

# Iowa Budget Report

Fiscal Year 2005

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



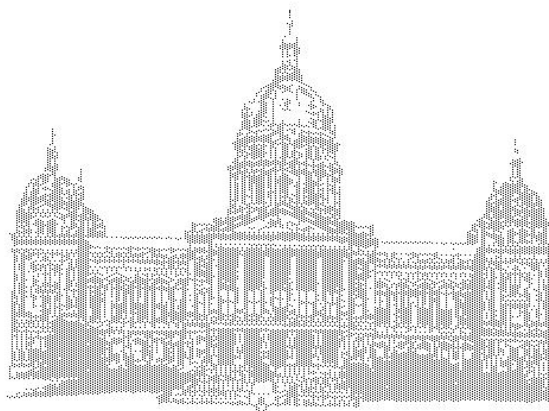
January 2004

This budget document was prepared for

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

by the Department of Management

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THOMAS J. VILSACK  
GOVERNOR

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SALLY J. PEDERSON  
LT. GOVERNOR

January 16, 2004

### TO THE MEMBERS OF THE 80<sup>TH</sup> 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.

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# 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 9<sup>th</sup> 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 4<sup>th</sup> 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 1<sup>st</sup> 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 2<sup>nd</sup> 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 3<sup>rd</sup> 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 5<sup>th</sup> lowest cost of doing business. North American Business Cost Review – The 2002 addition ranked Iowa 5<sup>th</sup> lowest cost state for doing business.
- Iowa ranks 6<sup>th</sup> in quality of health care. Center for Medicaid and Medicare Services: Study ranks states' quality of health care to Medicare patients.
- Iowa ranks 6<sup>th</sup> 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 7<sup>th</sup> 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 8<sup>th</sup> 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 12<sup>th</sup> 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:

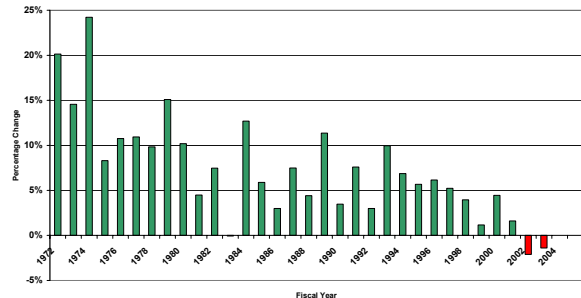
*"While the economy has begun to show some signs of improvement, states continue to grapple with short term cyclical and long-term structural problems. Plagued by budget shortfalls for the past three years, states still face uncertainty in the current Fiscal Year and difficult budgetary choices in the 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

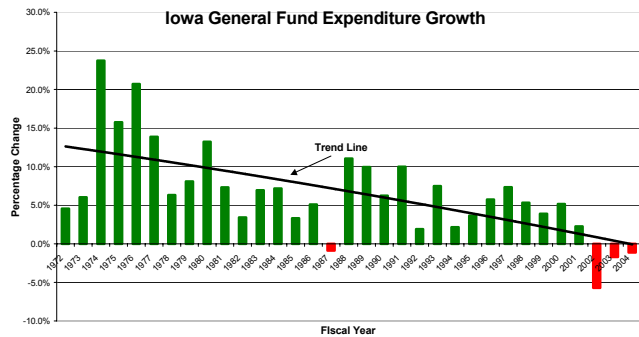


While it is true that some of the recent performance can be attributed to a sluggish national economy, the state economic data is much better than the revenue data. For example, over the last three years, Iowa's personal income has increased 6%, while the state general fund budget has decreased by 8%.

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 State's 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.

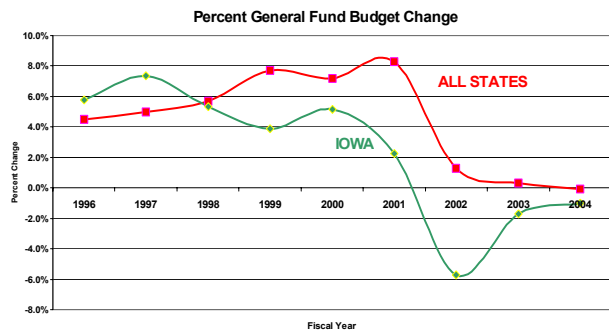
At the same time, the vast majority of Iowa's general fund spending is dedicated to a few key priorities. Education makes up over 60% of the budget, and children, family and senior services (primarily health care) make up another 17%. When you add in local assistance (which translates into money for 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.

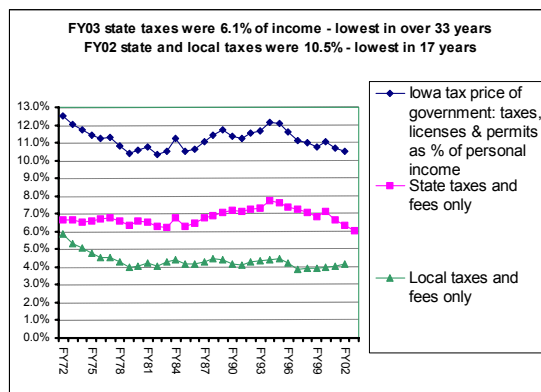
During the 1990s, the States as a whole did a good job of building their reserves, and during recent years, those reserves have been tapped to deal with budget issues. In Fiscal Year 2003, for example, 25 states drew on their reserve funds to help balance their budgets. While Iowa has drawn on its reserve 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.



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## 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.

### **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.

- \$0.7 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.
- \$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.

### **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:

- \$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.

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## 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 individuals 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 has gone hand in hand with calls to privatize 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.

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# 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 20002.

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 12<sup>th</sup> 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.



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# 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 8<sup>th</sup>. 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.

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# 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 1<sup>st</sup>.

## 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 1<sup>st</sup>, 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 1<sup>st</sup>.

## 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 FY2003	Estimate FY2004	Governor's Budget FY2005
<b>Resources:</b>			
General Fund Revenue	5,175.6	5,195.0	5,257.1
<i>Growth</i>		0.4%	1.2%
Accruals	(44.7)	23.6	5.4
Refunds	(647.3)	(736.0)	(712.2)
Proposed Revenue Adjustments		36.2	283.1
<b>Total Resources</b>	<u>4,483.6</u>	<u>4,518.8</u>	<u>4,833.4</u>
<i>Expenditure Limitation</i>			4,771.4
<b>Appropriations:</b>			
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	
<b>Total Appropriations</b>	<u>4,531.0</u>	<u>4,511.3</u>	<u>4,771.1</u>
<i>Growth</i>		-0.4%	5.8%
Reversions/Estimated Reversions			
Regular Reversions	(5.2)	(10.0)	(10.0)
Operations Reversions		(2.5)	(2.5)
Adjustments to Standings	3.6		
<b>Net Appropriations</b>	<u>4,529.4</u>	<u>4,498.8</u>	<u>4,758.6</u>
<b>Ending General Fund Balance</b>	<u>(45.8)</u>	<u>20.0</u>	<u>74.8</u>
Proposed Transfer from Cash Reserve Fund	45.8		
<b>Revised General Fund Balance</b>	<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
<b><u>CASH RESERVE FUND</u></b>			
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>
5% Maximum/6.5% in FY2005	224.2	225.9	314.2
<b><u>GAAP Retirement Account</u></b>			
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>
<b><u>Economic Emergency Fund</u></b>			
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
<b>Tax Receipts</b>			
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
<b>Total Tax Receipts</b>	<u>4,735.3</u>	<u>4,765.8</u>	<u>4,899.1</u>
<b>Other Receipts</b>			
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
<b>Total Other Receipts</b>	<u>311.4</u>	<u>341.2</u>	<u>290.8</u>
<b>Total Tax &amp; Other Receipts</b>	<u>5,046.7</u>	<u>5,107.0</u>	<u>5,189.9</u>
	-2.1%	1.2%	1.6%
<b>Transfers</b>			
Lottery	38.9	43.7	55.4
Other Transfers	90.0	44.3	11.8
<b>Total Transfers</b>	<u>128.9</u>	<u>88.0</u>	<u>67.2</u>
<b>Total General Fund Receipts and Transfers</b>	<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	<b>(44.7)</b>	<b>23.6</b>	<b>5.4</b>

## State of Iowa

### General Fund Refunds of Taxes Paid

(\$ in Millions)

	<u>Actual</u> <u>FY2003</u>	<u>Estimated</u> <u>FY2004</u>	<u>Estimated</u> <u>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)

	Current Revenue
<b><u>Cash Reserve Percentage Goal - Fiscal Year 2004</u></b>	
Revenue Estimating Conference Estimate	5,195.0
Accruals	23.6
Refunds	(736.0)
Revenue Adjustments	36.2
Total	<u>4,518.8</u>
<b>Cash Reserve Percentage Goal</b>	
<b>Fiscal Year 2004 - 5.0%</b>	225.9
<b><u>Cash Reserve Percentage Goal - Fiscal Year 2005</u></b>	
Revenue Estimating Conference Estimate	5257.1
Accruals	5.4
Refunds	-712.2
Revenue Adjustments	283.1
Total	<u>4,833.4</u>
<b>Cash Reserve Percentage Goal</b>	
<b>Fiscal Year 2005 - 6.5%</b>	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 FY2003	Estimated FY2004	Governor's Recommendation FY2005
<b>Resources</b>			
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	16,913,286	57,800,000	69,700,000
Reversions from Environment First Fund			
<b>Total Resources Available</b>	30,802,032	58,974,860	70,067,606
<b>Expenditures</b>			
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 Capitals			400,000
Total Appropriations	<u>29,627,172</u>	<u>58,607,254</u>	<u>65,632,857</u>
Net Available Balance Forward	<u>1,174,860</u>	<u>367,606</u>	<u>4,434,749</u>

# State of Iowa

## Estimated Condition of the Environment First Fund

### Financial Summary

	Actual FY2003	Estimate FY2004	Governor's Recommendation FY2005
<b>Resources:</b>			
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	16,562,279	35,007,695	40,007,695
<b>Expenditures</b>			
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	16,555,000	35,000,000	40,000,000
Reversions	(416)		
Net Appropriations	16,554,584	35,000,000	40,000,000
Ending Balance	7,695	7,695	7,695



# 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
<b>Resources</b>			
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	14,839,222	7,475,989	3,815,443
<b>Total Resources Available</b>	<b>440,505,253</b>	<b>260,668,692</b>	<b>113,964,951</b>
<b>Expenditures</b>			
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	187,623,363	150,519,184	73,802,060
Reversions	(310,813)		
Total Appropriations/Expenditures	187,312,550	-	-
Net Available Balance Forward	253,192,703	110,149,508	40,162,891

## 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
<b>Resources:</b>			
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)	
<b>Total Available Resources</b>	<b>118,225,935</b>	<b>84,601,730</b>	<b>107,986,395</b>
<b>Expenditures</b>			
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)		
<b>Net Appropriations</b>	<b>92,425,245</b>	<b>56,662,375</b>	<b>57,512,311</b>
<b>Net Available Balance Forward</b>	<b>25,800,690</b>	<b>27,939,355</b>	<b>50,474,084</b>

# State of Iowa

## Estimated Condition of the Healthy Iowans Tobacco Trust Fund Financial Summary

	Actual FY2003	Estimate FY2004	Governor's Recommendation FY2005
<b>Resources:</b>			
Beginning Balance	1,686,876	1,526,749	3,848
<b>Revenues:</b>			
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
<b>Total Available Resources</b>	<b>66,620,919</b>	<b>63,516,084</b>	<b>64,043,119</b>
<b>Expenditures</b>			
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, Il, 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
<b>Total Appropriations</b>	<b>65,199,740</b>	<b>63,512,236</b>	<b>63,202,236</b>
Reversions	(105,570)		
<b>Net Appropriations</b>	<b>65,094,170</b>	<b>63,512,236</b>	<b>63,202,236</b>
<b>Ending Balance</b>	<b>1,526,749</b>	<b>3,848</b>	<b>840,883</b>

## State of Iowa

### Estimated Condition of the Senior Living Trust Fund

#### Financial Summary

	Actual FY2003	Estimate FY2004	Governor's Recommendation FY2005
<b>Resources:</b>			
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	448,955,844	443,975,742	293,301,779
<b>Expenditures</b>			
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	82,893,205	161,605,524	151,605,524
Ending Balance	366,062,639	282,370,218	141,696,255

STATE OF IOWA  
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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
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 & REGULATION	\$ 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  
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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				
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  
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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
<hr/>				
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
<hr/>				
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
<hr/>				
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
<hr/>				
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

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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
<b>ADMINISTRATION &amp; REGULATION</b>				
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
<b>TOTAL LEGISLATIVE BRANCH</b>	<b>\$ 24,113,347</b>	<b>\$ 24,363,894</b>	<b>\$ 26,475,749</b>	<b>\$ 26,475,749</b>
<b>GENERAL SERVICES, DEPT. OF</b>				
GENERAL SERVICES UTILITIES	\$ 1,817,095			
GENERAL SERVICES RENTAL SPACE	\$ 846,770			
TERRACE HILL OPERATIONS	\$ 230,260			
GENERAL SERVICES OPERATIONS	\$ 5,142,294			
<b>TOTAL</b>	<b>\$ 8,036,419</b>			
<b>GOVERNOR/LT. GOVERNOR'S OFFICE</b>				
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
<b>TOTAL</b>	<b>\$ 1,635,019</b>	<b>\$ 1,959,334</b>	<b>\$ 2,007,005</b>	<b>\$ 2,195,895</b>
<b>INSPECTIONS &amp; APPEALS, DEPT OF</b>				
INSPECTIONS AND APPEALS				
CHILD ADVOCACY BOARD	\$ 1,669,157	\$ 1,752,780	\$ 1,796,857	\$ 1,752,780

STATE OF IOWA  
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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
-----				
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		

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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
ADMINISTRATION & REGULATION				
MANAGEMENT, DEPARTMENT OF				
MANAGEMENT, DEPT. OF				
SPECIAL OLYMPICS FUND	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
APPEAL BOARD CLAIMS	\$ 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  
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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
<b>ADMINISTRATION &amp; REGULATION</b>				
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
<b>AGRICULTURE AND NATURAL RESOURCES</b>				
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	\$ 648,379	\$ 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
<b>ECONOMIC DEVELOPMENT</b>				
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

STATE OF IOWA  
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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
<hr/>				
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
<hr/>				
EDUCATION, DEPARTMENT OF				
EDUCATION, DEPT. OF				
EMPOWERMENT BD - SCHOOL READY	\$ 13,724,712	\$ 13,381,594	\$ 13,724,712	\$ 13,381,594
ADMINISTRATION	\$ 4,928,249	\$ 5,168,114	\$ 5,298,322	\$ 5,168,114
VOCATIONAL EDUCATION ADMIN	\$ 477,139	\$ 514,828	\$ 527,631	\$ 514,828
BOARD OF EDUCATIONAL EXAMINERS	\$ 41,688	\$ 40,782	\$ 42,702	\$ 40,782
SCHOOL FOOD SERVICE	\$ 2,574,034	\$ 2,509,683	\$ 2,574,034	\$ 2,509,683
TEXTBOOK SERVICES FOR NONPUBLI	\$ 578,880	\$ 564,408	\$ 578,880	\$ 564,408
VOCATIONAL EDUC SECONDARY	\$ 2,938,488	\$ 2,936,904	\$ 3,012,209	\$ 2,936,904
MERGED AREA SCHOOLS-GENERAL AI	\$ 138,585,680	\$ 135,779,244	\$ 139,260,763	\$ 138,879,244
TEACHER QUALITY PROF DEV				\$ 10,000,000
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
<hr/>				
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
<b>EDUCATION</b>				
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	\$ 2,722,759,783	\$ 2,772,053,741	\$ 2,905,255,782	\$ 2,941,658,318
<b>HEALTH &amp; HUMAN RIGHTS</b>				
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
<b>HEALTH, DEPARTMENT OF PUBLIC</b>				
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
<b>HUMAN RIGHTS, DEPARTMENT OF</b>				
HUMAN RIGHTS, DEPT. OF HUMAN RIGHTS ADMINISTRATION	\$ 249,368	\$ 264,102	\$ 270,709	\$ 264,102

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<b>HEALTH &amp; HUMAN RIGHTS</b>				
<b>HUMAN RIGHTS, DEPARTMENT OF</b>				
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
<b>TOTAL</b>	<b>\$ 1,681,909</b>	<b>\$ 1,830,101</b>	<b>\$ 1,875,653</b>	<b>\$ 1,830,101</b>
<b>VETERANS AFFAIRS, COMM. OF</b>				
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
<b>TOTAL</b>	<b>\$ 14,280,225</b>	<b>\$ 16,645,530</b>	<b>\$ 16,652,954</b>	<b>\$ 17,645,530</b>
<b>TOTAL HEALTH &amp; HUMAN RIGHTS</b>	<b>\$ 46,960,025</b>	<b>\$ 47,636,952</b>	<b>\$ 48,433,342</b>	<b>\$ 50,735,952</b>
<b>HUMAN SERVICES</b>				
<b>HUMAN SERVICES, DEPARTMENT OF</b>				
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
<b>TOTAL</b>	<b>\$ 11,371,049</b>	<b>\$ 11,657,364</b>	<b>\$ 11,432,901</b>	<b>\$ 11,657,364</b>
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
<b>TOTAL</b>	<b>\$ 55,702,003</b>	<b>\$ 58,643,401</b>	<b>\$ 57,813,893</b>	<b>\$ 58,643,401</b>

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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
<b>HUMAN SERVICES</b>				
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
<b>TOTAL</b>	<b>\$ 16,299,462</b>	<b>\$ 15,631,829</b>	<b>\$ 15,673,074</b>	<b>\$ 15,631,829</b>
<b>HUMAN SERVICES - OAKDALE</b>				
SEXUAL PREDATOR CIVIL COMM	\$ 3,375,179	\$ 2,801,472	\$ 3,489,147	\$ 3,531,005
<b>MENTAL HEALTH INSTITUTIONS</b>				
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
<b>TOTAL</b>	<b>\$ 41,027,910</b>	<b>\$ 43,686,875</b>	<b>\$ 43,017,032</b>	<b>\$ 43,686,875</b>
<b>HOSPITAL/SCHOOLS</b>				
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
<b>TOTAL</b>	<b>\$ 6,542,304</b>	<b>\$ 10,639,231</b>	<b>\$ 11,938,252</b>	<b>\$ 13,739,231</b>
<b>HUMAN SERVICES - ASSISTANCE</b>				
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 PYMT	\$ 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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-----				
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		
HM 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
CONSUMER ADVOCATE				
-----				
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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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
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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:	\$ 4,990,233	\$ 5,084,143	\$ 5,213,366	\$ 5,084,143
COMPENSATION AND EXPENSE	\$ 240,585	\$ 421,639	\$ 432,450	\$ 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	\$ 191,660,040
TOTAL ADMINISTRATION & REGULATION	\$ 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	\$ 31,048,883	\$ 31,076,643
TOTAL HEALTH & HUMAN RIGHTS	\$ 27,737,865	\$ 30,876,643	\$ 31,048,883	\$ 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	\$ 7,727,000	\$ 2,727,000		
	-----	-----	-----	-----
TOTAL OVERSIGHT	\$ 7,727,000	\$ 2,727,000		
	-----	-----	-----	-----
TRANSPORTATION				
REGULAR	\$ 265,206,575	\$ 270,497,108	\$ 275,671,209	\$ 275,671,209
STANDING LIM	\$ 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	\$ 285,128,508	\$ 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
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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/S	\$ 4,400,000	\$ 6,131,075	\$ 6,049,284	\$ 6,049,284
PURCHASING OPERATIONS		\$ 1,325,570		
PRINTING OPERATIONS		\$ 1,688,394		
TOTAL	\$ 5,024,000	\$ 11,776,005	\$ 6,480,250	\$ 10,480,250
STATE ACCOUNTING TRUST ACCTS.				
MILITARY PAY DIFFERENTIAL	\$ 1,810,000			
DAS-STATE FLEET ADMINISTRATOR				
VEHICLE DISPATCHER OPERATIONS	\$ 922,388			
DAS-CENTRALIZED PRINTING				
PRINTING OPERATIONS	\$ 1,404,175			
TOTAL ADMINISTRATIVE SERVICES,	\$ 9,160,561	\$ 11,776,005	\$ 6,480,250	\$ 10,480,250
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	\$ 1,325,632	\$ 1,325,632	\$ 1,325,632
DIA-ASST LIVING/ADULT DAY CARE		\$ 800,000	\$ 800,000	\$ 800,000
TOTAL	\$ 1,222,111	\$ 2,125,632	\$ 2,125,632	\$ 2,125,632

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
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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	\$ 2,395,580	\$ 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
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PERSONNEL, DEPARTMENT OF				
PRIMARY ROAD APPROP.	\$ 440,349			
ROAD USE TAX APPROP.	\$ 71,969			
READY TO WORK PROGRAM	\$ 44,700			
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 SETTLE	\$ 13,044,784	\$ 13,039,378	\$ 13,359,555	\$ 13,039,778
PRISON INFRASTRUCTURE BONDS	\$ 5,417,250	\$ 5,411,986	\$ 5,105,576	\$ 5,413,324
LITIGATION FEES-TOBACCO SETTLE	\$ 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  
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				
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	\$ 237,025,413
TOTAL ADMINISTRATION & REGULATION	\$ 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  
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
-----				
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  
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
-----				
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	\$ 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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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  
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				
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  
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
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

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
<b>CAPITAL</b>				
BLIND CAPITALS, DEPT. FOR THE BLIND ORIENTAT CTR REMODEL			\$ 67,000	\$ 67,000
<b>ECONOMIC DEVELOPMENT CAPITALS</b>				
NOVEL PROTEIN FACILITY	\$ 3,268,696			
TOBACCO DED ACE INFRASTRUCTURE	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000
<b>TOTAL</b>	<b>\$ 5,768,696</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 5,000,000</b>
=====				
<b>CORRECTIONS CAPITAL</b>				
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
<b>TOTAL</b>	<b>\$ 9,957,018</b>	<b>\$ 8,655,568</b>	<b>\$ 83,025,463</b>	<b>\$ 34,233,168</b>
=====				
<b>CULTURAL AFFAIRS CAPITAL</b>				
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
<b>TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 1,105,000</b>	<b>\$ 930,000</b>	<b>\$ 930,000</b>
=====				
<b>STATE FAIR AUTHORITY CAPITAL</b>				
STATE FAIR BOARD CAPITALS FY03	\$ 500,000			
STATE FAIR BOARD CAPITALS FY04		\$ 500,000		
STATE FAIR BOARD CAPITALS FY05			\$ 1,000,000	
<b>TOTAL</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 1,000,000</b>	
=====				

STATE OF IOWA  
BUDGET REPORT 2004-2005  
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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
<hr/>				
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
<hr/>				
HUMAN SERVICES CAPITAL				
HEALTH/SAFETY/LOSS			\$ 4,183,368	
MAINTENANCE			\$ 9,240,114	
ADA CAPITAL			\$ 1,617,000	

STATE OF IOWA  
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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
<b>CAPITAL</b>				
HUMAN SERVICES CAPITAL				
MAJOR PROJECTS			\$ 1,970,000	
ROUTINE MAINTENANCE			\$ 5,243,177	
ALTERNATIVE GIRLS SERV TRTMT	\$ 200,000			
<b>TOTAL</b>	<b>\$ 200,000</b>		<b>\$ 22,253,659</b>	
<b>NATURAL RESOURCES CAPITAL</b>				
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
<b>TOTAL</b>	<b>\$ 17,136,400</b>	<b>\$ 32,550,000</b>	<b>\$ 45,500,000</b>	<b>\$ 40,000,000</b>
<b>PUBLIC DEFENSE CAPITAL</b>				
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
<b>TOTAL</b>	<b>\$ 1,123,100</b>	<b>\$ 2,501,000</b>	<b>\$ 5,092,000</b>	<b>\$ 5,265,636</b>
<b>PUBLIC SAFETY CAPITAL</b>				
DPS-REGIONAL FIRE TRAINING FAC		\$ 50,000		\$ 500,000

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
-----				
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	\$ 1,730,000	\$ 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  
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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
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
<b>SPECIAL TAXES:</b>										
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
<b>TOTAL SPECIAL TAXES</b>	<b>3,626,238</b>	<b>3,818,957</b>	<b>4,038,930</b>	<b>4,267,180</b>	<b>4,463,753</b>	<b>4,526,896</b>	<b>4,744,730</b>	<b>4,775,945</b>	<b>4,661,822</b>	<b>4,735,301</b>
Percentage Increase	6.66%	5.31%	5.76%	5.65%	4.61%	1.41%	4.81%	0.66%	-2.39%	1.58%
<b>OTHER RECEIPTS</b>										
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
<b>TOTAL OTHER RECEIPTS</b>	<b>305,057</b>	<b>335,036</b>	<b>365,635</b>	<b>380,513</b>	<b>367,175</b>	<b>354,122</b>	<b>351,583</b>	<b>338,474</b>	<b>345,581</b>	<b>311,423</b>
	9.56%	9.83%	9.13%	4.07%	-3.51%	-3.55%	-0.72%	-3.73%	2.10%	-9.88%
<b>TOTAL APPROPRIABLE RECEIPTS</b>	<b>3,931,295</b>	<b>4,153,993</b>	<b>4,404,565</b>	<b>4,647,693</b>	<b>4,830,928</b>	<b>4,881,018</b>	<b>5,096,313</b>	<b>5,114,419</b>	<b>5,007,403</b>	<b>5,046,724</b>
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
<b>SOURCE OF FUNDS:</b>					
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	<u>1,036,108</u>	<u>1,056,701</u>	<u>1,087,743</u>	<u>1,098,878</u>	<u>1,109,271</u>
<b>DISTRIBUTION OF FUNDS:</b>					
<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 &amp; 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	<u>1,036,108</u>	<u>1,056,701</u>	<u>1,087,743</u>	<u>1,098,878</u>	<u>1,109,271</u>

**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>
<b>Total Funds</b>	<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>
<b>Total Funds</b>	<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			

