480,745</u>	<u>71,844,530</u>	<u>-19,636,215</u>
Grand Total	<u>\$ 1,159,329,799</u>	<u>\$ 1,221,028,896</u>	<u>\$ 1,101,660,980</u>	<u>\$ -119,367,916</u>

NOTE: The Legislative Services Agency publishes *Budget Unit Fiscal Topics* that discuss the purpose of particular appropriations and programs. If a publication is available, it has been hyperlinked in the title of the appropriation. The titles with underlines are linked.

Administration and Regulation

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
Commerce, Dept. of				
Banking Division				
Banking Division - CMRF	\$ 9,098,170	\$ 9,167,235	\$ 9,317,235	\$ 150,000
Credit Union Division				
Credit Union Division - CMRF	\$ 1,792,995	\$ 1,794,256	\$ 1,794,256	\$ 0
Insurance Division				
Insurance Division - CMRF	\$ 4,983,244	\$ 5,032,989	\$ 5,099,989	\$ 67,000
Utilities Division				
Utilities Division - CMRF	\$ 8,173,069	\$ 8,179,405	\$ 8,179,405	\$ 0
Professional Licensing and Reg.				
Field Auditor - Housing Impr. Fund	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0
Total Commerce, Dept. of	<u>\$ 24,109,795</u>	<u>\$ 24,236,202</u>	<u>\$ 24,453,202</u>	<u>\$ 217,000</u>
Inspections & Appeals, Dept. of				
Inspections and Appeals, Dept. of				
DIA - RUTF	\$ 1,623,897	\$ 1,623,897	\$ 1,623,897	\$ 0
Health Facilities - MFF	286,661	0	0	0
EBT Investigations - MFF	119,070	0	0	0
Dependent Adult - MFF	885,262	0	0	0
Boarding Homes - MFF	119,480	0	0	0
Dependent Adult Abuse - MFF	250,000	0	0	0
Assisted Living - MFF	1,339,527	0	0	0
Medicaid Fraud Annual Conference	0	6,500	0	-6,500
Total Inspections and Appeals, Dept. of	<u>\$ 4,623,897</u>	<u>\$ 1,630,397</u>	<u>\$ 1,623,897</u>	<u>\$ -6,500</u>
Racing Commission				
Pari-Mutuel Regulation Fund	\$ 3,062,765	\$ 3,068,492	\$ 3,068,492	\$ 0
Riverboat Regulation Fund	3,045,719	3,045,719	3,045,719	0
Socioeconomic Gambling Study	0	125,000	0	-125,000
Total Racing Commission	<u>\$ 6,108,484</u>	<u>\$ 6,239,211</u>	<u>\$ 6,114,211</u>	<u>\$ -125,000</u>
Total Inspections & Appeals, Dept. of	<u>\$ 10,732,381</u>	<u>\$ 7,869,608</u>	<u>\$ 7,738,108</u>	<u>\$ -131,500</u>
Management, Dept. of				
Management, Dept. of				
DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0
Total Management, Dept. of	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 0</u>

Administration and Regulation

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Revenue, Dept. of</u>				
Revenue, Dept. of				
Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0
Total Revenue, Dept. of	<u>\$ 1,305,775</u>	<u>\$ 1,305,775</u>	<u>\$ 1,305,775</u>	<u>\$ 0</u>
<u>Treasurer of State</u>				
Treasurer of State				
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0
Total Treasurer of State	<u>\$ 93,148</u>	<u>\$ 93,148</u>	<u>\$ 93,148</u>	<u>\$ 0</u>
<u>IPERS Administration</u>				
IPERS Administration				
IPERS Administration	\$ 17,686,968	\$ 17,686,968	\$ 15,686,968	\$ -2,000,000
Total IPERS Administration	<u>\$ 17,686,968</u>	<u>\$ 17,686,968</u>	<u>\$ 15,686,968</u>	<u>\$ -2,000,000</u>
Total Administration and Regulation	<u><u>\$ 53,984,067</u></u>	<u><u>\$ 51,247,701</u></u>	<u><u>\$ 49,333,201</u></u>	<u><u>\$ -1,914,500</u></u>

Agriculture and Natural Resources

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Agriculture and Land Stewardship</u>				
Agriculture and Land Stewardship				
Native Horse & Dog Prog - Unclaimed Winnings	\$ 305,516	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection - RFIF	500,000	500,000	500,000	0
Conservation Reserve Enhance - EFF	1,000,000	1,000,000	1,000,000	0
Watershed Protection Fund - EFF	900,000	900,000	900,000	0
Farm Management Demo - EFF	625,000	625,000	625,000	0
Agricultural Drainage Wells - EFF	550,000	0	550,000	550,000
Soil & Water Conservation - EFF	2,550,000	2,550,000	2,550,000	0
Conservation Reserve Prog - EFF	1,000,000	1,000,000	1,000,000	0
Cost Share - EFF	6,650,000	6,650,000	6,650,000	0
Fuel Inspection - UST	250,000	250,000	250,000	0
Agricultural Drainage Wells - RIIF	1,000,000	0	0	0
Total Agriculture and Land Stewardship	\$ 15,330,516	\$ 13,780,516	\$ 14,330,516	\$ 550,000
Loess Hills Dev. and Conservation				
Loess Hills - EFF	\$ 525,000	\$ 525,000	\$ 450,000	\$ -75,000
Total Agriculture and Land Stewardship	\$ 15,855,516	\$ 14,305,516	\$ 14,780,516	\$ 475,000

Agriculture and Natural Resources

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
Natural Resources, Dept. of				
Natural Resources				
Fish & Game- DNR Admin Expenses	\$ 41,078,234	\$ 41,223,225	\$ 41,223,225	\$ 0
GWF - Storage Tanks Study	100,303	100,303	100,303	0
GWF - Household Hazardous Waste	447,324	447,324	447,324	0
GWF - Well Testing Admin 2%	62,461	62,461	62,461	0
GWF - Groundwater Monitoring	1,686,751	1,686,751	1,686,751	0
GWF - Landfill Alternatives	618,993	618,993	618,993	0
GWF - Waste Reduction and Assistance	192,500	192,500	192,500	0
GWF - Solid Waste Authorization	50,000	50,000	50,000	0
GWF - Geographic Information System	297,500	297,500	297,500	0
Snowmobile Registration Fees	100,000	100,000	100,000	0
Administration Match - UST	200,000	200,000	200,000	0
Technical Tank Review - UST	200,000	200,000	200,000	0
GWF - Manure Applicator Education Program	0	250,000	0	-250,000
Volunteers and Keepers of Land - EFF	100,000	100,000	100,000	0
Park Operations & Maintenance - EFF	3,710,000	6,360,000	5,885,000	-475,000
GIS Information for Watershed - EFF	195,000	195,000	195,000	0
Water Quality Monitoring - EFF	2,955,000	2,955,000	2,955,000	0
Water Quality Protection - EFF	500,000	500,000	500,000	0
Animal Feeding Operations - EFF	620,000	1,320,000	1,320,000	0
Ambient Air Quality Monitoring - EFF	425,000	425,000	425,000	0
Water Quantity - EFF	495,000	495,000	495,000	0
Geological and Water Survey - EFF	200,000	200,000	200,000	0
REAP - EFF	12,000,000	16,000,000	16,000,000	0
Keep Iowa Beautiful - EFF	0	200,000	200,000	0
Total Natural Resources, Dept. of	\$ 66,234,066	\$ 74,179,057	\$ 73,454,057	\$ -725,000
Total Agriculture and Natural Resources	\$ 82,089,582	\$ 88,484,573	\$ 88,234,573	\$ -250,000

Economic Development

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Economic Development Authority</u>				
Economic Development Authority				
Workforce Development Fund - WDF	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0
Total Economic Development Authority	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 0</u>
<u>Iowa Workforce Development</u>				
Iowa Workforce Development				
Field Offices - Spec Cont Fund	\$ 1,627,084	\$ 1,766,084	\$ 1,627,084	\$ -139,000
Field Offices - UI Reserve Interest	633,000	494,000	633,000	139,000
Total Iowa Workforce Development	<u>\$ 2,260,084</u>	<u>\$ 2,260,084</u>	<u>\$ 2,260,084</u>	<u>\$ 0</u>
Total Economic Development	<u><u>\$ 6,260,084</u></u>	<u><u>\$ 6,260,084</u></u>	<u><u>\$ 6,260,084</u></u>	<u><u>\$ 0</u></u>

Education Other Funds

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>College Aid Commission</u>				
College Student Aid Comm.				
Skilled Workforce Shortage Grant - SWJCF	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0
Total College Aid Commission	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0
<u>Economic Development Authority</u>				
Economic Development Authority				
High Quality Jobs Program - SWJCF	\$ 0	\$ 16,900,000	\$ 16,900,000	\$ 0
Total Economic Development Authority	\$ 0	\$ 16,900,000	\$ 16,900,000	\$ 0
<u>Education, Dept. of</u>				
Education, Dept. of				
Workforce Training and Econ Dev Funds - SWJCF	\$ 0	\$ 15,300,000	\$ 15,100,000	\$ -200,000
Adult Literacy for the Workforce - SWJCF	0	5,500,000	5,500,000	0
PACE and Regional Sectors - SWJCF	0	5,000,000	5,000,000	0
Gap Tuition Assistance Fund - SWJCF	0	2,000,000	2,000,000	0
Workbased Lng Intermed Network - SWJCF	0	1,500,000	1,500,000	0
Workforce Preparation Outcome Reporting Sys.	0	0	200,000	200,000
Total Education, Dept. of	\$ 0	\$ 29,300,000	\$ 29,300,000	\$ 0
<u>Education Capital</u>				
Education Capital				
ACE Infrastructure - SWJCF	\$ 0	\$ 6,000,000	\$ 6,000,000	\$ 0
Total Education Capital	\$ 0	\$ 6,000,000	\$ 6,000,000	\$ 0
<u>Iowa Workforce Development</u>				
Iowa Workforce Development				
AMOS Mid-Iowa Organizing Strategy - SWJCF	\$ 0	\$ 100,000	\$ 100,000	\$ 0
Total Iowa Workforce Development	\$ 0	\$ 100,000	\$ 100,000	\$ 0
<u>Regents, Board of</u>				
Regents, Board of				
UI - Economic Development - SWJCF	\$ 0	\$ 209,279	\$ 209,279	\$ 0
UI - Entrepreneur and Econ Growth - SWJCF	0	2,000,000	2,000,000	0
ISU - Economic Development - SWJCF	0	2,424,302	2,424,302	0
UNI - Economic Development - SWJCF	0	1,066,419	1,066,419	0
Regents Innovation Fund - SWJCF	0	3,000,000	3,000,000	0
Total Regents, Board of	\$ 0	\$ 8,700,000	\$ 8,700,000	\$ 0
Total Education	\$ 0	\$ 66,000,000	\$ 66,000,000	\$ 0

Health and Human Services Other Funds

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
Human Services, Dept. of				
Assistance				
Medical Assistance - HCTF	\$ 106,046,400	\$ 224,446,400	\$ 221,790,000	\$ -2,656,400
Medical Contracts-Pharm Settlement - PhSA	4,805,804	6,650,000	5,467,564	-1,182,436
Broadlawns Hospital - ICA	71,000,000	35,500,000	0	-35,500,000
Regional Provider Network - ICA	4,986,366	2,993,183	0	-2,993,183
Nonparticipating Providers - NPPR	2,000,000	1,000,000	0	-1,000,000
Medical Information Hotline - HCTA	100,000	0	0	0
Health Partnership Activities - HCTA	600,000	0	0	0
Audits, Performance Eval., Studies - HCTA	125,000	0	0	0
IowaCare Admin. Costs - HCTA	1,132,412	0	0	0
Dental Home for Children - HCTA	1,000,000	0	0	0
MH/DD Workforce Development - HCTA	50,000	0	0	0
Medical Contracts - HCTA	2,400,000	0	0	0
Broadlawns Admin - HCTA	540,000	0	0	0
Medical Assistance - QATF	26,500,000	28,788,917	29,195,653	406,736
Medical Assistance - HHCAT	33,898,400	34,288,000	34,700,000	412,000
Nonparticipating Provider Reimb Fund - HHCAT	801,600	412,000	0	-412,000
Electronic Medical Records - HCTA	100,000	0	0	0
Medical Assistance - HCTA	8,360,000	0	0	0
IowaCare Fund - Admin	0	371,552	0	-371,552
Care Coordination - ICA	500,000	0	0	0
Lab Test & Radiology Pool - ICA	2,500,000	1,500,000	0	-1,500,000
Uniform Cost Report - HCTA	150,000	0	0	0
Health Care Access Council - HCTA	134,214	0	0	0
Accountable Care Pilot - HCTA	100,000	0	0	0
DPH Transfer e-Health - HCTA	363,987	0	0	0
DPH Transfer Medical Home - HCTA	233,357	0	0	0
Medicaid Supplemental - Medicaid Fraud	0	4,160,796	2,422,695	-1,738,101
Total Human Services, Dept. of	\$ 268,427,540	\$ 340,110,848	\$ 293,575,912	\$ -46,534,936
Regents, Board of				
Regents, Board of				
UI - UIHC IowaCares Program - ICA	\$ 27,284,584	\$ 13,642,292	\$ 0	\$ -13,642,292
UI - UIHC IowaCares Expansion Pop - ICA	52,569,199	26,284,600	0	-26,284,600
UI - UIHC IowaCares Physicians - ICA	19,806,365	9,903,183	0	-9,903,183
Total Regents, Board of	\$ 99,660,148	\$ 49,830,075	\$ 0	\$ -49,830,075
Total Health and Human Services	\$ 368,087,688	\$ 389,940,923	\$ 293,575,912	\$ -96,365,011

Justice System

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Justice, Department of</u>				
Consumer Advocate				
Consumer Advocate - CMRF	\$ 3,136,163	\$ 3,137,588	\$ 3,137,588	\$ 0
Total Justice, Department of	\$ 3,136,163	\$ 3,137,588	\$ 3,137,588	\$ 0
<u>Public Safety, Department of</u>				
Public Safety, Dept. of				
DPS Gaming Enforcement - GEF	\$ 10,898,008	\$ 10,898,008	\$ 10,898,008	\$ 0
Total Public Safety, Department of	\$ 10,898,008	\$ 10,898,008	\$ 10,898,008	\$ 0
Total Justice System	\$ 14,034,171	\$ 14,035,596	\$ 14,035,596	\$ 0

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>Administrative Services - Capitals</u>				
Administrative Services - Capitals				
DHS Toledo Palmer Cottage - RIIF	\$ 500,000	\$ 0	\$ 0	\$ 0
Major Maintenance - RIIF	10,250,000	3,800,000	21,000,000	17,200,000
Major Maintenance (CHIP) - RIIF	0	11,310,648	0	-11,310,648
Routine Maintenance - RIIF	0	0	2,000,000	2,000,000
Total Administrative Services - Capitals	\$ 10,750,000	\$ 15,110,648	\$ 23,000,000	\$ 7,889,352
<u>Corrections, Dept. of</u>				
Central Office				
Iowa Corrections Offender Network - TRF	\$ 500,000	\$ 0	\$ 0	\$ 0
Total Corrections, Dept. of	\$ 500,000	\$ 0	\$ 0	\$ 0
<u>Corrections Capital</u>				
Corrections Capital				
Radio Communications Upgrades - TRF	\$ 3,500,000	\$ 0	\$ 0	\$ 0
Newton Hot Water Loop Repair - RIIF	425,000	0	0	0
Fort Madison FFE and Construction Costs - RC2	2,000,000	0	0	0
Fort Madison Construction and FFE Costs - RIIF	16,269,124	3,000,000	0	-3,000,000
Construction Project Management - RIIF	1,000,000	200,000	0	-200,000
Mitchellville Construction and FFE Costs - RIIF	14,170,062	15,569,040	0	-15,569,040
Total Corrections Capital	\$ 37,364,186	\$ 18,769,040	\$ 0	\$ -18,769,040
<u>Cultural Affairs, Dept. of</u>				
Cultural Affairs, Dept. of				
Grout Museum District Oral History Exhibit - TRF	\$ 150,000	\$ 129,450	\$ 0	\$ -129,450
Great Places Infrastructure Grants - RIIF	1,000,000	1,000,000	1,000,000	0
Civil War Sesquicentennial - RIIF	1,450,000	1,000,000	0	-1,000,000
Total Cultural Affairs, Dept. of	\$ 2,600,000	\$ 2,129,450	\$ 1,000,000	\$ -1,129,450

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>Cultural Affairs Capital</u>				
Cultural Affairs Capital				
Historical Bldg Museum Repair/Renovation - RIIF	\$ 0	\$ 0	\$ 3,800,000	\$ 3,800,000
Total Cultural Affairs Capital	\$ 0	\$ 0	\$ 3,800,000	\$ 3,800,000
<u>Economic Development Authority</u>				
Economic Development Authority				
World Food Prize Borlaug/Ruan Scholar - RIIF	\$ 100,000	\$ 100,000	\$ 0	\$ -100,000
Community Attraction & Tourism Grants - RIIF	5,000,000	7,000,000	5,000,000	-2,000,000
Camp Sunnyside Cabins - RIIF	125,000	0	0	0
Regional Sports Authorities - RIIF	500,000	500,000	500,000	0
Fort Des Moines Museum Renovation - RIIF	100,000	0	0	0
High Quality Jobs Program - RIIF	15,000,000	0	0	0
Total Economic Development Authority	\$ 20,825,000	\$ 7,600,000	\$ 5,500,000	\$ -2,100,000
<u>Education, Dept. of</u>				
Education, Dept. of				
ICN Part III Leases & Maintenance - TRF	\$ 2,727,000	\$ 2,727,000	\$ 2,727,000	\$ 0
Statewide Ed Data Warehouse - TRF	600,000	600,000	600,000	0
State Library Computer Resources	0	250,000	0	-250,000
Prog and Common Course Numbering Mgmt Sys - TRF	0	0	150,000	150,000
Total Education, Dept. of	\$ 3,327,000	\$ 3,577,000	\$ 3,477,000	\$ -100,000
Iowa Public Television				
IPTV Equipment Replacement - TRF	\$ 0	\$ 960,000	\$ 1,000,000	\$ 40,000
Total Education, Dept. of	\$ 3,327,000	\$ 4,537,000	\$ 4,477,000	\$ -60,000
<u>Education Capital</u>				
Education Capital				
Comm College ACE Infrastructure - RIIF	\$ 6,000,000	\$ 0	\$ 0	\$ 0
IPTV - Inductive Output Tubes - TRF	320,000	0	0	0
Community Colleges Maint/Bldg Ops - MSSF	5,000,000	0	0	0
Total Education Capital	\$ 11,320,000	\$ 0	\$ 0	\$ 0

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>Human Rights, Dept. of</u>				
Human Rights, Department of				
Criminal Justice Info System (CJIS) - TRF	\$ 1,714,307	\$ 1,454,734	\$ 1,300,000	\$ -154,734
Justice Data Warehouse - TRF	0	0	314,474	314,474
Total Human Rights, Dept. of	\$ 1,714,307	\$ 1,454,734	\$ 1,614,474	\$ 159,740
<u>Human Services, Dept. of</u>				
Assistance				
Broadlawns-Construction & Expansion - RIF	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
Total Human Services, Dept. of	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000
<u>Human Services Capital</u>				
Human Services - Capital				
Nursing Facility Improvements - RIF	\$ 250,000	\$ 0	\$ 0	\$ 0
Medicaid Technology - TRF	4,120,037	3,415,163	3,345,684	-69,479
Homestead Autism Clinics Technology - TRF	0	154,156	0	-154,156
Total Human Services Capital	\$ 4,370,037	\$ 3,569,319	\$ 3,345,684	\$ -223,635
<u>Iowa Tele & Tech Commission</u>				
Iowa Communications Network				
ICN Equipment Replacement - TRF	\$ 2,198,653	\$ 2,248,653	\$ 2,245,653	\$ -3,000
Total Iowa Tele & Tech Commission	\$ 2,198,653	\$ 2,248,653	\$ 2,245,653	\$ -3,000
<u>Iowa Finance Authority</u>				
Iowa Finance Authority				
State Housing Trust Fund - RIF	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
Total Iowa Finance Authority	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 0
<u>Judicial Branch</u>				
Judicial Branch				
Electronic Document Mgmt System - TRF	\$ 1,000,000	\$ 0	\$ 0	\$ 0
Total Judicial Branch	\$ 1,000,000	\$ 0	\$ 0	\$ 0

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>Management, Dept. of</u>				
Management, Dept. of				
Searchable Online Databases - TRF	\$ 45,000	\$ 45,000	\$ 0	\$ -45,000
Iowa Grants Mgmt Implementation - TRF	125,000	0	100,000	100,000
Total Management, Dept. of	\$ 170,000	\$ 45,000	\$ 100,000	\$ 55,000
<u>Natural Resources, Dept. of</u>				
Natural Resources				
Water Trails Low Head Dam Prog - RIIF	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
Iowa Park Foundation - RIIF	0	0	2,000,000	2,000,000
Good Earth Park - RIIF	0	0	2,000,000	2,000,000
Total Natural Resources, Dept. of	\$ 0	\$ 1,000,000	\$ 5,000,000	\$ 4,000,000
<u>Natural Resources Capital</u>				
Natural Resources Capital				
State Park Infrastructure - RIIF	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0
Lakes Restoration & Water Quality - RIIF	6,000,000	8,600,000	8,600,000	0
Lake Delhi Improvements - RIIF	2,500,000	2,500,000	0	-2,500,000
Water Trails & Low Head Dam - RIIF	1,000,000	0	0	0
Total Natural Resources Capital	\$ 14,500,000	\$ 16,100,000	\$ 13,600,000	\$ -2,500,000
<u>Public Defense Capital</u>				
Public Defense Capital				
Facility/Armory Maintenance - RIIF	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0
Gold Star Museum Upgrades - RIIF	0	0	250,000	250,000
Statewide Modernization Readiness Ctrs - RIIF	2,050,000	2,000,000	2,000,000	0
Camp Dodge Infrastructure Upgrades - RIIF	610,000	500,000	0	-500,000
Joint Forces HQ Renovation - RIIF	500,000	0	0	0
Total Public Defense Capital	\$ 5,160,000	\$ 4,500,000	\$ 4,250,000	\$ -250,000
<u>Public Health, Dept. of</u>				
Public Health, Dept. of				
Technology Consolidation - TRF	\$ 0	\$ 480,000	\$ 0	\$ -480,000
EMS Data System - TRF	0	0	150,000	150,000
Total Public Health, Dept. of	\$ 0	\$ 480,000	\$ 150,000	\$ -330,000

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2013 (1)	Estimated FY 2014 (2)	Gov Rec FY 2015 (3)	Gov Rec vs FY 2014 (4)
<u>Public Safety Capital</u>				
Public Safety Capital				
Radio Communication Upgrades Mandate - TRF	\$ 2,500,000	\$ 2,500,000	\$ 0	\$ -2,500,000
Critical Comm. Tower Repair/Repl - TRF	0	0	275,000	275,000
Total Public Safety Capital	\$ 2,500,000	\$ 2,500,000	\$ 275,000	\$ -2,225,000
<u>Regents, Board of</u>				
Regents, Board of				
Regents Tuition Replacement - RIIF	\$ 25,130,412	\$ 27,867,775	\$ 29,735,423	\$ 1,867,648
Total Regents, Board of	\$ 25,130,412	\$ 27,867,775	\$ 29,735,423	\$ 1,867,648
<u>Regents Capital</u>				
Regents Capital				
Fire Safety and Deferred Maint All Institut - RIIF	\$ 2,000,000	\$ 0	\$ 0	\$ 0
ISU - Ag/Biosystems Engineering - RIIF	19,050,000	21,750,000	18,600,000	-3,150,000
ISU Research Park Bldg 5 Improvements - RIIF	1,000,000	0	0	0
ISU - Biosciences Building - RIIF	0	0	2,000,000	2,000,000
UI - Dental Science Building - RIIF	10,250,000	9,750,000	8,000,000	-1,750,000
UI - Pharmacy Building Renovation - RIIF	0	0	2,000,000	2,000,000
UNI - Bartlett Hall - RIIF	7,786,000	10,267,000	1,947,000	-8,320,000
UNI - Schindler Ed Center Renovation - RIIF	0	0	2,000,000	2,000,000
Innovation/Commerc of Research - RIIF	3,000,000	0	0	0
Total Regents Capital	\$ 43,086,000	\$ 41,767,000	\$ 34,547,000	\$ -7,220,000
<u>State Fair Authority Capital</u>				
State Fair Authority Capital				
Cultural Center Renovation - RIIF	\$ 250,000	\$ 0	\$ 0	\$ 0
Youth Inn Renovation & Impr - RIIF	0	0	1,500,000	1,500,000
Total State Fair Authority Capital	\$ 250,000	\$ 0	\$ 1,500,000	\$ 1,500,000

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
Transportation, Dept. of				
Transportation, Dept. of				
Recreational Trails Grants - RIIF	\$ 3,000,000	\$ 3,000,000	\$ 2,500,000	\$ -500,000
Public Transit Infra Grants - RIIF	1,500,000	1,500,000	1,500,000	0
Commercial Aviation Infra Grants - RIIF	1,500,000	1,500,000	1,500,000	0
General Aviation Infra Grants - RIIF	750,000	750,000	750,000	0
Railroad Revolving Loan & Grant - RIIF	1,500,000	0	2,000,000	2,000,000
RUTF - Drivers' Licenses	3,876,000	3,876,000	3,876,000	0
RUTF - Operations	6,570,000	6,384,960	6,384,960	0
RUTF - Planning & Programming	458,000	414,000	414,000	0
RUTF - Motor Vehicle	33,921,000	33,921,000	34,616,659	695,659
RUTF - Performance and Technology	0	460,040	460,040	0
RUTF - DAS Personnel & Utility Services	228,000	215,000	235,125	20,125
RUTF - Unemployment Compensation	7,000	7,000	7,000	0
RUTF - Workers' Compensation	121,000	114,000	114,000	0
RUTF - Indirect Cost Recoveries	78,000	78,000	78,000	0
RUTF - Auditor Reimbursement	67,319	67,319	67,319	0
RUTF - County Treasurers Support	1,406,000	1,406,000	1,406,000	0
RUTF - Road/Weather Conditions Info	100,000	100,000	100,000	0
RUTF - Mississippi River Park. Comm.	40,000	40,000	40,000	0
PRF - Operations	40,607,023	39,225,906	39,225,906	0
PRF - Planning & Programming	8,697,095	7,865,454	7,865,454	0
PRF - Highway	232,672,498	232,031,295	235,717,855	3,686,560
PRF - Motor Vehicle	1,413,540	1,413,540	1,460,575	47,035
PRF - Performance and Technology	0	2,825,960	2,825,960	0
PRF - DAS Personnel & Utility Services	1,404,000	1,321,000	1,444,627	123,627
PRF - DOT Unemployment	138,000	138,000	138,000	0
PRF - DOT Workers' Compensation	2,889,000	2,743,000	2,743,000	0
PRF - Garage Fuel & Waste Mgmt.	800,000	800,000	800,000	0
PRF - Indirect Cost Recoveries	572,000	572,000	572,000	0
PRF - Auditor Reimbursement	415,181	415,181	415,181	0
PRF - Transportation Maps	80,667	160,000	242,000	82,000
PRF - Inventory & Equip.	5,366,000	5,366,000	5,366,000	0
PRF - Field Facility Deferred Maint.	1,000,000	1,500,000	1,700,000	200,000
Total Transportation, Dept. of	\$ 351,177,323	\$ 350,210,655	\$ 356,565,661	\$ 6,355,006

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Transportation Capitals</u>				
Transportation Capital				
RUTF - Scale/MVD Facilities Maint.	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0
RUTF - Scale Replacement	350,000	280,000	0	-280,000
PRF - Utility Improvements	400,000	400,000	400,000	0
PRF - Garage Roofing Projects	200,000	500,000	500,000	0
PRF - HVAC Improvements	200,000	500,000	700,000	200,000
PRF - Waste Water Treatment	1,000,000	1,000,000	1,000,000	0
PRF - New Hampton Garage	5,200,000	0	0	0
PRF - Mason City Combined Facility	0	6,500,000	0	-6,500,000
PRF - Des Moines North Garage	0	0	6,353,000	6,353,000
PRF - Traffic Operations Center	0	0	730,000	730,000
Total Transportation Capitals	\$ 7,550,000	\$ 9,380,000	\$ 9,883,000	\$ 503,000
<u>Treasurer of State</u>				
Treasurer of State				
Watershed Improvement Fund - RIIF	\$ 1,000,000	\$ 0	\$ 0	\$ 0
County Fair Improvements-RIIF	1,060,000	1,060,000	1,060,000	0
Total Treasurer of State	\$ 2,060,000	\$ 1,060,000	\$ 1,060,000	\$ 0
<u>Veterans Affairs, Dept. of</u>				
Veterans Affairs, Department of				
DVA Fire/Energy/ADA Improvements - RIIF	\$ 0	\$ 250,000	\$ 0	\$ -250,000
Total Veterans Affairs, Dept. of	\$ 0	\$ 250,000	\$ 0	\$ -250,000
<u>Veterans Affairs Capitals</u>				
Veterans Affairs Capital				
IVH Generator Emissions and Trans Bldg - RIIF	\$ 975,919	\$ 0	\$ 0	\$ 0
Total Veterans Affairs Capitals	\$ 975,919	\$ 0	\$ 0	\$ 0

Transportation, Infrastructure, and Capitals

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Chief Information Officer, Office of the</u>				
Chief Information Officer, Office of the				
IT Consolidation - TRF	\$ 0	\$ 0	\$ 6,228,189	\$ 6,228,189
Total Chief Information Officer, Office of the	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,228,189</u>	<u>\$ 6,228,189</u>
Total Transportation, Infrastructure, and Capitals	<u>\$ 551,528,837</u>	<u>\$ 513,579,274</u>	<u>\$ 512,377,084</u>	<u>\$ -1,202,190</u>

Unassigned Standings

Other Funds

	Actual FY 2013 <u>(1)</u>	Estimated FY 2014 <u>(2)</u>	Gov Rec FY 2015 <u>(3)</u>	Gov Rec vs FY 2014 <u>(4)</u>
<u>Economic Development Authority</u>				
Economic Development Authority				
Endow Iowa Admin - County Endw Fund	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0
Total Economic Development Authority	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0
<u>Executive Council</u>				
Executive Council				
Performance of Duty - EEF	\$ 26,150,370	\$ 33,975,745	\$ 28,649,530	\$ -5,326,215
Total Executive Council	\$ 26,150,370	\$ 33,975,745	\$ 28,649,530	\$ -5,326,215
<u>Management, Dept. of</u>				
Management, Dept. of				
Environment First Fund - RIIF	\$ 35,000,000	\$ 42,000,000	\$ 42,000,000	\$ 0
Technology Reinvestment Fund - RIIF	0	14,310,000	0	-14,310,000
Transfer from MSSF to RIIF	1,000,000	0	0	0
Transfer from EEF to RIIF	20,000,000	0	0	0
Total Management, Dept. of	\$ 56,000,000	\$ 56,310,000	\$ 42,000,000	\$ -14,310,000
<u>Regents, Board of</u>				
Regents, Board of				
ISU - Midwest Grape & Wine Industry - WGTF	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
Total Regents, Board of	\$ 250,000	\$ 250,000	\$ 250,000	\$ 0
<u>Transportation, Dept. of</u>				
Transportation, Dept. of				
RUTF - Personal Delivery of Services	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0
RUTF - County Treasurer Equipment Standing	650,000	650,000	650,000	0
Total Transportation, Dept. of	\$ 875,000	\$ 875,000	\$ 875,000	\$ 0
Total Unassigned Standings	\$ 83,345,370	\$ 91,480,745	\$ 71,844,530	\$ -19,636,215



Appendix B - Projected FY 2015 Built-In and Anticipated General Fund Expenditure Increases and Decreases

Fiscal Staff: Dave Reynolds

Analysis of Department Budget Requests

The built-in and anticipated expenditure estimates are used to help determine the projected condition of the General Fund budget for the next fiscal year. This budget projection is intended to provide a starting point for the General Assembly to begin making budget decisions during the next legislative session. The estimates reflect the incremental increases over the previous fiscal year enacted appropriations. The estimates are divided into two categories: built-in expenditures and anticipated expenditures.

Built-in Expenditures

A built-in expenditure is a projected change, compared to the previous year's enacted appropriation that is associated with a standing appropriation established by statute, an entitlement program, or a multiyear appropriation set by statute. Legislative action is required to change or notwithstanding the standing appropriation provisions of the Iowa Code.

Anticipated Expenditures

An anticipated expenditure is a projected increase associated with a cost that a State agency or program will incur in the next budget year, and will likely require additional appropriated funds to cover the increased cost. An anticipated expenditure can also include funds that are needed to replace one-time or time-limited appropriations used in the prior fiscal year to fund a recurring program cost to maintain funding at the prior year level.

FY 2015 Built-in and Anticipated Expenditure Estimates

For FY 2015, the LSA is projecting \$301.0 million in total built-in and anticipated expenditure increases. The FY 2015 projection includes: \$223.8 million in General Fund built-in increases and \$77.2 million in anticipated expenditure increases. The following tables provide an itemized list of the FY 2015 estimates. Additional detail for each of the estimates is also provided. The LSA will continue to monitor the estimated changes to State programs throughout the 2014 Legislative Session to refine the impact on the FY 2015 budget.

Staff Contact: Dave Reynolds (515-281-6934) dave.reynolds@legis.iowa.gov

State of Iowa		
FY 2015 General Fund Built-in and Anticipated Expenditures		
(Dollars in Millions)		
	LSA Estimate	Percent of Total
<u>Built-in Expenditures</u>		
1. Human Services - Medical Assistance	\$ 139.1	46.2%
2. Education - Education Reform (non-School Aid)	60.0	19.9%
3. Human Services - hawk-i	18.0	6.0%
4. Education - K-12 School Foundation Aid	5.4	1.8%
5. College Aid - College Work Study Standing	2.8	0.9%
6. College Aid - Iowa Tuition Grant (for profit) Standing	-0.5	-0.2%
7. College Aid - Iowa Tuition Grant (nonprofit) Standing	-1.0	-0.3%
Subtotal	\$ 223.8	74.4%
<u>Anticipated Expenditure</u>		
8. State Employee Salary Adjustment	\$ 33.7	11.2%
9. Human Services - Mental Health Levy Equalization	29.8	9.9%
10. Corrections - Staff Additional Prison Beds at Mitchellville	9.2	3.1%
11. Corrections - Staff Additional Prison Beds at Ft. Madison	3.7	1.2%
12. Public Safety - Peace Officer Retirement	0.9	0.3%
13. Human Services - Civil Commitment Unit for Sex Offenders	0.5	0.2%
14. Corrections - Elimination of One-time Costs	-0.6	-0.2%
Subtotal	\$ 77.2	25.6%
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 301.0	100.0%

FY 2015 ESTIMATED GENERAL FUND EXPENDITURES

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 15 Change (4)
<p>1. Human Services – Medical Assistance <i>Standing Unlimited Appropriation</i></p>	<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.</p> <p>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 that qualify for federal matching funds. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.</p>	<ul style="list-style-type: none"> • An increase of \$80.7 million to offset the decline in the FMAP rate. • An increase of \$34.0 million to replace the previous year’s estimated shortfall. • An increase of \$26.5 million due to various revenue changes, including replacing one-time funds. • An increase of \$22.2 million to due to the “woodwork effect” from the federal Affordable Care Act. • An increase of \$21.9 million to fund various increases in utilization and enrollment and other Program changes. • A decrease of \$8.9 million due the reversion of funds the Governor vetoed. • A decrease of \$9.1 million due to savings from the implementation of Health Homes. • A decrease of \$11.9 due to an elimination of a transfer to the IowaCare Program. • A decrease of \$16.3 million due to annualization of enrollment savings related to changes in enrollment categories. 	<p>\$139.1</p>

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 15 Change (4)
2. Education – Education Reform (Non-School Aid)	House File 215 (Education Reform Appropriations Act), passed during the 2013 Legislative Session, created two new allocations, intended to begin in FY 2015 under the Student Achievement/Teacher Quality (SATQ) General Fund appropriation. The SATQ appropriation is appropriated through the Education Appropriations Subcommittee.	<p>The first new allocation under the SATQ appropriation is for teacher leadership supplemental aid. The \$50.0 million allocation in FY 2015, FY 2016, and FY 2017 is for payments to school districts to implement career paths, leadership roles, and a compensation framework for teachers.</p> <p>The second allocation under the SATQ appropriation is the high-need school supplemental assistance. The State funding allows school districts to develop extended learning time programs, hire instructional support staff, provide additional professional development, or supplement the salary of teachers in schools identified as high-need schools by the Department of Education. The \$10.0 million allocation begins in FY 2015, and continues indefinitely.</p>	\$60.0

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 15 Change (4)
3. Human Services – hawk-i <i>Appropriation</i>	Hawk-i is a state/federal program that provides medical and dental insurance to eligible recipients with incomes between 133.0% and 300.0% of the federal poverty level. The program receives a 72.0% federal match.	The increase include the following: <ul style="list-style-type: none"> • An increase of \$3.8 million due to program growth. • An increase of \$3.0 million to replace one-time revenue from the hawk-i Trust Fund. • An increase of \$2.2 million to offset the decline in the FMAP rate. • An increase of \$9.0 million due to the “woodwork effect” and individuals shifting coverage to hawk-i in response to the federal Affordable Care Act. 	\$18.0
4. Education – K-12 School Foundation Aid <i>Standing Unlimited Appropriation</i>	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 the majority of school district budgets. The State percent of growth for regular school aid and the State categorical supplements were set at 4.0% for FY 2015.	<ul style="list-style-type: none"> • An increase in statewide taxable valuations of 3.0%. • Total State aid is estimated at \$2,895.4 million. This includes the State General Fund poriton of \$2,887.2 million. • The estimated State aid increase over the FY 2014 State aid amount is \$169.8 million. 	\$5.4
5. College Aid – College Work Study Standing <i>Standing Limited Appropriation</i>	Iowa Code Section 261.85 provides a standing appropriation of \$2.8 million for the College Work Study Program. The Program provides funding to colleges and universities to supplement federal work-study funds. The State funding does not serve as a match for the federal funds.	<ul style="list-style-type: none"> • This Program was not funded in FY 2014. • The estimate returns the appropriation to the statutory level of \$2.8 million 	\$2.8

Built-in Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 15 Change (4)
6. College Aid – Iowa Tuition Grant (for profit) Standing <i>Standing Limited Appropriation</i>	Iowa Code section 261.25(2) provides a standing appropriation of \$2.0 million for tuition grants for students attending three for-profit accredited private institutions. Beginning in FY 2015, Ashford University students will no longer qualify for this grant due to a change in accreditation.	<ul style="list-style-type: none"> For FY 2014, the standing appropriation was notwithstanding and \$2.5 million was appropriated. The estimate returns the appropriation to the statutory level of \$2.0 million. 	\$ -0.5
7. College Aid – Iowa Tuition Grant (nonprofit) Standing <i>Standing Limited Appropriation</i>	Iowa Code section 261.25(1) provides a standing appropriation of \$45.5 million for tuition grants for students attending nonprofit accredited private institutions.	<ul style="list-style-type: none"> For FY 2014, the standing appropriation was notwithstanding and \$46.5 million was appropriated in HF 604 (Education Appropriations Act). The estimate returns the appropriation to the statutory level of \$45.5 million. 	\$ -1.0

FY 2015 ESTIMATED GENERAL FUND EXPENDITURES

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 15 Change (4)
8. State Employee Salary Adjustment <i>Appropriation</i>	Estimated funding needs for State employee salary increases resulting from negotiated collective bargaining agreements.	<ul style="list-style-type: none"> The estimate includes \$9.0 million for Regents institutions and \$24.7 million for all other State agencies. The estimate includes estimated changes for annualization, merit increases within pay grades, across-the-board increases, and changes in the cost of benefits. 	\$33.7
9. Human Services – Mental Health Levy Equalization <i>Appropriation</i>	Provides appropriations to counties for non-Medicaid mental health expenditures. The funds will be distributed so that all counties will have \$47.28 per capita.	<ul style="list-style-type: none"> This is the amount necessary to provide counties with the same base revenue amount of \$47.28 per capita, when combined with the current property tax level. 	\$29.8

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 15 Change (4)
10. Corrections – Staff Additional Prison Beds at Mitchellville <i>Appropriation</i>	The Department of Corrections (DOC) received funds for the construction, demolition, and renovation of facilities at Mitchellville from FY 2009 through FY 2014. Construction is planned for completion in the Spring of 2015.	<ul style="list-style-type: none"> • The DOC estimates it will cost a total of \$14.5 million in FY 2014 and FY 2015 to open and operate all new buildings at Mitchellville. The DOC received \$5.3 million in FY 2014 to operate new beds at Mitchellville. The DOC estimates an additional \$9.2 million is needed to staff the long-term care, assisted living, and hospice units. • The \$9.2 million estimate includes medical personnel, security staff, and treatment staff (counselors, social workers, chaplain, and workforce coordinators) designed to address women’s issues in order to reduce the recidivism rate. • The DOC could continue to use existing space at Oakdale to meet the medical needs of women offenders. 	\$9.2
11. Corrections – Staff Additional Prison Beds at Ft. Madison <i>Appropriation</i>	In FY 2009, the State funded the construction of a new 800-bed prison in Fort Madison that will be operational in FY 2014.	<ul style="list-style-type: none"> • The DOC estimates it will cost \$3.7 million to staff approximately 200 to 220 beds at the new Fort Madison prison in FY 2015. The funds are not currently in the Department budget. 	\$3.7

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	FY 15 Change (4)
12. Public Safety – Peace Officer Retirement <i>Appropriation</i>	For FY 2015, the State contribution rate for the Peace Officer Retirement (POR) Fund will increase from 29.0% to 31.0%. These increases are funded through the Salary Adjustment Act. In years when there has been no salary adjustment appropriation, the Department has had to fund the cost increase within the operating budget. The increase is approximately \$900,000.	<ul style="list-style-type: none"> The POR System contribution rates are set in statute. Effective July 1, 2014 (FY 2015), the State contribution will be 31.0%, an increase of 2.0% compared to the previous year, and the member contribution rate will be 11.35%, an increase of 0.5% compared to the previous year. 	\$0.9
13. Human Services – Civil Commitment Unit for Sex Offenders <i>Appropriation</i>	The Civil Commitment Unit for Sexual Offenders (CCUSO) at Cherokee provides secure, long-term, highly-structured treatment for violent sexual predators that have completed their prison sentence and were found likely to reoffend in a separate civil trial.	<ul style="list-style-type: none"> The additional funds are needed to annualize the cost of eight additional offenders in FY 2014 and five new offenders in FY 2015. The Department of Human Services may not deny a court-ordered admission to the facility. 	\$0.5
14. Corrections – Elimination of One-time Costs <i>Appropriation</i>	The FY 2014 DOC budget includes \$641,000 in one-time costs associated with opening new beds. These include: \$500,000 at Fort Madison associated with improvements to an 80-bed bunk house at the new prison; and \$141,000 for the Eighth Community-Based Corrections (CBC) at the Ottumwa facility.	<ul style="list-style-type: none"> The one-time funding currently in the FY 2014 Department budget will not be needed in FY 2015. 	\$ -0.6



Appendix C – Interim Committee Summary

Fiscal Staff: Mary Shipman

Analysis of Governor’s Budget

COMMITTEE NAME	CHARGE
Mental Health and Disability Services Redesign Fiscal Viability Study Committee	<p>CHARGE: Monitor the implementation of the mental health and disability services redesign and receive reports from stakeholder groups engaged in implementation of the redesign. The Study Committee shall propose a permanent approach for state, county, and regional financing of the redesign and identify potential cost savings and service improvements that may be realized by working with community-based corrections services and other programs and services that address common needs or populations. The Study Committee shall also study the provisions for implementing mental health and disability service Medicaid offset amounts and repayments by counties relating to the Iowa Health and Wellness Plan. The Study Committee shall consider the potential effects of the repayment provisions on the ability of the mental health and disability service regions to adequately fund the initial core services and additional core services and to make recommendations to address funding insufficiencies. The Committee met October 22, 2013, and December 17, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=357</p>
Elder Abuse Prevention and Intervention Study Committee	<p>CHARGE: Monitor the progress of, and provide direction to, the Task Force on Elder Abuse Prevention and Intervention created pursuant to 2012 Iowa Acts, chapter 1056, and continued pursuant to 2013 Iowa Acts, SF 446, §50. The Study Committee shall review the task force progress report and approve the final report of the task force and shall submit the committee recommendations and a final report to the General Assembly following completion of the committee work. The Committee met November 14, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19052</p>
Medical Malpractice Study Committee	<p>CHARGE: Study current standards and potential options for the submission of certificate-of-merit affidavits by plaintiffs and defendants in medical malpractice actions and limitations on the number of expert witnesses that may be called by both plaintiffs and defendants involving health care providers. No meeting scheduled.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19053</p>
All-terrain and Off-road Utility Vehicle Study Committee	<p>CHARGE: Collect information from stakeholders and make recommendations to the General Assembly concerning the use of all-terrain and off-road utility vehicles. The Committee met October 28, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19054</p>

Iowa Rivers and Waterways Study Committee	<p>CHARGE: Consult with interested parties in considering options for restoring the quality of Iowa’s rivers and waterways. Interested parties may include engineers, local watershed partnerships, persons who farm near rivers and waterways, anglers, boaters, and other interested parties. Develop recommendations for an initial plan to prioritize river and waterway projects and provide defined goals and measurable improvements. The Committee met December 10, 2013, and is scheduled to meet January 16, 2014.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19055</p>
Administrative Costs in Higher Education Study Committee	<p>CHARGE: Examine administrative costs at higher education institutions and the impact of these costs on Iowa students and their families. The Committee shall compare the growth in administrative costs and instructional costs at Regents institutions, community colleges, private colleges, and for-profit colleges. The Committee shall identify fragmentation, overlap, or duplication of administrative services on a campus-wide and system-wide basis, and look for ways to reduce the financial impact on students and their families. The Committee shall also examine the manner in which fee rates charged to students are established. The Committee met November 5, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19056</p>
Iowa Skilled Worker and Job Creation Fund Study Committee	<p>CHARGE: Examine the planning and implementation of programs and appropriations made from the Iowa Skilled Worker and Job Creation Fund. The Committee shall hear from relevant agencies that are charged with running each program and fund. The Committee shall examine the goals of each agency with special emphasis on current Iowa Code language and legislation approved during the 2013 Legislative Session pertaining to metrics, reporting, and goals. All recommendations from the Committee shall be reported to the Economic Development and Education Appropriations subcommittees. The Committee met on October 19, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19057</p>
Emergency Medical Services Study Committee	<p>CHARGE: Research the current status of Iowa’s emergency medical services (EMS) and make recommendations to ensure the future availability of EMS statewide. Consult with stakeholders in conducting the study. The Committee met October 6, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19058</p>
Stray Electric Current and Agriculture Study Committee	<p>CHARGE: Study the issues associated with claims that stray electric current or voltage is affecting dairy cattle milk production. Work with stakeholders in considering options to address the issues and make recommendations to resolve the issues. The Committee met October 28, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19059</p>

Integrated Health Care Models and Multi-payer Delivery Systems Study Committee	<p>CHARGE: Review and make recommendations for the formation and operation of integrated care models in Iowa; review integrated care models adopted in other states that integrate both clinical services and nonclinical community and social supports utilizing patient-centered medical homes and community care teams; recommend the best means of incorporating into integrated care models nonprofit and public providers that care for vulnerable populations; review and make recommendations regarding development and implementation of a statewide medical home infrastructure to act as the foundation for integrated care models; review opportunities under the federal Affordable Care Act for development of integrated care models; address consumer protection, governance, performance standards, data reporting, health information exchange, patient attribution, and regulation issues relative to integrated care models; and perform other duties specified in the legislation. In addition serve as a legislative advisory council on multipayer health care delivery systems to guide the development by the Department of Human Services of Iowa design model and implementation plan for the State Innovation Models Initiative Grant awarded by the Centers for Medicare and Medicaid of the United States Department of Health and Human Services. The Study Committee may request that legislative leaders authorize supplementing the Study Committee membership to ensure there is a comprehensive review process and adequate stakeholder participation. The Committee met November 19, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&session=2&groupID=19051</p>
Legislative Fiscal Committee	<p>CHARGE: Direct the administration of performance audits and visitations. Study the operation of state government and make recommendations regarding reorganization to the General Assembly. Conduct studies as assigned by the Legislative Council. (Iowa Code §§2.45(2), 2.46)</p> <p>The Committee met September 12, 2013, November 7, 2013, and December 12, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&groupID=704</p>
State Government Efficiency Review Committee	<p>CHARGE: The Committee is required to meet, as directed by the Legislative Council, every two years to review state government organization and efficiency options and receive state government efficiency suggestions offered by the public and public employees.</p> <p>The Committee met October 9, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?endYear=2014&groupID=578</p>
Public Retirement Systems Committee	<p>CHARGE: In accordance with Iowa Code §97D.4, review and evaluate all public retirement systems in place in Iowa, including the Iowa Public Employees' Retirement System (IPERS), the Municipal Fire and Police Retirement System of Iowa (Iowa Code chapter 411), the Department of Public Safety Peace Officers' Retirement System (PORS), and the Judicial Retirement System. The Committee met October 23, 2013, and December 11, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?endYear=2014&groupID=655</p>

Legislative Tax Expenditure Committee	<p>CHARGE: The Committee is created as a permanent body under the Legislative Council. Duties include approving annual estimates of the cost of tax expenditures by December 15 each year, and performing a scheduled review of specified tax credits so that each credit is reviewed at least every five years. The first scheduled review was held in 2011. The second scheduled review, in 2013, the Committee will review the child and dependent care and early childhood development tax credits, the endow Iowa tax credits, the redevelopment tax credits under Iowa Code §15.293A, the disaster recovery housing tax credits, and property tax revenue divisions for urban renewal areas. (Iowa Code §2.48)</p> <p>The Committee met December 4, 2013.</p> <p>Website: https://www.legis.iowa.gov/committees/committee?ga=85&groupID=594</p>
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Issue Reviews:

Contracting for Services by State Agencies	12/20/2013
Cost-Benefit Analysis of Drug Courts	12/20/2013
Financial Analysis of Farmland Owned by the Departments of Corrections and Human Services	12/13/2013
State School Aid Funding for Special Education	12/12/2013
State of Iowa General Fund Budget Projection	12/06/2013
Overview of Iowa Public Pension Systems	12/06/2013
School Finance Formula - Aid and Levy Worksheet	12/12/2013
Emergency Medical Services	12/11/2013
Iowa Property Tax and Local Government Finance Trends	12/11/2013
Leopold Center for Sustainable Agriculture	11/14/2013
Federal Funds Reduction for Criminal Intelligence Information	10/17/2013
Peace Officers Retirement, Accident, and Disability System and Municipal Fire and Police Retirement System	9/30/2013
Iowa Battle Flag Collection	9/5/2013

Fiscal Topics:

Air Contaminant Source Fund	01/10/2014
Iowa Income Tax	01/10/2014
Enhanced 911 Communications Wireline and Wireless Funding	01/10/2014
Community Colleges: State Funding	01/09/2014
Marine Fuel Tax	01/09/2014
Environment First Fund	01/07/2014
Department of Public Health: Iowa Statewide Poison Control Center	11/21/2013
Tax Increment Financing - Sales Tax	11/20/2013

Resource Enhancement and Protection Fund	11/12/2013
Cigarette and Tobacco Tax Revenue	11/5/2013
Railroad Revolving Loan and Grant Program	11/5/2013
Electronic Document Management System (EDMS)	11/4/2013
Glossary of Actuarial Terms	10/23/2013
Peace Officers Retirement System - Escalation of Benefits	10/21/2013
School District Reorganization Incentives	10/14/2013
Department of Public Safety Academy	9/13/2013
Alcoholic Beverage Control	9/10/2013
FY 2013 State Gaming Revenues	9/9/2013
Postsecondary School Registration in Iowa	9/9/2013
2013 Performance of Duty	9/5/2013
IPERS Retirement Dividend Payments	9/5/2013
Crime Victim Compensation Program	8/29/2013
Iowa's Victim Information and Notification Everyday System	8/29/2013
Crime Victim Assistance Division	8/29/2013
Department of Public Safety - Temporary Incapacity for Peace Officers	8/27/2013
Jury Trials	8/14/2013
School District Cash Reserve Levy	8/14/2013
School Aid - Additional Levy Components	8/13/2013
Judgeships	8/8/2013
Board of Regents: State Funding	8/7/2013
Community College Revenue	8/7/2013
Community College Property Tax Revenue	8/7/2013
Judicial Retirement System	7/29/2013
411 System Deferred Retirement Option Plan	7/26/2013
Department of Public Safety - Peace Officer Sick Leave Benefits	7/25/2013

Budget Unit Fiscal Topics

(These are also linked in the appropriations tracking documents.)

Budget Unit: Transportation Budget - Drivers' Licenses	01/13/2014
Budget Unit: Workers' Compensation Second Injury Fund	01/10/2014
Budget Unit: Health Care Trust Fund	01/10/2014
Budget Unit: Unclaimed Property	01/10/2014
Budget Unit: Toledo Juvenile Home and State Training School	01/10/2014
Budget Unit: State Library - Enrich Iowa	01/10/2014
Budget Unit: Pooled Money Investment Account	01/10/2014
Budget Unit: Pooled Local Government Electronic Transaction Fund	01/10/2014
Budget Unit: Local Government Electronic Transaction Fund	01/10/2014
Budget Unit: Independent Living Center Grant	01/10/2014
Budget Unit: Independent Living	01/10/2014
Budget Unit: Henry Albert Trust Fund	01/10/2014
Budget Unit: Health Insurance Premium Reserve Fund	01/10/2014
Budget Unit: Governor's Office - Interstate Extradition	01/10/2014
Budget Unit: Education Reform	01/10/2014
Budget Unit: DPH - Environmental Hazards - Childhood Lead Poisoning Prevention Program	01/10/2014
Budget Unit: County Fair Improvements	01/10/2014
Budget Unit: Student Achievement/Teacher Quality	01/09/2014
Budget Unit: Iowa Learning Online Initiative	01/09/2014
Budget Unit: Attorney General - Federal Forfeiture Asset Sharing Fund	01/09/2014
Budget Unit: Undercover Funds	01/09/2014
Budget Unit: Division of Narcotics Enforcement	01/08/2014
Budget Unit: Competency-Based Education	12/11/2013
BUFT - IEDA: Iowa Commission on Volunteer Service/Promise Mentoring Partnership	12/11/2013
Budget Unit: Department of Education Administration	11/26/2013
Budget Unit: Core Curriculum	11/26/2013
Budget Unit: Early Head Start Projects	11/22/2013
Budget Unit: Iowa Reading Research Center	11/22/2013
Budget Unit: Successful Progression for Early Readers	11/22/2013

Budget Unit: Department for the Blind	11/22/2013
Budget Unit: Vocational Rehabilitation	11/21/2013
Budget Unit: State Supplementary Assistance	11/21/2013
Budget Unit: Child Support Recovery Unit	11/21/2013
Budget Unit: Elevator Safety Fund	11/19/2013
Budget Unit: Boiler Safety Fund	11/19/2013
Budget Unit: Division of Criminal Investigation Criminal History Data Check Prepayment Fund	11/18/2013
Budget Unit: DPH - Community Capacity - Iowa Donor Registry	11/8/2013
Budget Unit: Criminalistics Laboratory	11/8/2013
Budget Unit: Regents Resource Centers	11/5/2013
Budget Unit: Infrastructure Budget - Iowa National Guard Statewide Modernization Readiness Centers	11/5/2013
Budget Unit: Mortgage Servicing Settlement Fund	11/5/2013
Budget Unit: DPH - Chronic Conditions - PKU Assistance	11/4/2013
Budget Unit: DPH - Community Capacity - Iowa FIND Project	11/4/2013
Budget Unit: DPH - Community Capacity - Governor's Wellness Council	11/4/2013
Budget Unit: DPH - Community Capacity - Reach Out and Read	11/4/2013
Budget Unit: DPH - Community Capacity - Psychology Postdoctoral Internship Program	11/4/2013
Budget Unit: DPH - Chronic Conditions - AIDS Drug Assistance Program (ADAP)	11/4/2013
Budget Unit: Water Quantity Program	9/24/2013
Budget Unit: Medical Contracts	9/23/2013
Budget Unit: Woodward Resource Center	9/23/2013
Budget Unit: Glenwood Resource Center	9/23/2013
Budget Unit: Executive Council - Court Costs	9/13/2013
Budget Unit: Adult Correctional Institutions	9/11/2013
Budget Unit: Iowa School for the Deaf	9/10/2013
Budget Unit: Iowa Braille and Sightsaving School	9/10/2013
Budget Unit: Victim Assistance Grants	9/10/2013
Budget Unit: Community College General Aid	9/10/2013
Budget Unit: Gaming Enforcement Revolving Fund	9/10/2013
Budget Unit: State Appeal Board	9/9/2013
Budget Unit: Battle Flag Stabilization	9/9/2013

Budget Unit: Infrastructure Budget - Community Colleges Major Maintenance and General Infrastructure	9/6/2013
Budget Unit: Transportation Budget - Asset Forfeiture Program	9/5/2013
Budget Unit: Professional Licensing Bureau	9/5/2013
Budget Unit: Iowa Utilities Board	9/5/2013
Budget Unit: Governor's Office of Drug Control Policy	9/5/2013
Budget Unit: Department of Administrative Services - Terrace Hill Operations	9/5/2013
Budget Unit: Iowa Public Information Board	9/5/2013
Budget Unit: Victim Compensation Fund	8/28/2013
Budget Unit: Department of Administrative Services - Utilities	8/26/2013
Budget Unit: Regional Telecommunications Councils	8/26/2013
Budget Unit: Banking Division - Department of Commerce	8/26/2013
Budget Unit: Credit Union Division - Department of Commerce	8/26/2013
Budget Unit: Farm Management Demonstration	8/26/2013
Budget Unit: Insurance Division - Department of Commerce	8/26/2013
Budget Unit: Veterans Trust Fund	8/23/2013
Budget Unit: Soil and Water Conservation - Administration	8/23/2013
Budget Unit: Soil Conservation Revolving Loan Fund	8/23/2013
Budget Unit: Native Horse and Dog Program - Unclaimed Winnings	8/23/2013
Budget Unit: Motor Fuel Inspection	8/23/2013
Budget Unit: Grain Indemnity Fund	8/23/2013
Budget Unit: Iowa Veterans Cemetery	8/22/2013
Budget Unit: Transportation Budget - Unemployment Compensation	8/21/2013
Budget Unit: Transportation Budget - Performance and Technology Division	8/21/2013
Budget Unit: Transportation Budget - Mason City Combined Facility	8/21/2013
Budget Unit: Transportation Budget - Garage Roofing Projects	8/21/2013
Budget Unit: Transportation Budget - Inventory and Equipment	8/21/2013
Budget Unit: Transportation Budget - Garage Fuel and Waste Management	8/21/2013
Budget Unit: Transportation Budget - Des Moines North Garage	8/21/2013
Budget Unit: Transportation Budget - Operations Division	8/20/2013
Budget Unit: Transportation Budget - Workers' Compensation	8/20/2013

Budget Unit: Community-Based Corrections	8/20/2013
Budget Unit: Cigarette Fire Safety Fund	8/20/2013
Budget Unit: Office of the State Public Defender	8/20/2013
Budget Unit: Indigent Defense Fund	8/20/2013
Budget Unit: Infrastructure Budget - Water Trails and Low Head Dam Mitigation Program	8/20/2013
Budget Unit: Infrastructure Budget - State Housing Trust Fund	8/19/2013
Budget Unit: Infrastructure Budget - Public Transit Infrastructure Grant Program	8/19/2013
Budget Unit: Board of Parole	8/14/2013
Budget Unit: Abandoned Vehicles	8/14/2013
Budget Unit: Department of Homeland Security and Emergency Management	8/14/2013
Budget Unit: Electrician and Installers Licensing and Inspection Fund	8/14/2013
Budget Unit: Forestry Health Management	8/12/2013
Budget Unit: Local Food and Farm	8/12/2013
Budget Unit: Water Quality Monitoring	8/12/2013
Budget Unit: Milk Inspections	8/12/2013
Budget Unit: Loess Hills Development and Conservation Authority	8/12/2013
Budget Unit: State Park Operations and Maintenance	8/12/2013
Budget Unit: Groundwater Protection Fund Appropriation	8/12/2013
Budget Unit: Infrastructure Budget - Regional Sports Authorities	8/7/2013
Budget Unit: Infrastructure Budget - Iowa Communications Network Equipment Replacement	8/7/2013
Budget Unit: Infrastructure Budget - State Recreational Trails Program	8/7/2013
Budget Unit: Volunteers and Keepers of the Land Program	8/7/2013
Budget Unit: Geographic Information System for Watershed Program	8/7/2013
Budget Unit: Keep Iowa Beautiful Initiative	8/7/2013
Budget Unit: National Pollutant Discharge Elimination System Permit Program	8/7/2013
Budget Unit: Geological and Water Survey	8/7/2013
Budget Unit: College Student Aid Commission	7/29/2013
Budget Unit: Vocational-Technical Tuition Grant	7/29/2013
Budget Unit: Tuition Grant Program	7/29/2013
Budget Unit: Barber and Cosmetology Tuition Grant Program	7/29/2013

Budget Unit: National Guard Educational Assistance Program	7/29/2013
Budget Unit: Teacher Shortage Loan Forgiveness Program	7/29/2013
Budget Unit: Registered Nurse and Nurse Educator Loan Forgiveness Program	7/29/2013
Budget Unit: All Iowa Opportunity Scholarship Program	7/29/2013
Budget Unit: Skilled Workforce Shortage Grant Program	7/29/2013
Budget Unit: Health Care Professional Recruitment	7/29/2013
Budget Unit: All Iowa Opportunity Foster Care Grant Program	7/29/2013
Budget Unit: Iowa Grants	7/29/2013
Budget Unit: Floodplain Management	7/25/2013
Budget Unit: Air Quality Monitoring - Ambient	7/25/2013
Budget Unit: Rural Nurse Practitioner and Physician Assistant Loan Repayment Program	7/23/2013
Budget Unit: Rural Primary Care Loan Repayment Program	7/23/2013
Budget Unit: College Work Study	7/23/2013
Budget Unit: Transportation Budget - Service Fees Paid to the Department of Administrative Services	7/23/2013
Budget Unit: Transportation Budget - Indirect Cost Recoveries to the General Fund	7/23/2013

Audio Fiscal Topics (podcasts):

October 2013	Fish and Wildlife Trust Fund	Interview by Adam Broich with Chuck Corell, Division Administrator for the Conservation and Recreation Division, of the Department of Natural Resources regarding the Fish and Wildlife Trust Fund including the Fund history, revenues, and expenditures.
October 2013	State and Federally Declared Disasters	Interview by Jennifer Acton with John Benson, Communications Bureau Chief, for the Department of Homeland Security and Emergency Management regarding the differences between a state and federally declared disaster and the Department of Homeland Security and Emergency Management's role in mitigating the disaster.
September 2013	Iowa Correctional Institution for Women at Mitchellville	Interview by Beth Lenstra with Patti Wachtendorf, Warden of the Iowa Correctional Institution for Women at Mitchellville, regarding Patti's career in corrections, the gender-specific treatment programs for women at Mitchellville, and the new construction taking place at Mitchellville.
September 2013	7th Judicial District Department of Correctional Services, Community-Based Corrections (CBC)	Interview by Beth Lenstra with Jim Wayne, Director of the 7th Judicial District, Department of Correctional Services Community-Based Corrections (CBC), regarding Jim's career in corrections, the history of the CBC, CBC treatment programs, and budget issues.

August 2013	Iowa College Student Aid Commission	Interview by Robin Madison with Heather Doe, Associate Director for the Iowa College Student Aid Commission, regarding Commission programs that help prepare elementary, middle school, and high school students for college and careers.
August 2013	Department of Natural Resources Happy and Healthy Outdoors Program	Interview by Deb Koziel with Michelle Wilson, Outdoor Recreation Coordinator with the DNR, regarding the Happy and Healthy Outdoors Program sponsored by the DNR.
August 2013	Iowa Ethics and Campaign Finance Board	Interview by Dwayne Ferguson with Megan Tooker, Executive Director and Legal Counsel for the Iowa Ethics and Campaign Finance Disclosure Board, regarding the responsibilities of the Board and staff, the enforcement of campaign and ethics laws, and important current and upcoming issues for the Board.
January 2013	Iowa Medicaid	Interview by Jess Benson with Jennifer Vermeer, Iowa Medicaid Director, regarding the basics of Medicaid including who is eligible, how the program is operated, and what drives the expenditures.
January 2013	Fiscal Services Division	Interview by Mary Shipman with Holly Lyons, Director of the Fiscal Services Division of the Legislative Services Agency, regarding the background of the Fiscal Services Division, the major roles the Division has in the legislative process, and the history of the Division.

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Public Retirement Systems

Retirement Systems

The public retirement systems in Iowa include:

- **Iowa Public Employees’ Retirement System – IPERS:** Membership includes employees and retirees of State, county, and city governments; other political subdivisions or agencies; and school districts and AEAs. There are two Special Service groups within IPERS including:
 - **Sheriffs and Deputy Sheriffs.**
 - **Protection Occupations** – Membership includes airport safety officers; conservation peace officers; city marshals, fire fighters, police officers, and fire prevention inspectors not under the Municipal Fire and Police Retirement System of Iowa (MFPRSI); correctional officers; Department of Transportation (DOT) peace officers; county jailers; military installation officers; emergency medical care providers; and county attorney special investigators.
- **Judicial Retirement System:** Membership includes active Judges, Senior Judges, retired Senior Judges, retired Judges, beneficiaries of deceased Judges, and inactive Judges with contributions remaining in the system.
- **Department of Public Safety Peace Officers’ Retirement, Accident, and Disability System – PORS:** Membership includes uniformed, sworn officers of the Department of Public Safety including the State Patrol, Division of Criminal Investigation (DCI) officers, drug enforcement officers, arson investigators, and fire prevention inspectors.
- **Municipal Fire and Police Retirement System of Iowa – MFPRSI or 411:** The membership includes active and retired police officers and fire fighters in cities with a population of 8,000 or more in 1980 and other cities that voluntarily established a civil service commission.

Types of Plans

The IPERS, Judicial Retirement, PORS, and MFPRSI are “defined benefit plans,” meaning the person’s retirement benefit is based on a benefit formula prescribed by contract or statute. The contribution rates for the Judicial Retirement System are set by Iowa Code section [602.9104](#),

and the contribution rates for the PORS are in Iowa Code section [97A.8](#) and are set through FY 2017. The required contribution rates for IPERS Regular Membership, Protection Occupations, and Sheriffs and Deputies, are calculated pursuant to Iowa Code section [97B.11](#) and are based on the most recent actuarial valuation of the System. However, the contribution rates for IPERS Regular Membership cannot vary by more than one percentage point from the previous year. The MFPRSI contribution rates are calculated pursuant to Iowa Code [section 411.8](#) based on an actuarial valuation of the System.

Wages covered by the IPERS and Judicial Retirement systems, as defined by the Internal Revenue Code, are subject to Social Security taxation up to the maximum established annually by the Social Security Administration. Earnings covered by the PORS and MFPRSI systems are not. The Old-Age, Survivors, and Disability Insurance (OASDI), commonly referred to as Social Security, is funded through dedicated payroll taxes referred to as the Federal Insurance Contributions Act (FICA).

The OASDI tax rate for wages paid is set by federal statute at 6.20% of gross compensation to be paid by both the employees and employers, up to a limit of \$117,000 for 2014. The Medicare Tax is an additional 1.45% of wages for both employee and employer up to \$200,000. Except for a temporary 2.00% cut in the employee portion of the OASDI tax rate, which took effect in 2011 and ended in January 2013, the tax rates have **been in place** since 1990. Effective for tax years beginning after 2012, an additional 0.90% Medicare (hospital insurance, or HI) Tax applies to individuals receiving wages with respect to employment in excess of \$200,000 (\$250,000 for married couples filing jointly and \$125,000 for married couples filing separately). The tax is in addition to the regular Medicare rate of 1.45% on wages for employees. The tax only applies to the employee portion of the Medicare Tax. The employer Medicare Tax rate remains at 1.45%, and the employer and employee OASDI Tax remains at 6.20% on the first \$117,000 of wages.

Other Retirement Plan Options

- **Teachers' Insurance and Annuity Association – College Retirement Equities Fund – TIAA-CREF:** The membership includes approximately 24,000 active members that are university, Board of Regents, and some community college employees. The TIAA-CREF is a “defined contribution plan,” meaning moneys are contributed to an individual account for each participant; the moneys contributed, plus any investment earnings, determine the retirement benefit made available to the participant upon retirement. Retirees of TIAA-CREF receive Social Security benefits. The contribution rates used by the universities for TIAA-CREF are 5.00% employee and 10.00% employer.
- **Deferred Compensation Program (457/401a):** This is a voluntary defined contribution retirement savings program for employees of the State of Iowa and other participating government employers. The program is designed to supplement pension and Social Security benefits at retirement. State of Iowa employees receive a dollar-for-dollar match on the first \$75 of monthly contributions. Contributions are made pretax through payroll deductions, and investment earnings are tax-deferred.

- **Tax Sheltered Annuity (403b):** This is a voluntary retirement savings program for employees of educational and education-related institutions. This savings program is designed to supplement pension and Social Security benefits at retirement. Contributions are made pretax through salary reductions, and investment earnings are tax-deferred.

Public Retirement Systems Committee

The Public Retirement Systems Committee is a 10-member statutory legislative committee required to examine and make recommendations to the Iowa General Assembly concerning public retirement systems in Iowa. Iowa Code section [97D.4\(3\)](#) establishes the duties of the Committee. The General Assembly addresses retirement system issues during the second year of each biennium and as needed. Interested parties make recommendations for the General Assembly to consider.

Retirement Systems

	Judicial	PORS	411 System	IPERS		
				Regular Membership	Sheriffs and Deputies	Protection Occupation
FY 2014 Total Contribution Rate	39.95%	39.85%	39.52%	14.88%	19.76%	16.90%
Employee	9.35%	10.85%	9.40%	5.95%	9.88%	6.76%
Employer	30.60%	29.00%	30.12%	8.93%	9.88%	10.14%
FY 2015 Total Contribution Rate	39.95%	42.35%	39.81%	14.88%	19.76%	16.90%
Employee	9.35%	11.35%	9.40%	5.95%	9.88%	6.76%
Employer	30.60%	31.00%	30.41%	8.93%	9.88%	10.14%
June 30, 2013, Valuation Factors						
Actuarial Accrued Liability	\$178.7 million	\$498.5 million	\$2,518.2 million	\$30,498.3 million		
Actuarial Value of Assets	\$127.4 million	\$319.4 million	\$1,860.9 million	\$24,711.1 million		
Unfunded Accrued Liability	\$51.4 million	\$179.0 million	\$657.3 million	\$5,787.2 million		
2012 Funded Ratio	68.90%	61.00%	73.73%	79.91%		
2013 Funded Ratio	71.30%	66.20%	73.90%	81.02%		
2012 Market Rate of Return	-1.70%	-2.50%	0.33%	3.73%		
2013 Market Rate of Return	15.20%	15.50%	12.84%	10.12%		
Coverage						
Total Members	400	1,154	8,043	342,652		
Active Members	202	599	3,866	156,679	1,527	6,889
Active Member Average Age	56.47	41.2	40.8	46.3	42.1	42.4
Years of Service	11.2	15.9	13.5	11.6	14.7	10.9
Average Annual Wage	\$ 139,992	\$ 73,430	\$ 66,846	\$ 38,676	\$ 58,339	\$ 42,721

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The State completed negotiations with unions representing State employees for salaries and benefits for FY 2014 and FY 2015 in March of 2013. Iowa Code chapter 20 establishes the framework and timeline for the bargaining process. The basic deadlines are:

- August through September – Unions request bargaining.
- November through December – Unions and the State present initial proposals.
- January through March – Negotiation sessions occur. This may result in the appointment of a mediator, fact finding, and binding arbitration.
- March 15 – Deadline for impasse procedure and filing of neutral's award if required.

FY 2014 Salary Expenditures

The General Assembly did not appropriate additional funds for salary expenditures for FY 2014. State agencies must use existing funds to pay the cost of salaries, including the cost to fund negotiated contracts with various bargaining units, and increases for noncontract employees.

FY 2015 Estimated Increased Salary Expenditures

The estimated total to fund salary increases for FY 2015 is \$33.7 million from the General Fund. The estimate includes \$9.0 million for the Board of Regents. *The Departments' FY 2015 requests and the Governor's FY 2015 recommendations do not include an overall single request for salary adjustment appropriations. Individual agencies have made requests and the Governor has recommended additional funding to cover the increased cost of salaries for some agencies.*

The following is a summary of the union bargaining unit agreements for FY 2014 and FY 2015. The information contains only a summary of the major points. Copies of the agreements are available from the Fiscal Services Division (FSD) of the Legislative Services Agency (LSA) upon request. Since collective bargaining agreements cover two years, there will be no collective bargaining negotiations during the 2014 Legislative Session.

FY 2014 AND FY 2015 COLLECTIVE BARGAINING UNIT AGREEMENTS

American Federation of State, County, and Municipal Employees (AFSCME) - General Government and Community Based Corrections (CBC)

Wages:

- No across-the-board pay increase for either year (agreement).
- Step increases that average 4.5% for eligible employees in both years (agreement).

Benefits: No change in health insurance benefits in either year (arbitration).

Iowa United Professionals (IUP) and United Electrical Workers (UE), Science Unit and Professional Social Services Unit**Wages:**

- No across-the-board pay increase for either year (agreement).
- Step increases that average 4.5% for eligible employees in both years (agreement).

Benefits: No change in health insurance benefits in either year (arbitration).

State Police Officers Council (SPOC)**Wages:**

- No across-the-board pay increase.
- Provides additional payments each pay period, beginning July 1, 2013, through December 31, 2013, equal to 1.00% of the employees ending FY 2013 biweekly base pay. An additional 1.00% of the employees July 1, 2013, biweekly base pay will be added to this amount beginning January 1, 2014 (FY 2014).
- Provides additional payments each pay period, beginning July 1, 2014, through December 31, 2014, equal to 1.00% of the employees ending FY 2014 biweekly base pay, not including the additional payments that are to be made in FY 2014. An additional 1.00% of the employees July 1, 2014, biweekly base pay will be added to this amount beginning January 1, 2015 (FY 2015).
- Maintains step increases of 3.50% for eligible employees during FY 2014 and FY 2015.
- Provides an additional 1.00% step increase for eligible employees during FY 2014 and FY 2015 for employees that receive an overall rating of “meets expectations,” “satisfactory,” or above.

Benefits:

- Eliminates the requirement that an agency layoff all nonpermanent employees, within the layoff unit and classification, before the layoff of permanent employees.
- Permits State Troopers to bank up to 80 hours of Compensatory Time, an increase of 56 hours.
- Grants State Troopers’ the ability to convert up to 80 hours of compensatory time to cash at their current hourly rate at the end of a fiscal year. Hours above 80 hours may be converted at the employer’s discretion.
- Permits Conservation Officers to use as time off or convert to cash up to 80 hours of Compensatory Time, an increase of 20 hours.
- Grants Park Rangers’ the ability to convert up to 80 hours of compensatory time to cash at their current hourly rate, an increase of 44 hours.
- Permits a Special Agent 1 to carry forward all Compensatory Time, an increase from 80 hours. Grants the employee the discretion to convert up to 80 hours per quarter to cash.
- The State will contribute 80.00% toward and coverage for a Health Insurance plan under Alliance Select and coverage level selected by the employee; the employee will contribute 20.00%. The State share has been a maximum of 85.00% of the cost of

family coverage under Alliance Select. Employees will also be offered a comprehensive wellness program. Employees who successfully complete the prescribed components of the wellness program will receive a monthly premium differential of \$62 and the employee's contribution will not exceed 15.00%. Currently, the State pays 100.00% for single coverage.

- Employees that choose to waive Health Insurance participation coverage with the State will receive an opt-out monthly payment of \$125.
- Modifies the coverage amounts for Life Insurance.
- Immediate Family Death Leave is increased from three to five working days.
- Adds the carryforward of 40 hours each fiscal year to the next for Family Care to a maximum fiscal year utilization of 80 hours.
- Increases Per Diem, for employees that work at least four hours, to \$9 from \$8 per day.
- Increases the Clothing Maintenance Allowance for nonuniformed officers in the divisions of the Department of Public Safety by \$500 annually.

Judicial AFSCME

Wages:

- No across-the-board pay increase for either year.
- Step increases that average 4.5% for eligible employees in both years.

Benefits: No change in health insurance benefits in either year.

Judicial Public Professional and Maintenance Employees (PPME)

Wages:

- Across-the-board pay increases of 1.5% in each year (arbitration).
- Step increases that average 1.5% for eligible employees in both years (arbitration).

Benefits: No change in health insurance benefits in either year (agreement).

University of Northern Iowa (UNI) – United Faculty

Wages:

- 2.00% across-the-board pay increase (FY 2014).
- 2.25% across-the-board pay increase (FY 2015).
- Step increases of 4.50% for eligible employees during FY 2014 and FY 2015.

Benefits: No change.

Committee to Organize Graduate Students – University of Iowa (COGS – SUI)

Wages:

- Continuation of the minimum scholarship in an amount approximately equal to 100.00% of the cost of tuition (FY 2014 and FY 2015).
- 2.00% across-the-board increase in the average graduate assistant stipend (FY 2014).
- 2.25% across-the-board increase in the average graduate assistant stipend (FY 2015).
- No Step increases.

Benefits: No change.

Service Employees International Union (SEIU) – University of Iowa and University of Iowa Hospital and Clinic (SUI/UIHC)

Wages:

- 2.00% across-the-board pay increase (FY 2014).
- 2.50% across-the-board pay increase (FY 2015).
- Step increases of 4.50% for eligible employees during FY 2014 and FY 2015.

Benefits: No change.

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This Appendix contains balance sheets for the following funds:

- Environment First Fund (EFF)
- Rebuild Iowa Infrastructure Fund (RIIF)
- Technology Reinvestment Fund (TRF)
- Skilled Worker and Job Creation Fund

Environment First Fund

	Actual FY 2013	Estimated FY 2014	Gov Rec FY 2015
Revenue			
Balance Forward	\$ 81,761	\$ 81,761	\$ 81,761
RIIF Appropriation	35,000,000	42,000,000	42,000,000
Total Revenue	<u>\$ 35,081,761</u>	<u>\$ 42,081,761</u>	<u>\$ 42,081,761</u>
Appropriations			
Department of Agriculture			
Soil Conservation Cost Share	\$ 6,650,000	\$ 6,650,000	\$ 6,650,000
Watershed Protection Program	900,000	900,000	900,000
Wetland Incentive Program (CREP)	1,000,000	1,000,000	1,000,000
Conservation Reserve Program (CRP)	1,000,000	1,000,000	1,000,000
Farm Demonstration Program	625,000	625,000	625,000
Loess Hills Conservation Authority	525,000	525,000	450,000
Agricultural Drainage Wells	550,000	0	550,000
Soil & Water Conservation Fund	2,550,000	2,550,000	2,550,000
Water Quality Nutrient Management	0	0	0
Total Department of Agriculture	<u>\$ 13,800,000</u>	<u>\$ 13,250,000</u>	<u>\$ 13,725,000</u>
Department of Natural Resources			
REAP Program	\$ 12,000,000	\$ 16,000,000	\$ 16,000,000
Park Operations and Maintenance	3,710,000	6,360,000	5,885,000
Volunteer Water Quality Initiative	100,000	100,000	100,000
Animal Feeding Operations	620,000	1,320,000	1,320,000
Water Quantity Program	495,000	495,000	495,000
Air Quality Monitoring Program	425,000	425,000	425,000
Water Quality Protection	500,000	500,000	500,000
Geographic Information System Development	195,000	195,000	195,000
Water Quality Monitoring Stations	2,955,000	2,955,000	2,955,000
Geological Water Survey	200,000	200,000	200,000
Keep Iowa Beautiful	0	200,000	200,000
Total Department of Natural Resources	<u>\$ 21,200,000</u>	<u>\$ 28,750,000</u>	<u>\$ 28,275,000</u>
Total Appropriations	<u>\$ 35,000,000</u>	<u>\$ 42,000,000</u>	<u>\$ 42,000,000</u>
Reversions	0	0	0
Total Ending Balance	<u>\$ 81,761</u>	<u>\$ 81,761</u>	<u>\$ 81,761</u>

Rebuild Iowa Infrastructure Fund (RIIF)

As of 12/31/2013

	Actual FY 2013	Estimated FY 2014	Current Law FY 2015	Gov Rec FY 2015
Resources				
Balance Forward	\$ 15,451,552	\$ 1,343,010	\$ 9,505,343	\$ 9,505,343
Wagering Tax and Fees	146,872,514	139,542,000	138,542,000	138,542,000
Wagering Tax - Rev Bond Debt Service Transfer	1,033,296	901,727	3,033,975	3,033,975
Wagering Tax - Federal Subsidy Holdback Transfer	3,531,851	3,374,164	3,750,000	3,750,000
Wagering Tax - School Inf Bond Debt Ser Transfer	2,343,493	2,268,675	5,000,000	5,000,000
Mortgage Servicing Settlement Fund Transfer	1,000,000	0	0	0
Economic Emergency Fund Transfer	20,000,000	0	0	0
CHIP Contingency Fund Transfer	0	11,310,648	0	0
Property Tax Credit Fund Transfer	1,476,307	0	0	0
Former GIVF Unobligated Balance Transfer	0	33,108,406	0	0
Interest	2,207,565	1,900,000	1,900,000	1,900,000
MSA Tobacco Payment/Endowment Transfers	16,648,831	16,041,176	16,110,027	16,110,027
Total Resources	\$ 210,565,409	\$ 209,789,806	\$ 177,841,345	\$ 177,841,345
Appropriations				
Administrative Services				
Major Maintenance	\$ 10,250,000	\$ 3,800,000	\$ 14,000,000	\$ 21,000,000
Routine Maintenance	0	0	0	2,000,000
CHIP Funded Major Maintenance	0	11,310,648	0	0
Toledo Juvenile Home Palmer Cottage Renovation	500,000	0	0	0
Agriculture and Land Stewardship				
Agricultural Drainage Wells	1,000,000	0	0	0
Corrections				
Mitchellville Construction and FFE One-Time Costs	14,170,062	15,569,040	0	0
Fort Madison Construction and FFE One-Time Costs	16,269,124	3,000,000	0	0
Construction Project Management	1,000,000	200,000	0	0
Newton Hot Water Loop Repair	425,000	0	0	0

Rebuild Iowa Infrastructure Fund (RIIF)

As of 12/31/2013

	Actual FY 2013	Estimated FY 2014	Current Law FY 2015	Gov Rec FY 2015
Cultural Affairs				
Historical Building Renovation	\$ 1,450,000	\$ 1,000,000	\$ 3,800,000	\$ 3,800,000
Great Places Infrastructure Grants	1,000,000	1,000,000	0	1,000,000
Economic Development				
High Quality Jobs Program	15,000,000	0	0	0
Community Attraction & Tourism Grants	5,000,000	7,000,000	5,000,000	5,000,000
Regional Sport Authorities	500,000	500,000	0	500,000
Camp Sunnyside Facilities Renovations/Improvements	125,000	0	0	0
World Food Prize Borlaug/Ruan Scholar Program	100,000	100,000	0	0
Fort Des Moines Museum Renovations and Repairs	100,000	0	0	0
Education				
Comm Colleges - Accelerated Career Ed (ACE)	6,000,000	0	0	0
Human Services				
Nursing Home Facility Improvements	250,000	0	0	0
Broadlawns Mental Health Facilities	0	0	0	1,500,000
Iowa Finance Authority				
State Housing Trust Fund	3,000,000	3,000,000	3,000,000	3,000,000
Management				
Technology Reinvestment Fund	0	14,310,000	0	
Environment First Fund	35,000,000	42,000,000	42,000,000	42,000,000
Natural Resources				
State Park Infrastructure	5,000,000	5,000,000	5,000,000	5,000,000
Lake Restoration & Water Quality	6,000,000	8,600,000	0	8,600,000
Lake Delhi Dam Restoration	2,500,000	2,500,000	0	0
Water Trails and Low Head Dam Grants	1,000,000	1,000,000	0 #	1,000,000
Good Earth State Park	0	0	0	2,000,000
Iowa Park Foundation	0	0	0	2,000,000

Rebuild Iowa Infrastructure Fund (RIIF)

As of 12/31/2013

	Actual FY 2013	Estimated FY 2014	Current Law FY 2015	Gov Rec FY 2015
Public Defense				
Facility/Armory Maintenance	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 2,000,000
Statewide Modernization - Readiness Centers	2,050,000	2,000,000	0	2,000,000
Joint Forces Headquarters Renovation	500,000	0	0	0
Camp Dodge Infrastructure Upgrades	610,000	500,000	0	0
Gold Star Museum Upgrades	0	0	0	250,000
Regents				
Tuition Replacement	25,130,412	27,867,775	0	29,735,423
Fire Safety/Deferred Maintenance	2,000,000	0	0	0
ISU Research Park Building 5 Improvements	1,000,000	0	0	0
ISU Biosciences Building	0	0	0	2,000,000
Innovation/Commercialization of Research	3,000,000	0	0	0
ISU Ag/Biosystems Eng Complex Phase II	19,050,000	21,750,000	18,600,000	18,600,000
UI Dental Science Bldg	10,250,000	9,750,000	8,000,000	8,000,000
UI Pharmacy Building Renovation	0	0	0	2,000,000
UNI Bartlett Hall Renovation	7,786,000	10,267,000	1,947,000	1,947,000
Schindler Ed Center Renovation	0	0	0	2,000,000
State Fair				
Cultural Center Renovation and Improvements	250,000	0	0	0
Youth Inn Remodel and Improvements	0	0	0	1,500,000
Transportation				
Railroad Revolving Loan and Grant	1,500,000	0	0	2,000,000
Recreational Trails	3,000,000	3,000,000	0	2,500,000
Public Transit Vertical Infrastructure Grants	1,500,000	1,500,000	0	1,500,000
Commercial Service Air Vertical Infra Grants	1,500,000	1,500,000	0	1,500,000
General Aviation Vertical Infrastructure Grants	750,000	750,000	0	750,000

Rebuild Iowa Infrastructure Fund (RIIF)

As of 12/31/2013

	Actual FY 2013	Estimated FY 2014	Current Law FY 2015	Gov Rec FY 2015
Treasurer				
County Fairs Infrastructure	\$ 1,060,000	\$ 1,060,000	\$ 0	\$ 1,060,000
Watershed Improvement Review Board	1,000,000	0	0	0
Veterans Affairs				
IVH Boiler Replacement	975,919	0	0	0
Iowa Veterans Cemetery - Equipment Building	0	250,000	0	0
Net Appropriations	<u>\$ 210,551,517</u>	<u>\$ 202,084,463</u>	<u>\$ 101,347,000</u>	<u>\$ 177,742,423</u>
Reversions	-1,329,118	-1,800,000	0	0
Ending Balance	<u><u>\$ 1,343,010</u></u>	<u><u>\$ 9,505,343</u></u>	<u><u>\$ 76,494,345</u></u>	<u><u>\$ 98,922</u></u>

Note:

Wagering tax estimates account for all allocations in Iowa Code section 8.57 that occur before the remainder deposits in the RIIF. In addition, the five-year tax credits for land-based and riverboat casinos that began in FY 2009 and FY 2011, respectively, are accounted for in the estimates, as well as the license fees paid by the Lyon County casino.

Technology Reinvestment Fund

As of 12/31/2013

	Actual FY 2013	Estimated FY 2014	Current Law FY 2015	Gov Rec FY 2015
Resources				
Beginning Balance	\$ 154,153	\$ 1,590,156	\$ 936,000	\$ 936,000
General Fund Standing Appropriation	0	0	17,500,000	17,500,000
Wagering Taxes Transfer	20,000,000	0	0	0
Rebuild Iowa Infrastructure Fund	0	14,310,000	0	0
Total Available Resources	\$ 20,154,153	\$ 15,900,156	\$ 18,436,000	\$ 18,436,000
Appropriations				
Office of the Chief Information Officer				
IT Consolidation Projects	\$ 0	\$ 0	\$ 6,613,663	\$ 6,228,189
Department of Corrections				
Iowa Corrections Offender Network Data System	500,000	0	0	0
Radio Communications Upgrade	3,500,000	0	0	0
Department of Cultural Affairs				
Grout Museum Veterans Oral Histories	150,000	129,450	0	0
Department of Education				
ICN Part III & Maintenance & Leases	2,727,000	2,727,000	0	2,727,000
Statewide Education Data Warehouse	600,000	600,000	0	600,000
IPTV Equipment Replacement	0	960,000	0	1,000,000
Common Course Numbering Mgmt System	0	0	0	150,000
IPTV Inductive Output Tubes	320,000	0	0	0
State Library Computers	0	250,000	0	0
Department of Human Rights				
Criminal Justice Info System Integration (CJIS)	1,714,307	1,454,734	0	1,300,000
Justice Data Warehouse	0	0	0	314,474
Department of Human Services				
Medicaid Technology	4,120,037	3,415,163	3,345,684	3,345,684
Homestead Autism Clinics - Technology	0	154,156	0	0

Technology Reinvestment Fund

As of 12/31/2013

	Actual FY 2013	Estimated FY 2014	Current Law FY 2015	Gov Rec FY 2015
Iowa Telecomm and Technology Commission				
ICN Equipment Replacement	\$ 2,198,653	\$ 2,248,653	\$ 0	\$ 2,245,653
Judicial Branch				
Electronic Document Management System	1,000,000	0	0	0
Department of Management				
Searchable Online Budget and Tax Database	45,000	45,000	0	0
Electronic Grants Management System	125,000	0	0	100,000
Department of Public Health				
Technology Consolidation Projects	0	480,000	0	0
EMS Data System	0	0	0	150,000
Department of Public Safety				
Radio Communications Upgrade	2,500,000	2,500,000	0	0
Radio Tower Reconstruction	0	0	0	275,000
Total Appropriations	<u>\$ 19,499,997</u>	<u>\$ 14,964,156</u>	<u>\$ 9,959,347</u>	<u>\$ 18,436,000</u>
Reversions	<u>-936,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u><u>\$ 1,590,156</u></u>	<u><u>\$ 936,000</u></u>	<u><u>\$ 8,476,653</u></u>	<u><u>\$ 0</u></u>

Iowa Skilled Worker and Job Creation Fund

	Estimated FY 2014	Gov Rec FY 2015
	<u> </u>	<u> </u>
Resources		
Beginning Account Balance	\$ 0	\$ 1
Wagering Tax Receipts	66,000,000	66,000,000
Interest	1	1
Total Resources	<u>\$ 66,000,001</u>	<u>\$ 66,000,002</u>
Appropriations & Expenses		
College Student Aid Commission		
Skilled Workforce Shortage Tuition Grant	\$ 5,000,000	\$ 5,000,000
Economic Development Authority		
High Quality Jobs	16,900,000	16,900,000
Department of Education		
Workforce Training and Economic Dev Funds	15,300,000	15,300,000
Adult Literacy for the Workforce	5,500,000	5,500,000
ACE Infrastructure	6,000,000	6,000,000
PACE and Regional Sectors	5,000,000	5,000,000
Gap Tuition Assistance Fund	2,000,000	2,000,000
Workbased Learning Intermediary Network	1,500,000	1,500,000
Department of Iowa Workforce		
AMOS Training Program	100,000	100,000
Board of Regents		
Regents Innovation Fund	3,000,000	3,000,000
ISU - Economic Development	2,424,302	2,424,302
UI - Economic Development	209,279	209,279
UI - Entrepreneurship and Econ Growth	2,000,000	2,000,000
UNI - Economic Development	1,066,419	1,066,419
Total Appropriations & Expenses	<u>\$ 66,000,000</u>	<u>\$ 66,000,000</u>
Reversions	0	0
Ending Balance	<u>\$ 1</u>	<u>\$ 2</u>