

Iowa Budget Report

Fiscal Year 2005

***Protect Iowa Priorities
Preserve Iowa Values
Promote a Better Tomorrow***



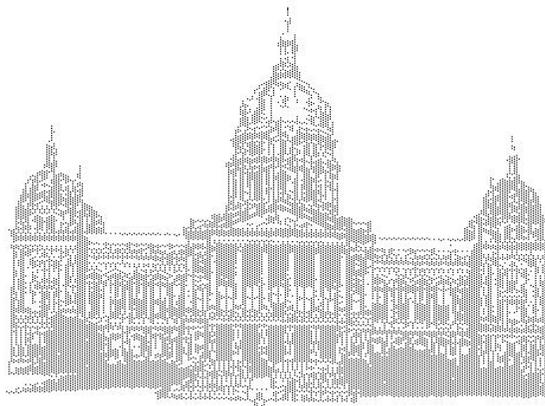
January 2004

This budget document was prepared for

**Governor Tom Vilsack and
Lieutenant Governor Sally Pederson**

by the Department of Management

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January 16, 2004

TO THE MEMBERS OF THE 80TH GENERAL ASSEMBLY:

As we present to you our fiscal year 2005 budget recommendations, we want to express our appreciation for the progress made last year to transform Iowa's economy and support Iowa values. After three years of negative revenue growth and cuts in critical services, it is evident current revenue streams are insufficient to continue the momentum and build on the progress we've made. As a result, the budget we present to you today will serve as a bridge to economic growth and will protect Iowa priorities, preserve Iowa values and promote a better tomorrow.

Earlier this week, you received a budget that reflects no increased revenue, consistent with the current official Revenue Estimating Conference (REC) projections. It is a budget based on numbers that do not reflect Iowans' priorities because it under funds education at every level, eliminating teachers, increasing class sizes, raising tuition and reducing learning opportunities. It under funds health care and fails to keep faith with the promise of health care security for seniors. It under funds property tax credits, reduces local police and fire protection and raises property taxes.

If we are to lead Iowa into prosperity, maintain our cherished quality of life, and keep our homeland safe and secure, the impacts of a budget with no increase in revenue is unacceptable. We can and must do better. In the midst of transforming our economy, we cannot take a step backwards. The budget we present to you today is responsive to the Iowa citizens who joined us at public hearings across the State to ask us to preserve our national standing in education and our distinction as the best place to raise a child. Simply stated, it is the peoples' budget.

State government has been reorganized, streamlined and works continuously to achieve efficiencies and become more accountable. That important work will continue. The budget we present to you today is fair, equitable, and balanced. It modernizes Iowa's tax structure, aligns spending with revenue, and promises to maintain Iowa's high credit ratings. This budget eliminates reliance on one-time funds for ongoing costs, meets the 99% expenditure limitation, and continues the phase out of the sales tax on residential utilities. At the same time, the amount appropriated is still less than the budget enacted during the first year of our administration.

We are proposing to fully fund 2% allowable growth for local schools to preserve teachers, allow outdated textbooks to be replaced, and continue progress in student achievement and reduced class sizes. Iowa students and Iowa National Guard members will continue to have opportunities for higher education. Community colleges and universities can maintain updated libraries and technology for the high skill jobs of tomorrow. We propose a new \$10 million professional development initiative designed to encourage local school districts to

reallocate funds from administrative costs to teacher salaries or professional development. Increased investments in education will come from modernizing Iowa's sales tax structure to more fairly and accurately reflect Iowa's new economy where services represent the fastest growing segment.

Our proposed budget includes health insurance for 3,000 more children, and provides funds to redesign the state mental health system to focus more on clients and community alternatives for care. We propose to expand smoking prevention, substance abuse services and preserve Medicaid services for children, older Iowans, persons with disabilities and those seeking hospice care. We propose a creative new initiative of mobile dental checkups for children and elderly citizens. Our budget transfers \$20 million to begin--yet this fiscal year--replenishing the Senior Living Trust Fund. Increased funds to these critical health services will come from an increase of 60 cents in the price of a pack of cigarettes. This increase will begin to cover the costs to society incurred by smokers.

Finally, our budget prevents further sacrifices of local police and fire protection, and fully funds local government property tax credits. Property taxes will stay down and local services will be maintained. The safety and security of our homeland will be preserved by supporting state public safety officers, community based corrections staff and prison guards. Increased funds to local governments and public safety will be the result of restoring Iowa tax policies to their original intent by closing two income tax loopholes: shifting Iowa corporate income out of state, and ag land tax benefits to absentee landlords.

With the budget we propose today, our responsibilities will be met and our priorities will be preserved in the short term. While some will pay more, most will pay less and all will benefit. So, we must continue last year's progress to achieve long-term economic growth. The construction of new power plants, the expansion of high speed Internet, the doubling of ethanol production facilities, the beginning of bio diesel production, the building of a new beef harvesting facility, the creation of the Plant Science Center, state and local venture capital funds and the largest wind energy project reflect great momentum transforming the economy.

The timid and the hesitant never lead a transformation. The better future belongs to those with faith in the future. Please join us in our call to service and sacrifice drawing inspiration from Iowans in the armed forces who answer the call to deliver peace and improve the world in which we all live. Enact this budget to protect Iowa priorities, preserve Iowa values and promote a better tomorrow.

With sincere appreciation for your sacrifices,



Thomas J. Vilsack
Governor



Sally J. Pederson
Lt. Governor

ENTERPRISE STRATEGIC PLAN

IOWA ENTERPRISE STRATEGIC PLAN Achieving the Vilsack-Pederson Leadership Agenda October, 2003

1. 50,000 more employed workers with college experience and 50,000 new high-paid, high-skill jobs that require two years post-secondary education within four years
2. 90% of children have a quality preschool experience and 90% of students have at least two years of higher education
3. All Iowans have access to quality health care, including access to mental health and substance abuse treatment services
4. Seniors, adults with disabilities and those at risk of abuse have safe quality living options in their communities
5. By 2010, eliminate all impaired waterways

For each of the five goals, enterprise teams present their strategies.

1. **50,000 more employed workers with college experience and 50,000 new high-paid, high-skill jobs that require two years post-secondary education within four years**

From the New Economy EMT

1.1 Implement the Iowa Values Fund:

- Increase state marketing, business financial assistance, university research, and product development toward industries that create high-wage, high-skill jobs.
- Encourage the creation of regional economic development groups, organized to serve areas of three counties or more in size.
- Encourage the growth of firms in the high-wage, high skill industry clusters of life sciences, information solutions, and advanced manufacturing. Identify clusters through data analysis and provide targeted resources toward firms expanding, starting up, or relocating to Iowa that are within these clusters.
- Provide comprehensive business development information, site selection assistance, and other services to businesses considering starting up, expanding, or relocating in Iowa.
- Provide labor market information and labor availability data through laborshed studies to support regional economic development strategies and business recruitment and expansion efforts.

- 1.2 Provide post-secondary training and education to unemployed and dislocated workers, new entrants to the workforce and incumbent workers through:
 - Iowa New Jobs Training Program (260E), the Iowa Jobs Training Program (260F), and Accelerated Career Education Program, Workforce Investment Act, Trade Adjustment Act, PROMISE JOBS and the New Employment Opportunities Fund; and
 - Coordinate all programs to focus training and education efforts on targeted industries and occupations and conduct joint training and education sessions.
- 1.3 Recruit new employees from outside Iowa, particularly among college-educated former Iowans and, within Iowa, from underutilized populations.

From the Education EMT

- 1.1 Enhance postsecondary educational opportunities for a highly skilled workforce.
- 1.2 Capitalize on beneficial research and discovery applications to stimulate economic growth.
- 1.3 Build on research strengths and increasing technology transfer to commercial and nonprofit entities, in order to help attract investment to Iowa that grows a variety of business opportunities.
- 1.4 Ensure availability of services critical to the quality of life, including tertiary health care.

From the Accountable Government EMT

- 1.1 Work toward establishing and maintaining tax policies that attract employees and employers and administer those policies equitably.
- 1.2 Help our colleges, universities, and community colleges meet the training and educational needs of traditional and non-traditional Iowa students:
 - Use existing state-owned technology to provide post-secondary education and training opportunities to Iowans,
 - Expand high-speed Internet access in Iowa,
 - Evaluate ICN ownership options, and
 - Expand E-Government.
- 1.3 Increase jobs through public awareness of and participation in the Targeted Small Business Certification (TSB) Certification Program and implement an electronic web-based certification system for TSB.

2. 90% of children have a quality preschool experience and 90% of students have at least two years of higher education

From the Education EMT

- 2.1 Generate information, stimulate advocacy efforts, and generate statewide support for the goals of 90% of Iowa children having a quality preschool experience AND for 90% of Iowa students having at least 2 years of post high-school education.
- 2.2 Through the Iowa Learns Council, foster seamless transitions for students between all levels of the education system.
- 2.3 Increase the number of providers that offer quality preschool programs; focus initially on quality preschool programs for three and four year old children.

- 2.4 Use high quality instruction, rich curriculum offerings, and good data to assure that all K-12 students achieve at high levels and graduate prepared to succeed in postsecondary.
- 2.5. Provide access to high-quality educational opportunities at the postsecondary level.

From the New Economy EMT

- 2.1 The departments within the New Economy EPT will support day care programs throughout Iowa by offering educational experiences to Iowa's preschool children, including Character Counts (DCA); by allowing training participants who receive childcare supports to only use registered and licensed day care providers (IWD); and by supporting day care center construction (DED).
- 2.2 Provide post-secondary training and education to unemployed and dislocated workers, new entrants to the workforce and incumbent workers through:
 - Iowa New Jobs Training Program (260E), the Iowa Jobs Training Program (260F), and Accelerated Career Education Program, Workforce Investment Act, Trade Adjustment Act, PROMISE JOBS and the New Employment Opportunities Fund.
 - Coordinate all programs to focus training and education efforts on targeted industries and occupations and conduct joint training and education sessions.
- 2.3 The Iowa Arts Scholarship Program and the Iowa History Day Scholarship Program provide funding to Iowa students staying in Iowa and attending college.

From the Health EMT

- 2.1 Improve childcare services by providing financial and placement assistance to providers seeking education and training in early childhood education or child development.
- 2.2 Provide support services for providers and families to ensure the well being of families and optimal child development.
- 2.3 Promote careers in health through workforce development.

From the Accountable Government EMT

- 2.1 Supplement individual training for pre-school instructors with instruction given by live educators via ICN classrooms and develop an on-line certification and licensing program.
- 2.2 Work with Department of Education to implement Project EASIER, which facilitates transmission of high school transcripts to institutions of higher learning and maintain a web-accessible database for recording, analyzing, and reporting test results.

3. All Iowans have access to quality health care, including access to mental health and substance abuse treatment services

From the Health EMT

- 3.1 Expand comprehensive health care access for children, the elderly, persons with disabilities, minorities, immigrant groups, and low-income populations by providing increased education, outreach, and home and community based services (HCBS).
- 3.2 Improve access to and use of diagnostic screening and treatment services for children, the elderly, persons with disabilities, minorities, immigrant groups, and low-income populations.

- 3.3 Increase the ability to address existing and emerging issues affecting the health and well being of the people of Iowa by promoting workforce development and ensuring a competent workforce.
- 3.4 Enhance the availability of an efficacious mental health and substance abuse treatment system through improved individual assessment, increasing outreach for prevention and treatment services, evaluating licensed treatment programs and offering assistance with plans to improve their quality, and MH/DD redesign.

From the New Economy EMT

- 3.1 The departments within the New Economy EMT will support access to quality health care by providing mental health therapy to seniors in Iowa (DCA); Trade Adjustment Act participants with COBRA coverage (IWD); health care services to homeless persons through the Emergency Shelter Grant and Homeless Shelter Operating Grant programs (DED); and requiring health care benefits for jobs created under state business financial assistance programs (DED).

From the Accountable Government EMT

- 3.1. Expand the utilization of web-based licensing and credentialing systems for health care facilities and providers.
 - 3.2. Continue providing high-bandwidth connections to medical facilities in rural hospitals and medical facilities to support remote medical service delivery via the ICN.
 - 3.3. Develop e-forms, workflow systems, and other alternative methods to ensure adequate, timely and accurate compliance of health care facilities and programs.
 - 3.4. Expedite the resolution of Medicaid fraud program cases, initiate the recovery of program dollars, and encourage compliance through collaboration with other entities in the conduct of investigations and audits.
- 4. Seniors, adults with disabilities and those at risk of abuse have safe quality living options in their communities**

From the New Economy EMT

- 4.1 Provide housing, shelter, and related services to seniors, adults with disabilities, and those at risk through the HOME Investment Partnership program, the Local Housing Assistance Program, the housing portion of the Community Development Block Grant, Low Income Tax Credit Program, State Tax Credit for Rehabilitation of historic buildings, and the Senior Living Trust Fund.
- 4.2. The “Age Exchange” program provides quality of life experiences to seniors in senior and assisted living housing through allowing seniors the opportunity to grow their creative abilities.
- 4.3. Maintain the structural and financial integrity of the IPERS system through fiduciary responsibility and statutory compliance to ensure a reliable retirement income for IPERS retirees.

From the Health EMT

- 4.1 Enhance the safety and security of at-risk populations through improved abuse awareness/outreach, reporting, and response.
- 4.2 Reduce premature or inappropriate institutionalization of the elderly, persons with disabilities, and others by providing community-based services and living options.

From the Safe Communities EMT

- 4.1 Systems Approach to Dependent Adult Abuse and Elder Abuse. This initiative will attempt to develop a coordinated approach involving various state and local agencies, along with private service providers, to enhance identification of and response to individuals who are subject to or at risk of abuse.
- 4.2 Drug-Endangered Children Initiative, which is developing a multi-agency response to more effectively identify and treat the needs of children at risk because of involvement of adults in their families with illicit drugs.
- 4.3 Rural Family Violence Response Team, which is an interdepartmental effort organized by the Attorney General to respond to the needs of children affected by domestic abuse.

From the Accountable Government EMT

- 4.1 Provide consumers electronic access to comprehensive data and referral services related to the Federal 211 program by consolidating existing databases meeting the program requirements, such as the Iowa Resource Network project, and by enhancing software features.
- 4.2 Expand available data and usage of the single contact repository (SING) and enhance response time to ensure the more vulnerable population are at less risk for abuse by persons interacting with them.

5. By 2010, eliminate all impaired waterways

From the New Economy EMT

- 5.1. Utilize the Governor's Water Quality Summit, and the associated public events and workgroup activities leading up to the Summit, to build informed awareness, identify measurable goals, and select consensus strategies to bring Iowa's waters into compliance with existing and imminent water quality standards.
- 5.2. Actively recruit landowners into federal Farm Bill Conservation programs and provide planning assistance to landowners and other conservation partners to implement practices onto the land.
- 5.3. Provide planning and funding assistance through the State Revolving Fund (non-point pollution projects), EPA 319 funds, TMDL planning process, the Community Development Block Grant program (waste water collection and treatment and storm drainage systems for lower-income communities), and assistance for brownfield cleanup.
- 5.4. Promote citizen involvement in water quality monitoring and participation in local lake protection, river protection, and watershed protection activities.

From the Health EMT

- 5.1 Build awareness, develop and implement strategies, and provide education related to water quality by participating in statewide and community planning events, and by providing technical assistance to local boards of health.

From the Accountable Government EMT

- 5.1 Improve water-quality reporting and monitoring services through technology upgrades such as enhancements in electronic services and wireless access to remote sensing quality monitors.

- 5.2 Ensure a quality workforce force by working with colleges and universities to establish paid and voluntary internship programs and college credit for work with the state environmental programs.
- 5.3 Improve the timeliness of Department of Natural Resource contested case hearings related to water quality and environment by offering the hearings over the ICN.

STRENGTHENING IOWA VALUES

Governor Tom Vilsack and Lieutenant Governor Sally Pederson are working to strengthen Iowans' values so that Iowa remains the very best place to live, work, and raise a family.

Opportunity

- The State is making an unprecedented investment in economic opportunity through the Iowa Values Fund—a \$503 million economic growth package dedicated to creating 50,000 high-paying jobs in the areas of life sciences, advanced manufacturing, and information solutions.
- Last year, we developed a comprehensive initiative to attract over \$200 million in venture capital to Iowa through a partnership with the private sector.
- The Vision Iowa Program is providing \$215 million in funding for educational, cultural, and recreational attractions in Iowa communities—creating 12,500 construction and 2,000 permanent jobs.
- Iowa currently is tied for the 9th lowest unemployment rate in the nation at 4.2% with over 37,000 more Iowans working today than in 1999. (*Iowa Workforce Development, Nov. 2003*)
- Iowa has experienced the highest growth in personal income (4.0%) of all our surrounding states—well above the national average (2.8%). Per capita personal income growth was 4th highest in the nation (3.9%). (*U.S. Bureau of Economic Analysis 2002*)

Responsibility

- We continue to provide excellence in education to Iowa students by ensuring high quality teachers in every classroom, challenging academics, and a safe environment in which to learn. Iowa demands rigorous teacher preparation and training, in addition to mentoring and induction for beginning teachers.

Our students consistently score among the highest in the nation on their standardized tests, college prep tests, and high school graduation rate.

- Over 23,500 seniors and people with disabilities are living more independently through alternatives to nursing homes as a result of increased community-based services funded by the Senior Living Trust.
- Iowa is leading the nation in private lands conservation with over 352,000 acres of buffer strips and over 177,000 acres of wetlands constructed to improve our soil and water quality.
- The cost of state government is the lowest it's been in thirty years when figured as a percent of personal income. State government is operating on a budget \$320 million less than four years ago.
(*Iowa Department of Management*)

Security

- Iowans enjoy better health security with 94% of our children currently covered under health insurance and over 90% of our population as a whole with health insurance.
- Iowa is bolstering the safety and security of its communities by ensuring first responders are prepared for homeland security and emergency needs with over \$56.5 million going to local governments to date.
- Over 28,000 previously uninsured Iowa children are now receiving health care through our efforts to provide coverage for those who cannot afford it. (*Iowa Department of Human Services*)
- Iowa has increased the enrollment of eligible Veterans into federal benefits programs and increased the total Federal Veterans Affairs benefits for Iowa's military veterans by \$168 million in 2002.

The Vilsack-Pederson Administration is working to strengthen Iowa's quality of life and business climate.

- Iowa ranks 1st in social health. 2002 Fordham University Institute for Innovation in Social Policy, *The Social Health of the States: Sixteen measures of social health included child poverty, teenage suicide rate, average weekly wages, health insurance coverage, high school completion, alcohol-related traffic deaths, etc.*
- Iowa ranks 2nd most livable state for second straight year. 2003 Morgan Quitno Press, *Most Livable State Award: MQP based the rankings on 43 statistical indicators that reflect the kind of lifestyle that most Americans agree is positive—affordable housing, safe streets, good employment opportunities, strong education system and a healthy state economy.*
- Iowa ranks 3rd best liability system. 2003 Liability System, U.S. Chamber of Commerce: Polled corporate America on its views of state liability systems in several areas including tort and contract litigation, treatment of class action suits, punitive damages, judges' impartiality and competence, and juries' predictability and fairness.
- Iowa ranks 5th lowest cost of doing business. North American Business Cost Review – The 2002 addition ranked Iowa 5th lowest cost state for doing business.
- Iowa ranks 6th in quality of health care. Center for Medicaid and Medicare Services: Study ranks states' quality of health care to Medicare patients.
- Iowa ranks 6th lowest poverty rate. According to 2002 Census Bureau data, Iowa has the sixth lowest poverty rate of the states at 8.3%. The national average is 11.7%.
- Iowa ranks 7th among the top 10 best states for babies. Child Magazine developed a state-by-state ranking of the best places to have and raise a newborn based on 20 categories of child health and childrearing issues crucial for new parents and babies.
- Iowa ranks 8th smartest state. 2003 Morgan Quitno Press looked at 21 factors of a state's

elementary and secondary education system to develop the "smartest state" rankings.

- Iowa metro areas rank among the top 50 places to locate or expand a business. Expansion Management Location Study: Studied 329 metro areas to determine best places to locate or expand a business. This study analyzed education, health, quality of life, high-value labor market, and legislative quotients. Des Moines ranked #1 overall, Omaha/Council Bluffs ranked #3, Cedar Rapids #6, Iowa City #11, Davenport/Quad Cities was #27, Sioux City was #32, Dubuque was #38 and Waterloo/Cedar Falls was #43.
- Iowa metro areas rank very high in best midsize cities for entrepreneurs. Entrepreneur Magazine studied entrepreneurial activity, small business growth, job growth, and risk factors to determine the best midsize cities for entrepreneurs in 2003. Omaha/Council Bluffs ranked #2 in the Midwest and #7 nationally, Des Moines ranked #4 in the Midwest and #11 nationally, and Davenport/Quad Cities ranked #13 in the Midwest and #63 nationally.
- Iowa ranks 12th in state competitiveness. 2002 Beacon Hill Institute State Competitiveness (Suffolk University): Nine factor categories include government & fiscal policy, infrastructure, human resources, technology, finance, openness, domestic competition, and environmental policy. Iowa ranked #12 overall, up from 16 a year ago.

HISTORICAL OVERVIEW

State Budgets and Finances

Iowa, like most states, has struggled to deal with tough fiscal times in recent years. Spurred by the national recession and the impacts of 9/11, nearly every state has had to cope with revenue shortfalls and budget deficits. In its latest survey of the states, the National Governor's Association and National Association of State Budget Officers wrote:

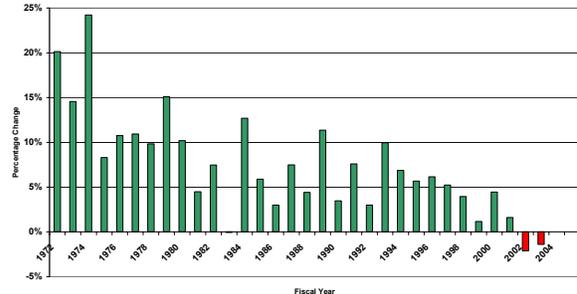
“While the economy has begun to show some signs of improvement, states continue to grapple with short term cyclical and long-term structural problems. Plagued by budget shortfalls for the past three years, states still face uncertainty in the current Fiscal Year and difficult budgetary choices in the years ahead, even amid strong growth recently in gross domestic product and declining job losses.

States currently find themselves in a familiar spot: struggling to keep their budgets in balance. Budget gaps are lingering as spending pressures persist---particularly from Medicaid and other health care---and as revenues remain sluggish, although in some states recently they have shown signs of resuscitation. As in previous years, states are confronting these challenges by enacting negative growth budgets, increasing taxes and fees, reorganizing programs, and drawing from reserves.”

Iowa Revenues Not Meeting Historic Expectations

Over the past 35 years, Iowa's tax structure has generated, on average, growth of a little over 5% a year, but this level has not been attained in any of the last seven years. In fact, for the first time since before the Korean War, the state has now had two successive years of revenues being smaller than the previous year. On top of this decline, the estimate for the current Fiscal Year is no revenue growth – making three successive years of negative or no state general fund revenue growth. The following chart illustrates this dramatic change in Iowa's revenue collections:

Iowa General Fund Revenue Growth

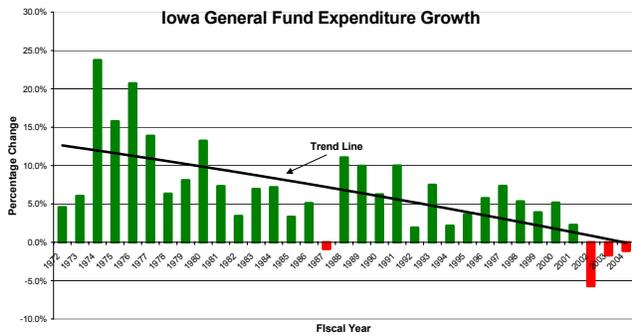


While it is true that some of the recent performance can be attributed to a sluggish national economy, the state economic data is much better than the revenue data. For example, over the last three years, Iowa's personal income has increased 6%, while the state general fund budget has decreased by 8%.

Without a doubt, part of Iowa's poor revenue performance is the result of past decisions to make broad-based and targeted tax cuts. The State has made tax cuts every year since Fiscal Year 1996, and the aggregate amount of these tax cuts and property tax replacement now totals over \$5 billion. On an annual basis, the general fund budget has reduced revenue or replaced property taxes by almost \$900 million in Fiscal Year 2004.

Iowa Spending Has Been Cut to Deal with Revenue Losses

Prior to Fiscal Year 2002, the State of Iowa had only experienced an actual reduction in spending compared to the previous year once, during the farm crisis in 1987. However, in each of the last three Fiscal Years, Iowa's general fund spending has been below the previous year. In fact, the 5.7% reduction in the Fiscal Year 2002 budget was the largest percentage reduction of any of the fifty states, according to the National Conference of State Legislatures. The following chart illustrates this dramatic change in Iowa's budget experience:



The State of Iowa has utilized a variety of measures to reduce spending. These include two rounds of an early retirement program, voluntary wage concessions by the States largest state employee union, and extensive restructuring and consolidation of executive branch departments. As a result, the State executive branch workforce is 7% smaller than it was on July 1, 2001.

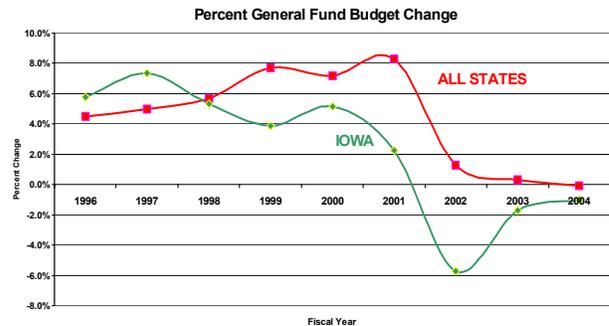
At the same time, the vast majority of Iowa’s general fund spending is dedicated to a few key priorities. Education makes up over 60% of the budget, and children, family and senior services (primarily health care) make up another 17%. When you add in local assistance (which translates into money for local fire and police protection, among other things), you have 84% of Iowa’s general fund budget. As medical and other costs continue to increase, it is impossible to keep pace with the demand for quality services with continually fewer tax dollars.

National Actions by States to Balance Budgets

Forty-nine of the fifty states, including Iowa, have either a constitutional or a statutory requirement to have a balanced budget. In 1992, Iowa adopted a budget reform proposal that required the Legislature and Governor to spend no more than 99% of its revenue, and maintain reserve funds to deal with unexpected budget issues. The wisdom of that action has shown in recent years, as Iowa has been able to reduce the impact of revenue losses through prudent use of its reserve funds. It is notable that the recent bipartisan budget reform agreement in California is patterned on the Iowa law.

Across the country, States have used a variety of mechanisms for coping with budget problems. While the States as a whole are now making slight

reductions to spending, Iowa started the process of reducing spending earlier and to a greater extent than the combined 50 states. The following chart illustrates the changes in spending for Iowa and the combined 50 states:



Besides reducing budgets, many states have begun to raise taxes and fees. According to the National Governor’s Association and National Association of Budget Officer’s Survey of the States, “36 states enacted broad-based net tax and fee increases for Fiscal Year 2004 totaling \$9.6 billion.” This follows action in Fiscal Year 2003, when the survey found that the states raised a combined \$8.3 billion in new taxes, for a two-year total of almost \$18 billion. In contrast, Iowa continued to reduce taxes in both of those years.

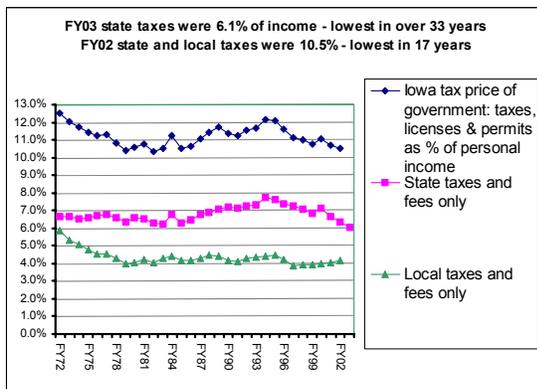
During the 1990s, the States as a whole did a good job of building their reserves, and during recent years, those reserves have been tapped to deal with budget issues. In Fiscal Year 2003, for example, 25 states drew on their reserve funds to help balance their budgets. While Iowa has drawn on its reserve funds, it has done so to a lesser extent than most states. Iowa continues to have over \$200 million in its reserves, which is 4.7% of its net general fund revenues. By contrast, the states as a whole have an average of 3.1% in reserve.

Iowa has also managed revenue shortfalls without the use of debt financing or accounting tricks, which have been utilized in a number of States. These sorts of budget balancing ploys have been criticized on numerous occasions by the national rating agencies. It is notable that both of the premier national rating agencies, Standard and Poor’s and Moodys Investors Services, continue to give Iowa their second highest rating, AA+ and Aa1 respectively, and both continue to list Iowa’s financial outlook as stable. In contrast, among our neighboring states, Illinois, Wisconsin, and Minnesota have all been subject to ratings downgrades in the past three years.

Iowa's Price of Government

One common measure for determining the cost that citizens pay for their government is to compare tax revenues to personal income. This reflects how much people pay, as a percent of their income, for their government services. This allows comparisons over time without having to adjust for inflation or changes in economic conditions.

In Fiscal Year 2003, Iowa's price of state government (state tax revenues as a percent of personal income) is at the lowest level in 33 years. When combined with local government revenues, it is at the lowest level in 17 years. The chart below shows this change over time:



In conclusion, Iowa government has done an excellent job of managing its finances. Levels of spending are below national averages, and Iowa has balanced its budget without resorting to gimmicks or tricks that end up costing states in the long run.

However, continued reductions in revenues are making it increasingly hard for the states as a whole to maintain essential services with current revenue structures. Most states are taking action to modernize and revise their revenue structures. When looking at Iowa's budget and revenue experience over the last 35 years, one can only conclude that it is time that Iowa modernizes its tax structure as well to create a fair and balanced system.

BUDGET HIGHLIGHTS

After three consecutive years of negative revenue growth and 8% budget cuts, it is apparent that Iowa's current revenues cannot protect priorities, preserve Iowa values and promote a better tomorrow for Iowans. As a bridge to economic growth, Governor Vilsack and Lieutenant Governor Pederson are proposing a budget that continues to move Iowa forward and is fiscally responsible.

As with most states, Iowa has encountered serious budget problems in recent years. As the national economy faltered, starting in Fiscal Year 2001, on-going revenues have not kept pace with the spending necessary to maintain Iowa's values. To address the budget problems, the state used a variety of methods to reduce spending, including early retirement, reorganization of departments, and across the board and selective budget cuts. State employees also voluntarily deferred scheduled pay increases.

However, the magnitude of the revenue shortfalls made it impossible to balance the budget solely with cuts, especially considering that the vast majority of the state budget goes for education and health care. As a result, a variety of one-time resources were also tapped to reduce the magnitude of budget cuts. However, these options have largely been exhausted. With a dramatically smaller state work force, and a general fund budget that is over \$270 million smaller than the actual general fund budget from the first year of the Vilsack Pederson administration, the choices are clear.

Iowa's tax structure can no longer support Iowa's values. Spending that does not materially impact necessary services can no longer be reduced. As a consequence, Governor Vilsack and Lieutenant Governor Pederson are proposing a budget for Fiscal Year 2005 that modernizes Iowa's tax structure, brings spending and revenues into alignment and maintains the values that Iowans support – particularly for education, health care, and security.

Fiscal Year 2003 Summary

During Fiscal Year 2003, executive branch agencies worked diligently to live within the amounts budgeted by the Legislature and Governor. General

Fund spending was reduced by \$61.5 million or 1.3% from Fiscal Year 2002. On July 1, 2003, cash receipts for Fiscal Year 2003 were \$12.1 million ahead of the Revenue Estimating Conference estimate for Fiscal Year 2003. Unfortunately, during the hold open period from July and August, accrued revenues came in below estimates. Also, some standing appropriations were over estimates and reversions (unspent appropriations) were lower than expected. When taken together, the shortfall for Fiscal Year 2003 is \$45.8 million. In order to rectify this shortfall, Governor Vilsack initially proposed bringing the Legislature back into special session. Auditor of State Vaudt wrote to the Governor and Legislative leaders indicating that a special session was not required for the Auditor's Office to complete the Fiscal Year 2003 audit of the State's Comprehensive Annual Financial Report. Governor Vilsack has since written to Legislative leaders expressing his belief that addressing this issue should be the first priority when the Legislature convenes and is proposing legislation to transfer funds from the Cash Reserve Fund to cover the shortfall.

Fiscal Year 2004 Update

Fiscal Year 2004 started on July 1 with estimated Total Net Receipts at \$4,653.2 million, or 2.9% over the estimated Total Net Receipts for Fiscal Year 2003. Net General Fund appropriations for Fiscal Year 2004 were at \$4,550.0 million or 0.9% over net General Fund appropriations for Fiscal Year 2003. This left an ending balance for the General Fund of \$103.2 million.

The Revenue Estimating Conference met on August 5, 2003, and lowered Total Net Receipts. After taking into account other changes, it left an estimated ending General Fund balance of \$81.5 million.

The Revenue Estimating Conference met again on October 10, 2003, and lowered Fiscal Year 2004 Total Net Receipts by \$144.5 million. As a result Governor Vilsack was forced to eliminate the estimated General Fund shortfall of \$63.0 million by implementing a 2.5% across the board reduction to General Fund appropriations, which left the General Fund with an estimated \$19.5 million ending balance.

The Revenue Estimating Conference met again on December 8, 2003. This time Total Net Receipts for Fiscal Year 2004 were reduced by \$14.9 million, which, after taking into account an increase in the estimated Legislative budgets leaves an ending balance of \$4.0 million for the General Fund.

While current cash flow estimates for Fiscal Year 2004 show the State's obligations can be paid on time, to provide insurance against a possible cash shortage, in December 2003, Treasurer of State Fitzgerald issued \$575.0 million in tax revenue anticipation notes. This will allow the State to have a cushion on which to pay state expenses. Because the state can invest the idle funds, the General Fund should realize an estimated \$2.0 million gain from the transaction.

After taking into account the across the board reduction, estimated net General Fund appropriations for Fiscal Year 2004 are \$50.6 million or 1.1% less than Fiscal Year 2003 net appropriations, \$112.1 million or 2.4% less than Fiscal Year 2002 net appropriations, and \$272 million or 5.7% less than Fiscal Year 2000, the first budget year of the Vilsack Pederson administration.

After all the reductions in spending, the price of Iowa government is at its lowest in many years. Fiscal Year 2003 state taxes were 6.1% of personal income, the lowest level in over 33 years. Fiscal Year 2002 state and local taxes were 10.5% of personal income, the lowest level in over 17 years.

Fiscal Year 2005 Recommendations

Even through this fiscal crisis, Governor Vilsack and Lieutenant Governor Pederson have provided unwavering support for the financial responsibility of the State. This support allows the State to continue to enjoy high credit ratings. Standard and Poor's, in their latest update on the State's ratings, continues to give the State a rating of AA+, the second highest possible rating, along with an outlook as stable. Moody's ratings for the state continue to be Aa1, also the second highest rating, and also with a stable outlook.

Governor Vilsack and Lieutenant Governor Pederson have developed their Fiscal Year 2005 budget recommendations around the fundamental principle of a balanced budget that looks not only at the short term but also long term. Their Fiscal Year 2005 budget is balanced and meets the 99% expenditure

limitation. It also eliminates the need for use of one-time funds and expands on revenue diversification through additional sales and use tax and corporate income tax generation, along with an increase in the cigarette tax. These increases bring three lagging taxes more in line with other tax generators and brings revenue and expenditures into alignment so that essential services will not be eliminated, not only for Fiscal Year 2005 but also in future years.

Governor Vilsack and Lieutenant Governor Pederson recommend a status quo budget for most of state government in Fiscal Year 2005, with limited additional general fund appropriations in targeted areas. Governor Vilsack and Lieutenant Governor Pederson are recommending the following highlights in Fiscal Year 2005:

General Fund Recommendations

Education

- \$116.4 million increase to local school districts to provide for the 2% allowable growth in the school aid formula, which was promised by statute in the last legislative session. This will increase funding by \$93 per student, which will continue funding for approximately 3,200 teachers and additional instructional support staff, and continue to build upon the gains made in student achievement and reducing class sizes.
- \$29.3 million for the reauthorization of the class size initiative to continue funding for approximately 800 beginning teachers and keep class sizes at both elementary and secondary levels from growing.
- \$1.8 million increase to fully fund the National Guard Loan program.
- \$1.9 million increase in the Iowa Tuition Grant program to provide 3,850 awards without eliminating awards to 600 students.
- \$1.5 million to expand early childhood services such as community empowerment and shared visions.
- \$3.1 million increase to Community Colleges to deal with necessary operational increases in expenses.

- \$10.0 million for professional development in local school districts that have made a commitment to reduce administrative expenses to shift greater funding into classroom programming and expenses. Of this increase, \$0.5 million is allocated to the Waterloo school district to implement the highest priority recommendations of the Achievement Gap task force.
- \$4.25 million increase to maintain minimum teacher salaries at the Fiscal Year 2004 levels.
- \$0.4 million for Jobs for America's Graduates to assist with employment and training for targeted youths.
- \$30.0 million to the Regents institutions to deal with necessary operational increases in expenses. In the past four years, the general fund budget for the Regents institutions has been reduced by nearly \$100 million.
- \$0.7 million increase for civil commitment for sexual offenders to maintain levels of funding necessary to keep these offenders off the street.
- \$3.1 million increase for Glenwood Resource Center to pay for state share of clients and meet the requirements of the federal Department of Justice.
- \$5.0 million to redesign the state mental health system to be more focused on clients and community care alternatives.
- \$10.0 million increase for child and family services to meet federal maintenance of effort requirements. Funds are redistributed to address the 152 children on the group care waiting list and a portion of the projected increase in subsidized adoptions.
- \$0.5 million increase for minimum maintenance of effort for substance abuse prevention efforts.

Health and Human Services

- \$2.5 million increase to the Family Investment Program for the continuation of minimum maintenance of effort to match federal funds and continue funding for 702 families to receive support for daily living expenses such as food and shelter.
- \$42.7 million increase to maintain Medicaid services. This would allow over 400 children ageing out of the foster care system but not yet 21 to receive health care; 152,815 adults, many of whom are elderly or have disabilities would continue to access prescription drugs; 13,605 children, elderly or persons with disabilities would receive help in their own home or community; 1,795 Iowans seeking hospice services would receive them. A variety of federally identified optional services such as ambulance, dental, eye care, podiatric and chiropractic services would continue. \$10 million of this amount begins the process of phasing out reliance on the Senior Living Trust.
- \$1.8 million increase for Medical contracts to assure that Medicaid payments are made in a timely, and cost effective fashion for the state.
- \$1.5 million for HAWK-I so an additional 3,000 children will have access to health care.

- \$0.5 million for tobacco cessation efforts.
- \$1.0 million for mobile dental health clinics to provide care for children and seniors in underserved rural areas of the state.
- \$1.0 million increase for the Iowa Veterans Home to maintain services to veterans and avoid waiting lists for care.

Governor Vilsack and Lieutenant Governor Pederson also recommend that in Fiscal Year 2004, \$20 million be transferred from the state General Fund to start the replenishing of the Senior Living Trust fund.

Justice

- \$6.0 million to the Department of Corrections to cover necessary increases in operations and to open new prison beds for 225 offenders.
- \$6.0 million increase to the Judicial branch budget, which the Governor is, by law, required to recommend without change from the Court's request in his budget.
- \$5.0 million increase to the Department of Public Safety for increases in operational expenses and for maintaining staff as well as additional positions in critical safety areas.
- \$2.0 million increase to maintain constitutionally required funding of the Public Defender and Indigent Defense.

Economic Development

- \$0.5 million for additional tourism advertising.
- \$0.25 million increase for OSHA inspectors and compliance officers to assure workplace safety across the state.

General Government

- \$15.2 million to operational budgets in state government to replace the one-time appropriation transfers due to the under funding of salary adjustment by the Legislature in Fiscal Year 2004.
- \$2.0 million to the Department of Administrative Services for capital and cash flow needs consistent with legislation to move toward an entrepreneurial model for service delivery, and \$0.7 million for increased Capitol complex utilities costs.
- \$0.3 million to the Department of Revenue for continuation of revenue generating positions funded through the Charter Agency agreements.
- \$0.8 million to the Secretary of State for federal matching funds to improve voting equipment as provided in the federal Help America Vote Act.
- \$2.0 million to increase the State Appeal Board standing unlimited appropriation to bring the estimate into line with expenditures.
- \$3.0 million to rectify issues of overcharges to the federal government for technology costs in areas partially funded by the federal government.

Local Government Aid

- \$17.5 million to fully fund the Homestead tax credit to provide increased property tax relief or local police and fire protection and other services.
- \$3.3 million to fully fund the Elderly and Disabled tax credit to provide additional property tax relief to the older and disabled citizens.
- \$4.7 million increase for mental health services.

General Fund Revenues

The Revenue Estimating Conference at their December 8, 2003, meeting set the amount of General Fund revenue for Fiscal Year 2005 that can be used by both the Governor and Legislature in developing their respective budgets. The REC set

Total Net Receipts to the General Fund at \$4,550.3 million or 1.5% growth over Fiscal Year 2004.

It must be noted that of this growth, \$63.4 million or more than the growth in Fiscal Year 2005, is due to a bill drafting situation when Governor Vilsack vetoed portions of House File 692, the sales tax on residential utilities was put back to the original 5% rate, as opposed to the 2% rate that is effective January 1, 2004. Governor Vilsack and Lieutenant Governor Pederson support the continuation of this sales tax reduction; therefore there is no growth in General Fund revenues for Fiscal Year 2005.

In order to continue to provide essential state services for Iowa, Governor Vilsack and Lieutenant Governor Pederson recommend the following General Fund revenue adjustments for Fiscal Year 2004 and Fiscal Year 2005:

- Eliminate the reliance on one-time transfers from other funds to the General Fund.
- Continue the sales tax phase-out on residential utilities for a revenue reduction of \$63.4 million.
- Increase the cost of cigarettes, effective March 1, 2004, by \$0.60 per pack for a revenue increase of \$36.0 million in Fiscal Year 2004 and \$108.0 million in Fiscal Year 2005. With the effective date, it is recommended that \$20 million be transferred from the General Fund to the Senior Living Trust Fund in Fiscal Year 2004.
- Require corporations to file combined reports for Iowa corporation income tax purposes for a revenue increase of \$25.0 million.
- Expansion of sales tax to select services mostly provided to corporations for a revenue increase of \$208.3 million and beginning on January 1, 2006, phase in a 15% reduction in the sales tax rate over four years.

Rebuild Iowa Infrastructure Fund Recommendations

Governor Vilsack and Lieutenant Governor Pederson recommend the following from the Rebuild Iowa Infrastructure Fund for Fiscal Year 2005:

- A change in gambling tax rates to raise an additional \$57.2 million in Fiscal Year 2004 and Fiscal Year 2005.

- An increase of \$5 million funding to \$40.0 million, to the Environment First Fund.
- \$6.4 million to the Department of Administrative Services for routine maintenance of state buildings and facility relocation expenses.
- \$4.0 million to the Department of Public Defense for facility construction in Ft. Dodge, Boone and Iowa City.
- \$4.0 million to the Department of Administrative Services for pooled technology grants.
- \$2.7 million to the Department of Education for Iowa Communications Network maintenance and leases.
- \$2.6 million to the Department of Public Safety for homeland security, nationwide crime information, and fire service training facility planning.
- \$1.3 million to the Department of Education for the Enrich Iowa program for public libraries and to begin the remodeling of the Jesse Parker building.
- \$0.9 million to the Department of Cultural Affairs for the Historical Preservation Grant Program and battle flag preservation.
- \$0.8 million to the Department of Economic Development for the local housing assistance program.
- \$0.5 million to the Department of Transportation for airport and aviation system improvements at Iowa airports.
- \$0.4 million to the Commission of Veterans Affairs for capital improvement projects.
- \$0.3 million to the Department of Corrections for the Ft. Madison electrical upgrade.
- \$5.0 million to the Department of Economic Development for Accelerated Career Education Infrastructure.
- \$6.0 million to the Department of Administrative Services for continuation of the Enterprise Resource Planning (I/3) project.
- \$5.5 million to the Department of Natural Resources for Destination Parks and the Lewis and Clark rural water system.
- \$26.2 million to the Board of Regents for tuition replacement, the Journalism Building at University of Iowa, the Business Building at Iowa State University and the Innovative Teaching Center at the University of Northern Iowa.
- \$1.7 million to the Department of Transportation for Commercial Air Service and General Aviation programs.
- \$29.5 million to the Treasurer of State for the Community Attraction and Tourism program, county fair improvements and ICN and Prison Infrastructure debt service.

Bonding for Capital Projects

Governor Vilsack and Lieutenant Governor Pederson recommend that \$300 million of capital bonds be issued to provide funding for the following projects:

- \$100.0 million to the Vision Iowa fund for additional projects around the state.
- \$50.0 million to the Cultural and Tourism fund for additional projects around the state.
- \$33.9 million to the Department of Corrections to complete the 170 bed special needs unit at Oakdale and relocation and additional 35 beds in Davenport for the Seventh Judicial District.
- \$18.3 million to the Iowa Public Television to finalize Digital Television conversion.
- \$79.5 million to the Department of Administrative Services to finalize the Records Center conversion, major maintenance projects and ADA projects.
- \$15.4 million to the Board of Regents for various capital projects.

Tax Exempt Bond Proceeds Restricted Capital Fund Recommendations

Governor Vilsack and Lieutenant Governor Pederson recommend the following from the Tax Exempt Bond Proceeds Restricted Capital Fund for Fiscal Year 2005:

ISSUE BRIEFS

Professional Development of Teachers and Improvement of Student Achievement

Critical Issue

High quality professional development is essential for improving the learning of all students. Research has consistently shown that professional development in higher achieving schools includes a focus in an academic content area that results from student need, provides opportunity for teachers to learn new instructional skills, provides opportunity for collaboration, commits to more use of effective training processes, and receives extensive support from leadership. Professional development is focused on improving teaching as a means to improving student learning.

Initiative

The amount of \$555,000 shall be used to implement in the Waterloo Community School District the highest priority recommendations of the Achievement Gap Task Force.

Remaining funds shall be allocated to school districts for professional development if the district increases the proportion of their total general fund expenditures spent on instruction compared to proportion expended in the prior year. Increased proportionate expenditures must be achieved through proportionate decreases in administration and administrative services as defined by the Department of Education. The funds will be incentive grants for districts that achieve administrative savings. Districts will submit a plan to the Department for approval.

Cost

The cost of this initiative is \$10 million for Fiscal Year 2005.

Results

Districts will be able to compensate staff for professional development time that occurs outside of the regular contract; provide substitute teachers to allow teachers time for professional development; and fund trainers and providers of professional development. This investment will provide an

incentive for schools to target more of their limited resources toward improving teaching, which will improve student learning.

Protecting All Our Children: Anti-Harassment/Bullying Initiative

Critical Issue

Too many young people experience school as a frightening, hurtful, and lonely place because they are victims of bullying and harassment. Bullying, whether it is emotional, verbal, physical, psychological, racial, or sexual in nature, is a form of abuse, and the effects of that abuse can have lasting, far-reaching consequences. New research shows that victims of bullying can go on to suffer from serious long-term emotional problems, and bullies are more likely to grow up to commit more severe acts of violence and abuse. When students are afraid of being bullied at school, they cannot learn and perform in the classroom to their best potential. When students see that some bullying students are able to get away with abusing other kids, they are likely to lose respect for the teachers, principals, and adult authority figures that are supposed to protect them.

Initiative

In order to create a safe learning environment for all our children, it is essential to protect all students from harassment and bullying in our schools. No student should be subject to harassment or bullying at school and school functions. To achieve this aim, school districts are required to develop a policy that includes the following:

- Statement prohibiting harassment and bullying.
- Definition of harassment and/or bullying that meets criteria in the legislation.
- Description of the type of behavior expected from each faculty member, staff member, volunteer, and student.
- Procedure for the prompt investigation of complaints.

- Range of sanctions and remedial actions that can be taken once a harassment or bullying incident has been confirmed.
- Procedure for reporting an act of harassment or bullying to the Department of Education.

The Department of Education will assist school districts in this process by developing model policies that districts may reference and use. If funding is available, school districts are encouraged to establish programs that are designed to eliminate harassment or bullying such as staff trainings.

Cost

There is no cost to the general fund for this initiative.

Results

No child's experience of growing up should be defined by bullying and harassment. By developing guidelines for local school districts to implement harassment and bullying policies, the State will help create a safe school environment where all our children are capable of reaching their potential. All members of the school community will be treated with dignity and respect. This in turn will allow schools to better focus on providing a high quality education to our students and students to better focus on learning and developing.

Increase Access to Oral Health Services in Iowa

Critical Issue

The number of dentists in rural Iowa continues to decline. Consequently, access to oral health care has become sporadic or non-existent for many Iowans, especially among the elderly, low-income adults and certain groups of children (0-5 years of age, and children with special health care needs). Recruitment and retention of dentists and dental hygienists in rural Iowa is critical to long-term efforts to increase access to oral health care.

Initiative

To develop a mobile dental delivery system specifically for low-income special needs populations. This is the best approach for reaching Iowans with the least access to oral health services and to improve overall oral health. The mobile dental delivery system would do the following: reach children, pregnant women, rural residents and the

elderly; community health centers will serve as regional hubs; and staffing will be provided by community health dental center staff, university dental students, community college dental hygiene and dental assistant students, and by local volunteer dental providers. The Iowa Department of Public Health Oral Health Bureau (IDPH) will serve as the lead agency for the project.

Cost

The cost of this initiative is \$1 million from the general fund. This proposal will allow IDPH to leverage additional funding beyond state general fund dollars. IDPH anticipates that federal funds can be leveraged to expand the program to reach greater numbers of Iowans. There are also opportunities for matching funds from private resources.

Results

There will be improved access and improved health care for vulnerable people in rural Iowa. Improved oral health is associated with improved overall health. A portion of the cost associated with the program will be used for loan repayment for dentists and dental hygienists in rural counties designated as Health Professional Shortage Areas.

Health: Promoting Mental Health/Substance Abuse Parity

Critical Issue

Mental illness and substance abuse touch all of us in different ways. These are diseases that impair family bonds, challenge friendships, and cost businesses in lost time and productivity. However, if properly treated, people with mental illness or substance abuse can become productive members of our communities.

Data indicates that more than 65% of the people currently in Iowa's corrections system have mental illness and/or substance abuse. Mental health and substance abuse parity can help people avoid incarceration at much lower cost.

Initiative

Governor Vilsack and Lieutenant Governor Pederson propose that all group health care plans provide for parity for mental health and substance abuse benefits.

This would include the state employees health benefit plans. The proposal covers the following serious mental illnesses:

- Schizophrenia;
- Schizo-affective disorder.
- Bipolar disorder.
- Major depressive disorder.
- Obsessive-compulsive disorder.
- Autism.
- Pervasive developmental disorder.
- Panic disorder.
- Paranoia and other psychotic disorders.
- Eating disorders, including but not limited to bulimia nervosa and anorexia nervosa.

The proposal would exempt any group health plan that demonstrates a rate increase in excess of 3% due to parity. The law would sunset on July 1, 2006 in order to provide for a review of the effect on insurance rates.

Cost

It is projected that there will be minimal fiscal impact.

Results

The enactment of mental health and substance abuse parity will provide a greater opportunity for many Iowans to receive the care they need to live healthy and productive lives. It will provide Iowa employers a larger and more productive workforce. It will also ease the financial burden on Iowa taxpayers of supporting an already over-stressed prison system and the Medicaid program.

Every Vote Counts: Secure Elections Legislation

Critical Issue

The 2000 Presidential election focused the nation's attention on a fundamental responsibility of our democracy: protecting the right to vote. The Help America Vote Act and the appropriations to fund it have provided a foundation for improving election systems. However, there is significant concern that electronic voting systems can be subject to manipulation that will allow votes to be stolen/discounted or election results to be altered. Merely investing money in new, modern elections systems is not enough. There must be standards and procedures in place so that our election systems function smoothly making it easy for every eligible voter to cast their vote and guaranteeing that every vote is counted and recorded accurately.

Initiative

The proposal establishes standards of certification for software for electronic voting machines and the transmission of elections results. The proposal establishes requirements for Direct Recording Electronic voting machines (DREs) to ensure that the machine accurately records a voter's choice and that choice can be verified. The DRE will be required to:

- Permit the voter to verify selections before a ballot is cast and counted.
- Provide the voter with an opportunity to change/correct selections before a ballot is cast and counted.
- Notify the voter and provide an opportunity for correction if more than one candidate is selected.
- Produce a record with an audit capacity, specifically a permanent paper record.

Cost

Certification of voting machine software will be done at the vendor's expense. Federal HAVA and matching state funds have been appropriated to help with the costs of new voting equipment.

Results

The implementation of standards and procedures will ensure that our state's voting systems are secure. The standards and procedures will make tampering with elections more difficult, thereby securing an individual's right to vote. Further, the requirements of

DREs will give voters better opportunities to scrutinize their own ballot to make sure it is accurate while providing a mechanism for verifying cast ballots. The end result is that votes will both be recorded and counted accurately, protecting Iowans' democracy and rights

Energy Efficiency Initiative

Critical Issue

Iowa has an aging school infrastructure that is very energy inefficient and costly for school districts to operate. The dilemma that school districts face is to pass a bond issue for new school construction or continue to pay increasing energy costs in an aging school plant.

Initiative

A school district enters into an agreement with a private energy service company (ESCO). The ESCO identifies and evaluates energy-saving opportunities and then recommends a package of capital improvements to be paid for with anticipated energy savings. The ESCO will guarantee that savings must exceed annual payments to cover all project costs – usually over a contract term of several years. If savings don't materialize, the ESCO pays the difference, not the school district. To ensure savings, ESCO offers staff training and long-term maintenance services. Additional technology infrastructure improvements may be implemented if the energy savings generated by other energy conservation measures and facility technology infrastructure supports the cost. In addition to schools, this initiative also covers any public facilities, such as, community college, city, county, or state facilities.

Cost

The Energy Efficiency Initiative has no impact on State funding.

Results

The results of this initiative include the following:

- Reduced energy reliance.
- Lower school energy costs means more resources for educational programming.
- Savings may be used to pay for school technology upgrades.

- Cost to State Government: \$0.
- Paid for through savings.
- Bundling capital and operating improvements.
- Improves existing facilities.
- Saves bond limit for schools.
- Performance guaranteed.
- Improve conservation practices by local schools.

Investment in energy conservation measures by public facilities can reduce the amount of energy consumed by the facilities and produce both immediate and long-term cost savings. It is the policy of this state to encourage school districts, area education agencies, community colleges, public universities, municipalities, counties, and state institutions to invest in facility technology infrastructure upgrades and energy conservation measures that reduce energy consumption, produce a cost savings, or improve the quality of indoor air, or when economically feasible, to build, operate, maintain, or renovate public facilities in a manner which will minimize energy consumption or maximize energy savings.

Sale of the Iowa Communications Network Assets

Critical Issue

Since the Iowa Communications Network (ICN) was created ten years ago, it has proved to be an invaluable asset to the state creating unprecedented educational opportunities and allowing the state to be a national leader in defense and homeland security. The ICN has provided these services equitably and in a cost effective manner, and there are still opportunities to better utilize its capacity. However, the ICN has been under constant attack as an example of the state overstepping its bounds and competing with the private sector. The criticism of the ICN, which in turn, have created instability for the ICN and a disincentive for schools and other users to invest resources to best use the network.

Initiative

To insure that the utilization of the ICN is maximized, it is in the best interest of the citizens of Iowa to offer some of the assets of the ICN for sale, while retaining the ability to provide education, public defense and other users required telecommunications services now and in the future.

This proposal calls for a sale of most of the fiber optic cable and optronics, or assets, of the network. The state would continue to provide telecommunications services into the future by retaining capacity through a long term indefeasible right of use agreement (IRU). The proposal establishes a process for selling the ICN assets through an intermediary investment banker specializing in telecommunications resources. This will strengthen the ability of the state to receive a fair price for the assets while allowing an impartial third party to determine the most qualified buyer for the assets.

The sale proceeds will be used to prepay remaining construction debt and provide a basis for an equipment replacement fund in order to minimize network maintenance and upgrade costs while maintaining the most technologically up to date system possible.

Cost

The sale of the ICN assets will generate revenue that will be used to retire the remaining state indebtedness and provide for future upgrades without reliance on state funds.

Results

The Sale of the ICN assets is a pro-competitive proposal that makes sense from both a public and private sector perspective. The proposal is a way to protect and enhance the education uses of the ICN so that the important educational opportunities that the ICN provides, particularly for rural and smaller schools, will be maintained. The proposal allows the Iowa National Guard to continue its national leadership in the use of technology, in turn creating more efficient security in Iowa and maintaining the Guard's important roles in federal homeland security and defense. Additionally, the maintenance and upgrade fund will help keep the ICN's educational, public defense and other users at the cusp of technological innovation. The proposal also creates a fair and balanced way for the private sector to utilize the additional capacity of the ICN to provide more and new economic development opportunities for the State.

Sustaining a Sound Pension System: IPERS Bill

Critical Issue

IPERS unfunded actuarial liability (UAL) has increased to \$1.255 billion. In recent years, IPERS has experienced some losses because of the downturn in the stock market, demographic changes and benefit improvements. One important demographic change is the increasing life expectancies of members. While living longer is good news for retirees, the retirement system must pay benefits for more years, which is a major reason why costs have increased. At the same time that costs have been going up, IPERS has not raised contribution rates for 24 years resulting in costs to pay current retiree benefits being nearly as high as the contribution rate. This means that very little money being paid into the system now is being saved for the future costs of retiree benefits. Action must be taken to ensure a sustainable and sound pension system into the future.

Initiative

To ensure a sound pension system that is capable of paying retiree benefits into the future, the contribution rates must be increased. Beginning in Fiscal Year 2006, the IPERS contribution rate would be increased by 1% a year for four years. By Fiscal Year 2009, the contribution rate increase would be fully phased in at 13.45%. The plan provides for a one-year delay as well as a phase in of the implementation of contribution increases. This allows for employers to plan for the impact of the change in contribution rates.

The proposal also includes two reforms of the system that will increase its soundness long-term. The first reform is that the benefit formula used at retirement for new members will be changed to consider a member's five-year average covered wage instead of the three-year average currently used. This will reduce the ability of individuals to game the system by artificially increasing wages in the high years. The second reform will eliminate any system subsidization of early retirement. These changes are only applicable to members who enter the system after July 1, 2004.

Cost

There is no cost to the general fund for Fiscal Year 2005. Starting in Fiscal Year 2006, there will be an approximate cost increase to the general fund of \$3.6 million each year through Fiscal Year 2009.

Results

This proposal creates a sustainable and sound pension system that will enable IPERS members, teachers and other public servants, to receive the benefits that they have earned and deserve without negatively impacting employers and employees or passing the costs on to future generations. A sustainable and sound retirement system is important for the state's financial statements and ratings as well as its ability to attract qualified, dedicated teachers and public servants.

ECONOMIC REPORT

National Economic Review and Forecast

The State of Iowa contracts with Economy.com, which, along with Global Insight, Inc., is used by a number of states for national forecasting data and information. Economy.com expects strong performance from the U.S. economy in 2004. They project that real growth in gross domestic product will top 4.0%, up from 3.0% last year, 2.5% in 2002, and no growth during the 2001 recession year. They believe that inflation will remain subdued, with core consumer price inflation remaining well below 2%.

Economy.com believes that the stock market will have another good year in 2004, and with record corporate profits and low interest rates, the market is not overvalued, as some suggest. They believe that Treasury yields will rise during the year, with ten-year Treasuries, currently trading at 4.25%, ending the year over 5%. Longer term yields will feel the pressure of the sizeable federal deficit, which will cause those rates to rise, particularly as corporate credit demands pick up. There is also a concern that global demand for U.S. bonds may diminish, which would also require prices to drop and yields to rise.

Higher interest rates will also have a dampening effect on the national economy and the stock market. In particular, higher rates will impact the housing market, which has been very strong during this period of extremely low interest rates.

Economy.com estimates that underlying new and existing home sales are 6 million annualized units, compared to the more than 7 million units currently being sold. Demographic and wealth needs support the construction of 1.8 million housing units annually, compared to the over 2.1 million units now being put up. Driving housing demand has been very aggressive mortgage underwriting, stronger investment demand for housing supported by robust house-price gains and an uncertain stock market and low cash yields, and the lingering reluctance to travel. Most importantly, however, have been exceedingly low mortgage rates.

Economy.com believes that the economic outlook is subject to a number of risks, equally weighted

between negative and positive. Aside from the possibility of further domestic terrorism, they believe the most significant threat to the outlook is the potential for weaker job growth than anticipated. Motivating this concern is the difficulty gauging the prevalence of global offshoring. Offshoring, which describes the outsourcing of previously U.S.-based production and jobs to overseas enterprises, is not new to manufacturing, but it is new to a wide range of other information and service businesses.

Beyond moving operations offshore, some businesses are finding it more logical to trade capital for labor by investing in new equipment or software than new employees. Rising health care and pension costs have contributed to this, as well as accelerated depreciation benefits included in the federal fiscal stimulus legislation in 2002.

Economy.com concludes that the economy has turned the corner after three very difficult years. They believe the year will be characterized by strong growth, an improving job market, low inflation, and another solid gain in the stock market.

The State also relies on national data compiled by the University of Iowa's Institute for Economic Research. In their November 2003 report, they note that the consensus forecast published in the *Blue Chip Economic Indicators* (November 10th, 2003) is for real GDP growth of 2.9% in 2003 (up from 2.3% in August) and for 4.2% growth in 2004. The Blue Chip consensus forecast is for a 2003 unemployment rate of 6.0% (down from 6.1% in August) and a 2004 unemployment rate of 5.9%. The Consumer Price Index is expected to rise by 2.3% in 2003 (up from a forecast of 2.2% in August), and by 1.9% in 2004. The expectation is that the GDP Deflator will rise by 1.6% in 2003 (up from 1.5% in August).

In December, the consensus forecast from the Federal Reserve Bank of Chicago's Economic Outlook Symposium indicated that real GDP would increase by 4.1% in 2004, up from an expected 3.0% in 2003; inflation, as measured by the Consumer Price Index, would decrease slightly to 2.2%; and the unemployment rate would average 5.8%, down from 6.0% in 2003. The seventeenth annual Symposium drew participants from manufacturing, banking, consulting and service firms, and academia.

One part of the Symposium involves the generation of a consensus economic outlook. This year, 35 individuals provided forecasts for major components of real GDP as well as several key statistics for the U.S. economy. The expected improvement for economic growth from 2003 to 2004 stems in large part to an improving business sector. Most other major components of real GDP are expected to contribute positively to growth, with only the residential and government sector increasing at a lower pace. Industrial production is forecast to rise roughly in line with real GDP next year. At 16.8 million units in 2004, light vehicle sales are expected to remain just above the high 2003 level.

Symposium participants anticipate that interest rates will be higher, on average, in 2004 than in 2003, which may be a factor contributing to forecasts of lower housing starts next year. Oil prices are expected to decline in 2004 while the dollar is forecast to weaken somewhat further.

Iowa Economic Review and Forecast

In November, 2003, the University of Iowa's Institute for Economic Research updated their quarterly forecast for the Iowa economy. Their forecast for real personal income growth in Iowa is 2.3% in 2003 (up from a forecast of 1.4% in August) and 1.4% for 2004 (down from 1.8% in August).

The employment growth figure is expected to improve over the current year. They anticipate negative employment growth in Iowa in 2003 (-0.3%), followed by moderate growth in 2004 (0.6%). In August, the forecasts were -0.9% and 1.1% respectively. Their August forecast was based on data through the first quarter of 2002. The current estimate is based on a data set that runs through the second quarter of 2003.

State Economic And Demographic Information

General Information

Iowa has become an increasingly urbanized state. By 2000, 61.1% of Iowa residents lived in cities and towns. While Iowa has been traditionally characterized as a rural state, the number of inhabitants who live outside towns and cities has declined for most of the last 100 years.

Iowa's economy is supported by a diverse mixture of industry, agriculture, services and government employment. For example, in 1980, agriculture accounted for 11% of Iowa's gross state product, business services 11%, and the finance, insurance, and real estate sector 13%. By 2002, the shares of Iowa's gross state product had changed to 4%, 18%, and 16%, respectively.

However, agriculture continues to play an important role in the State economy. Iowa is a leader in the production of corn, soybeans, hogs and cattle. In addition, a larger part of Iowa's non-farm personal income is earned in agriculture-related industries, such as agricultural services, food and kindred products, leather and leather products, and chemicals, in addition to farm machinery.

Iowa's Population

The State of Iowa has a population of approximately 2.94 million. In 2000 the State ranked 30th in number of inhabitants among the fifty states, the same as in 1990. Over the past four years, Iowa has shown population growth in each year, from 2,926,324 in 2000, to 2,032,225 in 2001, 2,034,840 in 2002, and 2,944,062 in 2003.

Personal Income and Employment

Personal Income. The University of Iowa Institute for Economic Research's latest outlook is for personal income in Iowa to grow by 4.2% in 2003, 4.1% in 2004, and 4.2% in 2005. Iowa's personal income is rebounding better than the nation as a whole. In the last two quarters of this Fiscal Year, Iowa's personal income, not seasonally adjusted, grew at a rate of 3.6% and 4.1% respectively; this was above the nation as a whole, which had personal income growth of 3.2% and 2.8%.

Personal income growth for calendar year 2002 was also higher in Iowa than in the nation as a whole. Iowa's personal income grew by 4.0%, which was the 12th largest percentage growth among the states. For the nation as a whole, personal income grew by just 2.8%. Iowa's per capita personal income growth was even more impressive – at 3.8% it was the fourth highest in the nation. Per capita personal income for the nation as a whole grew by 1.2% in 2002.

Improving income in the farm sector was a major contributor to personal income growth in 2002. Farm income within personal income grew by 55.7%. Other sectors registering significant gains were Finance, Insurance and Real Estate (6.3%); Services (4.0%); and Construction (4.0%). For the past 30

years, Iowa's total personal income has been about evenly divided between the State's 10 metropolitan counties and the State's 89 non-metropolitan counties.

Farmland Values. The most recent survey of area bankers indicates that farmland values are rising. The Federal Reserve Bank of Chicago surveys farm bankers in the area four times a year to determine their best estimates of farmland values. In their July 2003 survey, Iowa farmland values had risen 7% compared to the 2002 survey. Gains were registered throughout each region in the State, with the North Central region growing the most (12%), and the South East region showing the smallest increase (2%). In their July 2002 survey, Iowa farmland values had risen 7% compared to the July 2001 survey. The July 2001 survey showed a 2% increase over 2000. The July 2000 survey estimated that Iowa farmland values increased 4% over 1999. The 1999 survey had shown a 3% decline in values compared to 1998.

Employment. Iowa continues to have an average unemployment rate below the rate of the nation as a whole. Throughout most of the decade, Iowa's unemployment rate has been between one and two percentage points below the national average. The U.S. unemployment rate for September 2003 was 6.0%, compared to 5.7% in September 2002. The seasonally adjusted percent unemployed for the State in September 2003 was 4.6%, which was unchanged from the August 2003 rate. The Iowa unemployment rate for September 2002 was 4.2%. In September 2003, Iowa had the thirteenth lowest unemployment rate among the 50 states.

In September 2003, there were 1,547,500 employed Iowans. This compares with the record level of 1,630,500 employed Iowans in September 2002.

Iowa has a greater percentage of labor force employed compared to the nation as a whole and also has a larger percentage of its population actively participating in the labor force. While Iowa's personal income lags that of the nation, its high levels of employment help maintain median household income at levels at or exceeding the national average. In 2002, Iowa's median household income was \$41,338, slightly below the national average of \$42,400.

Exports. The rise in exporting industries has been an important factor in Iowa economic growth since the 1990's. Growth in exports of industrial machinery, instruments and measurement devices, electronics,

specialized transportation equipment, chemicals and pharmaceuticals, and processed food products have helped diversify Iowa's economy. When combined with traditional farm commodities and livestock, total exports from Iowa increased by 22%, 11% and 13% in the years 1995 through 1997. A variety of factors led to declines of 3% and 16% in 1998 and 1999. A general weakness in the economies of the Pacific Rim nations significantly reduced trade opportunities. At the same time, strong harvests worldwide led to an oversupply of agricultural commodities. The strong U.S. dollar also made it more challenging for U.S. products to be competitive in international markets.

Iowa commodity exports had been growing throughout the period from 1999 through the second quarter of 2001; however, the worldwide slowdown led to declines in both the third and fourth quarters of 2001. Exports rebounded in the first and second quarters of 2002 but declined in the final two quarters. Strong growth in the first three quarters of 2003 has pushed exports to record levels.

Iowa's record level of exports has been fueled by large percentage increases in machinery (11.5% growth), electrical machinery (15.2%), cereals (125.5%), milling (530.6%), and organic chemicals (30.2%). Overall, exports are up 8.0% compared to 2002.

Gross State Product. In 2001, Iowa's gross state product was \$90.9 billion, which reflected 1.4% growth over the previous year. The largest shares of the Iowa gross state product were manufacturing (22%), services (18%), and finance, insurance, and real estate (16%). Agriculture accounted for just 4% of Iowa's gross state product. The gross state product is the U.S. Commerce Department's measure of the value of all goods and services produced in the State each year. The nation's gross domestic product (\$10.1 trillion) grew by 2.5% between 2000 and 2001.

Components of the Iowa Economy

Nonagricultural Economy. Over the past 22 years, significant changes have occurred in the mix of nonfarm wage and salary employment. While payroll jobs in Iowa grew by 10%, jobs in the business services sector grew by 57% and the financial services sector grew by 35%. Conversely, manufacturing jobs declined by 4%. The following table summarizes the Iowa's nonagricultural workforce by industry category for certain years from 1990 through 2002.

Iowa Employment by Industry*
(000's)

| | 1990 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| Nonagricultural wage and salary | 1,226.3 | 1,442.8 | 1,468.6 | 1,478.5 | 1,465.6 | 1,447.0 |
| Mining | 2.0 | 2.2 | 2.2 | 2.1 | 2.0 | 2.0 |
| Construction | 44.9 | 63.3 | 65.8 | 63.9 | 64.2 | 64.3 |
| Manufacturing | 218.9 | 250.9 | 252.8 | 251.5 | 240.2 | 227.5 |
| Trade, Transportation, Utilities | 269.5 | 308.8 | 313.6 | 315.8 | 311.3 | 304.9 |
| Information | 29.9 | 35.7 | 38.7 | 40.4 | 37.4 | 35.2 |
| Professional and Business Services | 69.0 | 104.3 | 106.7 | 107.6 | 107.3 | 105.7 |
| Educational and Health | 146.6 | 176.0 | 178.0 | 181.9 | 185.4 | 188.0 |
| Leisure and Hospitality | 101.4 | 124.1 | 126.0 | 125.5 | 124.1 | 124.5 |
| Other Services | 55.6 | 55.3 | 56.4 | 56.8 | 56.3 | 56.8 |
| Government | 219.0 | 236.2 | 239.5 | 243.3 | 245.2 | 244.2 |

* Includes non-residents

Source: Labor Market Information Unit, Iowa Workforce Development

The following table summarizes Iowa's nonagricultural employment, as a percentage of total nonagricultural wages and salaries paid, for certain years from 1990 through 2002.

Iowa Nonagricultural Wage And Salary Employment

| | 1990 | 1998 | 1999 | 2000 | 2001 | 2002 |
|------------------------------------|------|------|------|------|------|------|
| Mining | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% |
| Construction | 3.7 | 4.4 | 4.5 | 4.3 | 4.4 | 4.4 |
| Manufacturing | 17.9 | 17.4 | 17.2 | 17.0 | 16.4 | 15.7 |
| Trade, Transportation, Utilities | 22.0 | 21.4 | 21.4 | 21.4 | 21.2 | 21.1 |
| Information | 2.4 | 2.5 | 2.6 | 2.7 | 2.6 | 2.4 |
| Professional and Business Services | 5.6 | 7.2 | 7.3 | 7.3 | 7.3 | 7.3 |
| Educational and Health | 12.0 | 12.2 | 12.1 | 12.3 | 12.7 | 13.0 |
| Leisure and Hospitality | 8.3 | 8.6 | 8.6 | 8.5 | 8.5 | 8.6 |
| Other Services | 4.5 | 3.8 | 3.8 | 3.8 | 3.8 | 3.9 |
| Government | 17.9 | 16.4 | 16.3 | 16.5 | 16.7 | 16.9 |

Source: Labor Market Information Unit, Iowa Workforce Development.

The growing diversification of Iowa's economy has caused the State's economy to more closely resemble that of the nation. Growth in professional and business services, education and health has offset relative declines in manufacturing and government.

Agricultural Economy. Fluctuating conditions, both in terms of world production and local crop conditions, continue to plague Iowa's agricultural economy. Increasingly, direct government payments are the determining factor in net farm income. Direct government payments peaked in 2000 at \$2,302.1 million, then declined to \$1,971.7 million in 2001 and \$737.1 million in 2002.

The table below summarizes realized gross and net income from farming in Iowa for certain years from 1990 through 2002.

Realized Gross and Net Income from Farming in Iowa
(\$ Millions)

| | 1980 | 1990 | 1998 | 1999 | 2000 | 2001 | 2002 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Final crop output | 4,224,930 | 4,656,318 | 6,392,386 | 5,077,649 | 4,920,052 | 4,993,739 | 6,229,554 |
| Final animal output | 5,459,875 | 5,887,249 | 4,818,187 | 4,734,297 | 5,719,219 | 5,893,818 | 5,118,992 |
| Services and forestry | 662,456 | 619,474 | 942,381 | 999,619 | 1,004,000 | 1,043,138 | 1,126,585 |
| Final agricultural sector output | 10,347,261 | 11,163,041 | 12,152,954 | 10,811,565 | 11,643,270 | 11,930,695 | 12,475,131 |
| Net farm income | 468,725 | 2,266,424 | 2,242,037 | 1,450,176 | 2,356,508 | 2,197,000 | 1,766,835 |

Source: Economic Research Service, U.S.D.A.

The components of Iowa's farm economy have, for a number of years, been split about equally between livestock and crops. The following table summarizes cash receipts from the various components of farming in Iowa for the years 1980 through 2002.

Cash Receipts from Farming in Iowa
(\$ Millions)

| | 1980 | 1990 | 1998 | 1999 | 2000 | 2001 | 2002 |
|-------------------------|----------|----------|----------|---------|----------|----------|----------|
| All commodities | 10,262.1 | 10,504.4 | 11,053.4 | 9,716.5 | 10,705.8 | 10,653.4 | 10,833.9 |
| Livestock and products | 5,311.5 | 6,093.3 | 4,753.5 | 4,712.3 | 5,756.6 | 5,925.7 | 5,074.8 |
| Meat animals | 4,870.3 | 5,308.9 | 3,823.2 | 3,871.2 | 4,945.4 | 4,969.0 | 4,211.9 |
| Dairy products | 283.1 | 549.3 | 581.2 | 500.5 | 455.2 | 550.4 | 459.1 |
| Poultry/eggs | 139.0 | 219.9 | 321.8 | 315.3 | 329.9 | 379.7 | 376.1 |
| Miscellaneous livestock | 19.1 | 15.1 | 27.2 | 25.2 | 26.1 | 26.7 | 27.6 |
| Crops | 4,950.5 | 4,411.2 | 6,299.9 | 5,004.2 | 4,949.2 | 4,727.7 | 5,759.1 |
| Food grains | 11.3 | 8.1 | 3.5 | 3.2 | 2.2 | 2.6 | 2.8 |
| Feed crops | 2,703.1 | 2,537.8 | 3,325.3 | 2,804.2 | 2,744.9 | 2,725.9 | 3,390.7 |
| Oil crops | 2,172.4 | 1,786.2 | 2,866.4 | 2,096.6 | 2,102.6 | 1,889.3 | 2,260.3 |
| Vegetables | 8.3 | 11.9 | 21.7 | 19.3 | 14.8 | 15.6 | 15.6 |
| Fruits/nuts | 2.8 | 3.0 | 3.1 | 2.5 | 4.0 | 3.5 | 3.1 |
| All other crops | 52.6 | 64.1 | 79.9 | 78.5 | 80.6 | 90.9 | 86.6 |

Source: Economic Research Service, USDA.

OVERVIEW OF PERFORMANCE/ACCOUNTABILITY SYSTEM

Iowa's Performance and Accountability System

In 2001 the Governor Vilsack and Lieutenant Governor Pederson proposed and the Legislature adopted the Accountable Government Act (AGA). This Act builds on the past good work of state employees and adds to Iowa law best management practices that reflect Iowa values and promote better decision-making.

The AGA represents a new approach to governing. The traditional approaches of more services and programs versus less government are not the focus. Good government is the focus. The AGA represents decision-making based on data rather than anecdote or politics. The AGA will ensure that state government becomes more responsive and responsible. It includes these provisions:

Planning

The executive branch strategic plan steers all agencies in the same direction set by the Governor, Lieutenant Governor and Legislature. Every agency strategic plan demonstrates its alignment with the enterprise plan and where appropriate, the Governor's Leadership Agenda. Every agency performance plan shows alignment with the agency strategic plan. In addition, each state employee knows how she or he contributes to the plan and improves the quality of life in Iowa through their individual performance plan.

Measurement

Each plan has quantifiable measures that tell us how we are performing relative to goals. We consistently measure our results at all levels in state government.

Budgeting

Government budgeting has traditionally been an exercise in incrementalism and adding new programs. Existing appropriations are adjusted up or down a few percentage points each year, with the occasional addition of new spending. Instead, budgeting should link spending to the results it is intended to achieve. Budget decisions should focus on the resources it takes to achieve a result Iowans value. So instead of

talking about whether the Human Services budget should rise or fall by x%, we should be talking about whether an investment of a certain dollar amount for quality child care for a hundred children and the results that investment yields is the best use of that money.

Performance Reporting

Tells Iowans how much progress has been made. Performance reporting reconnects Iowans with their government. Data from successes also highlights best practices that can be shared with others doing similar work. Data also shows us where our tax dollars are not achieving as much as we think they should. That data can be used to guide improvement efforts.

Performance Audits

Government is better at adding new activities than at critically evaluating them later. Iowa needs ongoing program reviews to evaluate effectiveness and recommend improvements. Third-party performance audits are also needed to ensure that performance data has integrity and can be relied upon to make important decisions.

Iowa Excellence is an assessment tool designed to measure performance and lead to improved customer service and operational efficiencies in state government. Agencies examine their performance once every three years using Malcolm Baldrige National Quality Program (Baldrige) criteria. They look at

- How an agency sets and communicates direction and supports key communities,
- How the agency looks to the future,
- How customers and their requirements are identified,
- How data are used in decision-making,
- How the agency develops employees and encourages innovation and learning,

- How day-to-day operations are managed and improved, and
- What results are achieved.

AGA Improvements in 2003

AGA implementation achieved major milestones this year. Anyone can now access the following fundamental information for every state agency on the redesigned Results Iowa website: mission statement; strategic goals and plans for the next three-to-five years; an Fiscal Year 04 performance plan covering all an agency's activities, with performance measures; and the Director's top priorities, also including performance measures. All this information -- plus current performance data on the most important Leadership Agenda goals -- can be accessed 24/7 at the following web address:

<http://www.resultsiowa.org>

An annual agency performance reporting format has been developed and will be used next fall to document the first full year of AGA implementation, Fiscal Year 2004. Next year at this time these reports will be distributed.

Budget Redesign, which is part of the I/3 initiative, is creating the means to conceptually and electronically link budget dollars to the services, products, and activities state government provides to Iowans. This system will provide the capacity to not only see what resources are going into services (dollars, FTEs), but also to see what Iowans are receiving for those inputs: value in terms of performance data linked to the dollars.

Since 2000, 21 state agencies have used the Iowa Excellence criteria to evaluate performance. During 2003, nine agencies assessed performance. Agencies identified a comprehensive list of strengths and gaps and then incorporated improvement steps into agency strategic and performance plans. Improvements are implemented and results monitored on an ongoing basis by agency leadership. The 2004 assessment cycle will run from June through September. The Department of Management will look for opportunities to align the Iowa Excellence assessment criteria with the Accountable Government Act performance audit component as it is developed for Fiscal Year 2005.

Work is also proceeding on refining the performance-based aspects of new services contracting rules. This

year too, DOM is proposing plans to implement an independent program audit component for state government.

Reinvention Partnership

The Department of Management has embarked on a "reinvention" journey unique in the U.S. More than a year ago, the Department signed an agreement with Public Strategies Group (PSG) that forms a partnership to reinvent Iowa state government. This performance contract pays PSG **no** flat fee and **no** hourly fees. PSG only gets paid when they perform to Iowa's satisfaction. They also provide Iowa with about \$1 million/year in general reinvention services with no direct compensation.

Some of this partnership's impressive accomplishments to date:

1. Following a six-month-long stakeholder intensive redesign conducted by the Department of Human Services (DHS) and PSG, DHS Director Kevin Concannon announced a new child welfare/juvenile justice system on December 8th. This redesign puts children and families first, requires performance contracts, and creates a new "deal" with providers, granting them more flexibility and authority while also creating greater accountability.
2. Representatives of the Iowa State Association of Counties and the League of Cities created an '04 session legislative list of proposals, which resulted from PSG's work with them over the last several months. Work is also underway on a new "framework" for the state-local government relationship. Good meetings focusing on service sharing, consolidations, and public sector entrepreneurship are taking place across the state.
3. Six state agencies are now "charter agencies," which grants them bureaucracy-busting flexibilities in return for extra budget-balancing contributions. They are now making their own decisions on administrative matters and exploring new ways to share resources and assets with each other.

4. The new Department of Administrative Services is opening several of its internal support services -- like printing, software programming, and training -- to outside competition. Other services -- like e-mail and custodial -- are now going to be run by customer councils much like cooperatives. In both types, customers get a far greater say in what's provided and for what cost.
5. Agency heads have negotiated performance agreements with the Governor and Lieutenant Governor, including specific goals and performance metrics.
6. The new "Results Iowa" website unveiled on December 15, 2003.
7. Reinvention accounted for a \$128 million contribution to balance the Fiscal Year 04 budget.

BUDGET PROCESS

The General Fund consists primarily of the major tax revenues to the state such as Personal Income Tax, Sales and Use Tax, and Corporate Income Tax. For Fiscal Year 2004, these taxes are estimated to comprise approximately 86.4% of the General Fund revenue. The remaining 13.6% is a combination of lesser taxes such as Inheritance Tax, Insurance Premium Tax, Cigarette and Tobacco Tax, Franchise Tax, along with fees and other revenue sources. Transfers from other funds to the General Fund also occur. The total of these revenues are netted against refunds made for taxes overpaid to the state.

All expenditures from the General Fund must be appropriated by the Legislature. The appropriations from the General Fund expire at the end of the state's Fiscal Year, except as otherwise provided.

Annual Budget Process

Iowa's Fiscal Year begins July 1 and ends June 30. Early in the Fiscal Year, departments in state government begin making plans for the next budget year. Iowa uses a system where departments start their budget calculations by calculating 75% of the previous year's budget, which becomes their base. They then develop "decision packages" to restore their budget to the previous year's level. They may then add additional packages for new initiatives over and above the previous year's budget levels. Departments are required to submit detailed information on each of these packages. Their entire budget must be transmitted to the Department of Management by October 1st.

Official Revenue Estimates

As with a family budget, state government must live within its means, and the Iowa Constitution prohibits deficit spending. To help ensure accurate estimates, the state has a consensus revenue estimating process, where both the executive branch and the legislative branch must agree on a revenue estimate to be used in the budget process.

The revenue forecast is made by a three-person panel (Revenue Estimating Conference) consisting of a representative of the Legislature (the Director of the Legislative Fiscal Bureau), a representative of the

Governor, and a third person agreed upon by the other two. They meet quarterly and arrive at the official revenue estimate used by all parties in the budget process. In December of each year they establish the official estimate that will be used by the Governor and the Legislature in crafting the next year's state budget. By statute, both the Governor and Legislature cannot spend more than 99% of this revenue estimate.

Governor's Budget Recommendations

After October 1st, when departments submit their requests, the Governor begins a process of fashioning his budget recommendations for the coming year which include a series of public hearings by statute. By law, the Governor must submit his budget recommendations to the Legislature by February 1st.

Legislative Budget Process

After the Governor presents his budget, the Legislature begins its work. The Legislature has eight budget subcommittees, each of which deal with a specific portion of the budget. Each of those subcommittees holds a series of hearings where departments present their budget requests and answer questions.

Sometime after the Governor releases his budget, legislative leaders release budget targets for each of the subcommittees. These targets tell each budget subcommittee how much they may appropriate for the programs under their purview. Each subcommittee then crafts an appropriations bill to be considered by the full legislature.

The subcommittee appropriations bills are divided up between the two chambers, and first start in the Appropriations Committee. After the Committee makes any modifications, it is presented to the full House or Senate. After consideration by that chamber, it is sent to the other chamber, and the process is repeated. The Appropriations Committee offers amendments, and those, plus any additional amendments are considered on the floor. The bills are ultimately agreed upon by the two chambers and sent to the Governor. The Governor may choose to approve the entire bill veto it in its

entirety, or item veto parts of it. If he item vetoes parts (or vetoes the whole bill) it is returned to the Legislature. If the Legislature chooses, it may attempt to override the Governor's veto. This requires a 2/3rds majority vote in both chambers of the Legislature.

The Enacted Budget

Once the Legislature approves the budget for the coming year, the Department of Management works to execute these decisions. The budgeted items are entered into the state budget system, and each department is notified of its levels of appropriations for the year. The state's financial accounting system, which is administered by the Department of Administrative Services, is merged with the budgeted amounts, and the Department ensures that departments do not spend more than they have been allocated by the Legislature.

On occasion, unforeseen circumstances may arise that make it impossible for a department to properly operate within the appropriated budget. For example, the federal government might mandate that new services be provided, a building might be destroyed by fire, or costs of providing required services might rise faster than expected. In these instances, the Department of Management can authorize the transfer of appropriated funds from other parts of the budget to deal with the shortfall. These transfers require notification to the Legislature and the approval of the Governor.

Basis for Budgeting

For budgeting and certain internal reporting purposes, applicable State statutes and administrative procedures govern the State's practices. Such practices are referred to as "Budget Basis." The Department of Administrative Services and the Department of Management believe that the present Budget Basis accounting practices conform to GAAP as applicable to governments except a significant number of funds would be classified differently under GAAP than is done under the State's Budget Basis accounting practices.

Reserve Funds

Iowa Economic Emergency Fund

An Economic Emergency Fund is created by Iowa Code Section 8.55. The Emergency Fund is separate from the General Fund and the balance in the funds shall not be considered a part of the General Fund. The moneys in the Emergency Fund shall not revert to the General Fund at the end of each Fiscal Year as otherwise provided in Iowa Code Section 8.33. The fund shall be considered a special account for the purposes of determining any GAAP deficit pursuant to Iowa Code Section 8.53. The maximum balance of the Emergency Fund is set by statute to equal 2.5% of the adjusted revenue estimate for the Fiscal Year. Presently the balance of the Emergency Fund is \$3.3. Except as provided in Iowa Code Section 8.58 (related to application of certain formulae, index, or other statutory triggering mechanism affecting appropriations, payments or taxation rates) the balance in the Emergency Fund may be used in determining the cash position of the General Fund for the payment of State obligations.

Cash Reserve Fund

A cash reserve fund (the "Reserve Fund") is created by Iowa Code Section 8.56. The Reserve Fund is separate from the General Fund and is not a part of the General Fund of the State except in determining the cash position of the State. Moneys in the Reserve Fund may be used for cash flow purposes within a Fiscal Year provided that any funds so allocated are returned to the Reserve Fund by the end of each Fiscal Year. The maximum balance of the Reserve Fund is an amount equal to 7.5% of the adjusted revenue estimate for the General Fund of the State for the current Fiscal Year. The present balance of the Reserve Fund is \$205.4 million. (To cover the revenue shortfall for Fiscal Year 2003, the Governor recommends \$45.8 million be transferred from the Cash Reserve Fund to the General Fund, lower this balance to \$159.6 million.) Except as provided in Iowa Code Section 8.58, the balance in the Reserve Fund may be used in determining the cash position of the General Fund for payment of State obligations.

FINANCIAL STATEMENTS

State of Iowa

Estimated Condition of the General Fund

Financial Summary

(\$ in Millions)

| | Actual <u>FY2003</u> | Estimate <u>FY2004</u> | Governor's Budget <u>FY2005</u> |
|---|-------------------------|---------------------------|---------------------------------------|
| Resources: | | | |
| General Fund Revenue | 5,175.6 | 5,195.0 | 5,257.1 |
| <i>Growth</i> | | <i>0.4%</i> | <i>1.2%</i> |
| Accruals | (44.7) | 23.6 | 5.4 |
| Refunds | (647.3) | (736.0) | (712.2) |
| Proposed Revenue Adjustments | | 36.2 | 283.1 |
| Total Resources | <u>4,483.6</u> | <u>4,518.8</u> | <u>4,833.4</u> |
| <i>Expenditure Limitation</i> | | | <i>4,771.4</i> |
| Appropriations: | | | |
| Enacted/Recommended Appropriations | 4,531.0 | 4,573.8 | 4,771.1 |
| 2.5% Across the Board Reduction | | (82.5) | |
| Transfer from General Fund to Senior Living Trust | | 20.0 | |
| Total Appropriations | <u>4,531.0</u> | <u>4,511.3</u> | <u>4,771.1</u> |
| <i>Growth</i> | | <i>-0.4%</i> | <i>5.8%</i> |
| Reversions/Estimated Reversions | | | |
| Regular Reversions | (5.2) | (10.0) | (10.0) |
| Operations Reversions | | (2.5) | (2.5) |
| Adjustments to Standings | 3.6 | | |
| Net Appropriations | <u>4,529.4</u> | <u>4,498.8</u> | <u>4,758.6</u> |
| Ending General Fund Balance | <u>(45.8)</u> | <u>20.0</u> | <u>74.8</u> |
| Proposed Transfer from Cash Reserve Fund | 45.8 | | |
| Revised General Fund Balance | <u>0.0</u> | | |

State of Iowa

Estimated Condition of the Cash Reserve, GAAP, and Economic Emergency Funds (\$ in Millions)

| | Actual FY2003 | Estimate FY2004 | Projected FY2005 |
|--|------------------|--------------------|---------------------|
| <u>CASH RESERVE FUND</u> | | | |
| Balance Brought Forward | 140.1 | 205.5 | 159.7 |
| Estimated Revenues: | | | |
| Prior Fiscal Year Ending Balance | 89.1 | | 20.0 |
| Transfer to General Fund to Close Out FY2003 | | (45.8) | |
| Transfer from Economic Emergency Fund | | | |
| Total Funds Available | <u>229.2</u> | <u>159.7</u> | <u>179.7</u> |
| Transfer to the Environment First Fund | (16.6) | | |
| Transfer to the Rebuild Iowa Infrastructure Fund | (2.2) | | |
| Appropriation for Military Pay Differential | (1.8) | | |
| Excess to GAAP Retirement Account | (3.1) | - | |
| Ending Balance - Cash Reserve Fund | <u>205.5</u> | <u>159.7</u> | <u>179.7</u> |
| <i>5% Maximum/6.5% in FY2005</i> | 224.2 | 225.9 | 314.2 |
| <u>GAAP Retirement Account</u> | | | |
| Balance Brought Forward | - | - | - |
| Estimated Revenues: | | | |
| Transfer From Cash Reserve Fund | 3.1 | - | - |
| Total Funds Available | <u>3.1</u> | <u>-</u> | <u>-</u> |
| Excess to Economic Emergency Fund | (3.1) | - | - |
| Ending Balance - GAAP Retirement Fund | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Economic Emergency Fund</u> | | | |
| Balance Brought Forward | 25.2 | 3.3 | 3.3 |
| Estimated Revenues: | | | |
| Transfer From GAAP Retirement Account | 3.1 | - | - |
| Total Funds Available | <u>28.3</u> | <u>3.3</u> | <u>3.3</u> |
| Estimated Transfers Out: | | | |
| Appropriation to School Foundation Aid | (25.0) | | |
| Total Transfers Out: | <u>(25.0)</u> | <u>-</u> | <u>-</u> |
| Ending Balance - Economic Emergency Fund | <u>3.3</u> | <u>3.3</u> | <u>3.3</u> |

State of Iowa

General Fund Revenue (Appropriable Revenues)

Cash Basis

(\$ in Millions)

| | Actual FY2003 | Estimated FY2004 | Estimated FY2005 |
|--|------------------|---------------------|---------------------|
| Tax Receipts | | | |
| Personal Income Tax | 2,417.6 | 2,527.2 | 2,620.0 |
| Sales Tax | 1,450.3 | 1,450.4 | 1,508.9 |
| Use Tax | 254.2 | 252.9 | 258.5 |
| Corporate Income Tax | 237.0 | 180.1 | 185.1 |
| Inheritance Tax | 88.1 | 76.7 | 72.0 |
| Insurance Premium Tax | 142.2 | 130.0 | 106.5 |
| Cigarette Tax | 88.1 | 86.3 | 84.1 |
| Tobacco Tax | 7.4 | 7.5 | 7.7 |
| Beer Tax | 14.0 | 14.0 | 14.0 |
| Franchise Tax | 35.3 | 39.2 | 40.8 |
| Miscellaneous Tax | 1.1 | 1.5 | 1.5 |
| Total Tax Receipts | <u>4,735.3</u> | <u>4,765.8</u> | <u>4,899.1</u> |
| Other Receipts | | | |
| Institutional Payments | 16.2 | 14.6 | 14.6 |
| Liquor Profits | 49.0 | 51.0 | 51.0 |
| Interest | 18.1 | 12.0 | 6.4 |
| Fees | 72.1 | 66.2 | 64.7 |
| Judicial Revenue | 54.7 | 57.3 | 57.3 |
| Miscellaneous Revenues | 41.3 | 80.1 | 36.8 |
| Racing and Gaming Revenues | 60.0 | 60.0 | 60.0 |
| Total Other Receipts | <u>311.4</u> | <u>341.2</u> | <u>290.8</u> |
| Total Tax & Other Receipts | <u>5,046.7</u> | <u>5,107.0</u> | <u>5,189.9</u> |
| | -2.1% | 1.2% | 1.6% |
| Transfers | | | |
| Lottery | 38.9 | 43.7 | 55.4 |
| Other Transfers | 90.0 | 44.3 | 11.8 |
| Total Transfers | <u>128.9</u> | <u>88.0</u> | <u>67.2</u> |
| Total General Fund Receipts and Transfers | <u>5,175.6</u> | <u>5,195.0</u> | <u>5,257.1</u> |
| | 1.7% | 0.4% | 1.2% |

State of Iowa

General Fund Revenue

Proposed Revenue/Transfer Adjustments

(\$ in Millions)

| | Proposed <u>FY2004</u> | Proposed <u>FY2005</u> |
|---|---------------------------|---------------------------|
| Revenue Adjustments: | | |
| Cigarette and Tobacco Tax Increase | 36.0 | 108.0 |
| Combined Corporate Reporting | | 25.0 |
| Sales/Use Tax Changes: | | |
| Restore phase out of sales tax on residential utilities | | (63.4) |
| Sales/Use Tax Expansion to Services | | |
| Engineering Services | | 33.3 |
| Accounting, Auditing | | 29.5 |
| Public Relations Services | | 23.8 |
| Computer Programming | | 20.7 |
| Consulting Services | | 19.6 |
| Computer Integrated Systems Design | | 19.0 |
| Management Services | | 17.6 |
| Architectural Services | | 9.2 |
| Computer Facilities Management | | 8.2 |
| Services Allied to Motion Picture | | 6.8 |
| Information Retrieval Services | | 4.3 |
| Adjustments and Collections | | 3.5 |
| Surveying Services | | 3.4 |
| Computer Rental and Leasing | | 3.1 |
| Business Consulting Services | | 2.6 |
| Credit Reporting Services | | 2.5 |
| Tax Return Preparation | | 1.2 |
| Interest from Reserve Funds | | 5.0 |
| Increase in DNR fees | 0.2 | 0.2 |
| Total Revenue Adjustments | <u>36.2</u> | <u>283.1</u> |

State of Iowa

General Fund Accrued Revenue Changes

(\$ in Millions)

| | Actual FY2003 | Estimated FY2004 | Estimated FY2005 |
|------------------------------|------------------|---------------------|---------------------|
| Tax Receipts: | | | |
| Personal Income Tax | 142.9 | 151.0 | 156.0 |
| Sales Tax | 85.4 | 95.0 | 92.0 |
| Use Tax | 32.9 | 35.0 | 35.0 |
| Corporate Income Tax | 20.0 | 20.0 | 20.8 |
| Inheritance Tax | 12.2 | 9.0 | 8.9 |
| Insurance Premium Tax | (1.2) | (5.2) | - |
| Cigarette Tax | - | - | - |
| Tobacco Tax | 0.8 | 0.6 | 0.8 |
| Beer Tax | 1.3 | 1.3 | 1.3 |
| Franchise Tax | 3.5 | 3.0 | 3.8 |
| Miscellaneous Tax | - | - | - |
| Total Tax Receipts | <u>297.8</u> | <u>309.7</u> | <u>318.6</u> |
| Other Receipts: | | | |
| Institutional Payments | 9.4 | 8.6 | 7.6 |
| Liquor Profits | - | - | - |
| Interest | 0.7 | 1.0 | 0.7 |
| Fees | 4.1 | 4.0 | 4.1 |
| Judicial Revenue | 6.1 | 5.6 | 6.1 |
| Miscellaneous Receipts | 6.3 | 6.5 | 6.3 |
| Racing and Gaming | - | - | - |
| Total Other Receipts | <u>26.6</u> | <u>25.7</u> | <u>24.8</u> |
| Total Receipts | <u>324.4</u> | <u>335.4</u> | <u>343.4</u> |
| Transfers: | | | |
| Lottery | 2.5 | 13.7 | 14.0 |
| Other Transfers | 12.4 | 13.8 | 10.9 |
| Total Transfers | <u>14.9</u> | <u>27.5</u> | <u>24.9</u> |
| Total Receipts and Transfers | <u>339.3</u> | <u>362.9</u> | <u>368.3</u> |
| Net Change | (44.7) | 23.6 | 5.4 |

State of Iowa

General Fund Refunds of Taxes Paid

(\$ in Millions)

| | <u>Actual FY2003</u> | <u>Estimated FY2004</u> | <u>Estimated FY2005</u> |
|----------------------|--------------------------|-----------------------------|-----------------------------|
| Refunds: | | | |
| Personal Income Tax | (504.2) | (541.3) | (560.9) |
| Sales Tax | (44.4) | (42.2) | (39.1) |
| Use Tax | (24.2) | (24.0) | (24.0) |
| Corporate Income Tax | (76.3) | (123.5) | (83.2) |
| Inheritance Tax | (1.6) | (3.5) | (3.5) |
| Cigarette Tax | (1.2) | (1.4) | (1.4) |
| Franchise Tax | (0.9) | (4.0) | (4.0) |
| Other | (1.0) | (1.3) | (1.3) |
| Total Gross Refunds | <u>(653.8)</u> | <u>(741.2)</u> | <u>(717.4)</u> |
| Less: Reimbursements | 6.5 | 5.2 | 5.2 |
| Total Net Refunds | <u>(647.3)</u> | <u>(736.0)</u> | <u>(712.2)</u> |

State of Iowa

Calculation of Cash Reserve Percentage Goal

Fiscal Year 2004 and Fiscal Year 2005

(\$ in Millions)

| | <u>Current Revenue</u> |
|---|----------------------------|
| <u>Cash Reserve Percentage Goal - Fiscal Year 2004</u> | |
| Revenue Estimating Conference Estimate | 5,195.0 |
| Accruals | 23.6 |
| Refunds | (736.0) |
| Revenue Adjustments | 36.2 |
| Total | <u><u>4,518.8</u></u> |
| Cash Reserve Percentage Goal | |
| Fiscal Year 2004 - 5.0% | 225.9 |
| <u>Cash Reserve Percentage Goal - Fiscal Year 2005</u> | |
| Revenue Estimating Conference Estimate | 5257.1 |
| Accruals | 5.4 |
| Refunds | -712.2 |
| Revenue Adjustments | 283.1 |
| Total | <u><u>4,833.4</u></u> |
| Cash Reserve Percentage Goal | |
| Fiscal Year 2005 - 6.5% | 314.2 |

State of Iowa

Calculation of Statutory Expenditure Limit

Fiscal Year 2005

(\$ in Millions)

Statutory Expenditure Limit

| | <u>FY2005</u> | <u>% Calculation</u> | |
|---|---------------|----------------------|----------------|
| Revenue Estimating Conference Estimate | 5,257.1 | 99% | 5,204.5 |
| Accruals | 5.4 | 99% | 5.3 |
| Refunds | (712.2) | 99% | (705.1) |
| Revenue Adjustments: | | | |
| Cigarette and Tobacco Tax Increase | 108.0 | 95% | 102.6 |
| Combined Corporate Reporting | 25.0 | 95% | 23.8 |
| Sales/Use Tax Changes: | | | |
| Restore phase out of sales tax on residential utilities | (63.4) | 99% | (62.8) |
| Sales/Use Tax Expansion to Services | | | |
| Engineering Services | 33.3 | 95% | 31.6 |
| Accounting, Auditing | 29.5 | 95% | 28.0 |
| Public Relations Services | 23.8 | 95% | 22.6 |
| Computer Programming | 20.7 | 95% | 19.7 |
| Consulting Services | 19.6 | 95% | 18.6 |
| Computer Integrated Systems Design | 19.0 | 95% | 18.1 |
| Management Services | 17.6 | 95% | 16.7 |
| Architectural Services | 9.2 | 95% | 8.7 |
| Computer Facilities Management | 8.2 | 95% | 7.8 |
| Services Allied to Motion Picture | 6.8 | 95% | 6.5 |
| Information Retrieval Services | 4.3 | 95% | 4.1 |
| Adjustments and Collections | 3.5 | 95% | 3.3 |
| Surveying Services | 3.4 | 95% | 3.2 |
| Computer Rental and Leasing | 3.1 | 95% | 2.9 |
| Business Consulting Services | 2.6 | 95% | 2.5 |
| Credit Reporting Services | 2.5 | 95% | 2.4 |
| Tax Return Preparation | 1.2 | 95% | 1.1 |
| Interest from Reserve Funds | 5.0 | 99% | 5.0 |
| Increase in DNR fees | 0.2 | 95% | 0.2 |
| Expenditure Limitation | | | <u>4,771.4</u> |

State of Iowa

Estimated Condition of the Rebuild Iowa Infrastructure Fund Financial Summary

| | Actual <u>FY2003</u> | Estimated <u>FY2004</u> | Governor's Recommendation <u>FY2005</u> |
|---|-------------------------|----------------------------|---|
| Resources | | | |
| Beginning Balance | 13,888,746 | 1,174,860 | 367,606 |
| Revenues: | | | |
| Gaming Revenues | 27,639,566 | 34,900,000 | 36,800,000 |
| Adjustment to Gaming Tax Structure | | 28,600,000 | 28,600,000 |
| Marine Fuel Tax | 2,301,126 | 2,300,000 | 2,300,000 |
| Interest | 1,022,193 | 2,000,000 | 2,000,000 |
| Cash Reserve Fund Transfer (SF 458) | 2,150,000 | | |
| Miscellaneous Revenues | (702,999) | | |
| Gaming Revenues Transferred to General Fund | (15,496,600) | (10,000,000) | |
| Total Revenues | <u>16,913,286</u> | <u>57,800,000</u> | <u>69,700,000</u> |
| Reversions from Environment First Fund | | | |
| Total Resources Available | <u>30,802,032</u> | <u>58,974,860</u> | <u>70,067,606</u> |
| Expenditures | | | |
| Appropriations | | | |
| Department of Corrections | | | |
| Ft. Madison Electrical Upgrade | 333,168 | 333,168 | 333,168 |
| Luster Heights Expansion | | 92,000 | |
| Clarinda Lodge Conversion | | 730,400 | |
| Department of Cultural Affairs | | | |
| Historical Preservation Grant Program | | 830,000 | 830,000 |
| Battle Flag Preservation | 100,000 | 150,000 | 100,000 |
| Medal of Honor Kiosk | | 125,000 | |
| Department of Economic Development | | | |
| Finance Authority-Housing Trust Fund | | 800,000 | 800,000 |
| Accelerated Career Education Program | | 3,000,000 | |
| Department of Education | | | |
| Public Libraries Enrichment | 600,000 | 600,000 | 1,000,000 |
| Student Achievement | 5,000,000 | | |
| Jesse Parker Bldg Remodel | | | 303,632 |
| ICN Maintenance and Leases | | | 2,727,000 |
| Department of Administrative Services | | | |
| Statewide Routine Maintenance | | 1,664,000 | 4,000,000 |
| Employee Relocation Assistance | 898,000 | 631,449 | 2,271,617 |
| Pooled Technology Grants | | 2,000,000 | 4,000,000 |
| Data Warehouse | 624,000 | | |
| Maintenance and Leases | 2,727,004 | 2,727,000 | |
| Relocation - Records & Prop. Ctr | | 729,237 | |
| Records Center Remodeling | | 4,750,000 | |
| Wallace Building Evaluation | | 50,000 | |
| Child Treatment Center Match | | 250,000 | |
| African American Museum | | 300,000 | |
| Lab Facility Maintenance | | | 160,000 |
| | | | (Continued) |

State of Iowa

Estimated Condition of the Rebuild Iowa Infrastructure Fund Financial Summary

| | Actual <u>FY2003</u> | Estimated <u>FY2004</u> | Governor's Recommendation <u>FY2005</u> |
|---|-------------------------|----------------------------|---|
| (Continued) | | | |
| Department of Natural Resources | | | |
| Environment First Fund | 35,000,000 | 35,000,000 | 40,000,000 |
| Environment First Legislative Reduction | (16,555,000) | | |
| Department of Public Defense | | | |
| Iowa City Readiness Center | | 195,000 | 2,150,000 |
| Ft. Dodge Readiness Center | | 750,000 | 750,000 |
| Boone Armory | | | 1,096,000 |
| Armory Maintenance | | | 1,269,636 |
| Department of Public Safety | | | |
| Capitol Building Security | 850,000 | 800,000 | 1,000,000 |
| Fire Service Training Facility Study | | 50,000 | 500,000 |
| Fire Service Revolving Loan Fund | | 500,000 | |
| AFIS Lease/Purchase | | | 550,000 |
| Iowa System Grant Match | | | 500,000 |
| Board of Regents | | | |
| Tuition Replacement | | 350,000 | 391,804 |
| UNI - Playground Safety Program | | 500,000 | |
| School for the Deaf Deferred Maint. | | 100,000 | |
| IBSSS Deferred Maintenance | | 100,000 | |
| Department of Transportation | | | |
| Misc. Airport/Aviation Programs | | 500,000 | 500,000 |
| Commission of Veteran's Affairs | | | |
| Commandant's Residence Demolition | 50,000 | | |
| Veterans Affairs Capitols | | | 400,000 |
| Total Appropriations | <u>29,627,172</u> | <u>58,607,254</u> | <u>65,632,857</u> |
| Net Available Balance Forward | <u><u>1,174,860</u></u> | <u><u>367,606</u></u> | <u><u>4,434,749</u></u> |

State of Iowa

Estimated Condition of the Environment First Fund

Financial Summary

| | Actual <u>FY2003</u> | Estimate <u>FY2004</u> | Governor's Recommendation <u>FY2005</u> |
|--|-------------------------|---------------------------|---|
| Resources: | | | |
| Beginning Balance | 458 | 7,695 | 7,695 |
| Revenues: | | | |
| Rebuild Iowa Infrastructure Fund Appropriation | 18,445,000 | 35,000,000 | 40,000,000 |
| Transfer from Cash Reserve Fund | 16,555,000 | | |
| Transfer to General Fund | (18,445,000) | | |
| Misc Receipts | 6,821 | | |
| Total Available Resources | <u>16,562,279</u> | <u>35,007,695</u> | <u>40,007,695</u> |
| Expenditures | | | |
| Appropriations | | | |
| Department of Agriculture and Land Stewardship | | | |
| Loess Hills Dev/Cons Auth | | 600,000 | 600,000 |
| Southern Iowa Conservation Authority | | 300,000 | 300,000 |
| Agricultural Drainage Well | | 500,000 | 500,000 |
| Watershed Protection Fund | 2,700,000 | 2,700,000 | 2,700,000 |
| Farm Demonstration Program | 500,000 | 850,000 | 850,000 |
| Soil Conservation Cost Share | 3,500,000 | 5,500,000 | 5,500,000 |
| Wetland Incentive Program | 1,500,000 | 1,500,000 | 1,500,000 |
| Conservation Reserve Program | | 2,000,000 | 2,000,000 |
| Department of Economic Development | | | |
| Brownfield Redevelopment Program | | 500,000 | 500,000 |
| Department of Natural Resources | | | |
| GIS Information for Water | | 195,000 | 195,000 |
| Water Quality Monitoring | 2,605,000 | 2,955,000 | 2,955,000 |
| Volunteer Water Quality Initiative | 100,000 | 100,000 | 100,000 |
| Air Quality Monitoring Equipment | 500,000 | 500,000 | 500,000 |
| Water Quality Protection | 500,000 | 500,000 | 500,000 |
| Lake Dredging | 350,000 | 1,000,000 | 1,000,000 |
| Marine Fuel Tax Projects | 2,300,000 | 2,300,000 | 2,300,000 |
| REAP | 2,000,000 | 11,000,000 | 11,000,000 |
| Park Operations Maintenance | | 2,000,000 | 2,000,000 |
| Water Summit Initiative | | | 5,000,000 |
| Total Appropriations | <u>16,555,000</u> | <u>35,000,000</u> | <u>40,000,000</u> |
| Reversions | (416) | | |
| Net Appropriations | <u>16,554,584</u> | <u>35,000,000</u> | <u>40,000,000</u> |
| Ending Balance | <u>7,695</u> | <u>7,695</u> | <u>7,695</u> |

State of Iowa

Tobacco Settlement Fund

Estimated Condition of the Tobacco Securitization Tax Exempt Bond Proceeds Restricted Capital Fund

Financial Summary

| | Actual <u>FY'03</u> | Estimated <u>FY2004</u> | Governor's Recommendation <u>FY2005</u> |
|---|------------------------|----------------------------|---|
| Resources | | | |
| Beginning Balance | 425,666,031 | 253,192,703 | 110,149,508 |
| Revenues: | | | |
| Interest | 14,839,528 | 7,475,989 | 3,815,443 |
| Refunds and Reimbursements | (306) | | |
| Total Revenues | <u>14,839,222</u> | <u>7,475,989</u> | <u>3,815,443</u> |
| Total Resources Available | <u>440,505,253</u> | <u>260,668,692</u> | <u>113,964,951</u> |
| Expenditures | | | |
| Administrative Oversight | 423,973 | 400,000 | 200,000 |
| Appropriations | | | |
| State Fair Board | | | |
| Fair Board Capitals | 500,000 | 500,000 | |
| Department of the Blind | | | 67,000 |
| Orientation Center Remodel | | | |
| Department of Corrections | | | |
| Fort Madison Special Needs Unit | 2,000,000 | | |
| Oakdale/Coralville Connection | | 7,500,000 | |
| Security Fencing | 3,523,850 | | |
| Oakdale Expansion | 4,100,000 | | |
| Department of Economic Development | | | |
| Accelerated Career Education Infrastructure | 2,500,000 | 2,500,000 | 5,000,000 |
| Advanced Research & Commercialization | 3,268,696 | | |
| Iowa Public Television | | | |
| DTV Conversion | 1,000,000 | 10,000,000 | |
| Department of Administrative Services | | | |
| Enterprise Resource Planning | 4,400,000 | 6,131,075 | 6,049,284 |
| Major Maintenance | 15,750,000 | 11,500,000 | |
| Capitol Interior Restoration | 2,700,000 | | |
| Multipurpose Laboratory Facility | 16,670,000 | 16,660,000 | |
| Capitol Interior Restoration - NE Quadrant | 5,000,000 | 6,239,000 | |
| Capitol Complex Parking Garage | 3,400,000 | | |
| Micrographic Demolition | 170,000 | | |
| Capitol Complex Security | 1,000,000 | | |
| Parking Lots | 93,000 | | |
| Records Center Remodeling | 1,600,000 | | |
| Iowa Communications Network | | | |
| ICN-ATM Conversion | 5,000,000 | | |
| Department of Human Services | | | |
| Alternative Services Facility | 200,000 | | |
| Judicial Branch | | | |
| Parking Lot and Street | 700,000 | | |
| New Furnishings | 1,250,000 | | |

(Continued)

State of Iowa

Tobacco Settlement Fund

Estimated Condition of the Tobacco Securitization Tax Exempt Bond Proceeds Restricted Capital Fund

Financial Summary

| | Actual FY'03 | Estimated FY2004 | Governor's Recommendation FY2005 |
|------------------------------------|--------------------|---------------------|--|
| (Continued) | | | |
| Department of Natural Resources | | | |
| Restore the Outdoors | 2,500,000 | 2,500,000 | |
| Destination Park | 1,000,000 | 3,000,000 | 3,000,000 |
| Lewis and Clark Rural Water System | 281,400 | 1,500,000 | 2,450,000 |
| Department of Public Defense | | | |
| Armory Maintenance | 700,000 | 1,269,636 | |
| Estherville Armory | 400,000 | 461,000 | |
| Boone Armory | 111,000 | 1,095,000 | |
| Waterloo Armory | 612,100 | | |
| Department of Public Safety | | | |
| Capitol Complex Security Upgrades | | 1,000,000 | |
| Board of Regents | | | |
| Tuition Replacement | 10,503,733 | 10,610,409 | 10,437,174 |
| SUI Old Capitol Improvements | | 350,000 | |
| SUI Biology Building | 3,000,000 | | |
| SUI Art Building | 7,910,000 | 3,653,000 | |
| SUI Journalism Building | 2,600,000 | 7,200,000 | 3,575,000 |
| ISU Gilman Hall Renovation | | | |
| ISU Business Building | 6,700,000 | | |
| ISU Undergraduate Classrooms | 2,112,100 | 10,177,300 | 1,949,100 |
| Livestock Research Facility | 2,797,000 | | |
| Plant Sciences Building | 4,148,000 | | |
| UNI McCollum Hall | 8,400,000 | | |
| UNI Steam Distribution System | 4,320,000 | 4,390,000 | |
| Innovative Teaching Center | 1,730,000 | 6,490,000 | 9,880,000 |
| Lakeside Laboratory Improvements | 390,000 | | |
| ISD Utility System | 250,000 | | |
| ISD Tuckpointing | 185,000 | | |
| IBSSS HVAC System Upgrade | 450,000 | | |
| Department of Transportation | | | |
| Commercial Air Service | 1,100,000 | 1,100,000 | 1,100,000 |
| General Aviation Airport | 581,400 | 581,400 | 581,400 |
| Recreational Trails | 2,000,000 | 1,000,000 | |
| Treasurer of State | | | |
| County Fair Improvements | 1,060,000 | 1,060,000 | 1,060,000 |
| Community Attraction/Tourism | 12,500,000 | 12,500,000 | 10,000,000 |
| ICN Debt Service | 13,044,784 | 13,039,378 | 13,039,778 |
| Prison Infrastructure Debt Service | 5,417,250 | 5,411,986 | 5,413,324 |
| Litigation Fees | 15,570,077 | 700,000 | |
| Total Appropriations/Expenditures | <u>187,623,363</u> | <u>150,519,184</u> | <u>73,802,060</u> |
| Reversions | (310,813) | | |
| Total Appropriations/Expenditures | <u>187,312,550</u> | <u>-</u> | <u>-</u> |
| Net Available Balance Forward | <u>253,192,703</u> | <u>110,149,508</u> | <u>40,162,891</u> |

State of Iowa

Tobacco Settlement Fund

Estimated Condition of the Endowment for Iowa's Health Account

Financial Summary

| | Actual FY2003 | Estimate FY2004 | Governor's Recommendation FY2005 |
|---|--------------------|--------------------|--|
| Resources: | | | |
| Beginning Balance | 22,364,147 | 25,800,690 | 27,939,355 |
| Revenues: | | | |
| Bond Proceeds | - | | |
| General Fund Appropriation | 27,087,000 | 28,251,000 | 29,785,000 |
| Wagering Tax | 75,000,000 | 70,000,000 | 70,000,000 |
| Tobacco Payments | 37,843,728 | 13,258,000 | 15,704,000 |
| Interest | 1,018,060 | 750,000 | 750,000 |
| Reduction in General Fund Appropriation | (27,087,000) | (28,251,000) | (29,785,000) |
| Transfer to General Fund - Wagering Tax | - | | |
| Transfer to Healthy Iowans Tobacco Trust-Wagering Tax | (9,000,000) | (5,206,960) | (6,406,960) |
| Transfer for General Fund | (9,000,000) | (20,000,000) | |
| Total Available Resources | 118,225,935 | 84,601,730 | 107,986,395 |
| Expenditures | | | |
| State Appropriations | | | |
| Treasurer of State | | | |
| Healthy Iowans Tobacco Trust Fund | 55,825,000 | 56,662,375 | 57,512,311 |
| Department of Management | | | |
| School Aid Foundation | 20,000,000 | | |
| Board of Regents | | | |
| Tuition Replacement | 16,843,772 | | |
| Total State Appropriations | 92,668,772 | 56,662,375 | 57,512,311 |
| Reversions of Appropriations | (243,527) | | |
| Net Appropriations | 92,425,245 | 56,662,375 | 57,512,311 |
| Net Available Balance Forward | 25,800,690 | 27,939,355 | 50,474,084 |

State of Iowa

Estimated Condition of the Healthy Iowans Tobacco Trust Fund Financial Summary

| | Actual FY2003 | Estimate FY2004 | Governor's Recommendation FY2005 |
|--|-------------------|--------------------|--|
| Resources: | | | |
| Beginning Balance | 1,686,876 | 1,526,749 | 3,848 |
| Revenues: | | | |
| Interest | 109,043 | 120,000 | 120,000 |
| Other Revenue | | | |
| Transfer from Endowment | 9,000,000 | 5,206,960 | 6,406,960 |
| Appropriation from Endowment for Iowa's Health Account | 55,825,000 | 56,662,375 | 57,512,311 |
| Total Available Resources | 66,620,919 | 63,516,084 | 64,043,119 |
| Expenditures | | | |
| Appropriations | | | |
| Department of Corrections | | | |
| CBC District II | 127,217 | 127,217 | 127,217 |
| CBC District III | 35,359 | 35,359 | 35,359 |
| CBC District IV | 191,731 | 191,731 | 191,731 |
| CBC District V | 255,693 | 255,693 | 255,693 |
| Fort Madison Special Needs Unit | 1,100,000 | 1,187,285 | 1,187,285 |
| Newton Value Based Program | | 310,000 | |
| Department of Education | | | |
| Iowa Empowerment Fund | 1,153,250 | 2,153,250 | 2,153,250 |
| Department of Human Services | | | |
| Breast Cancer Treatment | 250,000 | 250,000 | 250,000 |
| Medical Assistance Supplement | 17,500,000 | 14,346,750 | 14,346,750 |
| Point of Service Provider Increase | 146,750 | 146,750 | 146,750 |
| CHIP Expansion to 200% FPL | 200,000 | 200,000 | 200,000 |
| Continuous Eligibility Pilot | - | | |
| Physician Et Al Provider Increase | 8,095,718 | 8,095,718 | 8,095,718 |
| Dental Provider Increase | 3,814,973 | 3,814,973 | 3,814,973 |
| RTSS Provider Increase | 3,243,026 | 3,243,026 | 3,243,026 |
| Adoption, II, Sc Hs Prov Increase | 468,967 | 468,967 | 468,967 |
| Hospital Provider Increase | 3,035,278 | 3,035,278 | 3,035,278 |
| Home Health Care Prov Inc | 2,108,279 | 2,108,279 | 2,108,279 |
| Critical Access Hospitals | 250,000 | 250,000 | 250,000 |
| Home Hlth & Hab. Day Care Exp | 1,975,496 | 1,975,496 | 1,975,496 |
| Respite Care Expansion | 1,137,309 | 1,137,309 | 1,137,309 |
| Other Service Providers | 545,630 | 545,630 | 545,630 |
| HIPAA | 2,100,000 | | |
| Department of Public Health | | | |
| Smoking Cessation Products | 75,000 | 75,000 | 75,000 |
| Substance Abuse | 10,000,000 | 11,800,000 | 11,800,000 |
| Healthy Iowans 2010 | 2,390,064 | 2,346,960 | 2,346,960 |
| Tobacco Use/Prevention Control | 5,000,000 | 5,011,565 | 5,011,565 |
| Substance Abuse Prevention | | 400,000 | 400,000 |
| Total Appropriations | 65,199,740 | 63,512,236 | 63,202,236 |
| Reversions | (105,570) | | |
| Net Appropriations | 65,094,170 | 63,512,236 | 63,202,236 |
| Ending Balance | 1,526,749 | 3,848 | 840,883 |

State of Iowa

Estimated Condition of the Senior Living Trust Fund Financial Summary

| | Actual FY2003 | Estimate FY2004 | Governor's Recommendation FY2005 |
|---|--------------------|--------------------|--|
| Resources: | | | |
| Beginning Balance | 124,486,197 | 366,062,639 | 282,370,218 |
| Revenues: | | | |
| Interest | 6,358,599 | 5,036,496 | 3,477,887 |
| Intergovernmental Transfer | 120,587,491 | 52,876,607 | 7,453,674 |
| Transfer from Medical Assistance | 28,039,039 | | |
| Transfer from Pending Trust | 169,484,518 | | |
| Transfer from General Fund | | 20,000,000 | |
| Total Available Resources | <u>448,955,844</u> | <u>443,975,742</u> | <u>293,301,779</u> |
| Expenditures | | | |
| Appropriations | | | |
| Department of Elder Affairs | | | |
| Service Delivery and Administration | 6,484,388 | 7,522,118 | 7,522,118 |
| Department of Inspections and Appeals | | | |
| Assisted Living Inspections | | 800,000 | 800,000 |
| Department of Human Services | | | |
| Nursing Conversions/Long Term Care Grants | | 20,000,000 | 20,000,000 |
| Nursing Facility Case Mix Methodology | 29,950,000 | 29,950,000 | 29,950,000 |
| Medical Assistance | 45,465,000 | 101,600,000 | 91,600,000 |
| HCBS Elderly Waiver | 710,000 | 710,000 | 710,000 |
| Assisted Living Rent Sub | 283,817 | 700,000 | 700,000 |
| DHS Administration & Contracts | | 323,406 | 323,406 |
| Total Appropriations | <u>82,893,205</u> | <u>161,605,524</u> | <u>151,605,524</u> |
| Ending Balance | <u>366,062,639</u> | <u>282,370,218</u> | <u>141,696,255</u> |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| REGULAR | \$ 110,759,625 | \$ 114,994,605 | \$ 152,225,826 | \$ 128,592,798 |
| STANDING | \$ 277,223,412 | \$ 211,796,565 | \$ 219,300,095 | \$ 202,441,896 |
| TOTAL ADMINISTRATION & REGULATIO | \$ 387,983,037 | \$ 326,791,170 | \$ 371,525,921 | \$ 331,034,694 |
| AGRICULTURE AND NATURAL RESOURCES | | | | |
| REGULAR | \$ 31,918,419 | \$ 34,207,655 | \$ 36,047,987 | \$ 34,207,655 |
| TOTAL AGRICULTURE AND NATURAL RE | \$ 31,918,419 | \$ 34,207,655 | \$ 36,047,987 | \$ 34,207,655 |
| ECONOMIC DEVELOPMENT | | | | |
| REGULAR | \$ 22,034,645 | \$ 19,495,288 | \$ 19,962,096 | \$ 43,247,433 |
| STANDING | | \$ 27,786 | \$ 28,498 | \$ 28,498 |
| TOTAL ECONOMIC DEVELOPMENT | \$ 22,034,645 | \$ 19,523,074 | \$ 19,990,594 | \$ 43,275,931 |
| EDUCATION | | | | |
| REGULAR | \$ 900,745,206 | \$ 918,509,129 | \$ 953,202,386 | \$ 969,598,681 |
| STANDING | \$ 1,821,994,577 | \$ 1,853,544,612 | \$ 1,952,053,396 | \$ 1,972,059,637 |
| TOTAL EDUCATION | \$ 2,722,739,783 | \$ 2,772,053,741 | \$ 2,905,255,782 | \$ 2,941,658,318 |
| HEALTH & HUMAN RIGHTS | | | | |
| REGULAR | \$ 46,960,025 | \$ 47,636,952 | \$ 48,433,342 | \$ 50,735,952 |
| TOTAL HEALTH & HUMAN RIGHTS | \$ 46,960,025 | \$ 47,636,952 | \$ 48,433,342 | \$ 50,735,952 |
| HUMAN SERVICES | | | | |
| REGULAR | \$ 782,967,127 | \$ 722,467,543 | \$ 734,070,231 | \$ 791,985,434 |
| STANDING | \$ 95,066,716 | \$ 95,176,492 | \$ 95,176,492 | \$ 95,176,492 |
| TOTAL HUMAN SERVICES | \$ 878,033,843 | \$ 817,644,035 | \$ 829,246,723 | \$ 887,161,926 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|----------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| JUSTICE SYSTEM | | | | |
| REGULAR | \$ 431,513,611 | \$ 464,104,388 | \$ 473,484,746 | \$ 482,498,285 |
| STANDING | \$ 307,626 | \$ 488,305 | \$ 498,820 | \$ 488,009 |
| TOTAL JUSTICE SYSTEM | \$ 431,821,237 | \$ 464,592,693 | \$ 473,983,566 | \$ 482,986,294 |
| OVERSIGHT | | | | |
| REGULAR | \$ 3,912,104 | \$ 487,500 | | |
| TOTAL OVERSIGHT | \$ 3,912,104 | \$ 487,500 | | |
| TRANSPORTATION | | | | |
| REGULAR | | \$ -100,751 | | |
| STANDING | \$ 8,949,693 | \$ 8,267,156 | | |
| TOTAL TRANSPORTATION | \$ 8,949,693 | \$ 8,166,405 | | |
| TOTAL GENERAL FUND APPROPRIATION | \$ 4,534,352,786 | \$ 4,491,103,225 | \$ 4,684,483,915 | \$ 4,771,060,770 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| ADMINISTRATIVE SERVICES, DEPT. OF | | | | |
| ADMINISTRATIVE SERVICES | | | | |
| ADMINISTRATIVE SERVICES,DEPT. | | \$ 17,466,746 | \$ 15,800,932 | \$ 6,514,351 |
| UTILITIES | | | \$ 1,862,923 | \$ 2,576,000 |
| TERRACE HILL OPERATIONS | | | \$ 242,308 | |
| DAS DISTRIBUTION ACCOUNT | | | | \$ 10,802,911 |
| DEFERRED COMPENSATION PROG. | | \$ 55,088 | \$ 56,501 | \$ 55,088 |
| TOTAL | | \$ 17,521,834 | \$ 17,962,664 | \$ 19,948,350 |
| STATE ACCOUNTING TRUST ACCTS. | | | | |
| FEDERAL CASH MGT. STANDING | | \$ 536,250 | \$ 450,000 | \$ 436,250 |
| UNEMPLOYMENT COMP-STATE STG. | | \$ 438,750 | \$ 550,000 | \$ 538,750 |
| MUNICPL.FIRE & POLICE RET. | | \$ 2,745,784 | \$ 2,816,189 | \$ 2,745,784 |
| TOTAL | | \$ 3,720,784 | \$ 3,816,189 | \$ 3,720,784 |
| TOTAL ADMINISTRATIVE SERVICES, | | \$ 21,242,618 | \$ 21,778,853 | \$ 23,669,134 |
| AUDITOR OF STATE | | | | |
| AUDITOR OF STATE - GENERAL OFF | \$ 1,052,565 | \$ 1,144,755 | \$ 1,092,435 | \$ 1,144,755 |
| IA ETHICS AND CAMPAIGN DISCLOSURE B | | | | |
| IA ETHICS & CAMPAIGN DISCL. BD | \$ 400,707 | \$ 411,296 | \$ 421,661 | \$ 411,296 |
| COMMERCE, DEPARTMENT OF | | | | |
| ALCOHOLIC BEVERAGES OPERATIONS | \$ 1,758,916 | \$ 1,876,497 | \$ 1,876,497 | \$ 1,876,497 |
| BANKING DIVISION | | | | |
| BANKING DIVISION | \$ 5,888,397 | \$ 6,344,805 | \$ 6,503,125 | \$ 6,344,805 |
| CREDIT UNION DIVISION | | | | |
| CREDIT UNION DIVISION | \$ 1,251,595 | \$ 1,377,364 | \$ 1,411,590 | \$ 1,377,364 |
| INSURANCE DIVISION | | | | |
| INSURANCE DIVISION | \$ 3,677,893 | \$ 3,850,498 | \$ 3,947,362 | \$ 3,850,498 |
| SCHOOL HEALTH INSURANCE REFORM | | \$ 14,625 | | |
| TOTAL | \$ 3,677,893 | \$ 3,865,123 | \$ 3,947,362 | \$ 3,850,498 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| PROFESSIONAL LICENSING & REG. PROFESSIONAL LICENSING DIVISIO | \$ 730,027 | \$ 855,512 | \$ 877,042 | \$ 855,512 |
| UTILITIES DIVISION UTILITIES DIVISION | \$ 6,692,685 | \$ 6,877,319 | \$ 7,051,097 | \$ 6,877,319 |
| TOTAL COMMERCE, DEPARTMENT OF | \$ 19,999,513 | \$ 21,196,620 | \$ 21,666,713 | \$ 21,181,995 |
| EXECUTIVE COUNCIL | | | | |
| COURT COSTS | \$ 163,219 | \$ 73,125 | \$ 75,000 | \$ 73,125 |
| PUBLIC IMPROVEMENTS | \$ 12,411 | \$ 48,750 | \$ 50,000 | \$ 48,750 |
| PERFORMANCE OF DUTY | \$ 1,250,505 | \$ 1,462,500 | \$ 1,500,000 | \$ 1,462,500 |
| DRAINAGE ASSESSMENT | \$ 22,901 | \$ 24,375 | \$ 25,000 | \$ 24,375 |
| TOTAL | \$ 1,449,036 | \$ 1,608,750 | \$ 1,650,000 | \$ 1,608,750 |
| LEGISLATIVE BRANCH | | | | |
| HOUSE OF REPRESENTATIVES | | | | |
| COUNCIL OF STATE GOVERNMENTS | | \$ 82,478 | \$ 82,478 | \$ 82,478 |
| NATIONAL CONF OF STATE LEGISL | \$ 55,083 | \$ 101,876 | \$ 101,876 | \$ 101,876 |
| AMER LEGISL EXCHANGE COUNCIL | | \$ 6,746 | \$ 6,746 | \$ 6,746 |
| NAT CONF INSURANCE LEGISLATORS | | \$ 8,995 | \$ 8,995 | \$ 8,995 |
| HOUSE | \$ 8,177,480 | \$ 7,703,836 | \$ 9,144,500 | \$ 9,144,500 |
| TOTAL | \$ 8,232,563 | \$ 7,903,931 | \$ 9,344,595 | \$ 9,344,595 |
| SENATE | | | | |
| SENATE | \$ 5,432,901 | \$ 4,678,953 | \$ 4,678,953 | \$ 4,678,953 |
| JOINT EXPENSES OF LEGISLATURE JOINT LEGISLATIVE EXPENSES | \$ 260,965 | \$ 769,098 | \$ 855,000 | \$ 855,000 |
| CITIZENS' AIDE, OFFICE OF CITIZENS AIDE | \$ 923,148 | \$ 1,031,542 | \$ 1,057,992 | \$ 1,057,992 |
| LEGISLATIVE SERVICES AGENCY LEGISLATIVE SERVICES AGENCY | | \$ 9,959,672 | \$ 10,518,511 | \$ 10,518,511 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| LEG. COMPUTER SUPPORT BUREAU LEGISLATIVE COMP SUPP BUREAU | \$ 2,247,254 | | | |
| LEGISLATIVE FISCAL BUREAU LEGISLATIVE FISCAL BUREAU | \$ 2,184,011 | | | |
| LEGISLATIVE SERVICE BUREAU LEGISLATIVE SERVICE BUREAU | \$ 4,693,889 | | | |
| ADMIN. RULES REVIEW COMM. ADMINISTRATIVE RULES COMMITTEE | \$ 116,647 | | | |
| UNIFORM STATE LAWS UNIFORM STATE LAWS COMMISSION | \$ 21,969 | \$ 20,698 | \$ 20,698 | \$ 20,698 |
| TOTAL LEGISLATIVE BRANCH | \$ 24,113,347 | \$ 24,363,894 | \$ 26,475,749 | \$ 26,475,749 |
| GENERAL SERVICES, DEPT. OF | | | | |
| GENERAL SERVICES UTILITIES | \$ 1,817,095 | | | |
| GENERAL SERVICES RENTAL SPACE | \$ 846,770 | | | |
| TERRACE HILL OPERATIONS | \$ 230,260 | | | |
| GENERAL SERVICES OPERATIONS | \$ 5,142,294 | | | |
| TOTAL | \$ 8,036,419 | | | |
| GOVERNOR/LT. GOVERNOR'S OFFICE | | | | |
| GOVERNOR'S OFFICE, IOWA GOVERNOR/LT. GOVERNOR'S OFFICE | \$ 1,239,499 | \$ 1,536,949 | \$ 1,575,650 | \$ 1,536,949 |
| ADMIN RULES COORDINATOR | \$ 128,880 | \$ 136,458 | \$ 139,880 | \$ 136,458 |
| TERRACE HILL QUARTERS | \$ 98,059 | \$ 106,588 | \$ 109,225 | \$ 343,149 |
| NATL GOVERNOR'S ASSOCIATION | \$ 64,393 | \$ 64,393 | \$ 64,393 | \$ 64,393 |
| STATE-FEDERAL RELATIONS | \$ 104,188 | \$ 111,236 | \$ 114,052 | \$ 111,236 |
| INTERSTATE EXTRADITION | | \$ 3,710 | \$ 3,805 | \$ 3,710 |
| TOTAL | \$ 1,635,019 | \$ 1,959,334 | \$ 2,007,005 | \$ 2,195,895 |
| INSPECTIONS & APPEALS, DEPT OF | | | | |
| INSPECTIONS AND APPEALS CHILD ADVOCACY BOARD | \$ 1,669,157 | \$ 1,752,780 | \$ 1,796,857 | \$ 1,752,780 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| INSPECTIONS & APPEALS, DEPT OF | | | | |
| INSPECTIONS AND APPEALS | | | | |
| EMPLOYMENT APPEAL BOARD | \$ 33,336 | \$ 35,215 | \$ 36,101 | \$ 35,215 |
| ADMINISTRATION DIVISION | \$ 696,624 | \$ 737,533 | \$ 756,067 | \$ 737,533 |
| ADMINISTRATIVE HEARINGS DIV. | \$ 460,682 | \$ 614,114 | \$ 628,718 | \$ 614,114 |
| INVESTIGATIONS DIVISION | \$ 1,342,896 | \$ 1,407,295 | \$ 1,442,730 | \$ 1,407,295 |
| HEALTH FACILITIES DIVISION | \$ 2,220,789 | \$ 2,276,836 | \$ 2,334,456 | \$ 2,276,836 |
| INSPECTIONS DIVISION | \$ 740,489 | \$ 751,557 | \$ 770,647 | \$ 751,557 |
| TOTAL | \$ 7,163,973 | \$ 7,575,330 | \$ 7,765,576 | \$ 7,575,330 |
| PUBLIC DEFENDER | | | | |
| INDIGENT DEFENSE APPROPRIATION | \$ 20,437,586 | \$ 19,355,297 | \$ 19,851,587 | \$ 20,298,115 |
| PUBLIC DEFENDER | \$ 15,384,767 | \$ 16,663,446 | \$ 17,084,207 | \$ 17,720,628 |
| TOTAL | \$ 35,822,353 | \$ 36,018,743 | \$ 36,935,794 | \$ 38,018,743 |
| RACING COMMISSION | | | | |
| PARI-MUTUEL REGULATION | \$ 2,112,764 | \$ 2,201,453 | \$ 2,256,594 | \$ 2,201,453 |
| RIVERBOAT REGULATION | \$ 1,563,389 | \$ 1,806,048 | \$ 1,851,371 | \$ 1,806,048 |
| TOTAL | \$ 3,676,153 | \$ 4,007,501 | \$ 4,107,965 | \$ 4,007,501 |
| TOTAL INSPECTIONS & APPEALS, DE | \$ 46,662,479 | \$ 47,601,574 | \$ 48,809,335 | \$ 49,601,574 |
| MANAGEMENT, DEPARTMENT OF | | | | |
| MANAGEMENT, DEPT. OF | | | | |
| MANAGEMENT DEPARTMENTAL OPER. | \$ 2,048,640 | \$ 2,137,824 | \$ 2,191,522 | \$ 2,137,824 |
| SALARY ADJUSTMENT FUND | \$ | \$ -13,411,143 | \$ 126,767 | \$ |
| ENTERPRISE RESOURCE PLANNING | \$ 57,244 | \$ 57,435 | \$ 58,900 | \$ 57,435 |
| LOCAL GOVERNMENT INNOVATION FD | \$ | \$ 975,000 | \$ | \$ |
| CHARTER AGENCY GRANT FUND APPR | \$ | \$ 1,413,750 | \$ | \$ |
| FEDERAL OVER RECOVERY | \$ | \$ | \$ | \$ 3,000,000 |
| SALARY MODEL ADMINISTRATOR | \$ | \$ | \$ | \$ 123,598 |
| REINVENT GOVERNMENT | \$ | \$ 6,191,250 | \$ | \$ |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| MANAGEMENT, DEPARTMENT OF | | | | |
| MANAGEMENT, DEPT. OF SPECIAL OLYMPICS FUND APPEAL BOARD CLAIMS | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| | \$ 6,868,352 | \$ 4,387,500 | \$ 4,500,000 | \$ 6,387,500 |
| TOTAL | \$ 9,004,236 | \$ 1,781,616 | \$ 6,907,189 | \$ 11,736,357 |
| PERSONNEL, DEPARTMENT OF | | | | |
| PERSONNEL, DEPT. OF | \$ 3,632,730 | | | |
| REVENUE, DEPT. OF | | | | |
| REVENUE & FINANCE, DEPT. OF | \$ 24,174,523 | \$ 24,506,391 | \$ 24,506,391 | \$ 24,776,391 |
| TOBACCO REPORTING REQUIREMENTS | | \$ 50,000 | \$ 25,000 | \$ 25,000 |
| DEFERRED COMPENSATION PROJECT | \$ 154,196 | | | |
| MACHINERY/EQUIP PROP TAX REPL | \$ 20,990,785 | \$ 10,999,643 | | |
| AG LAND TAX CREDIT COMPT | \$ 35,482,244 | \$ 34,610,183 | \$ 35,497,624 | \$ 20,000,000 |
| LIVESTOCK PRODUCERS CREDIT | \$ 1,792,533 | \$ 1,770,342 | \$ 1,815,735 | \$ 1,770,342 |
| PROPERTY TAX REPLACEMENT PROGR | \$ 51,099,049 | | | |
| FEDERAL CASH MANAGEMENT | \$ 233,632 | | | |
| PRINTING CIGARETTE STAMPS | \$ 110,055 | \$ 107,304 | \$ 110,055 | \$ 107,304 |
| COLLECTION COSTS AND FEES | \$ 27,750 | \$ 27,462 | \$ 32,000 | \$ 27,462 |
| HOMESTEAD TAX CREDIT AID | \$ 105,584,616 | \$ 102,945,379 | \$ 123,039,625 | \$ 120,400,000 |
| ELDERLY & DISABLED PROP TAX CR | \$ 15,765,986 | \$ 16,235,505 | \$ 19,956,295 | \$ 19,540,000 |
| PEACE OFFICER RETIREMENT-IMPRO | \$ 2,816,189 | | | |
| STATE UNEMPLOYMENT COMPENSATIO | \$ 831,555 | | | |
| COLLECTION AGENCIES | \$ -411,776 | | | |
| FRANCHISE TAX REFUNDS | \$ 7,986,649 | \$ 8,580,000 | | |
| MILITARY SERV TAX REFUNDS | \$ 2,530,462 | \$ 2,568,402 | \$ 2,537,310 | \$ 2,536,000 |
| TOTAL | \$ 269,168,448 | \$ 202,400,611 | \$ 207,520,035 | \$ 189,182,499 |
| SECRETARY OF STATE | | | | |
| ADMIN/ELECTIONS/VOTER REG | \$ 664,056 | \$ 660,233 | \$ 935,864 | \$ 1,410,233 |
| SEC OF STATE-BUSINESS SERVICES | \$ 1,398,158 | \$ 1,615,893 | \$ 1,655,320 | \$ 1,615,893 |
| IOWA SERVICEMENS BALLOT COMMIS | | \$ 3,412 | | |
| TOTAL | \$ 2,062,214 | \$ 2,279,538 | \$ 2,591,184 | \$ 3,026,126 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| TREASURER OF STATE | | | | |
| TREASURER - GENERAL OFFICE | \$ 766,324 | \$ 800,564 | \$ 820,762 | \$ 800,564 |
| TOBACCO SETTLEMENT AUTHORITY | | | | |
| ENDOWMENT FOR IOWA HEALTH | | | \$ 29,785,000 | |
| TOTAL TREASURER OF STATE | \$ 766,324 | \$ 800,564 | \$ 30,605,762 | \$ 800,564 |
| TOTAL ADMINISTRATION & REGULATIO | \$ 387,983,037 | \$ 326,791,170 | \$ 371,525,921 | \$ 331,034,694 |
| AGRICULTURE AND NATURAL RESOURCES | | | | |
| AGRICULTURE & LAND STEWARDSHIP | | | | |
| GF-ADMINISTRATIVE DIVISION | \$ 16,066,563 | \$ 16,946,668 | \$ 18,738,127 | \$ 16,946,668 |
| MISSOURI RIVER AUTHORITY | \$ 9,780 | \$ 9,535 | \$ 9,780 | \$ 9,535 |
| FEED GRAIN PILOT PROJECT | \$ 19,081 | | | |
| REGULATORY DAIRY PRODUCTS | \$ 648,579 | \$ 632,170 | \$ 680,798 | \$ 632,170 |
| TOTAL | \$ 16,743,803 | \$ 17,588,373 | \$ 19,428,705 | \$ 17,588,373 |
| NATURAL RESOURCES, DEPARTMENT OF | | | | |
| GF-NATURAL RESOURCES OPERTNS | \$ 15,174,616 | \$ 16,619,282 | \$ 16,619,282 | \$ 16,619,282 |
| TOTAL AGRICULTURE AND NATURAL RE | \$ 31,918,419 | \$ 34,207,655 | \$ 36,047,987 | \$ 34,207,655 |
| ECONOMIC DEVELOPMENT | | | | |
| ECONOMIC DEVELOPMENT, DEPT. OF | | | | |
| ECONOMIC DEVELOPMENT, DEPT OF | | | | |
| ECONOMIC DEVELOPMENT ADMIN | \$ 1,472,200 | \$ 1,562,332 | \$ 1,601,341 | \$ 1,562,332 |
| WORLD FOOD PRIZE | \$ 285,000 | \$ 285,000 | \$ 285,000 | \$ 285,000 |
| GROW IOWA FUND APPROPRIATION | | | | \$ 23,000,000 |
| JUNIOR OLYMPICS | | \$ 50,000 | | |
| BUSINESS DEVELOPMENT | \$ 10,210,707 | \$ 6,084,500 | \$ 6,244,980 | \$ 6,084,500 |
| COMMUNITY DEVELOPMENT BLOCK GR | \$ 4,511,924 | \$ 5,730,725 | \$ 5,896,835 | \$ 6,230,725 |
| SCHOOL TO CAREER REFUND | | \$ 27,786 | \$ 28,498 | \$ 28,498 |
| TOTAL | \$ 16,479,831 | \$ 13,740,343 | \$ 14,056,654 | \$ 37,191,055 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| ECONOMIC DEVELOPMENT | | | | |
| IOWA WORKFORCE DEVELOPMENT | | | | |
| IOWA WORKFORCEMENT DEVELOPMENT | | | | |
| IWD GEN. FUND - OPERATIONS | \$ 4,758,924 | \$ 4,889,124 | \$ 5,015,644 | \$ 5,189,124 |
| WELFARE TO WORK MATCH | | \$ -2,145 | | |
| TOTAL | \$ 4,758,924 | \$ 4,886,979 | \$ 5,015,644 | \$ 5,189,124 |
| PUBLIC EMPLOYMENT RELATIONS BOARD | | | | |
| PER BOARD - GENERAL OFFICE | \$ 795,890 | \$ 895,752 | \$ 918,296 | \$ 895,752 |
| TOTAL ECONOMIC DEVELOPMENT | \$ 22,034,645 | \$ 19,523,074 | \$ 19,990,594 | \$ 43,275,931 |
| EDUCATION | | | | |
| COLLEGE STUDENT AID COMMISSION | | | | |
| COLLEGE AID COMMISSION | | | | |
| COLLEGE AID COMMISSION | \$ 285,964 | \$ 298,825 | \$ 306,341 | \$ 298,825 |
| NATIONAL GUARD BENEFITS PROGRA | \$ 1,175,000 | \$ 1,143,599 | \$ 1,175,000 | \$ 2,900,000 |
| ACE OPPORTUNITY GRANTS | \$ 224,895 | \$ 216,849 | | |
| PHYSICIAN RECRUITMENT | \$ 355,334 | \$ 346,451 | \$ 355,334 | \$ 346,451 |
| IOWA GRANTS | \$ 1,029,884 | \$ 1,029,784 | \$ 1,029,884 | \$ 1,029,784 |
| TEACHER SHORTAGE FORGIVABLE LN | \$ 472,279 | \$ 460,472 | \$ 472,279 | \$ 460,472 |
| TUITION GRANT PROGRAM-STANDING | \$ 46,117,964 | \$ 45,257,515 | \$ 46,417,964 | \$ 47,157,515 |
| SCHOLARSHIP PROGRAM-STANDING | \$ 477,103 | \$ 465,175 | \$ 477,103 | \$ 465,175 |
| VOCATIONAL TECHNICAL TUITION G | \$ 2,375,657 | \$ 2,316,266 | \$ 2,600,552 | \$ 2,533,115 |
| TOTAL | \$ 52,514,080 | \$ 51,534,936 | \$ 52,834,457 | \$ 55,191,337 |
| CULTURAL AFFAIRS, DEPT. OF | | | | |
| CULTURAL AFFAIRS, DEPT OF | | | | |
| ARTS DIVISION CULTURAL AFFAIRS | \$ 1,161,246 | \$ 1,157,486 | \$ 1,186,993 | \$ 1,157,486 |
| CULTURAL GRANTS | \$ 300,000 | \$ 299,240 | \$ 300,000 | \$ 299,240 |
| HISTORICAL DIV CULTURAL AFFAIR | \$ 2,745,207 | \$ 2,868,725 | \$ 2,941,048 | \$ 2,868,725 |
| ADMIN DIV - CULTURAL AFFAIRS | \$ 210,214 | \$ 214,475 | \$ 219,954 | \$ 214,475 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| EDUCATION | | | | |
| CULTURAL AFFAIRS, DEPT. OF | | | | |
| CULTURAL AFFAIRS, DEPT OF HISTORICAL SITES | \$ 523,024 | \$ 526,459 | \$ 539,866 | \$ 526,459 |
| TOTAL | \$ 4,939,691 | \$ 5,066,385 | \$ 5,187,861 | \$ 5,066,385 |
| EDUCATION, DEPARTMENT OF | | | | |
| EDUCATION, DEPT. OF | | | | |
| EMPOWERMENT BD - SCHOOL READY ADMINISTRATION | \$ 13,724,712 | \$ 13,581,594 | \$ 13,724,712 | \$ 13,581,594 |
| VOCATIONAL EDUCATION ADMIN | \$ 4,928,249 | \$ 5,168,114 | \$ 5,298,322 | \$ 5,168,114 |
| BOARD OF EDUCATIONAL EXAMINERS | \$ 477,139 | \$ 514,828 | \$ 527,631 | \$ 514,828 |
| SCHOOL FOOD SERVICE | \$ 41,688 | \$ 40,782 | \$ 42,702 | \$ 40,782 |
| TEXTBOOK SERVICES FOR NONPUBLI | \$ 2,574,034 | \$ 2,509,683 | \$ 2,574,034 | \$ 2,509,683 |
| VOCATIONAL EDUC SECONDARY | \$ 578,880 | \$ 564,408 | \$ 578,880 | \$ 564,408 |
| MERGED AREA SCHOOLS-GENERAL AI | \$ 2,938,488 | \$ 2,936,904 | \$ 3,012,209 | \$ 2,936,904 |
| TEACHER QUALITY PROF DEV | \$ 138,585,680 | \$ 135,779,244 | \$ 139,260,763 | \$ 138,879,244 |
| TEACHER EXCELLENCE PROGRAM | \$ 66,891,336 | \$ 55,469,053 | \$ 56,891,336 | \$ 55,469,053 |
| TEACHER QUALITY/STUDENT ACHIEV | \$ 16,100,000 | \$ 43,113,894 | \$ 44,275,000 | \$ 47,363,894 |
| EARLY CHILDHOOD DEVELOPMENT | | | | \$ 1,500,000 |
| JOBS FOR AMERICA'S GRADS | | | | \$ 400,000 |
| STATE LIBRARY | \$ 1,222,051 | \$ 1,262,603 | \$ 1,294,455 | \$ 1,262,603 |
| LIBRARY SERVICE AREAS | \$ 1,411,854 | \$ 1,376,558 | \$ 1,411,854 | \$ 1,376,558 |
| ENRICH IOWA LIBRARIES | \$ 1,741,982 | \$ 1,698,432 | \$ 1,741,982 | \$ 1,698,432 |
| EARLY INTERVENTION BLOCK GRANT | \$ 30,000,000 | \$ 29,250,000 | \$ 30,000,000 | \$ 29,250,000 |
| CHILD DEVELOPMENT | \$ 11,463,871 | \$ 11,271,000 | \$ 11,560,000 | \$ 11,271,000 |
| INSTRUCTIONAL SUPPORT | \$ 14,798,189 | \$ 14,428,271 | \$ 14,798,227 | \$ 14,428,271 |
| STATE FOUNDATION SCHOOL AID | \$ 1,738,962,243 | \$ 1,772,201,824 | \$ 1,868,400,000 | \$ 1,888,600,000 |
| TRANSPORTATION OF NONPUBLIC PU | \$ 7,799,550 | \$ 7,604,561 | \$ 7,799,550 | \$ 7,604,561 |
| TOTAL | \$ 2,054,239,946 | \$ 2,098,571,753 | \$ 2,203,191,657 | \$ 2,234,219,929 |
| VOCATIONAL REHABILITATION | | | | |
| VOCATIONAL REHABILITATION DOE | \$ 4,185,341 | \$ 4,278,784 | \$ 4,387,154 | \$ 4,278,784 |
| INDEPENDENT LIVING | \$ 54,533 | \$ 54,150 | \$ 55,531 | \$ 54,150 |
| TOTAL | \$ 4,239,874 | \$ 4,332,934 | \$ 4,442,685 | \$ 4,332,934 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---------------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| EDUCATION | | | | |
| IOWA PUBLIC TELEVISION | \$ 1,612,500 | \$ 1,600,806 | \$ 1,641,662 | \$ 1,600,806 |
| REGIONAL TELE COUNCILS | \$ 6,200,841 | \$ 6,426,514 | \$ 6,588,549 | \$ 6,726,514 |
| IOWA PUBLIC TELEVISION | | | | |
| TOTAL | \$ 7,813,341 | \$ 8,027,320 | \$ 8,230,211 | \$ 8,327,320 |
| TOTAL EDUCATION, DEPARTMENT OF | \$ 2,066,293,161 | \$ 2,110,932,007 | \$ 2,215,864,553 | \$ 2,246,880,183 |
| REGENTS, BOARD OF | | | | |
| SUI - GENERAL UNIVERSITY | \$ 222,319,484 | \$ 219,937,344 | \$ 231,036,763 | \$ 233,585,069 |
| STATE OF IOWA CANCER REGISTRY | \$ 184,676 | \$ 178,739 | \$ 183,322 | \$ 178,739 |
| IOWA BIRTH DEFECTS REGISTRY | \$ 45,813 | \$ 44,636 | \$ 45,781 | \$ 44,636 |
| UNIVERSITY HOSPITALS | \$ 28,159,909 | \$ 27,284,584 | \$ 27,984,189 | \$ 27,284,584 |
| U. OF IOWA--PSYCHIATRIC HOSPIT | \$ 7,202,200 | \$ 7,043,056 | \$ 7,223,647 | \$ 7,043,056 |
| CNTR FOR DISABILITIES AND DEVE | \$ 6,459,930 | \$ 6,363,265 | \$ 6,526,426 | \$ 6,363,265 |
| U. OF IOWA--OAKDALE CAMPUS | \$ 2,728,074 | \$ 2,657,335 | \$ 2,725,472 | \$ 2,657,335 |
| U. OF IOWA--HYGIENIC LABORATOR | \$ 3,819,323 | \$ 3,802,520 | \$ 3,900,021 | \$ 3,802,520 |
| FAMILY PRACTICE PROGRAM | \$ 2,123,084 | \$ 2,075,948 | \$ 2,129,177 | \$ 2,075,948 |
| SCHS - SPEC. CHILD HEALTH | \$ 628,576 | \$ 649,066 | \$ 665,709 | \$ 649,066 |
| SUI SUBS ABUSE CONSORTIUM | \$ 66,424 | \$ 64,871 | \$ 66,534 | \$ 64,871 |
| PRIMARY HEALTH CARE | \$ 783,918 | \$ 759,875 | \$ 779,359 | \$ 759,875 |
| IOWA STATE: GEN. UNIVERSITY | \$ 175,588,206 | \$ 173,189,751 | \$ 181,880,514 | \$ 183,936,657 |
| ISU--AG EXPERIMENT STATION | \$ 31,874,032 | \$ 31,019,520 | \$ 31,814,892 | \$ 31,019,520 |
| ISU--COOPERATIVE EXTENSION | \$ 20,140,175 | \$ 19,738,432 | \$ 20,244,546 | \$ 19,738,432 |
| ISU LEOPOLD CENTER | \$ 487,825 | \$ 464,319 | \$ 476,225 | \$ 464,319 |
| UNIVERSITY OF NORTHERN IOWA | \$ 78,589,015 | \$ 77,804,507 | \$ 81,839,494 | \$ 82,632,493 |
| RECYCLING AND REUSE CENTER | \$ 214,188 | \$ 211,858 | \$ 217,290 | \$ 211,858 |
| IOWA SCHOOL FOR THE DEAF | \$ 7,698,218 | \$ 8,099,712 | \$ 8,465,689 | \$ 8,598,187 |
| SUI - ECONOMIC DEVELOPMENT | \$ 239,456 | \$ 247,005 | \$ 253,338 | \$ 247,005 |
| IOWA BRAILLE AND SIGHT SAVING | \$ 4,314,658 | \$ 4,531,492 | \$ 4,736,740 | \$ 4,810,400 |
| REGENT BD OFFICE | \$ 1,148,244 | \$ 1,160,398 | \$ 1,190,152 | \$ 1,160,398 |
| TUITION REPLACEMENT BONDING PR | \$ | \$ 13,009,474 | \$ 12,701,278 | \$ 13,009,474 |
| TRI STATE GRADUATE | \$ 78,065 | \$ 77,941 | \$ 79,940 | \$ 77,941 |
| TUITION AND TRANSPORTATION | \$ 15,103 | \$ 14,725 | \$ 7,500 | \$ 14,725 |
| SOUTHWEST IOWA RESOURCE CTR | \$ 105,985 | \$ 105,956 | \$ 108,673 | \$ 105,956 |
| QUAD CITIES GRAD CTR | \$ 157,799 | \$ 157,144 | \$ 161,173 | \$ 157,144 |
| BIOCATALYSIS | \$ 917,754 | \$ 881,384 | \$ 903,984 | \$ 881,384 |
| ISU - ECONOMIC DEVELOPMENT | \$ 2,325,716 | \$ 2,363,557 | \$ 2,424,161 | \$ 2,363,557 |
| UNI - ECONOMIC DEVELOPMENT | \$ 344,252 | \$ 361,291 | \$ 370,555 | \$ 361,291 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| EDUCATION | | | | |
| REGENTS, BOARD OF LIVESTOCK DISEASE RESEARCH | \$ 232,749 | \$ 220,708 | \$ 226,367 | \$ 220,708 |
| TOTAL | \$ 598,992,851 | \$ 604,520,413 | \$ 631,368,911 | \$ 634,520,413 |
| TOTAL EDUCATION | \$ 2,722,739,783 | \$ 2,772,053,741 | \$ 2,905,255,782 | \$ 2,941,658,318 |
| HEALTH & HUMAN RIGHTS | | | | |
| BLIND, IOWA COMMISSION FOR THE DEPARTMENT FOR THE BLIND | \$ 1,492,340 | \$ 1,541,907 | \$ 1,580,798 | \$ 1,541,907 |
| CIVIL RIGHTS COMMISSION CIVIL RIGHTS COMMISSION | \$ 886,024 | \$ 825,752 | \$ 846,582 | \$ 924,752 |
| ELDER AFFAIRS, DEPARTMENT OF AGING PROGRAMS | \$ 3,916,273 | \$ 2,632,668 | \$ 2,699,770 | \$ 2,632,668 |
| GOV'S OFFICE OF DRUG CONTROL POLICY DRUG POLICY COORDINATOR | \$ 255,104 | \$ 254,386 | \$ 260,859 | \$ 254,386 |
| HEALTH, DEPARTMENT OF PUBLIC | | | | |
| PUBLIC HEALTH, DEPT. OF | | | | |
| ADDICTIVE DISORDERS | \$ 1,172,890 | \$ 1,267,111 | \$ 1,299,416 | \$ 2,267,111 |
| ADULT WELLNESS | \$ 497,647 | \$ 254,067 | \$ 310,582 | \$ 304,067 |
| CHILD AND ADOLESCENT WELLNESS | \$ 1,083,796 | \$ 815,803 | \$ 936,715 | \$ 1,915,803 |
| CHRONIC CONDITIONS | \$ 1,148,795 | \$ 1,020,040 | \$ 871,937 | \$ 845,863 |
| COMMUNITY CAPACITY | \$ 1,204,483 | \$ 1,308,748 | \$ 1,300,444 | \$ 1,267,359 |
| ELDERLY WELLNESS | \$ 9,455,265 | \$ 9,233,985 | \$ 9,470,754 | \$ 9,233,985 |
| ENVIRONMENTAL HAZARDS | \$ 155,276 | \$ 340,808 | \$ 260,547 | \$ 251,808 |
| INFECTIOUS DISEASES | \$ 1,075,158 | \$ 1,077,251 | \$ 1,107,068 | \$ 1,079,703 |
| INJURIES | \$ 1,464,963 | \$ 1,379,358 | \$ 1,414,711 | \$ 1,379,358 |
| PUBLIC PROTECTION | \$ 6,115,802 | \$ 6,510,118 | \$ 6,764,376 | \$ 6,598,873 |
| RESOURCE MANAGEMENT | \$ 1,074,075 | \$ 699,319 | \$ 780,176 | \$ 762,678 |
| TOTAL | \$ 24,448,150 | \$ 23,906,608 | \$ 24,516,726 | \$ 25,906,608 |
| HUMAN RIGHTS, DEPARTMENT OF | | | | |
| HUMAN RIGHTS, DEPT. OF HUMAN RIGHTS ADMINISTRATION | \$ 249,368 | \$ 264,102 | \$ 270,709 | \$ 264,102 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| HEALTH & HUMAN RIGHTS | | | | |
| HUMAN RIGHTS, DEPARTMENT OF | | | | |
| HUMAN RIGHTS, DEPT. OF | | | | |
| DEAF SERVICES | \$ 306,147 | \$ 362,710 | \$ 371,520 | \$ 362,710 |
| PERSONS WITH DISABILITIES | \$ 168,899 | \$ 184,971 | \$ 189,553 | \$ 184,971 |
| LATINO AFFAIRS | \$ 151,328 | \$ 166,718 | \$ 170,847 | \$ 166,718 |
| STATUS OF WOMEN | \$ 325,255 | \$ 329,530 | \$ 337,918 | \$ 329,530 |
| STATUS OF AFRICAN AMERICANS | \$ 121,329 | \$ 118,296 | \$ 121,329 | \$ 118,296 |
| CRIMINAL & JUVENILE JUSTICE | \$ 359,583 | \$ 403,774 | \$ 413,777 | \$ 403,774 |
| TOTAL | \$ 1,681,909 | \$ 1,830,101 | \$ 1,875,653 | \$ 1,830,101 |
| VETERANS AFFAIRS, COMM. OF | | | | |
| VETERANS AFFAIRS, COMM OF | | | | |
| GENERAL ADMINISTRATION | \$ 188,074 | \$ 293,971 | \$ 301,395 | \$ 293,971 |
| IOWA VETERANS HOME | \$ 14,092,151 | \$ 16,351,559 | \$ 16,351,559 | \$ 17,351,559 |
| TOTAL | \$ 14,280,225 | \$ 16,645,530 | \$ 16,652,954 | \$ 17,645,530 |
| TOTAL HEALTH & HUMAN RIGHTS | \$ 46,960,025 | \$ 47,636,952 | \$ 48,433,342 | \$ 50,735,952 |
| HUMAN SERVICES | | | | |
| HUMAN SERVICES, DEPARTMENT OF | | | | |
| HUMAN SERVICES - GEN. ADMIN. | | | | |
| GENERAL ADMINISTRATION | \$ 11,304,333 | \$ 11,480,872 | \$ 11,256,409 | \$ 11,480,872 |
| COMMISSION OF INQUIRY | \$ | \$ 1,706 | \$ 1,706 | \$ 1,706 |
| NON RESIDENTS TRANSFERS | \$ | \$ 82 | \$ 82 | \$ 82 |
| NON RESIDENT COMMITMENT H.ILL | \$ 66,716 | \$ 174,704 | \$ 174,704 | \$ 174,704 |
| TOTAL | \$ 11,371,049 | \$ 11,657,364 | \$ 11,432,901 | \$ 11,657,364 |
| HUMAN SERVICES - FIELD OPER. | | | | |
| FIELD OPERATIONS | \$ 49,951,093 | \$ 52,727,745 | \$ 52,041,702 | \$ 52,727,745 |
| CHILD SUPPORT RECOVERIES | \$ 5,750,910 | \$ 5,915,656 | \$ 5,772,191 | \$ 5,915,656 |
| TOTAL | \$ 55,702,003 | \$ 58,643,401 | \$ 57,813,893 | \$ 58,643,401 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|------------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| HUMAN SERVICES | | | | |
| JUVENILE INSTITUTIONS | | | | |
| TOLEDO JUVENILE HOME | \$ 6,150,122 | \$ 6,061,266 | \$ 6,068,214 | \$ 6,061,266 |
| ELDORA TRAINING SCHOOL | \$ 10,149,340 | \$ 9,570,563 | \$ 9,604,860 | \$ 9,570,563 |
| TOTAL | \$ 16,299,462 | \$ 15,631,829 | \$ 15,673,074 | \$ 15,631,829 |
| HUMAN SERVICES - OAKDALE | | | | |
| SEXUAL PREDATOR CIVIL COMM | \$ 3,575,179 | \$ 2,801,472 | \$ 3,489,147 | \$ 3,531,005 |
| MENTAL HEALTH INSTITUTIONS | | | | |
| CHEROKEE MHI | \$ 12,392,966 | \$ 12,927,556 | \$ 12,753,118 | \$ 12,927,556 |
| CLARINDA MHI | \$ 7,059,035 | \$ 7,410,346 | \$ 7,296,109 | \$ 7,410,346 |
| INDEPENDENCE MHI | \$ 16,283,896 | \$ 17,239,768 | \$ 16,950,870 | \$ 17,239,768 |
| MT PLEASANT MHI | \$ 5,292,013 | \$ 6,109,205 | \$ 6,016,935 | \$ 6,109,205 |
| TOTAL | \$ 41,027,910 | \$ 43,686,875 | \$ 43,017,032 | \$ 43,686,875 |
| HOSPITAL/SCHOOLS | | | | |
| GLENWOOD RESOURCE CENTER | \$ 4,021,038 | \$ 6,060,778 | \$ 7,359,756 | \$ 9,218,772 |
| WOODWARD RESOURCE CENTER | \$ 2,521,266 | \$ 4,578,453 | \$ 4,578,496 | \$ 4,520,459 |
| TOTAL | \$ 6,542,304 | \$ 10,639,231 | \$ 11,938,252 | \$ 13,739,231 |
| HUMAN SERVICES - ASSISTANCE | | | | |
| FAMILY INVESTMENT PROGRAM/JOBS | \$ 35,288,782 | \$ 36,189,791 | \$ 38,711,111 | \$ 38,711,111 |
| STATE SUPPLEMENTARY ASSISTANCE | \$ 19,500,000 | \$ 19,198,735 | \$ 19,198,735 | \$ 19,198,735 |
| MEDICAL ASSISTANCE | \$ 418,742,073 | \$ 348,686,073 | \$ 349,986,073 | \$ 391,400,000 |
| STATE CHILDREN'S HEALTH INS. | \$ 11,458,412 | \$ 11,118,275 | \$ 11,118,275 | \$ 12,618,275 |
| HEALTH INSURANCE PREMIUM PYHT | \$ 565,848 | \$ 606,429 | \$ 595,670 | \$ 606,429 |
| COUNTY HOSPITALS | | \$ 312,000 | | |
| MEDICAL CONTRACTS | \$ 8,729,141 | \$ 8,990,035 | \$ 8,990,035 | \$ 10,790,035 |
| MH/DD GROWTH FACTOR | \$ 14,181,000 | \$ 19,073,638 | \$ 19,073,638 | \$ 23,738,749 |
| MH/DD COMMUNITY SERVICES | \$ 17,757,890 | \$ 17,757,890 | \$ 17,757,890 | \$ 17,757,890 |
| FAMILY SUPPORT SUBSIDY | \$ 1,936,434 | \$ 1,936,434 | \$ 1,936,434 | \$ 1,936,434 |
| DD SPECIAL NEEDS GRANTS | \$ 47,827 | | | |
| MH/DD HEALTH REDESIGN | | | | \$ 5,000,000 |
| CONNERS TRAINING | \$ 42,623 | \$ 42,623 | \$ 42,623 | \$ 42,623 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| HUMAN SERVICES | | | | |
| HUMAN SERVICES, DEPARTMENT OF | | | | |
| HUMAN SERVICES - ASSISTANCE | | | | |
| PERSONAL ASSISTANCE | \$ 157,921 | \$ 205,748 | \$ 205,748 | \$ 205,748 |
| VOLUNTEERS | \$ 109,568 | \$ 109,568 | \$ 109,568 | \$ 109,568 |
| CHILD CARE ASSISTANCE | \$ 4,939,635 | \$ 5,050,752 | \$ 5,050,752 | \$ 5,050,752 |
| MI/MR/DD STATE CASES | \$ 11,414,619 | \$ 11,014,619 | \$ 11,014,619 | \$ 11,014,619 |
| CHILD AND FAMILY SERVICES | \$ 103,844,163 | \$ 97,091,253 | \$ 107,091,253 | \$ 107,091,253 |
| CHILD WELFARE REDESIGN TRNG | | \$ 1,200,000 | | |
| CHILD WELFARE REDES PROV LOAN | | \$ 1,000,000 | | |
| MH PROPERTY TAX RELIEF | \$ 95,000,000 | \$ 95,000,000 | \$ 95,000,000 | \$ 95,000,000 |
| TOTAL | \$ 743,715,936 | \$ 674,583,863 | \$ 685,882,424 | \$ 740,272,221 |
| TOTAL HUMAN SERVICES, DEPARTMEN | \$ 878,033,843 | \$ 817,644,035 | \$ 829,246,723 | \$ 887,161,926 |
| TOTAL HUMAN SERVICES | \$ 878,033,843 | \$ 817,644,035 | \$ 829,246,723 | \$ 887,161,926 |
| JUSTICE SYSTEM | | | | |
| ATTORNEY GENERAL | | | | |
| JUSTICE, DEPARTMENT OF | | | | |
| GENERAL OFFICE A.G. | \$ 7,160,615 | \$ 7,565,245 | \$ 7,755,052 | \$ 7,565,245 |
| VICTIM ASSISTANCE GRANTS | | | | \$ 25,000 |
| TOTAL | \$ 7,160,615 | \$ 7,565,245 | \$ 7,755,052 | \$ 7,590,245 |
| CONSUMER ADVOCATE | \$ 2,754,760 | \$ 2,803,862 | \$ 2,874,682 | \$ 2,803,862 |
| TOTAL ATTORNEY GENERAL | \$ 9,915,375 | \$ 10,369,107 | \$ 10,629,734 | \$ 10,394,107 |
| CORRECTIONS, DEPARTMENT OF | | | | |
| CBC -- DISTRICTS | | | | |
| CBC DISTRICT I | \$ 8,953,795 | \$ 9,853,209 | \$ 9,853,209 | \$ 10,090,207 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| JUSTICE SYSTEM | | | | |
| CORRECTIONS, DEPARTMENT OF | | | | |
| CBC -- DISTRICTS | | | | |
| CBC DISTRICT II | \$ 6,992,061 | \$ 7,657,081 | \$ 7,657,081 | \$ 7,755,402 |
| CBC DISTRICT III | \$ 4,073,638 | \$ 4,527,819 | \$ 4,527,819 | \$ 4,631,423 |
| CBC DISTRICT IV | \$ 3,759,908 | \$ 4,201,565 | \$ 4,201,565 | \$ 4,248,965 |
| CBC DISTRICT V | \$ 11,416,374 | \$ 12,793,238 | \$ 12,793,238 | \$ 12,982,837 |
| CBC DISTRICT VI | \$ 8,746,141 | \$ 9,952,952 | \$ 9,952,952 | \$ 10,064,717 |
| CBC DISTRICT VII | \$ 5,000,149 | \$ 5,554,925 | \$ 5,554,925 | \$ 5,677,314 |
| CBC DISTRICT VIII | \$ 5,097,521 | \$ 5,513,905 | \$ 5,513,905 | \$ 5,574,865 |
| TOTAL | \$ 54,039,587 | \$ 60,054,694 | \$ 60,054,694 | \$ 61,025,730 |
| CORRECTIONS-CENTRAL OFFICE | | | | |
| CORRECTIONS ADMINISTRATION | \$ 2,666,224 | \$ 2,784,393 | \$ 2,784,393 | \$ 2,784,393 |
| IOWA CORR. OFFENDER NETWORK | \$ 427,700 | \$ 427,700 | \$ 427,700 | \$ 427,700 |
| COUNTY CONFINEMENT | \$ 674,954 | \$ 674,954 | \$ 674,954 | \$ 674,954 |
| FEDERAL PRISONERS/ CONTRACTUAL | \$ 241,293 | \$ 241,293 | \$ 241,293 | \$ 241,293 |
| CORRECTIONS EDUCATION | \$ 100,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| STATE CASES COURT COSTS | | \$ 66,370 | \$ 66,370 | \$ 66,370 |
| TOTAL | \$ 4,110,171 | \$ 5,194,710 | \$ 5,194,710 | \$ 5,194,710 |
| INSTITUTIONS | | | | |
| FT. MADISON INST. | \$ 33,168,605 | \$ 37,393,149 | \$ 37,393,149 | \$ 38,009,504 |
| ANAMOSA INST. | \$ 24,386,629 | \$ 26,468,726 | \$ 26,468,726 | \$ 26,913,551 |
| OAKDALE INST. | \$ 21,497,363 | \$ 23,127,382 | \$ 23,127,382 | \$ 23,536,936 |
| NEWTON INST. | \$ 22,501,891 | \$ 24,007,011 | \$ 24,007,011 | \$ 24,533,794 |
| MT. PLEASANT INST. | \$ 21,161,133 | \$ 22,306,420 | \$ 22,306,420 | \$ 22,464,361 |
| ROCKWELL CITY INST. | \$ 7,268,049 | \$ 7,711,007 | \$ 7,711,007 | \$ 7,772,369 |
| CLARINDA INST. | \$ 18,326,306 | \$ 20,271,253 | \$ 19,993,753 | \$ 22,518,204 |
| MITCHELLVILLE INST. | \$ 12,024,416 | \$ 12,998,051 | \$ 12,998,051 | \$ 13,190,260 |
| FT. DODGE INST. | \$ 24,299,207 | \$ 25,785,046 | \$ 25,785,046 | \$ 25,880,530 |
| TOTAL | \$ 184,633,599 | \$ 200,068,045 | \$ 199,790,545 | \$ 204,819,509 |
| TOTAL CORRECTIONS, DEPARTMENT OF | \$ 242,783,357 | \$ 265,317,449 | \$ 265,039,949 | \$ 271,039,949 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| JUSTICE SYSTEM | | | | |
| JUDICIAL BRANCH | | | | |
| JUDICIAL DEPARTMENT | \$ 189,154,603 | \$ 116,172,603 | \$ 120,853,389 | \$ 120,853,389 |
| JUDICIAL RETIREMENT | \$ 2,039,664 | \$ 2,039,664 | \$ 4,979,417 | \$ 4,979,417 |
| TOTAL | \$ 111,194,267 | \$ 118,212,267 | \$ 125,832,806 | \$ 125,832,806 |
| LAW ENFORCEMENT ACADEMY | | | | |
| IOWA LAW ENFORCEMENT ACADEMY | \$ 975,526 | \$ 1,066,890 | \$ 1,093,847 | \$ 1,066,890 |
| PAROLE, BOARD OF | | | | |
| PAROLE BOARD | \$ 962,489 | \$ 1,017,910 | \$ 1,043,768 | \$ 1,043,768 |
| PUBLIC DEFENSE, DEPARTMENT OF | | | | |
| PUBLIC DEFENSE, DEPT. OF | | | | |
| PUBLIC DEFENSE DEPARTMENT OF: COMPENSATION AND EXPENSE | \$ 4,990,233 \$ 240,585 | \$ 5,084,143 \$ 421,639 | \$ 5,213,366 \$ 432,450 | \$ 5,084,143 \$ 421,639 |
| TOTAL | \$ 5,230,818 | \$ 5,505,782 | \$ 5,645,816 | \$ 5,505,782 |
| HOMELAND SEC. & EMERG. MGT. DIV. | | | | |
| HOMELAND SEC. & EMERG. MGT. DIV. | \$ 1,050,987 | \$ 1,123,400 | \$ 1,151,420 | \$ 1,123,400 |
| TOTAL PUBLIC DEFENSE, DEPARTMEN | \$ 6,281,805 | \$ 6,629,182 | \$ 6,797,236 | \$ 6,629,182 |
| PUBLIC SAFETY, DEPARTMENT OF | | | | |
| PUBLIC SAFETY, DEPT. OF | | | | |
| PUBLIC SAFETY ADMINISTRATION | \$ 2,398,544 | \$ 2,439,332 | \$ 2,500,832 | \$ 2,669,732 |
| PUBLIC SAFETY DCI | \$ 12,499,886 | \$ 13,097,476 | \$ 13,428,510 | \$ 14,058,510 |
| PUBLIC SAFETY UNDERCOVER FUNDS | \$ 123,343 | \$ 120,259 | \$ 123,343 | \$ 123,343 |
| NARCOTICS ENFORCEMENT | \$ 3,510,371 | \$ 3,711,733 | \$ 3,805,233 | \$ 3,930,089 |
| DPS FIRE MARSHAL | \$ 1,889,002 | \$ 1,841,832 | \$ 1,888,463 | \$ 2,181,998 |
| DPS DISTRICT 16 | \$ 1,210,024 | \$ 1,289,720 | \$ 1,321,840 | \$ 1,321,840 |
| IOWA STATE PATROL | \$ 36,636,369 | \$ 38,141,308 | \$ 39,104,293 | \$ 41,195,293 |
| DPS/SPOC SICK LEAVE PAYOUT | \$ 272,421 | \$ 210,701 | \$ 216,104 | \$ 316,179 |
| FIRE FIGHTER TRAINING | \$ 543,270 | \$ 529,391 | \$ 544,587 | \$ 544,587 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 GENERAL FUND APPROPRIATION
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| JUSTICE SYSTEM | | | | |
| PUBLIC SAFETY, DEPARTMENT OF | | | | |
| PUBLIC SAFETY, DEPT. OF | | | | |
| FIRE SERVICE | \$ 558,147 | \$ 597,840 | \$ 613,021 | \$ 638,021 |
| MEDICAL INJURIES-DPS CUSTODY | \$ 67,041 | \$ 296 | | |
| TOTAL | \$ 59,708,418 | \$ 61,979,888 | \$ 63,546,226 | \$ 66,979,592 |
| TOTAL JUSTICE SYSTEM | \$ 431,821,237 | \$ 464,592,693 | \$ 473,983,566 | \$ 482,986,294 |
| OVERSIGHT | | | | |
| IA TELECOMMUN & TECHNOLOGY COMMISSI | | | | |
| ICN OPERATIONS/EDU.SUBSID. | \$ 1,002,356 | \$ 487,500 | | |
| INFORMATION TECHNOLOGY DEPARTMENT | | | | |
| IT OPERATIONS | \$ 2,909,748 | | | |
| TOTAL OVERSIGHT | \$ 3,912,104 | \$ 487,500 | | |
| TRANSPORTATION | | | | |
| TRANSPORTATION, DEPARTMENT OF | | | | |
| RAILROAD / RAIL ASSISTANCE | | \$ -35,959 | | |
| STATE AVIATION APPROP | | \$ -64,792 | | |
| PUBLIC TRANSIT ASSISTANCE | \$ 8,949,693 | \$ 8,267,156 | | |
| TOTAL | \$ 8,949,693 | \$ 8,166,405 | | |
| TOTAL TRANSPORTATION | \$ 8,949,693 | \$ 8,166,405 | | |
| TOTAL GENERAL FUND APPROPRIATION | \$ 4,534,352,786 | \$ 4,491,103,225 | \$ 4,684,483,915 | \$ 4,771,060,770 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| REGULAR | \$ 190,185,114 | \$ 127,594,674 | \$ 107,542,623 | \$ 128,950,594 |
| STANDING | \$ 8,462,124 | \$ 9,511,405 | \$ 9,511,405 | \$ 9,511,405 |
| CAPITAL | \$ 19,505,000 | \$ 36,068,000 | \$ 36,068,000 | \$ 191,660,000 |
| TOTAL ADMINISTRATION & REGULATIO | \$ 218,152,238 | \$ 172,966,079 | \$ 153,114,028 | \$ 329,521,999 |
| AGRICULTURE AND NATURAL RESOURCES | | | | |
| REGULAR | \$ 42,905,111 | \$ 50,979,524 | \$ 62,444,800 | \$ 51,579,524 |
| TOTAL AGRICULTURE AND NATURAL RE | \$ 42,905,111 | \$ 50,979,524 | \$ 62,444,800 | \$ 51,579,524 |
| ECONOMIC DEVELOPMENT | | | | |
| REGULAR | \$ 12,356,000 | \$ 77,456,000 | \$ 76,456,000 | \$ 73,456,000 |
| TOTAL ECONOMIC DEVELOPMENT | \$ 12,356,000 | \$ 77,456,000 | \$ 76,456,000 | \$ 73,456,000 |
| EDUCATION | | | | |
| REGULAR | \$ 29,500,755 | \$ 23,113,659 | \$ 16,017,424 | \$ 15,709,228 |
| TOTAL EDUCATION | \$ 29,500,755 | \$ 23,113,659 | \$ 16,017,424 | \$ 15,709,228 |
| HEALTH & HUMAN RIGHTS | | | | |
| REGULAR | \$ 27,737,865 | \$ 30,876,643 | \$ 31,048,833 | \$ 31,076,643 |
| TOTAL HEALTH & HUMAN RIGHTS | \$ 27,737,865 | \$ 30,876,643 | \$ 31,048,833 | \$ 31,076,643 |
| HUMAN SERVICES | | | | |
| REGULAR | \$ 147,619,832 | \$ 228,501,582 | \$ 228,501,582 | \$ 224,501,582 |
| TOTAL HUMAN SERVICES | \$ 147,619,832 | \$ 228,501,582 | \$ 228,501,582 | \$ 224,501,582 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|-----------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| JUSTICE SYSTEM | | | | |
| REGULAR | \$ 3,310,000 | \$ 5,726,921 | \$ 5,666,921 | \$ 2,847,285 |
| TOTAL JUSTICE SYSTEM | \$ 3,310,000 | \$ 5,726,921 | \$ 5,666,921 | \$ 2,847,285 |
| OVERSIGHT | | | | |
| REGULAR | \$ 7,727,004 | \$ 2,727,000 | | |
| TOTAL OVERSIGHT | \$ 7,727,004 | \$ 2,727,000 | | |
| TRANSPORTATION | | | | |
| REGULAR | \$ 265,206,575 | \$ 270,497,108 | \$ 275,671,209 | \$ 275,671,209 |
| STANDING LIH | \$ 650,000 | \$ 650,000 | \$ 650,000 | \$ 650,000 |
| CAPITAL | \$ 4,401,400 | \$ 3,981,400 | \$ 3,981,400 | \$ 2,981,400 |
| TOTAL TRANSPORTATION | \$ 270,417,975 | \$ 283,128,508 | \$ 280,302,609 | \$ 279,302,609 |
| CAPITAL | | | | |
| REGULAR | \$ 96,235,200 | \$ 72,915,749 | \$ 134,976,717 | \$ 23,765,717 |
| CAPITAL | \$ 41,225,114 | \$ 53,779,805 | \$ 194,041,744 | \$ 200,113,141 |
| TOTAL CAPITAL | \$ 137,458,314 | \$ 126,695,554 | \$ 329,018,461 | \$ 223,878,858 |
| TOTAL APPROPRIATION - OTHER FUNDS | \$ 897,185,094 | \$ 1,002,171,470 | \$ 1,182,570,708 | \$ 1,251,075,728 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|-----------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| ADMINISTRATIVE SERVICES, DEPT. OF | | | | |
| ADMINISTRATIVE SERVICES | | | | |
| PRIMARY ROAD APPROP. | | \$ 465,491 | \$ 465,491 | \$ 465,491 |
| ROAD USE TAX APPROP. | | \$ 76,059 | \$ 76,059 | \$ 76,059 |
| READY TO WORK PROGRAM | | \$ 89,416 | \$ 89,416 | \$ 89,416 |
| POOLED TECHNOLOGY #17 | | \$ 2,000,000 | | \$ 4,000,000 |
| ITD DATAWAREHOUSE | \$ 624,000 | | | |
| ENTERPRISE RES. PLANI/3 | \$ 4,400,000 | \$ 6,151,075 | \$ 6,649,204 | \$ 6,649,204 |
| PURCHASING OPERATIONS | | \$ 1,525,570 | | |
| PRINTING OPERATIONS | | \$ 1,688,394 | | |
| TOTAL | \$ 5,024,000 | \$ 11,776,005 | \$ 6,600,250 | \$ 10,600,250 |
| STATE ACCOUNTING TRUST ACCTS: | | | | |
| MILITARY PAY DIFFERENTIAL | \$ 1,810,000 | | | |
| DAS-STATE FLEET ADMINISTRATOR | | | | |
| VEHICLE DISPATCHER OPERATIONS | \$ 922,500 | | | |
| DAS-CENTRALIZED PRINTING | | | | |
| PRINTING OPERATIONS | \$ 1,404,175 | | | |
| TOTAL ADMINISTRATIVE SERVICES, | \$ 9,160,561 | \$ 11,776,005 | \$ 6,600,250 | \$ 10,600,250 |
| COMMERCE, DEPARTMENT OF | | | | |
| REAL ESTATE TRUST ACCOUNT AUDI | \$ 62,317 | \$ 62,317 | \$ 62,317 | \$ 62,317 |
| GENERAL SERVICES, DEPT. OF | | | | |
| PURCHASING OPERATIONS | \$ 1,118,960 | | | |
| INSPECTIONS & APPEALS, DEPT OF | | | | |
| INSPECTIONS AND APPEALS | | | | |
| DIA - USE TAX | \$ 1,222,111 | \$ 1,525,631 | \$ 1,525,632 | \$ 1,525,632 |
| DIA-ASST LIVING/ADULT DAY CARE | | \$ 800,000 | \$ 800,000 | \$ 800,000 |
| TOTAL | \$ 1,222,111 | \$ 2,125,631 | \$ 2,125,632 | \$ 2,125,632 |

STATE OF IOWA
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 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| MANAGEMENT, DEPARTMENT OF | | | | |
| MANAGEMENT, DEPT. OF | | | | |
| DOM RUT APPROPRIATION | \$ 56,000 | \$ 56,000 | \$ 56,000 | \$ 56,000 |
| FY 03 RIIF TRANSFER | \$ 2,150,000 | | | |
| ENVIRONMENT FIRST TRANSFER | \$ 16,555,000 | | | |
| SCHOOL FOUNDATION AID | \$ 25,000,000 | | | |
| PRIMARY ROAD SALARY ADJUSTMENT | \$ 2,398,580 | \$ 12,000,000 | | \$ 15,000,000 |
| ENDOWMENT-SCHOOL AID | \$ 20,000,000 | | | |
| ROAD USE TAX SALARY ADJUSTMENT | | \$ 3,000,000 | | \$ 5,000,000 |
| ENVIRONMENT 1ST APPROPRIATION | \$ 10,445,000 | \$ 35,000,000 | \$ 35,000,000 | \$ 40,000,000 |
| TOTAL | \$ 84,401,580 | \$ 50,056,000 | \$ 35,056,000 | \$ 40,056,000 |
| PERSONNEL, DEPARTMENT OF | | | | |
| PRIMARY ROAD APPROP. | | | | |
| ROAD USE TAX APPROP. | \$ 440,349 | | | |
| READY TO WORK PROGRAM | \$ 71,969 | | | |
| READY TO WORK PROGRAM | \$ 44,700 | | | |
| TOTAL | \$ 601,754 | | | |
| IPERS ADMINISTRATION | | | | |
| IPERS ADMINISTRATION | \$ 8,407,066 | \$ 8,879,900 | \$ 8,879,900 | \$ 8,879,900 |
| REVENUE, DEPT. OF | | | | |
| MOTOR VEH FUEL TX-ADMIN APPROP | | | | |
| | \$ 1,098,454 | \$ 1,181,082 | \$ 1,181,082 | \$ 1,181,082 |
| IOWA LOTTERY AUTHORITY | | | | |
| LOTTERY OPERATIONS | | | | |
| | \$ 9,462,124 | \$ 9,511,405 | \$ 9,511,405 | \$ 9,511,405 |
| TREASURER OF STATE | | | | |
| COMMUNITY ATTRACTION/TOURISM | \$ 12,500,000 | \$ 12,500,000 | \$ 12,500,000 | \$ 10,000,000 |
| ICN DEBT SERVICE-TOBACCO SETTL | \$ 13,044,784 | \$ 13,039,378 | \$ 13,359,555 | \$ 13,039,778 |
| PRISON INFRASTRUCTURE BONDS | \$ 5,417,250 | \$ 5,411,986 | \$ 5,105,576 | \$ 5,413,524 |
| LITIGATION FEES-TOBACCO SETTL. | \$ 15,570,077 | \$ 700,000 | | |
| HEALTHY IOWANS TOBACCO TRUST | \$ 55,825,000 | \$ 56,662,375 | \$ 57,512,311 | \$ 57,512,311 |
| COUNTY FAIR IMPROVEMENTS | \$ 1,060,000 | \$ 1,060,000 | \$ 1,060,000 | \$ 1,060,000 |

STATE OF IOWA
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 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| ADMINISTRATION & REGULATION | | | | |
| TREASURER OF STATE | | | | |
| CULTURAL & TOURISM GRANTS | | | | \$ 50,000,000 |
| VISION IOWA GRANTS | | | | \$ 100,000,000 |
| TOTAL | \$ 103,417,111 | \$ 89,373,739 | \$ 89,617,442 | \$ 257,025,413 |
| TOTAL ADMINISTRATION & REGULATIO | \$ 218,152,238 | \$ 172,966,079 | \$ 153,114,028 | \$ 329,521,999 |
| AGRICULTURE AND NATURAL RESOURCES | | | | |
| AGRICULTURE & LAND STEWARDSHIP | | | | |
| SOUTHERN IA CONSERV. AUTHORITY | | \$ 300,000 | \$ 300,000 | \$ 300,000 |
| AGRICULTURAL DRAINAGE WELLS | | \$ 500,000 | \$ 2,500,000 | \$ 500,000 |
| WATERSHED PROTECTION FUND | \$ 2,700,000 | \$ 2,700,000 | \$ 5,400,000 | \$ 2,700,000 |
| FARM MANAGEMENT DEMONSTRATION | \$ 500,000 | \$ 850,000 | \$ 1,500,000 | \$ 850,000 |
| COST SHARE | \$ 3,500,000 | \$ 5,500,000 | \$ 8,500,000 | \$ 5,500,000 |
| CONSERVATION RESERVE PROGRAM | | \$ 2,000,000 | \$ 3,000,000 | \$ 2,000,000 |
| CONSERVATION RESERVE ENHANCE | \$ 1,500,000 | \$ 1,500,000 | \$ 3,000,000 | \$ 1,500,000 |
| NATIVE HORSE AND DOG PROGRAM | \$ 305,516 | \$ 305,516 | \$ 320,792 | \$ 305,516 |
| TOTAL | \$ 8,505,516 | \$ 13,655,516 | \$ 24,520,792 | \$ 13,655,516 |
| LOESS HILLS DEV. & CONS. AUTH. | | | | |
| LOESS HILLS DEV/CONS AUTH FY02 | | \$ 600,000 | \$ 600,000 | \$ 600,000 |
| TOTAL AGRICULTURE & LAND STEWAR | \$ 8,505,516 | \$ 14,255,516 | \$ 25,120,792 | \$ 14,255,516 |
| NATURAL RESOURCES, DEPARTMENT OF | | | | |
| NATURAL RESOURCES | | | | |
| GNF-STORAGE TANKS STUDY-DNR | \$ 134,837 | \$ 200,064 | \$ 200,064 | \$ 200,064 |
| GNF-HOUSEHOLD HAZ WASTE-DNR | \$ 296,543 | \$ 505,104 | \$ 505,104 | \$ 505,104 |
| GNF-WELL TESTING ADMIN 2%-DNR | \$ 84,048 | \$ 73,416 | \$ 73,416 | \$ 73,416 |
| GNF-GWTR MONITORING-DNR | \$ 1,836,035 | \$ 2,003,400 | \$ 2,003,400 | \$ 2,003,400 |
| GNF-LANDFILL ALTERNATIVES-DNR | \$ 613,962 | \$ 944,689 | \$ 944,689 | \$ 944,689 |
| GNF-WASTE REDUCTION & ASSIST | \$ 192,046 | \$ 209,000 | \$ 209,000 | \$ 209,000 |
| GNF-SOLID WASTE AUTHORIZATION | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |

STATE OF IOWA
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 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| AGRICULTURE AND NATURAL RESOURCES | | | | |
| NATURAL RESOURCES, DEPARTMENT OF | | | | |
| NATURAL RESOURCES | | | | |
| GWF-GEOGRAPHIC INFO. SYSTEM | \$ 428,229 | \$ 323,000 | \$ 323,000 | \$ 323,000 |
| F&G-DNR ADMIN EXPENSES | \$ 29,188,895 | \$ 30,715,335 | \$ 30,715,335 | \$ 30,715,335 |
| UST ADMINISTRATION MATCH | \$ 75,000 | \$ 200,000 | \$ 800,000 | \$ 800,000 |
| BOAT REGISTRATION FEES | \$ 1,400,000 | \$ 1,400,000 | \$ 1,400,000 | \$ 1,400,000 |
| SNOWMOBILE REG FEES | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| TOTAL | \$ 34,399,595 | \$ 36,724,008 | \$ 37,324,008 | \$ 37,324,008 |
| TOTAL AGRICULTURE AND NATURAL RE | \$ 42,905,111 | \$ 50,979,524 | \$ 62,444,800 | \$ 51,579,524 |
| ECONOMIC DEVELOPMENT | | | | |
| ECONOMIC DEVELOPMENT, DEPT. OF | | | | |
| ECONOMIC DEVELOPMENT, DEPT OF | | | | |
| TOURISM OPERATIONS & PROMOTION | \$ 1,200,000 | | | |
| RIIF ACE INFRASTRUCTURE | | \$ 3,000,000 | \$ 3,000,000 | |
| GI MARKETING PROGRAM | | \$ 2,500,000 | \$ 6,931,500 | \$ 6,931,500 |
| GI DED PROGRAMS | | \$ 45,000,000 | \$ 37,895,000 | \$ 37,895,000 |
| GI UNIVERSITY/COLLEGE PROGRAMS | | \$ 6,000,000 | \$ 6,469,400 | \$ 6,469,400 |
| GI LOAN/CREDIT GUARANTEE | | \$ 2,500,000 | \$ 4,621,000 | \$ 4,621,000 |
| GI ENDOW IOWA TAX CREDITS | | | \$ 231,050 | \$ 231,050 |
| GI ENDOW IOWA GRANTS | | | \$ 231,050 | \$ 231,050 |
| GI TARGETED STATE PARKS | | \$ 500,000 | | |
| GI IOWA CULTURAL TRUST | | \$ 500,000 | | |
| GI WORKFORCE TRAINING | | \$ 5,000,000 | \$ 4,621,000 | \$ 4,621,000 |
| WORKFORCE DEVELOPMENT APPR | \$ 4,000,000 | \$ 4,000,000 | \$ 4,000,000 | \$ 4,000,000 |
| ENV DED BROWNFIELDS | | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| TOTAL | \$ 5,200,000 | \$ 69,500,000 | \$ 68,500,000 | \$ 65,500,000 |
| FINANCE AUTHORITY | | | | |
| HOUSING TRUST FUND | | \$ 800,000 | \$ 800,000 | \$ 800,000 |
| TOTAL ECONOMIC DEVELOPMENT, DEP | \$ 5,200,000 | \$ 70,300,000 | \$ 69,300,000 | \$ 66,300,000 |

STATE OF IOWA
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 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---------------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| ECONOMIC DEVELOPMENT | | | | |
| IOWA WORKFORCE DEVELOPMENT | | | | |
| IOWA WORKFORCEMENT DEVELOPMENT | | | | |
| P & I WORKERS' COMP. DIVISION | \$ 471,000 | \$ 471,000 | \$ 471,000 | \$ 471,000 |
| P&I IMMIGRATION SERVICE CTRS | \$ 160,000 | \$ 160,000 | \$ 160,000 | \$ 160,000 |
| ACS-JOB SERVICE ADMIN FUND | \$ 6,525,000 | \$ 6,525,000 | \$ 6,525,000 | \$ 6,525,000 |
| TOTAL | \$ 7,156,000 | \$ 7,156,000 | \$ 7,156,000 | \$ 7,156,000 |
| TOTAL ECONOMIC DEVELOPMENT | \$ 12,356,000 | \$ 77,456,000 | \$ 76,456,000 | \$ 73,456,000 |
| EDUCATION | | | | |
| EDUCATION, DEPARTMENT OF | | | | |
| EDUCATION, DEPT. OF EMPOWERMENT | \$ 1,153,250 | \$ 2,153,250 | \$ 2,153,250 | \$ 2,153,250 |
| ICN PART III LEASES & MAINT NW | | | \$ 2,727,000 | \$ 2,727,000 |
| TOTAL | \$ 1,153,250 | \$ 2,153,250 | \$ 4,880,250 | \$ 4,880,250 |
| IOWA PUBLIC TELEVISION | | | | |
| IPTV DIGITAL TV CONVERSION | \$ 1,000,000 | \$ 10,000,000 | | |
| TOTAL EDUCATION, DEPARTMENT OF | \$ 2,153,250 | \$ 12,153,250 | \$ 4,880,250 | \$ 4,880,250 |
| REGENTS, BOARD OF | | | | |
| TUITION REPLACEMENT - TOBACCO | \$ 10,503,733 | \$ 10,610,409 | \$ 10,437,174 | \$ 10,437,174 |
| TUITION REPLACEMENT - RIIF | | \$ 350,000 | \$ 700,000 | \$ 391,804 |
| TUITION REPL - ENDOWMENT | \$ 16,843,772 | | | |
| TOTAL | \$ 27,347,505 | \$ 10,960,409 | \$ 11,137,174 | \$ 10,828,978 |
| TOTAL EDUCATION | \$ 29,500,755 | \$ 23,113,659 | \$ 16,017,424 | \$ 15,709,228 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| HEALTH & HUMAN RIGHTS | | | | |
| ELDER AFFAIRS, DEPARTMENT OF SENIOR LIVING TRUST | \$ 6,592,292 | \$ 7,522,118 | \$ 7,522,118 | \$ 7,522,118 |
| HEALTH, DEPARTMENT OF PUBLIC | | | | |
| PUBLIC HEALTH, DEPT. OF | | | | |
| SUBSTANCE ABUSE PREVENTION/MENTORNG | | \$ 400,000 | \$ 400,000 | \$ 400,000 |
| SUBSTANCE ABUSE-TOBACCO FUNDS | \$ 10,000,000 | \$ 11,800,000 | \$ 11,800,000 | \$ 11,800,000 |
| GAMBLING TREATMENT PROGRAM | \$ 1,990,509 | \$ 2,031,000 | \$ 2,031,000 | \$ 2,231,000 |
| GAMB ASST-ADDICTIVE DISORDER | \$ 1,690,000 | \$ 1,690,000 | \$ 1,690,000 | \$ 1,690,000 |
| SMOKING CESSATION PRODUCTS | \$ 75,000 | \$ 75,000 | \$ 75,000 | \$ 75,000 |
| HEALTHY IOWANS 2010-TOBACCO FU | \$ 2,390,064 | \$ 2,346,960 | \$ 2,346,960 | \$ 2,346,960 |
| TOBACCO USE PREVENTION/CONTROL | \$ 5,000,000 | \$ 5,011,565 | \$ 5,011,565 | \$ 5,011,565 |
| TOTAL | \$ 21,145,573 | \$ 23,354,525 | \$ 23,354,525 | \$ 23,554,525 |
| VETERANS AFFAIRS, COMM. OF | | | | |
| IOWA VETERANS HOME-TECH REQ | | | \$ 172,240 | |
| TOTAL HEALTH & HUMAN RIGHTS | \$ 27,737,865 | \$ 30,876,643 | \$ 31,048,883 | \$ 31,076,643 |
| HUMAN SERVICES | | | | |
| HUMAN SERVICES, DEPARTMENT OF | | | | |
| HUMAN SERVICES - ASSISTANCE | | | | |
| HIPAA IMPLEMENTATION | \$ 2,100,000 | | | |
| MH COSTS FOR CHILDREN UNDER 18 | \$ 6,600,000 | \$ 6,600,000 | \$ 6,600,000 | \$ 6,600,000 |
| SLT MEDICAL SUPPLEMENTAL | | \$ 101,600,000 | \$ 101,600,000 | \$ 91,600,000 |
| LTC PROVIDER RATE/METH CHANGES | \$ 29,950,000 | \$ 29,950,000 | \$ 29,950,000 | \$ 29,950,000 |
| NF CONVERSION GRANTS | | \$ 20,000,000 | \$ 20,000,000 | \$ 20,000,000 |
| SLT MED SUPP, ALTER. SERV, ADM | \$ 47,198,406 | \$ 1,733,406 | \$ 1,733,406 | \$ 1,733,406 |
| BREAST CANCER TREATMENT | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 |
| MEDICAL ASST SUPPL-HEALTHY IA | \$ 17,500,000 | \$ 14,346,750 | \$ 14,346,750 | \$ 14,346,750 |
| POS PROVIDER INCREASE | \$ 146,750 | \$ 146,750 | \$ 146,750 | \$ 146,750 |
| CHIP EXPANSION TO 200% OF FPL | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 200,000 |
| PHYSICIAN ET AL PROVIDER INC | \$ 8,095,718 | \$ 8,095,718 | \$ 8,095,718 | \$ 8,095,718 |
| DENTAL PROVIDER INCREASE | \$ 3,814,973 | \$ 3,814,973 | \$ 3,814,973 | \$ 3,814,973 |

STATE OF IOWA
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 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--------------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| HUMAN SERVICES | | | | |
| HUMAN SERVICES, DEPARTMENT OF | | | | |
| HUMAN SERVICES - ASSISTANCE | | | | |
| RTSS PROVIDER INCREASE | \$ 3,243,026 | \$ 3,243,026 | \$ 3,243,026 | \$ 3,243,026 |
| ADOPTION, IL, SC, HS PROV INC | \$ 468,967 | \$ 468,967 | \$ 468,967 | \$ 468,967 |
| HOSPITAL PROVIDER INCREASE | \$ 3,035,278 | \$ 3,035,278 | \$ 3,035,278 | \$ 3,035,278 |
| HOME HEALTH CARE PROV. INC. | \$ 2,108,279 | \$ 2,108,279 | \$ 2,108,279 | \$ 2,108,279 |
| CRITICAL ACCESS HOSPITALS | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 |
| HOME HLTH & HAB. DAY CARE EXP. | \$ 1,975,496 | \$ 1,975,496 | \$ 1,975,496 | \$ 1,975,496 |
| RESPIRE CARE EXPANSION | \$ 1,137,309 | \$ 1,137,309 | \$ 1,137,309 | \$ 1,137,309 |
| OTHER SERVICE PROVIDERS INC. | \$ 545,630 | \$ 545,630 | \$ 545,630 | \$ 545,630 |
| HOSPITAL TRUST MEDICAL SUPP. | \$ 19,000,000 | \$ 29,000,000 | \$ 29,000,000 | \$ 35,000,000 |
| TOTAL | \$ 147,619,832 | \$ 228,501,582 | \$ 228,501,582 | \$ 224,501,582 |
| TOTAL HUMAN SERVICES | \$ 147,619,832 | \$ 228,501,582 | \$ 228,501,582 | \$ 224,501,582 |
| JUSTICE SYSTEM | | | | |
| CORRECTIONS, DEPARTMENT OF | | | | |
| CBC -- DISTRICTS | | | | |
| CBC DISTRICT II - TOBACCO | \$ 127,217 | | | |
| CBC DISTRICT III - TOBACCO | \$ 35,359 | | | |
| CBC DISTRICT IV - TOBACCO | \$ 191,731 | | | |
| CBC DISTRICT V - TOBACCO | \$ 255,693 | | | |
| CBC DISTRICT II - TOBACCO | | \$ 127,217 | \$ 127,217 | \$ 127,217 |
| CBC DISTRICT III - TOBACCO | | \$ 35,359 | \$ 35,359 | \$ 35,359 |
| CBC DISTRICT IV - TOBACCO | | \$ 191,731 | \$ 191,731 | \$ 191,731 |
| CBC DISTRICT V - TOBACCO | | \$ 255,693 | \$ 255,693 | \$ 255,693 |
| TOTAL | \$ 610,000 | \$ 610,000 | \$ 610,000 | \$ 610,000 |
| CORRECTIONS-CENTRAL OFFICE | | | | |
| DOC-TECHNOLOGY REQUEST-ICON | | | \$ 750,000 | |
| INSTITUTIONS | | | | |
| FT. MADISON SNU - TOBACCO | \$ 1,100,000 | | | |

STATE OF IOWA
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 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| JUSTICE SYSTEM | | | | |
| CORRECTIONS, DEPARTMENT OF | | | | |
| INSTITUTIONS | | | | |
| FT. MADISON SNU - TOBACCO | | \$ 1,187,285 | \$ 1,187,285 | \$ 1,187,285 |
| NEWTON VALUE BASED TREATMENT | | \$ 310,000 | | |
| TOTAL | \$ 1,100,000 | \$ 1,497,285 | \$ 1,187,285 | \$ 1,187,285 |
| TOTAL CORRECTIONS, DEPARTMENT OF | \$ 1,710,000 | \$ 2,107,285 | \$ 2,547,285 | \$ 1,797,285 |
| PUBLIC DEFENSE, DEPARTMENT OF | | | | |
| DPD-ARMORY MAINTENANCE | \$ 700,000 | \$ 1,269,636 | \$ 1,269,636 | |
| PUBLIC SAFETY, DEPARTMENT OF | | | | |
| PUBLIC SAFETY, DEPT. OF | | | | |
| DPS CAPITOL SECURITY-RIIF FD | \$ 850,000 | \$ 800,000 | \$ 800,000 | |
| DPS-LOCAL FIRE REVOLVING PROG | | \$ 500,000 | | |
| DPS CAPITOL COMPLEX UPGRADES | | | | \$ 1,000,000 |
| FIRE MARSHAL SCHOOL INFRASTRUC | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| DPS CAPITAL COMPLEX SECURITY | | \$ 1,000,000 | \$ 1,000,000 | |
| TOTAL | \$ 900,000 | \$ 2,350,000 | \$ 1,850,000 | \$ 1,050,000 |
| TOTAL JUSTICE SYSTEM | \$ 3,310,000 | \$ 5,726,921 | \$ 5,666,921 | \$ 2,847,285 |
| OVERSIGHT | | | | |
| IA TELECOMMUN & TECHNOLOGY COMMISSI | | | | |
| IOWA COMMUNICATIONS NETWORK | | | | |
| ICN - ATM CONVERSION TOB | \$ 5,000,000 | | | |
| ICN PART III LEASES & MAINT NW | \$ 2,727,004 | \$ 2,727,000 | | |
| TOTAL | \$ 7,727,004 | \$ 2,727,000 | | |
| TOTAL OVERSIGHT | \$ 7,727,004 | \$ 2,727,000 | | |

STATE OF IOWA
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 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| TRANSPORTATION | | | | |
| TRANSPORTATION, DEPARTMENT OF | | | | |
| FIELD FACILITY DEFERRED MAINT. | \$ 351,500 | \$ 351,500 | \$ 351,500 | \$ 351,500 |
| I-3 IMPLEMENTATION | | | \$ 2,500,000 | \$ 2,500,000 |
| TRANSPORTATION MAPS | \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 275,000 |
| HEATING SYSTEM REPLACEMENTS | \$ 200,000 | | | |
| PRF - OPERATIONS | \$ 31,594,630 | \$ 32,463,476 | \$ 32,908,225 | \$ 32,908,225 |
| PRF - ADMINISTRATIVE SERVICES | \$ 3,182,316 | \$ 3,330,395 | \$ 3,402,920 | \$ 3,402,920 |
| PRF-PLANNING & PROGRAM | \$ 8,772,302 | \$ 8,734,445 | \$ 8,744,293 | \$ 8,744,293 |
| PRF-MAINTENANCE | \$ 170,540,659 | \$ 181,933,014 | \$ 180,533,015 | \$ 180,533,015 |
| PRF-MOTOR VEHICLE | \$ 2,240,462 | \$ 1,225,994 | \$ 1,226,838 | \$ 1,226,838 |
| PERSONNEL REIMBURSEMENT | \$ 712,500 | \$ 712,500 | \$ 712,500 | \$ 712,500 |
| PRF-DOT UNEMPLOYMENT | \$ 328,000 | \$ 328,000 | \$ 328,000 | \$ 328,000 |
| PRF-DOT WORKER'S COMP | \$ 1,883,000 | \$ 1,883,000 | \$ 2,268,000 | \$ 2,268,000 |
| INDIRECT COST RECOVERIES | \$ 748,000 | \$ 748,000 | \$ 748,000 | \$ 748,000 |
| AUDITOR REIMBURSEMENT | \$ 336,036 | \$ 336,036 | \$ 336,036 | \$ 336,036 |
| RUTF - OPERATIONS | \$ 5,056,319 | \$ 6,081,902 | \$ 5,357,153 | \$ 5,357,153 |
| RUTF - ADMINISTRATIVE SERVICES | \$ 517,083 | \$ 626,489 | \$ 553,964 | \$ 553,964 |
| RUTF-PLANNING & PROGRAMS | \$ 461,698 | \$ 470,073 | \$ 460,225 | \$ 460,225 |
| RUTF-MOTOR VEHICLE | \$ 28,357,256 | \$ 30,444,470 | \$ 30,378,726 | \$ 30,378,726 |
| RUTF-IDOP REIMBURSEMENT | \$ 37,500 | \$ 37,500 | \$ 37,500 | \$ 37,500 |
| RUTF-UNEMPLOYMENT COMPENSATION | \$ 17,000 | \$ 17,000 | \$ 17,000 | \$ 17,000 |
| RUTF-WORKERS' COMPENSATION | \$ 77,000 | \$ 77,000 | \$ 95,000 | \$ 95,000 |
| INDIRECT COST RECOVERIES | \$ 102,000 | \$ 102,000 | \$ 102,000 | \$ 102,000 |
| AUDITOR REIMBURSEMENT | \$ 54,314 | \$ 54,314 | \$ 54,314 | \$ 54,314 |
| DRIVERS' LICENSES | \$ 3,997,000 | \$ 2,820,000 | \$ 2,820,000 | \$ 2,820,000 |
| MISSISSIPPI RIVER PARKWAY COMM | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| VEHICLE REGISTR SYSTEM REWRITE | \$ 5,000,000 | \$ 5,000,000 | | |
| COUNTY TREASURERS SUPPORT | | | \$ 1,096,000 | \$ 1,096,000 |
| I-35 CORRIDOR COALITION | \$ 50,000 | \$ 50,000 | | |
| ROAD/WEATHER CONDITIONS INFO | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| COUNTY ISSUANCE-DRIVER LICENSE | \$ 30,000 | \$ 30,000 | | |
| PERSONAL DELIVERY OF SVC DOT | \$ 225,000 | \$ 225,000 | \$ 225,000 | \$ 225,000 |
| CO. TREAS. EQUIPMENT STANDING | \$ 650,000 | \$ 650,000 | \$ 650,000 | \$ 650,000 |
| COMMERCIAL AIR SERVICE AIRPORT | \$ 1,100,000 | \$ 1,100,000 | \$ 1,100,000 | \$ 1,100,000 |
| GENERAL AVIATION AIRPORT GRANT | \$ 581,400 | \$ 581,400 | \$ 581,400 | \$ 581,400 |
| DOT - RECREATIONAL TRAILS | \$ 2,000,000 | \$ 1,000,000 | \$ 1,000,000 | |
| FY 04 DOT AVIATION SYSTEMS | | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| GARAGE FUEL & WASTE MANAGEMENT | \$ 800,000 | \$ 800,000 | \$ 800,000 | \$ 800,000 |
| TOTAL | \$ 270,417,975 | \$ 283,128,508 | \$ 280,302,609 | \$ 279,302,609 |
| TOTAL TRANSPORTATION | \$ 270,417,975 | \$ 283,128,508 | \$ 280,302,609 | \$ 279,302,609 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|
| CAPITAL | | | | |
| BLIND CAPITALS, DEPT. FOR THE BLIND ORIENTAT CTR REMODEL | | | \$ 67,000 | \$ 67,000 |
| ECONOMIC DEVELOPMENT CAPITALS | | | | |
| NOVEL PROTEIN FACILITY | \$ 3,268,696 | | | |
| TOBACCO DED ACE INFRASTRUCTURE | \$ 2,500,000 | \$ 2,500,000 | \$ 2,500,000 | \$ 5,000,000 |
| TOTAL | \$ 5,768,696 | \$ 2,500,000 | \$ 2,500,000 | \$ 5,000,000 |
| CORRECTIONS CAPITAL | | | | |
| ISP ELECTRICAL LEASE | \$ 333,168 | \$ 333,168 | \$ 333,168 | \$ 333,168 |
| INSTITUTIONAL PERIMETER FENCE | \$ 3,523,850 | | | |
| FT. MADISON SNU 200 BED-FY03 | \$ 2,000,000 | | | |
| OAKDALE 170 BED | \$ 4,100,000 | \$ 7,500,000 | \$ 11,700,000 | |
| DOC-LUSTER HEIGHTS EXPANSION | | \$ 92,000 | | |
| DOC-CLARINDA LODGE CONVERSION | | \$ 730,400 | | |
| DOC MAJOR MAINTENANCE-FY05 | | | \$ 52,576,295 | |
| DOC CAPITALS FY05 | | | \$ 18,416,000 | |
| OAKDALE PRISON | | | | \$ 23,400,000 |
| DAVENPORT CBC FACILITY | | | | \$ 10,500,000 |
| TOTAL | \$ 9,957,018 | \$ 8,655,568 | \$ 83,025,463 | \$ 34,233,168 |
| CULTURAL AFFAIRS CAPITAL | | | | |
| MEDAL OF HONOR KIOSK | | \$ 125,000 | | |
| BATTLE FLAGS | \$ 100,000 | | \$ 100,000 | \$ 100,000 |
| BATTLE FLAG CARRY OVER | | \$ 150,000 | | |
| HISTORICAL PRESERVATION | | \$ 830,000 | \$ 830,000 | \$ 830,000 |
| TOTAL | \$ 100,000 | \$ 1,105,000 | \$ 930,000 | \$ 930,000 |
| STATE FAIR AUTHORITY CAPITAL | | | | |
| STATE FAIR BOARD CAPITALS FY03 | \$ 500,000 | | | |
| STATE FAIR BOARD CAPITALS FY04 | | \$ 500,000 | | |
| STATE FAIR BOARD CAPITALS FY05 | | | \$ 1,000,000 | |
| TOTAL | \$ 500,000 | \$ 500,000 | \$ 1,000,000 | |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|-------------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| CAPITAL | | | | |
| DAS-GENERAL SERVICES CAPITAL | | | | |
| DAS-GENERAL SERVICES CAPITAL | | | | |
| DGS-CAP.INTER.REST 03 | \$ 5,000,000 | \$ 6,239,000 | \$ 9,160,000 | |
| DGS-CAP.PARK GARAGE 03 | \$ 3,400,000 | | | |
| DGS-MAJOR RENOVATION | \$ 15,750,000 | \$ 11,500,000 | \$ 17,535,000 | |
| DGS-CAPITOL INTER. REST. | \$ 2,700,000 | | | |
| DGS-MULTIPURPOSE LAB | \$ 16,670,000 | \$ 16,660,000 | | |
| DGS-CAP.REST.EXTER 532/017 | | | \$ 570,000 | |
| GS-LEASES/ASSISTANCE | \$ 898,000 | \$ 631,449 | \$ 2,271,617 | \$ 2,271,617 |
| DGS-ROUTINE MAINTENANCE | | \$ 1,664,000 | | |
| GS-ROUTINE MAINTENANCE | | | \$ 19,710,000 | \$ 4,000,000 |
| GS-LAB FACILITY ROUTINE MAINT. | | | \$ 160,000 | \$ 160,000 |
| GS-CHILD TREATMENT CTR. MATCH | | \$ 250,000 | | |
| GS-AFRICAN/AMERICAN MUSEUM | | \$ 300,000 | | |
| GS-RECORDS&PROPERTY CTR.RELOC. | | \$ 729,237 | | |
| DGS-WALLACE BLDG EVALUATION 04 | | \$ 50,000 | | |
| DGS-RECORDS CENTER REMODEL 04 | | \$ 4,750,000 | | |
| GS-PROP.ACQUISITION & SITE DEV | | | \$ 350,000 | |
| GS-REPLACE COURT AVE.BRIDGE | | | \$ 1,250,000 | |
| GS-WALLACE BLDG.DEMO & REPLACE | | | \$ 500,000 | |
| GS-REPAIR UTILITY TUNNEL SYST. | | | \$ 500,000 | |
| GS-LUCAS/CAPITOL TUNNEL RENOV. | | | \$ 250,000 | |
| GS-CAP.COMP.PARK LOTS/WALKS | | | \$ 500,000 | |
| GS-CAPITOL COMPLEX METERING | | | \$ 250,000 | |
| DGS-MICROGRAPHIC DEMO. 03 | \$ 170,000 | | | |
| DGS-CAPITOL COMPLEX SECURITY | \$ 1,000,000 | | | |
| DGS-PARKING LOTS 03 | \$ 93,000 | | \$ 2,040,000 | |
| DGS-RECORD CENTER REMOD. 03 | \$ 1,600,000 | | \$ 9,700,000 | |
| FY 05 DAS MAJOR MAINTENANCE | | | | \$ 62,000,000 |
| FY 05 DAS ADA | | | | \$ 7,239,605 |
| FY 05 DAS RECORDS CTR REMODEL | | | | \$ 9,700,000 |
| TOTAL | \$ 47,281,000 | \$ 42,773,686 | \$ 64,746,617 | \$ 85,371,222 |
| HUMAN SERVICES CAPITAL | | | | |
| HEALTH/SAFETY/LOSS | | | \$ 4,183,368 | |
| MAINTENANCE | | | \$ 9,240,114 | |
| ADA CAPITAL | | | \$ 1,617,000 | |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|----------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| CAPITAL | | | | |
| HUMAN SERVICES CAPITAL | | | | |
| MAJOR PROJECTS | | | \$ 1,970,000 | |
| ROUTINE MAINTENANCE | | | \$ 5,243,177 | |
| ALTERNATIVE GIRLS SERV TRTMT | \$ 200,000 | | | |
| TOTAL | \$ 200,000 | | \$ 22,253,659 | |
| NATURAL RESOURCES CAPITAL | | | | |
| F&G-CAPITALS | \$ 5,000,000 | \$ 5,000,000 | \$ 9,000,000 | \$ 9,000,000 |
| GIS INFORMATION FOR WATERSHED | | \$ 195,000 | \$ 195,000 | \$ 195,000 |
| WATER QUALITY MONITORING | \$ 2,605,000 | \$ 2,955,000 | \$ 2,955,000 | \$ 2,955,000 |
| VOLUNTEERS & KEEPEERS OF LAND | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 |
| DNR-RESTORE THE OUTDOORS | \$ 2,500,000 | \$ 2,500,000 | \$ 2,500,000 | |
| DNR-DESTINATION PARK | \$ 1,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 |
| AIR QUALITY MONITORING EQUIP. | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| WATER QUALITY PROTECTION | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| LAKE DREDGING | \$ 350,000 | \$ 1,000,000 | \$ 5,000,000 | \$ 1,000,000 |
| MARINE FUEL TAX PROJECTS | \$ 2,300,000 | \$ 2,300,000 | \$ 2,300,000 | \$ 2,300,000 |
| REAP | \$ 2,000,000 | \$ 11,000,000 | \$ 15,000,000 | \$ 11,000,000 |
| DNR-LEWIS & CLARK RUARL WATER | \$ 281,400 | \$ 1,500,000 | \$ 2,450,000 | \$ 2,450,000 |
| PARK OPERATIONS & MAINTAIN. | | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 |
| WATER SUMMIT INITIATIVES | | | | \$ 5,000,000 |
| TOTAL | \$ 17,136,400 | \$ 32,550,000 | \$ 45,500,000 | \$ 40,000,000 |
| PUBLIC DEFENSE CAPITAL | | | | |
| DPD-ESTHERVILLE | \$ 400,000 | \$ 461,000 | | |
| DPD- BOONE ARMORY | \$ 111,000 | \$ 1,095,000 | \$ 1,096,000 | |
| DPD-WATERLOO ARMORY | \$ 612,100 | | | |
| ARMORY MAINTENANCE | | | | \$ 1,269,636 |
| BOONE ARMORY | | | | \$ 1,096,000 |
| DPD-FT.DODGE READINESS CTR. | | \$ 750,000 | \$ 750,000 | \$ 750,000 |
| DPD-IA.CITY READINESS CTR. | | \$ 195,000 | \$ 3,246,000 | \$ 2,150,000 |
| TOTAL | \$ 1,123,100 | \$ 2,501,000 | \$ 5,092,000 | \$ 5,265,636 |
| PUBLIC SAFETY CAPITAL | | | | |
| DPS-REGIONAL FIRE TRAINING FAC | | \$ 50,000 | | \$ 500,000 |

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| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| CAPITAL | | | | |
| PUBLIC SAFETY CAPITAL | | | | |
| DPS-AFIS LEASE PURCHASE | | | | \$ 550,000 |
| DPS-NCIC CONTROL TERMINAL MATC | | | | \$ 500,000 |
| TOTAL | | \$ 50,000 | | \$ 1,550,000 |
| REGENTS CAPITAL | | | | |
| SUI BIOLOGY BUILDING | \$ 3,000,000 | | | |
| SUI ART BUILDING - PHASE I | \$ 7,910,000 | \$ 3,653,000 | | |
| ISU BUSINESS BUILDING | \$ 6,700,000 | | | |
| UNI MCCOLLUM HALL | \$ 8,400,000 | | | |
| UNI STEAM DISTRIBUTION SYSTEM | \$ 4,320,000 | \$ 4,390,000 | | |
| ISD UTILITY SYSTEM | \$ 250,000 | | | |
| ISD DEFERRED MAINTENANCE | | \$ 100,000 | | |
| IBSSS DEFERRED MAINTENANCE | | \$ 100,000 | | |
| UNI PLAYGROUND SAFETY | | \$ 500,000 | | |
| SUI JOURNALISM BUILDING | \$ 2,600,000 | \$ 7,200,000 | \$ 3,575,000 | \$ 3,575,000 |
| ISU UNDERGRADUATE CLASSROOMS | \$ 2,112,100 | \$ 10,177,300 | \$ 1,949,100 | \$ 1,949,100 |
| ISU LIVESTOCK RESEARCH | \$ 2,797,000 | | | |
| ISU PLANT SCIENCES | \$ 4,148,000 | | | |
| UNI INNOVATIVE TEACHING CENTER | \$ 1,750,000 | \$ 6,490,000 | \$ 9,880,000 | \$ 9,880,000 |
| LAKESIDE LABORATORY | \$ 390,000 | | | |
| ISD TUCKPOINTING | \$ 185,000 | | | |
| IBSSS HVAC UPGRADE | \$ 450,000 | | | |
| SUI OLD CAPITOL RESTORATION | | \$ 350,000 | | |
| FY04 FY05 REGENTS CAPITALS | | | \$ 67,540,000 | |
| FY 05 REGENTS MAINTENANCE | | | | \$ 15,404,100 |
| TOTAL | \$ 44,992,100 | \$ 32,960,300 | \$ 82,944,100 | \$ 30,808,200 |
| TRANSPORTATION CAPITALS | | | | |
| TRANSPORTATION CAPITAL | | | | |
| DOT CAPITALS - FY 2003 | \$ 2,800,000 | | | |
| DOT CAPITALS - FY 2004 | | \$ 2,300,000 | | |
| SCALE & INSPECTION SITES FY 04 | | \$ 200,000 | | |
| DOT CAPITALS - FY 2005 | | | \$ 650,000 | \$ 650,000 |
| TOTAL | \$ 2,800,000 | \$ 2,500,000 | \$ 650,000 | \$ 650,000 |

STATE OF IOWA
 BUDGET REPORT 2004-2005
 APPROPRIATIONS FROM OTHER FUNDS
 ANNUAL DEPARTMENT REQUEST AND GOVERNORS RECOMMENDATION BY FUNCTION

| | ACTUAL FY FY 2002-03 | ESTIMATED FY FY 2003-04 | TOTAL DEPT R FY 2004-05 | TOTAL GOVS R FY 2004-05 |
|--|-------------------------|----------------------------|----------------------------|----------------------------|
| CAPITAL | | | | |
| EDUCATION CAPITAL | | | | |
| ENRICH IOWA | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ 1,000,000 |
| STUDENT ACHIEVEMENT | \$ 5,000,000 | | | |
| DTV CONVERSION | | | \$ 18,300,000 | |
| DTV CONVERSION | | | | \$ 18,300,000 |
| PARKER BUILDING REMODEL | | | \$ 303,632 | \$ 303,632 |
| TOTAL | \$ 5,600,000 | \$ 600,000 | \$ 19,203,632 | \$ 19,603,632 |
| JUDICIAL BRANCH CAPITAL | | | | |
| JUDICIAL BRANCH FURNISHINGS 03 | \$ 1,250,000 | | | |
| JUDICIAL BRANCH PARKING LOT 03 | \$ 700,000 | | | |
| TOTAL | \$ 1,950,000 | | | |
| VETERANS AFFAIRS CAPITALS | | | | |
| VETERANS AFFAIRS CAPITAL | | | | |
| VETS HOME HOUSE REMOVAL | \$ 50,000 | | | |
| VETERANS AFFAIRS CAPITALS FY05 | | | \$ 1,105,990 | \$ 400,000 |
| TOTAL | \$ 50,000 | | \$ 1,105,990 | \$ 400,000 |
| TOTAL CAPITAL | \$ 137,458,314 | \$ 126,695,554 | \$ 329,018,461 | \$ 223,878,858 |
| TOTAL APPROPRIATION - OTHER FUNDS | \$ 897,185,094 | \$ 1,002,171,470 | \$ 1,182,570,708 | \$ 1,231,873,728 |

STATE OF IOWA
HISTORY OF APPROPRIABLE RECEIPTS
(IN \$ THOUSANDS)
Cash Basis

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| SPECIAL TAXES: | | | | | | | | | | |
| Personal Income Tax | 1,784,925 | 1,875,023 | 2,000,898 | 2,123,126 | 2,288,427 | 2,233,710 | 2,375,919 | 2,426,519 | 2,372,022 | 2,417,614 |
| Sales Tax | 1,110,117 | 1,147,267 | 1,212,994 | 1,237,300 | 1,271,811 | 1,377,457 | 1,416,565 | 1,441,708 | 1,452,962 | 1,450,314 |
| Corporation Income Tax | 175,090 | 268,701 | 277,637 | 318,770 | 290,715 | 321,790 | 326,141 | 249,368 | 238,540 | 254,152 |
| Use Tax | 220,769 | 196,038 | 207,824 | 223,094 | 243,021 | 242,663 | 246,795 | 284,832 | 221,248 | 237,042 |
| Inheritance Tax | 88,146 | 89,224 | 95,898 | 109,347 | 109,811 | 90,142 | 114,771 | 104,578 | 100,351 | 88,136 |
| Insurance Premium Tax | 103,327 | 102,056 | 104,274 | 105,957 | 108,870 | 114,345 | 120,212 | 126,608 | 135,372 | 142,236 |
| Cigarette & Tobacco Taxes | 96,202 | 98,324 | 99,444 | 100,276 | 100,722 | 98,854 | 97,688 | 96,219 | 95,181 | 95,545 |
| Beer & Liquor Taxes | 12,476 | 12,420 | 12,550 | 12,476 | 12,671 | 13,115 | 13,586 | 13,569 | 13,767 | 13,918 |
| Franchise Tax | 34,052 | 28,908 | 26,476 | 35,643 | 36,405 | 33,756 | 31,764 | 31,247 | 30,916 | 35,256 |
| Miscellaneous Taxes | 1,134 | 996 | 935 | 1,191 | 1,300 | 1,064 | 1,289 | 1,297 | 1,463 | 1,088 |
| TOTAL SPECIAL TAXES | 3,626,238 | 3,818,957 | 4,038,930 | 4,267,180 | 4,463,753 | 4,526,896 | 4,744,730 | 4,775,945 | 4,661,822 | 4,735,301 |
| Percentage Increase | 6.66% | 5.31% | 5.76% | 5.65% | 4.61% | 1.41% | 4.81% | 0.66% | -2.39% | 1.58% |
| OTHER RECEIPTS | | | | | | | | | | |
| Institutional Payments | 105,505 | 107,431 | 105,036 | 104,313 | 70,186 | 50,748 | 49,068 | 47,321 | 48,495 | 16,172 |
| Liquor Transfers | 34,500 | 35,353 | 37,972 | 37,802 | 40,000 | 41,320 | 45,000 | 46,500 | 47,500 | 49,000 |
| Interest | 7,909 | 17,336 | 13,466 | 17,959 | 30,569 | 34,059 | 25,974 | 18,166 | 25,318 | 18,070 |
| Fees | 55,648 | 57,309 | 61,767 | 63,596 | 65,381 | 58,400 | 66,349 | 72,483 | 70,227 | 72,131 |
| Judicial Revenue | 43,633 | 48,437 | 40,002 | 42,945 | 42,913 | 48,267 | 52,299 | 48,816 | 51,889 | 54,698 |
| Miscellaneous Receipts | 47,657 | 40,673 | 49,545 | 53,898 | 58,126 | 61,328 | 52,893 | 45,188 | 42,152 | 41,352 |
| Racing & Gaming Receipts | 10,205 | 28,497 | 57,847 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| TOTAL OTHER RECEIPTS | 305,057 | 335,036 | 365,635 | 380,513 | 367,175 | 354,122 | 351,583 | 338,474 | 345,581 | 311,423 |
| | 9.56% | 9.83% | 9.13% | 4.07% | -3.51% | -3.55% | -0.72% | -3.73% | 2.10% | -9.88% |
| TOTAL APPROPRIABLE RECEIPTS | 3,931,295 | 4,153,993 | 4,404,565 | 4,647,693 | 4,830,928 | 4,881,018 | 5,096,313 | 5,114,419 | 5,007,403 | 5,046,724 |
| Percentage Increase | 6.88% | 5.66% | 6.03% | 5.52% | 3.94% | 1.04% | 4.41% | 0.36% | -2.09% | 0.79% |

State of Iowa

Road Use Tax Fund

Source and Distribution of Funds

(Dollars in Thousands)

| | Actual | | Estimate | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | Fiscal Year | | Fiscal Year | | |
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| SOURCE OF FUNDS: | | | | | |
| Motor Vehicle Registration | 358,257 | 369,964 | 379,785 | 386,805 | 396,228 |
| Motor Fuel Taxes | 399,041 | 414,846 | 423,143 | 427,481 | 430,704 |
| State Use Tax | 231,404 | 216,438 | 221,849 | 226,289 | 228,841 |
| Drivers' License Fees | 8,414 | 12,985 | 20,497 | 16,984 | 12,096 |
| Interest | 8,732 | 8,275 | 8,275 | 8,358 | 8,441 |
| Underground Tank Fees | 19,405 | 20,502 | 20,502 | 20,502 | 20,502 |
| Other | 10,855 | 13,691 | 13,692 | 12,459 | 12,459 |
| Total Source of Funds | 1,036,108 | 1,056,701 | 1,087,743 | 1,098,878 | 1,109,271 |
| DISTRIBUTION OF FUNDS: | | | | | |
| <i>Primary Road Fund</i> | 464,861 | 473,288 | 478,198 | 482,730 | 487,492 |
| Parks & Institutional roads | 6,666 | 6,803 | 7,001 | 7,072 | 7,139 |
| Secondary & Urban | 500 | 500 | 500 | 500 | 500 |
| Highway Grade Crossing Safety | 700 | 700 | 700 | 700 | 700 |
| Highway Grade Crossing Surface | 900 | 900 | 900 | 900 | 900 |
| Living Roadway Trust Fund | 250 | 250 | 250 | 250 | 250 |
| County Bridge Constr. Fund | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| <i>Secondary Roads - Counties</i> | 232,199 | 236,495 | 243,079 | 245,438 | 247,923 |
| <i>Farm-to-Market - Counties</i> | 74,233 | 75,525 | 77,612 | 78,341 | 79,126 |
| <i>Cities & Towns</i> | 181,832 | 185,063 | 190,279 | 192,103 | 194,065 |
| Transfer of Jurisdiction Fund | - | - | 7,908 | 7,984 | 8,066 |
| License Plate Costs & Other | 3,500 | 2,450 | 3,000 | 3,000 | 3,000 |
| County DL Issuance | 30 | 30 | 30 | 30 | 30 |
| Co. Treasurers' DP Equipment | 650 | 650 | 650 | 650 | 650 |
| Weather Information System | 100 | 100 | 100 | 100 | 100 |
| Interstate 35 Corridor | 50 | 50 | 50 | 50 | 50 |
| DOT Operations | 35,070 | 34,392 | 37,987 | 39,127 | 39,127 |
| Dept. of Transportation | 282 | 288 | 288 | 288 | 288 |
| Drivers Licenses | 3,997 | 3,997 | 2,820 | 2,820 | 2,820 |
| DOT Capitals | 192 | 18 | 200 | 200 | 200 |
| Department of Management | 56 | 56 | 56 | 56 | 56 |
| Department of Personnel | 70 | 72 | 72 | 72 | 72 |
| Public transit | 10,618 | 10,121 | 10,706 | 10,904 | 11,021 |
| Personal Delivery of Service | 225 | 225 | 225 | 225 | 225 |
| Special Tax Refunds | 211 | 219 | 200 | 200 | 250 |
| Revitalize Iowa's Sound Economy | 11,555 | 11,970 | 12,207 | 12,358 | 12,459 |
| Safety Projects | 5,128 | 5,233 | 5,385 | 5,440 | 5,491 |
| Motorcycle Education | 233 | 271 | 300 | 300 | 231 |
| Mississippi River Parkway | - | 40 | 40 | 40 | 40 |
| Vehicle Registration System | - | 5,000 | 5,000 | 5,000 | 5,000 |
| Functional Class | - | (5) | - | - | - |
| Total Distribution of Funds | 1,036,108 | 1,056,701 | 1,087,743 | 1,098,878 | 1,109,271 |

STATE OF IOWA
FUNDING ELEMENTARY AND SECONDARY EDUCATION
 General Operating Fund Only (In Millions)

| | Actual 92/93 | | Actual 93/94 | | Actual 94/95 | | Actual 95/96 | | Actual 96/97 | | Actual 97/98 | |
|---------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|--------------|-----------------|--------------|-----------------|--------------|
| | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent |
| Uniform Property Taxes | 392.1 | 17.56 | 396.3 | 17.21 | 410.1 | 17.27 | 422.0 | 16.86 | 427.8 | 15.98 | 438.9 | 15.67 |
| Additional Property Taxes | 388.9 | 17.42 | 397.3 | 17.25 | 411.9 | 17.34 | 431.4 | 17.24 | 369.7 | 13.81 | 382.4 | 13.65 |
| State Foundation Aid | 1,178.9 | 52.80 | 1,230.5 | 53.44 | 1,266.2 | 53.32 | 1,330.9 | 53.18 | 1,489.2 | 55.62 | 1,558.2 | 55.63 |
| Other State Aid | 94.3 | 4.22 | 94.3 | 4.10 | 94.3 | 3.97 | 94.6 | 3.78 | 126.6 | 4.73 | 127.8 | 4.56 |
| Income Surtaxes | 16.2 | 0.73 | 17.1 | 0.74 | 18.8 | 0.79 | 20.4 | 0.82 | 24.7 | 0.92 | 31.3 | 1.12 |
| Other Miscellaneous | <u>162.5</u> | <u>7.28</u> | <u>167.2</u> | <u>7.26</u> | <u>173.5</u> | <u>7.31</u> | <u>203.3</u> | 8.12 | <u>239.5</u> | <u>8.94</u> | <u>262.3</u> | <u>9.36</u> |
| Total Funds | <u>2,232.9</u> | <u>100.00</u> | <u>2,302.7</u> | <u>100.00</u> | <u>2,374.8</u> | <u>100.00</u> | <u>2,502.6</u> | 100.00 | <u>2,677.5</u> | <u>100.0</u> | <u>2,800.9</u> | <u>100.0</u> |
| Formula Enrollment | 539,912 | | 547,285 | | 548,681 | | 554,493 | | 562,275 | | 566,798 | |
| Actual Fall Enrollment | 495,342 | | 497,025 | | 500,593 | | 504,506 | | 505,523 | | 505,130 | |
| | | | | | | | | | | | | |
| | Actual 98/99 | | Actual 99/00 | | Actual 00/01 | | Actual 01/02 | | Estimated 02/03 | | Estimated 03/04 | |
| | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent |
| Uniform Property Taxes | 461.4 | 15.72 | 480.6 | 15.57 | 500.1 | 15.60 | 522.2 | 15.93 | 536.2 | 15.90 | 548.7 | 16.27 |
| Additional Property Taxes | 405.6 | 13.82 | 378.7 | 12.27 | 405.2 | 12.64 | 425.2 | 12.97 | 465.5 | 13.80 | 476.3 | 14.13 |
| State Foundation Aid | 1,611.9 | 54.90 | 1,698.5 | 55.04 | 1,747.3 | 54.50 | 1,725.1 | 52.62 | 1,784.1 | 52.91 | 1,772.2 | 52.56 |
| Other State Aid | 144.6 | 4.93 | 167.5 | 5.43 | 173.9 | 5.42 | 203.1 | 6.19 | 178.2 | 5.28 | 167.0 | 4.95 |
| Income Surtaxes | 33.9 | 1.15 | 38.2 | 1.24 | 36.3 | 1.13 | 42.1 | 1.28 | 47.3 | 1.40 | 47.0 | 1.39 |
| Other Miscellaneous | <u>278.5</u> | <u>9.49</u> | <u>322.6</u> | <u>10.45</u> | <u>343.1</u> | <u>10.70</u> | <u>360.8</u> | <u>11.01</u> | <u>360.8</u> | <u>10.70</u> | <u>360.8</u> | <u>10.70</u> |
| Total Funds | <u>2,935.9</u> | <u>100.0</u> | <u>3,086.1</u> | <u>100.0</u> | <u>3,205.9</u> | <u>100.0</u> | <u>3,278.5</u> | <u>100.0</u> | <u>3,372.1</u> | <u>100.0</u> | <u>3,372.0</u> | <u>100.0</u> |
| Formula Enrollment | 569,723 | | 569,387 | | 567,344 | | 564,747 | | 562,056 | | 561,386 | |
| Actual Fall Enrollment | 502,534 | | 498,607 | | 494,290 | | 489,522 | | 487,021 | | | |

