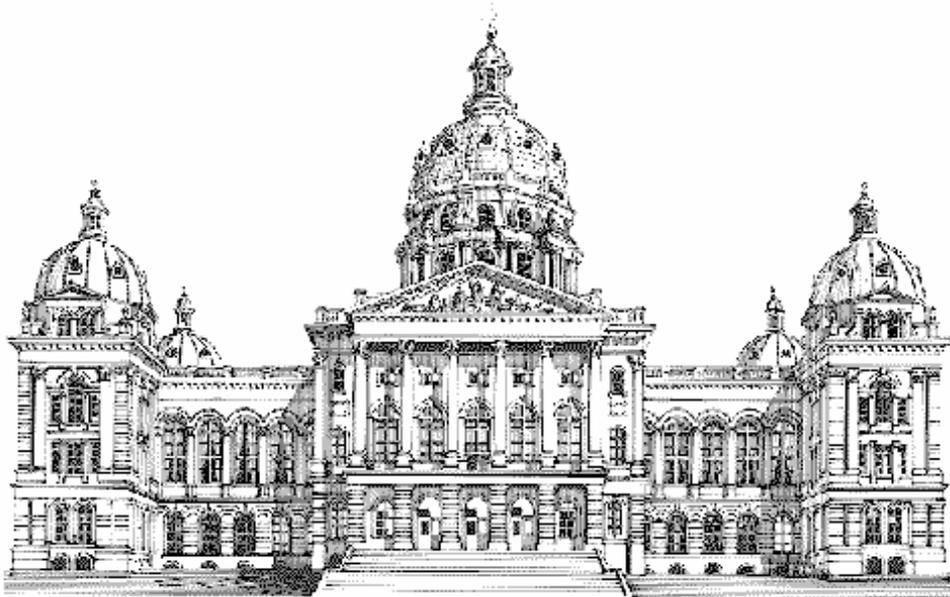


**SUMMARY OF FY 2007 BUDGET
AND
GOVERNOR'S RECOMMENDATIONS**



**FISCAL SERVICES DIVISION
LEGISLATIVE SERVICES AGENCY
JANUARY 2006**

FOREWORD

The purpose of this document is to provide the General Assembly with information concerning FY 2007 General Fund estimated receipts, department requests, and Governor's Recommendations. The information provides an overall summary of the State budget and is intended to help the General Assembly take a proactive approach toward the budgetary process.



In addition, the document is intended to provide the General Assembly with an overview of the General Fund, including revenues and expenditures. The appropriations subcommittees can use this document for consideration of the FY 2007 budget.

The LSA has developed a series of computer programs to provide legislators and legislative staff with on-line access to several products compiled by the Fiscal Services Division. The explanation and product list are detailed in **Appendix G**, entitled, "Electronic Publishing of Information." The Fiscal Services Division web site address is <http://staffweb.legis.state.ia.us/lfb/>.



If you need additional information regarding a department request or Governor's recommendation, **Appendix I** contains a list of Fiscal Services Division staff. Individual analysts can provide detailed information concerning each request.



Questions concerning this document should be directed to Holly M. Lyons, Fiscal Services Director, (515) 281-5279 holly.lyons@legis.state.ia.us

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DOCUMENT NOTES

When Reviewing This Document, Please Note The Following:

Section 8.35A(2), Code of Iowa, requires the Department of Management (DOM) to transmit all Governor's Recommendations to the Fiscal Services Division of the Legislative Services Agency by January 1 or no later than the date the Governor's budget document is delivered to the printer prior to public distribution. The FY 2007 Governor's Recommendations are based on information received by the Fiscal Services Division on January 4, 2006.

The Department of Management (DOM) worked in coordination with the Governor's Office and State agencies to develop the new Purchasing Results budgeting process. **The Fiscal Services Division obtained documents from the I/3 Budget System and from the DOM to compile the information provided in this document.**

Other items worth noting when reviewing this document include:

- ▶ ***Any new concept introduced by the Governor and discussed within departmental issues is indicated by bold italics.***
- ▶ Revenues and expenditures are estimated for FY 2006 and FY 2007.
- ▶ State agencies were directed to use a new budgeting process to prepare the FY 2007 budget requests, in lieu of the statutory process, which was based on a 75.0% base budget concept. House File 882 (Standing Appropriations Act) authorized language establishing the Purchasing Results process. Under the new process, all State spending is expected to be tied to buying results which are aligned with the seven joint appropriation subcommittees established by the General Assembly.
- ▶ The offers are listed in numeric order as presented by the Department of Management, but not necessarily in priority order separated into three categories by Subcommittee: Fully Funded Offers, Partially Funded Offers, and Unfunded Offers, based on the Governor's Recommendation.
- ▶ In addition to the attached General Fund and Other Fund tracking in **Appendix A**, full-time equivalent (FTE) tracking would normally be included in this document. However, at the time of print, the FTE positions had not been fully reconciled with DOM and the new I/3 system for FY 2006 and FY 2007. The FTE positions, therefore, are not included in this document. The FTE totals shown in the Subcommittee documents may not include all non-appropriated FTE positions. These positions are funded by either federal funds, fees, restricted funds, revolving funds, or other funds. More information on these FTE positions is available from the Fiscal Services Division upon request and will be provided to the appropriations subcommittees during the budget decision-making process.

Document Notes

- ▶ Some departments and divisions have been designated as Charter Agencies, pursuant to Section 7J.1, Code of Iowa. Beginning with FY 2004, for up to five years, Charter agencies may be able to retain 50.0% of the unspent General Fund ending appropriation balance. Charter Agencies are exempt from any across-the-board General Fund appropriation reductions made by the Governor in FY 2004 and FY 2005, and may retain the proceeds from the sale or lease of assets, provided the assets are under the control of the Agency and the use of the proceeds is within the scope of the Agency. Charter Agencies are also exempt from the appropriated full-time equivalent (FTE) limitations for a period of five years, beginning in FY 2004.

The following departments and divisions are designated as Charter Agencies:

- ◆ Department of Human Services
 - ◆ Department of Corrections
 - ◆ Department of Natural Resources
 - ◆ Department of Revenue
 - ◆ Iowa Veteran's Home
 - ◆ Alcoholic Beverages Division
- ▶ The focus of this summary document is on budget issues contained in the Governor's FY 2007 Budget-in-Brief. While the Budget-in-Brief contains additional policy issues, only those having a significant budget impact were included in this document. Additional information on budget issued or other issues is available upon request. The projected General Fund balance sheet is on p. 11. Balance sheets from various other funds are in **Appendix C**.
 - ▶ **Appendix A** is an appropriations tracking document showing General Fund and Other Fund appropriations by Subcommittee. The document shows actual FY 2005, estimated FY 2006, the Department requests for FY 2007, the Governor's recommendation for FY 2007, a comparison column between estimated FY 2006 and the Governor's recommendations, and a percentage change column.
 - ▶ **Appendix B** is a listing of the projected FY 2007 built-in increases and decreases compared to estimated FY 2006.
 - ▶ **Appendix C** contains balance sheets for the following funds:
 - ◆ Rebuild Iowa Infrastructure Fund
 - ◆ Environment First Fund
 - ◆ Vertical Infrastructure Fund
 - ◆ Tobacco Settlement Fund – Restricted Capital Fund
 - ◆ Endowment for Iowans Health – Restricted Capitals Fund

Document Notes

- ◆ Tobacco Settlement Fund – Endowment for Iowa’s Health Account
- ◆ Healthy Iowans Tobacco Trust Fund
- ◆ Senior Living Trust Fund

- **Appendix D** provides a complete listing of the Governor’s Recommendations and a brief summary of each offer.

- **Appendix E** provides a listing of the Request for Results priorities for each buying team.

- **Appendix F** contains a listing of the *Issue Reviews* completed by the Fiscal Services Division during the 2005 Legislative Session and Interim.

- **Appendix G** contains an explanation of terms and products found on the web site for the Legislative Services Agency, Fiscal Services Division.

- **Appendix H** is a glossary of budget terms.

- **Appendix I** contains the Fiscal Services Division staff listing and assignments.



This document is available on the Fiscal Services Division web site
<http://staffweb.legis.state.ia.us/lfb>.

Session Timetable

2006 IOWA LEGISLATIVE SESSION TIMETABLE

(If Legislative Rules remain unchanged)

- ▶ **January 9** – First day of Session.
- ▶ **January 13** – Final day for individual Senator bill requests to be submitted to the Legislative Services Agency (SR27).
- ▶ **January 20** – Final day for individual Representative bill requests to be submitted to LSA (HR 29).
- ▶ **March 3** – Final day for House bills to be reported out of House committees and Senate bills out of Senate committees.
- ▶ **March 6 - 10** – House considers only House bills and unfinished business and Senate considers only Senate bills and unfinished business.
- ▶ **March 13 - 24** – Debate not limited by rule.
- ▶ **March 24** – Final day for Senate bills to be reported out of House committees and House bills to be reported out of Senate committees.
- ▶ **March 27 - 31** – House considers only Senate bills and unfinished business and Senate considers only House bills and unfinished business.
- ▶ **April 3** – House amendments need not be filed on the day preceding floor debate.
- ▶ **April 3** – Only the following bills are eligible for consideration:
 - ◆ Appropriations
 - ◆ Government Oversight
 - ◆ Ways and Means
 - ◆ Legalizing Acts
 - ◆ Co-sponsored by Leaders of one Chamber
 - ◆ Companion bills sponsored by House and Senate Leaders
 - ◆ Conference Committee Reports
 - ◆ Bills passed by both Chambers in different forms
 - ◆ Concurrent or Simple Resolutions
 - ◆ Bills on the Veto Calendar
 - ◆ Administrative Rules Review Committee and delayed committee bills
 - ◆ Joint Resolutions nullifying Administrative Rules
 - ◆ Unfinished business
- ▶ **April 18** – 100th calendar day of Session.

EXPENDITURE LIMITATION ACCOUNTS

Cash Reserve Fund

- ▶ The maximum balance that the Cash Reserve Fund may retain is 7.5% of the adjusted revenue estimate for the General Fund as established by the Revenue Estimating Conference (REC). For FY 2006 and FY 2007, the maximum balance for the Fund is estimated at \$367.7 million and \$392.3 million respectively.
- ▶ If the balance in the Cash Reserve Fund is not at the statutory maximum for a fiscal year, a standing appropriation from the General Fund is deposited in the reserve fund in an amount of up to 1.0% of the adjusted revenue estimate.
- ▶ Prior to FY 2006, the year-end General Fund surplus was appropriated to the Cash Reserve Fund. A law change was enacted in 2004 requiring that at the close of FY 2006, an amount equal to 1.0% of the adjusted revenue estimate from the General Fund surplus be appropriated to the Senior Living Trust Fund before the surplus is appropriated to the Cash Reserve Fund. If the surplus is less than 2.0% of the adjusted revenue estimate, the amount appropriated to the Senior Living Trust Fund will be equal to one-half of the surplus. The appropriations to the Senior Living Trust Fund are to continue until \$118.0 million has been deposited.

The surplus at the end of FY 2006 is currently estimated at \$148.6 million, which is 2.9% of the adjusted revenue estimate for FY 2006. Therefore, the Senior Living Trust Fund will receive an amount equal to 1.0% of the adjusted revenue estimate (\$50.8 million) from the surplus. The remaining \$97.8 million will be appropriated to the Cash Reserve Fund. ***Under the Governor's proposal, which includes supplemental appropriations and deappropriations totaling \$24.9 million, the estimated FY 2006 ending balance is \$124.7 million. The Governor is recommending the transfer of \$119.7 million of the ending balance to the Property Tax Credit Fund. Of the remaining \$5.0 million, \$2.5 million will be appropriated to the Senior Living Trust Fund and \$2.5 million to the Cash Reserve Fund.***

- ▶ Interest on moneys deposited in the Cash Reserve Fund is credited to the Rebuild Iowa Infrastructure Fund (RIIF).
- ▶ Moneys in the Cash Reserve Fund may be used for cash flow purposes, but shall be returned by the end of the fiscal year.
- ▶ Appropriations from the Fund are allowed if:
 - ◆ The appropriation is for a non-recurring emergency expenditure.



Expenditure Limitation Accounts

- ✦ Funding is contained in a bill or resolution in which the appropriation is the only subject matter.
- ✦ The appropriation is approved by a majority of the members of both chambers and the Governor if the Fund is not reduced below 3.75% of the adjusted revenue estimate. Approval of 60.0% of the members of both chambers and the Governor is required if the Fund is to be reduced below 3.75% of the adjusted revenue estimate.

Generally Accepted Accounting Principles (GAAP) Deficit Reduction Account

- The Generally Accepted Accounting Principles (GAAP) Account receives the amount of Cash Reserve Fund moneys in excess of the required balance. If no GAAP deficit exists, the money is transferred directly to the Economic Emergency Fund.
- The Department of Management must annually file with both houses of the General Assembly a schedule of the items for reducing the GAAP deficit.
- Moneys exceeding the amounts required to retire the GAAP deficit are appropriated to the Economic Emergency Fund.

Iowa Economic Emergency Fund

- The maximum balance of the Economic Emergency Fund is 2.5% of the adjusted revenue estimate for the General Fund as established by the REC. For FY 2006 and FY 2007, the maximum balance for the Fund is estimated at \$122.6 million and \$130.8 million respectively.
- Moneys in excess of the maximum balance of the Economic Emergency Fund are to first be transferred to the Senior Living Trust Fund until the balance of the Senior Living Trust Fund reaches \$118.0 million. After the Senior Living Trust Fund balance reaches \$118.0 million, the excess moneys from the Economic Emergency Fund are transferred to the General Fund.
- Interest on moneys deposited in the Economic Emergency Fund is credited to the Rebuild Iowa Infrastructure Fund (RIIF).
- Moneys in the Economic Emergency Fund may be used for cash flow purposes, but must be returned by the end of the fiscal year.
- Appropriations from the Fund require approval of a majority of the members of both chambers of the General Assembly and the Governor.

Expenditure Limitation Accounts

Rebuild Iowa Infrastructure Fund (RIIF)

- ▶ Funds in the Rebuild Iowa Infrastructure Fund (RIIF) Account must be used for public infrastructure-related expenditures.
- ▶ The RIIF receives a portion of the State Wagering Taxes and other gaming-related fees after the proceeds are allocated as follows:
 - ◆ \$60.0 million to the General Fund.
 - ◆ \$15.0 million to the Vision Iowa Fund. These funds are used to pay the debt service on existing bonds.
 - ◆ \$5.0 million to the School Infrastructure Fund. These funds are used to pay the debt service on existing bonds.
 - ◆ \$70.0 million to the Endowment for Iowa Health Account. This allocation will end at the conclusion of FY 2007.
 - ◆ All remaining State Wagering Tax proceeds are credited to the RIIF.
- ▶ Interest on moneys deposited in the Cash Reserve Fund and the Economic Emergency Fund is credited to the Rebuild Iowa Infrastructure Fund.
- ▶ Interest generated from the Rebuild Iowa Infrastructure Fund remains in the Fund.
- ▶ Statute allows for all or part of the moneys deposited in the GAAP Account to be transferred to the Rebuild Iowa Infrastructure Fund instead of the Economic Emergency Fund.



Flow of General Fund Revenues After Expenditure Limitation

The table and chart on the following pages illustrates the flow of General Fund revenues under Iowa's expenditure limitation law.

Staff Contact: Dave Reynolds (281-6934) dave.reynolds@legis.state.ia.us

General Fund Revenue After Expenditure Limitation

GENERAL FUND REVENUES AFTER EXPENDITURE LIMITATION

STATE OF IOWA
General Fund Revenues after Expenditure Limitation
(Dollars in Millions)

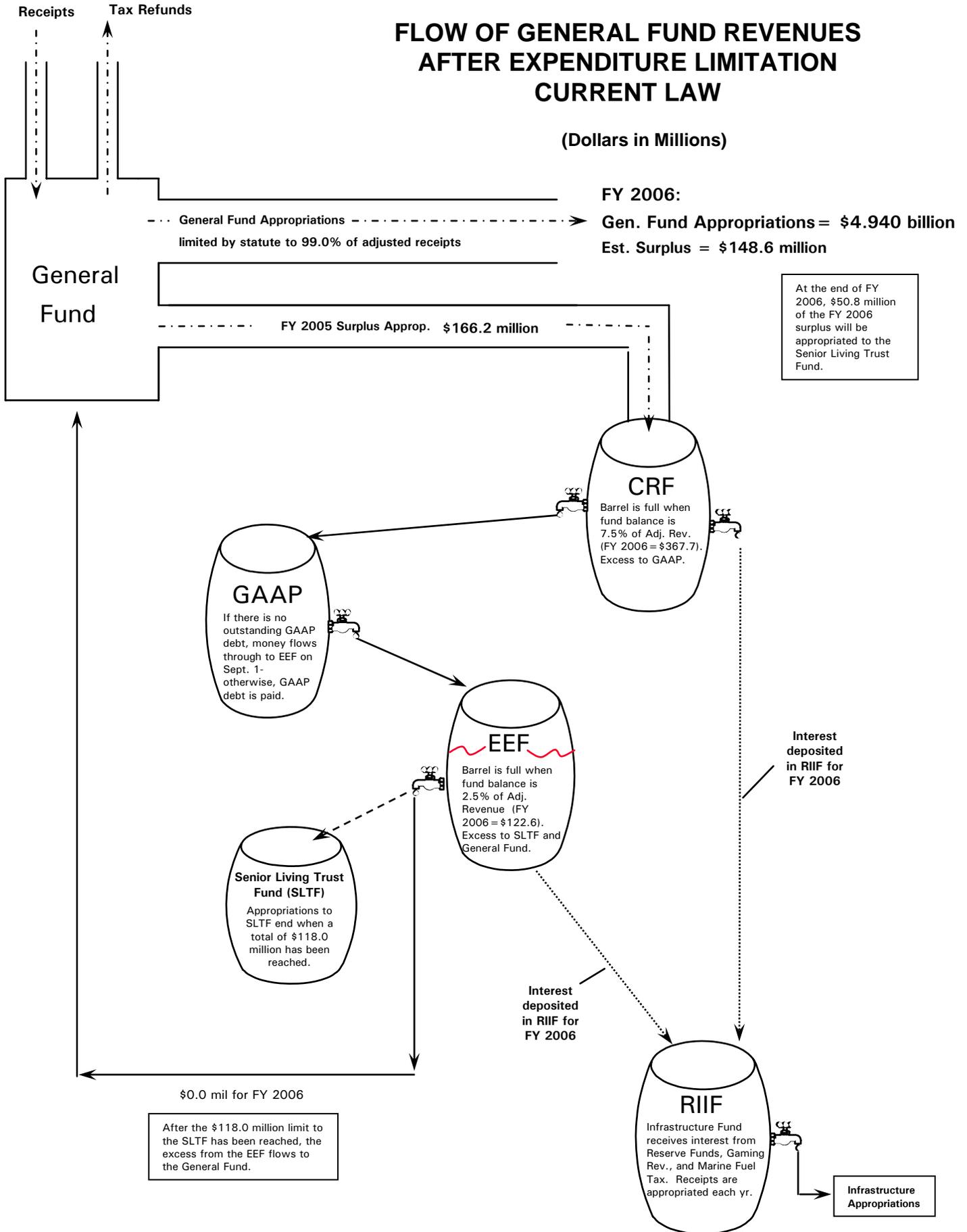
SENIOR LIVING TRUST FUND SURPLUS REIMBURSEMENT	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Balance Brought Forward	\$ 0.0	\$ 0.0	\$ 0.0
Estimated Revenues:			
Gen. Fund Appropriation from Surplus ¹			2.5
Ending Balance	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 2.5</u>
<i>Maximum \$118.0 million</i>			
CASH RESERVE FUND (CRF)	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Balance Brought Forward	\$ 159.7	\$ 222.3	\$ 367.7
Revenues:			
Gen. Fund Appropriation from Surplus	166.0	166.2	2.5
General Fund Approp. (1.0% Requirement) ²	45.5		
Reimbursement from RIIF			
Fed. Economic Stimulus Fund Approp.	10.7		
Total Funds Available	<u>381.9</u>	<u>388.5</u>	<u>370.2</u>
Transfers/Appropriations:			
Transfer to Environment First Fund			
Transfer to Gen. Fund to close out FY 2003			
Appropriated for Property Tax Credits	-159.6		
Excess Transferred to EEF	0.0	- 20.8	0.0
Balance Carried Forward	<u>\$ 222.3</u>	<u>\$ 367.7</u>	<u>\$ 370.2</u>
<i>Maximum 7.5%</i>	<u>\$ 341.3</u>	<u>\$ 367.7</u>	<u>\$ 392.3</u>
IOWA ECONOMIC EMERGENCY FUND (EEF)	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Balance Brought Forward	\$ 3.3	\$ 3.3	\$ 24.1
Estimated Revenues:			
Excess from Cash Reserve	0.0	20.8	0.0
Total Funds Available	<u>3.3</u>	<u>24.1</u>	<u>24.1</u>
Excess Transferred to SLTF/Gen. Fund	0.0	0.0	0.0
Balance Carried Forward	<u>\$ 3.3</u>	<u>\$ 24.1</u>	<u>\$ 24.1</u>
<i>Maximum 2.5%</i>	<u>\$ 113.8</u>	<u>\$ 122.6</u>	<u>\$ 130.8</u>

¹ Section 8.57(2), *Code of Iowa*, requires that if the amount of the surplus is greater than 2.0% of the adjusted revenue estimate, the amount of the appropriation to the Senior Living Trust Fund is 1.0% of the adjusted revenue estimate and the remainder of the surplus is appropriated to the Cash Reserve Fund.

² Section 8.57(1)(a), *Code of Iowa*, requires that an appropriation equal to 1.0% of the Adjusted Revenue Estimate be made if the Cash Reserve Fund balance is equal to or less than 6.5% of the Adjusted Revenue Estimate. If the balance in the Cash Reserve Fund is greater than 6.5% but less than 7.5%, the appropriation will be the amount necessary to bring the balance to 7.5%.

FLOW OF GENERAL FUND REVENUES AFTER EXPENDITURE LIMITATION CURRENT LAW

(Dollars in Millions)



FY 2007 REVENUE ESTIMATES

State General Fund revenues are estimated by a three-member Revenue Estimating Conference (REC), which meets quarterly. The REC was created by statute in 1987 during government reorganization. Current members are:

- Dennis Prouty, Director, LSA
- Mike Ralston, Governor's Designee
- David Underwood, Door Group, Inc.

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

However, in FY 2006, the General Assembly notwithstanding this language and used the April 2005 estimate for FY 2006.

On December 12, 2005, the REC estimated FY 2007 total State General Fund tax revenues, prior to transfers, accruals, and refunds, at \$5.823 billion. This reflects growth in revenue of \$172.3 million (3.0%) compared to the December REC estimate for FY 2006.

The December REC also estimated transfers to the General Fund and General Fund tax refunds. Fiscal year 2007 transfers were estimated at \$63.8 million, an increase of \$1.7 million compared to estimated FY 2006. Fiscal year 2007 tax refunds were estimated at \$581.2 million, a decrease of \$68.2 million compared to estimated FY 2006.

On a net revenue basis, General Fund FY 2007 revenues, after transfers, refunds, and accrued revenues, were estimated at \$5.314.7 billion, \$238.9 million (4.7%) above the estimated FY 2006 level.

The statutory limitation on expenditures is 99.0% of the adjusted revenue estimate plus any General Fund balances from the prior year in excess of Cash Reserve and Economic Emergency Fund requirements. For FY 2007, no excess is anticipated. Expenditure limitation allows expenditure of 100.0% of a new revenue source during the current fiscal year (FY 2006) and expenditure of 95.0% of a new revenue source during the budgeted fiscal year (FY 2007). ***The Governor is recommending revenue law changes projected to result in \$1.0 million in additional General Fund revenue for FY 2006 and \$47.0 million for FY 2007.***

Projected Condition of the General Fund

PROJECTED CONDITION OF THE GENERAL FUND

**STATE OF IOWA
GENERAL FUND BALANCE**

(Dollars in Millions)

	Actual FY 2005	Fiscal Year 2006		Fiscal Year 2007	
		Governor's Recomm.	Current Law	Governor's Recomm.	Legislative Action
Estimated Funds Available:					
Estimated Receipts (Dec. 2005)	\$ 5,657.3	\$ 5,712.4	\$ 5,712.4	\$ 5,886.4	\$ 5,886.4
Revenue Adjustments (Exh. 1)		1.0		47.0	
Tax Refunds	- 696.9	- 649.6	- 649.6	- 581.2	- 581.2
Accruals	- 31.4	13.0	13.0	9.5	9.5
Total Funds Available	<u>4,929.0</u>	<u>5,076.8</u>	<u>5,075.8</u>	<u>5,361.7</u>	<u>5,314.7</u>
Expenditure Limitation				5,306.5	5,261.6
Estimated Appropriations and Expenditures:					
Appropriations (Exh. 2)	4,606.0	4,939.7	4,939.7	5,306.3	
FY 2006 Supplementals		27.9			
FY 2006 Deappropriations		- 3.0			
Total Appropriations	<u>4,606.0</u>	<u>4,964.6</u>	<u>4,939.7</u>	<u>5,306.3</u>	<u>0.0</u>
Reversions	- 2.9	- 12.5	- 12.5	- 12.5	- 12.5
Net Appropriations	<u>4,603.1</u>	<u>4,952.1</u>	<u>4,927.2</u>	<u>5,293.8</u>	<u>- 12.5</u>
Ending Balance - Surplus	<u>\$ 325.9</u>	<u>\$ 124.7</u>	<u>\$ 148.6</u>	<u>\$ 67.9</u>	<u>\$ 0.0</u>
Appropriations to Other Funds					
Property Tax Credit Fund	\$ 159.7	\$ 119.7	\$ 0.0	\$ 0.0	\$ 0.0
Senior Living Trust Fund		2.5	50.8	34.0	
Cash Reserve Fund	166.2	2.5	97.8	34.0	
Total	<u>\$ 325.9</u>	<u>\$ 124.7</u>	<u>\$ 148.6</u>	<u>\$ 67.9</u>	<u>\$ 0.0</u>

Totals may not add due to rounding.

Projected Condition of the General Fund

PROJECTED CONDITION OF THE GENERAL FUND
--

**STATE OF IOWA
GENERAL FUND REVENUE ADJUSTMENTS**
(Dollars in Millions)

Exhibit 1

	<u>FY 2006</u>	<u>FY 2007</u>	
	Governor's Recomm.	Governor's Recomm.	Legislative Action
Revenue Adjustments			
Cigarette and Tobacco Tax Increase	\$ 31.5	\$ 129.9	\$ 0.0
Cigarette and Tobacco Tax Increase - Transferred to Healthy Iowans Tobacco Trust Fund	- 31.5	- 129.9	
-----		25.0	
Combined Corporate Reporting		7.4	
Beer Tax Increase		4.8	
Dept. of Revenue - Enterprise Collections Services		2.2	
-----		2.0	
Increase Court Costs		2.1	
Increase Fines for Misdemeanors/OWI		2.6	
Increase Speeding Fines Under 55 mph		0.7	
-----	1.0	0.2	
Additional DCI Agents for Riverboats			
Additional Racing & Gaming Staff for Riverboats			
Increase in Banking Fees			
Total Revenue Adjustments	<u>\$ 1.0</u>	<u>\$ 47.0</u>	<u>\$ 0.0</u>

Projected Condition of the General Fund

PROJECTED CONDITION OF THE GENERAL FUND

**STATE OF IOWA
GENERAL FUND APPROPRIATIONS**

(Dollars in Millions)

Exhibit 2

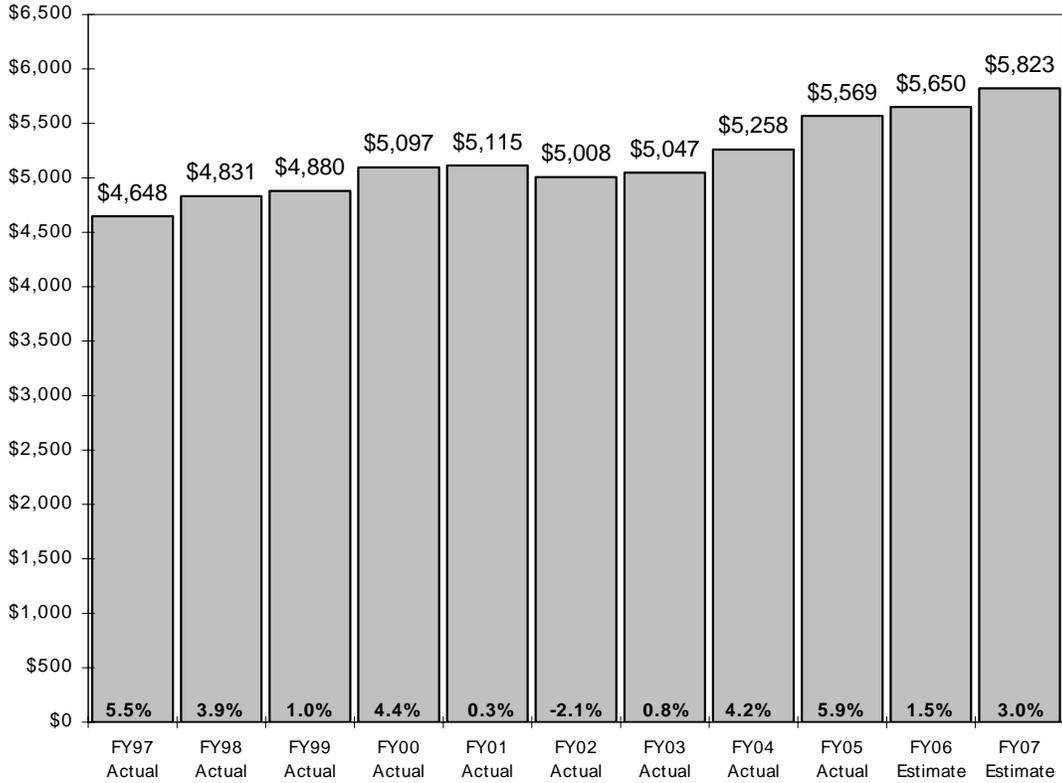
<i>Appropriations by Subcommittee</i>	Actual FY 2005	Fiscal Year 2006		Fiscal Year 2007	
		Governor's Recomm.	Current Law	Governor's Recomm.	Legislative Action
Administration and Regulation	\$ 81.0	\$ 85.4	\$ 85.4	\$ 165.5	
Agriculture and Natural Resources	34.9	36.8	36.8	37.6	
Economic Development	29.9	30.4	30.4	34.1	
Education	893.1	931.2	931.2	1,018.3	
Health and Human Services	859.1	1,027.9	1,027.9	1,108.8	
Justice System	521.5	553.0	553.0	586.1	
Transportation and Capitals	0.1	0.0	0.0		
Other Unassigned Standings	2,186.6	2,275.0	2,275.0	2,355.8	
Supplementals & Deappropriations	0.0	24.9	0.0	0.0	
Total Appropriations	\$ 4,606.2	\$ 4,964.6	\$ 4,939.7	\$ 5,306.2	

<i>Appropriations Adjustments</i>	Actual FY 2005	Fiscal Year 2006		Fiscal Year 2007	
		Governor's Recomm.	Current Law	Governor's Recomm.	Legislative Action
Appropriations prior to Adjustments	\$ 4,464.3	\$ 4,938.6	\$ 4,938.6	\$ 5,306.3	
Item Vetoes	- 0.1				
SF 2311 Workforce Dev. Supplemental	6.5				
Supplemental Appropriations	80.5	27.9			
Deappropriations		- 3.0			
Cash Reserve Fund Requirement	45.5				
Adjustments to Standings	9.5	1.1	1.1		
Total Appropriations	\$ 4,606.2	\$ 4,964.6	\$ 4,939.7	\$ 5,306.3	

General Fund Receipts and Percent of Growth

STATE GENERAL FUND RECEIPTS AND GROWTH PERCENT FY 1997 - FY 2007

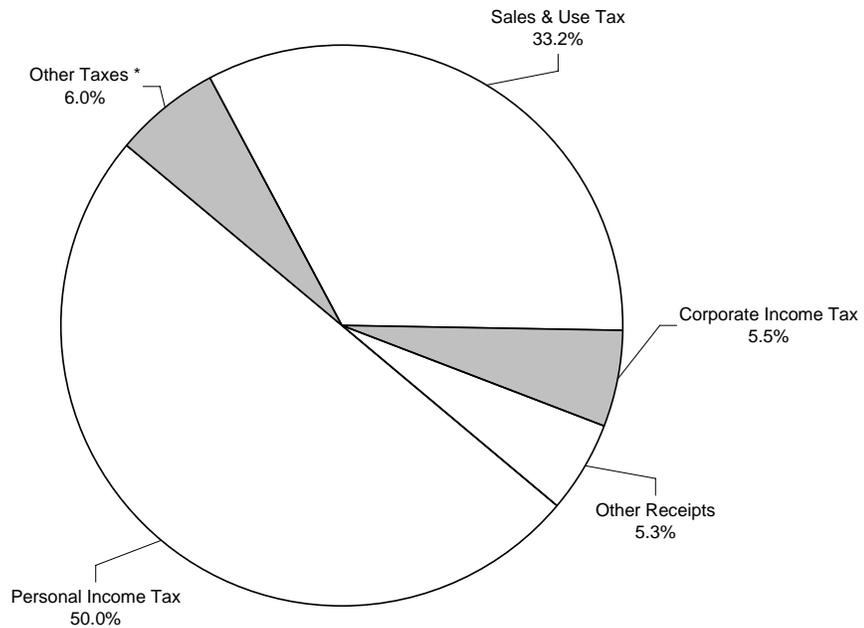
(Dollars in Millions)



Note: The FY 2006 and FY 2007 figures are as estimated by the December 12, 2005, Revenue Estimating Conference. The amounts reflect gross cash tax revenues and other receipts deposited to the General Fund. The amounts are not adjusted for transfers, tax refunds and accrued revenue adjustments.

FY 2007 General Fund Receipts Chart

FY 2007 ESTIMATED GROSS GENERAL FUND RECEIPTS



Total Estimated FY 2007 Gross General Fund Receipts: \$5.823 billion

Note: As estimated by the December 12, 2005, Revenue Estimating Conference.

Cash basis total revenues. Does not include transfer revenue (\$63.8 million), adjustments for net accrued revenue (\$+9.5 million), and tax refunds (\$-581.2 million).

Totals may not add due to rounding.

* Other Taxes include: Inheritance, Insurance, Cigarette, Tobacco, Beer, and Franchise Tax

General Fund Revenue Projection

FY 2006 AND FY 2007 GENERAL FUND REVENUE PROJECTIONS

(Dollars in Millions)

	FY 2005	% Change FY 2005 vs.	REC FY 2006	% Change FY 2006 Est.	REC FY 2007	% Change FY 2007 Est.
	<u>Actual</u>	<u>FY 2004</u>	<u>Estimate</u>	<u>vs. FY 2005</u>	<u>Estimate</u>	<u>vs. FY 2006</u>
Tax Receipts						
Personal Income Tax	\$2,782.3	7.3%	\$2,811.9	1.1%	\$2,913.9	3.6%
Sales/Use Tax	1,812.3	4.6%	1,872.7	3.3%	1,935.0	3.3%
Corporate Income Tax	280.9	19.6%	311.4	10.9%	319.2	2.5%
Inheritance Tax	78.4	-2.1%	70.9	-9.6%	69.6	-1.8%
Insurance Premium Tax	130.9	-5.3%	128.3	-2.0%	126.4	-1.5%
Cigarette Tax	87.4	0.3%	89.1	1.9%	90.9	2.0%
Tobacco Tax	8.7	8.7%	8.9	2.3%	9.1	2.2%
Beer Tax	14.0	0.0%	14.3	2.1%	14.6	2.1%
Franchise Tax	35.4	-6.8%	35.4	0.0%	35.8	1.1%
Miscellaneous Tax	0.6	-45.5%	1.0	66.7%	1.0	0.0%
Total Tax Receipts	<u>5,230.9</u>	6.2%	<u>5,343.9</u>	2.2%	<u>5,515.5</u>	3.2%
Other Receipts						
Institutional Payments	12.7	-7.3%	12.4	-2.4%	12.9	4.0%
Liquor Profits	59.0	1.7%	61.8	4.7%	61.8	0.0%
Interest	9.7	27.6%	10.4	7.2%	12.0	15.4%
Fees	72.3	-9.4%	72.5	0.3%	70.4	-2.9%
Judicial Revenue	59.2	2.8%	60.9	2.9%	61.9	1.6%
Miscellaneous Receipts	65.1	17.7%	28.4	-56.4%	28.1	-1.1%
Racing and Gaming	60.0	0.0%	60.0	0.0%	60.0	0.0%
Total Other Receipts	<u>338.0</u>	1.8%	<u>306.4</u>	-9.3%	<u>307.1</u>	0.2%
Total Taxes & Other Receipts	<u>5,568.9</u>	5.9%	<u>5,650.3</u>	1.5%	<u>5,822.6</u>	3.0%
Transfers						
Lottery	49.3	12.3%	53.3	8.1%	55.4	3.9%
Other Transfers	39.1	187.5%	8.8	-77.5%	8.4	-4.5%
Total Transfers	<u>88.4</u>	53.7%	<u>62.1</u>	-29.8%	<u>63.8</u>	2.7%
Total Receipts & Transfers	<u>5,657.3</u>	6.4	<u>5,712.4</u>	1.0%	<u>5,886.4</u>	3.0%
Accrued Revenue (net)	-31.4		13.0		9.5	
Tax Refunds	-696.9	-2.5%	-649.6	-6.8%	-581.2	-10.5%
Net General Fund Receipts	<u>\$4,929.0</u>	5.2%	<u>\$5,075.8</u>	3.0%	<u>\$5,314.7</u>	4.7%

Note: The Revenue Estimating Conference estimated FY 2006 and FY 2007 General Fund revenues on December 12, 2005. The individual revenue items are projected on a July 1 to June 30 gross cash year basis and do not reflect accrued revenues. The revenue total is adjusted for accruals by the Accrued Revenue (net) line at the bottom of the table. Tax refunds are reported on a fiscal year basis.

GOVERNOR'S FY 2006 AND FY 2007 GENERAL FUND RECOMMENDATIONS

FY 2006 Recommendation – Supplemental Appropriations – General Fund

The Governor is recommending FY 2006 General Fund supplemental appropriations totaling \$27.9 million. The supplemental appropriations include:

- ❖ **\$3.3 million for the Department of Corrections** – Provides \$625,000 to fund existing staff in Central Office, \$1.3 million to staff perimeter guard towers at Fort Madison, \$1.2 million for increased natural gas cost expenses, and \$125,000 for County Confinement expenditures.
- ❖ **\$13.8 million for the Department of Human Services** – Provides \$13.5 million for Medicaid for a portion of the supplemental need and \$250,000 for the Mental Health Institute at Clarinda for standards being required by the federal Centers for Medicare and Medicaid Services (CMS).
- ❖ **\$4.0 million for the Department of Inspections and Appeals** – Provides additional funds to cover increased claim expenditures from the Indigent Defense Program.
- ❖ **\$75,000 for College Student Aid Commission** – Provides additional funding for the National Guard Education Assistance Program.
- ❖ **\$1.0 million for the Department of Public Defense** – Provides funding for the Homebuyer Program to assist current and former Iowa National Guard members, Iowa-based reservists, and active duty personnel with down payments and closing costs.
- ❖ **\$1.4 million for the Department of Public Safety** – Provides \$1.0 million for additional gaming officers due to gaming expansion language from the 2005 Legislation Session. The increase will be offset by increased gaming revenue deposited into the General Fund. Also, the Governor is recommending \$400,000 to the Administration Division for increased Department of Administrative Services (DAS) billings.
- ❖ **\$2.0 million for the Board of Regents** – Provides funding to pay the deductible portion of an insurance claim for a fire at Gilchrist Hall at the University of Northern Iowa.
- ❖ **\$400,000 for the Secretary of State** – Provides funding for additional operating costs associated with the state-wide voter registration system as required by federal Help America Vote Act (HAVA) language.

Governor's FY 2006 and FY 2007 General Fund Recommendations

- ❖ **\$2.0 million for the Department of Veterans Affairs** – The Governor is recommending \$2.0 million for the Disabled Veterans Program to provide a \$10,000 benefit to veterans with combat injury or disability since September 11, 2001.

FY 2006 Recommendation – Supplemental Appropriations – Other Funds

- ❖ **\$31.5 million for the Department of Human Services** – The Governor is recommending \$31.5 million from the Healthy Iowans Tobacco Trust Fund to fund a portion of the FY 2006 Medicaid supplemental need. The increased funding is from the proposed Cigarette and Tobacco Tax increase.

FY 2006 Recommendation – General Fund Deappropriation

- ❖ **\$3.0 million for the Iowa Veteran's Home** – The Governor is recommending a \$3.0 million deappropriation from operations due to the additional Medicaid funding that is being received by the Home as a result of a federal requirement.

FY 2006 Recommendation – Contingency Supplemental Appropriation – General Fund

- ❖ **\$5.0 million for the Department of Public Health** – The Governor is recommending \$5.0 million for the Low Income Home Energy Assistance Program (LIHEAP) for heating assistance to low income Iowans. The appropriation is contingent upon federal legislative action.

FY 2006 and FY 2007 Recommendation – Revenues

The Governor's FY 2006 and FY 2007 General Fund budget recommendation proposes revenue adjustments resulting in an overall net revenue increase of \$32.5 million for FY 2006 and \$176.9 million for FY 2007. Of this amount, the net General Fund revenue increase is \$1.0 million for FY 2006 and \$47.0 million for FY 2007. The revenue changes include:

- ❖ **Cigarette and Tobacco Tax** – The Governor is recommending a cigarette tax increase of \$0.80 per pack of 20, effective April 1, 2006. This would make Iowa's cigarette tax \$1.16 per pack. The recommendation also includes a corresponding increase in the tax on tobacco products not covered by the cigarette tax. The Governor projects the increase will generate an additional \$31.5 million in FY 2006 and \$129.9 million in FY 2007. For FY 2006, the Governor recommends depositing the \$31.5 million into the Healthy Iowans Tobacco Trust Fund. Beginning in FY 2007, the Governor recommends depositing the first \$129.9 million from the cigarette and tobacco tax increase into the Healthy Iowans Tobacco Trust Fund. All additional cigarette and tobacco tax revenues will be deposited into the General Fund.
- ❖ **Combined Corporate Income Tax Reporting** – The Governor is recommending requiring closely-related corporations to file combined Iowa corporate tax returns.

Governor's FY 2006 and FY 2007 General Fund Recommendations

Under current Iowa law and practice, corporations are generally allowed to file tax returns for each separate entity or subsidiary. This method reduces the overall tax liability of the closely-related corporation. The Governor states that combined reporting will increase General Fund tax revenues by \$25.0 million in FY 2007.

- ❖ **Beer Tax Rate Increase** – The Governor is recommending increasing the tax on beer by \$0.10 per gallon. The current tax rate is \$5.89 per 31-gallon barrel (\$0.19 per gallon). This change is projected to increase General Fund receipts by \$7.4 million in FY 2007.
- ❖ **Increased Net Revenue Collections** – The Governor is recommending funding Department of Revenue collection efforts directly from General Fund revenue instead of through the current appropriation process. The Department projects additional FY 2007 revenue of \$11.0 million under the proposed system. After expending \$6.2 million on collection expenses, the Department expects to deposit \$4.8 million in net proceeds to the General Fund.
- ❖ **Increased Court Costs** – The Governor is recommending increasing fees for criminal case filing and docketing, non-scheduled simple misdemeanors, and scheduled violations for required and non-required court appearances from \$30 to \$35. The change is projected to raise \$2.2 million per year, starting in FY 2007.
- ❖ **Increased Misdemeanor and OWI fines** – The Governor is recommending a 25.0% increase in fines for simple, serious, and aggravated misdemeanors, as well as fines for Operating While Intoxicated (OWI). The change is projected to raise \$2.0 million per year starting in FY 2007.
- ❖ **Increased Speeding Fines** – The Governor is recommending an increase for speeding fines for violations under 55 miles per hour, similar to the over 55 mph increase passed during the 2005 Legislative Session. This change is estimated to generate approximately \$2.1 million in additional revenue to the General Fund in FY 2007.
- ❖ **Increased Riverboat Enforcement Reimbursements** – The Governor is recommending increased personnel for the Departments of Inspection and Appeals and Public Safety for riverboat regulation and enforcement. The increased revenues include \$1.0 million in FY 2006 and \$3.3 million in FY 2007. However, the revenue will be offset by corresponding appropriations to the Departments of Inspections and Appeals and Public Safety for regulation and enforcement of the riverboat casinos licensed in May 2005.
- ❖ **Increased Banking Fees Revenue** – The Governor is recommending an increase in bank regulation reimbursement revenue of \$200,000, beginning in FY 2007. The revenue will be offset by a similar appropriation increase to the Department of Commerce Banking Division.

Governor's FY 2006 and FY 2007 General Fund Recommendations

FY 2007 Recommendation – General Fund Appropriations

The Governor's FY 2007 General Fund budget recommendation proposes appropriations totaling \$5.306 billion. This is an increase of \$366.6 million (7.4%) compared to estimated FY 2006. Significant increases include:

Administration and Regulation:

- ❖ \$39.9 million for deposit into the Property Tax Credit Fund. The Governor also recommends transferring \$119.7 million from the estimated FY 2006 General Fund ending balance to the Property Tax Credit Fund. This will provide a total of \$159.6 million to be appropriated for property tax credits in FY 2007.
- ❖ \$39.9 million for salary adjustment to fund collective bargaining agreements. This does not include salary funding for the Board of Regents and represents approximately 70.0% of the amount needed to fund the non-Regents salary increases.

Economic Development: \$2.3 million from the General for the Bioscience Alliance and an additional \$2.8 million from the Economic Stimulus and Jobs Fund. The Governor is also recommending a total of \$20.0 million be appropriated to the Board of Regents from non-General Fund sources to implement recommendations from the Battelle Report, and a \$250,000 increase to start a Lean Manufacturing Institute.

Education:

- ❖ \$3.0 million for the Tuition Grant Program administered by the College Student Aid Commission.
- ❖ \$30.0 million for Student Achievement/Teacher Quality Act Program.
- ❖ \$15.0 million for Voluntary Preschool Access.
- ❖ \$6.0 million for Community College General Aid.
- ❖ \$30.5 million for the Board of Regents.
- ❖ \$84.3 million for School Foundation Aid to fund the 4.0% allowable growth for FY 2007, and restore the \$10.0 million of the Area Education Agencies' (AEAs) additional \$11.8 million reduction which occurred in FY 2005 and FY 2006. Additionally, the Governor is recommending a 4.0% allowable growth rate for FY 2008. At this growth rate, State Foundation Aid is projected to cost the General Fund \$2.152 billion in FY 2008, which is an increase of \$103.2 million compared to the estimated FY 2007 State Foundation Aid.

Governor's FY 2006 and FY 2007 General Fund Recommendations

Health and Human Services:

- ❖ \$4.0 million for the Addictive Disorders Program in the Department of Public Health.
- ❖ \$51.1 million for Medical Assistance (Medicaid). The Governor is also recommending appropriations totaling \$167.7 million from non-General Fund sources for Medicaid in FY 2007. The Governor's recommendation includes a deferral of \$57.0 million of estimated Medicaid need to a future fiscal year.
- ❖ \$3.1 million for the State Children's Health Insurance Program.
- ❖ \$9.9 million for Child Care Services.
- ❖ \$7.3 million for Mental Health Allowable Growth to maintain the funding at the statutory level.

Justice System:

- ❖ \$10.0 million for Corrections Institutions.
- ❖ \$3.1 million for CBC Districts.
- ❖ \$6.5 million for Indigent Defense.
- ❖ \$4.8 million for the Judicial Branch.
- ❖ \$5.6 million for the Department of Public Safety.

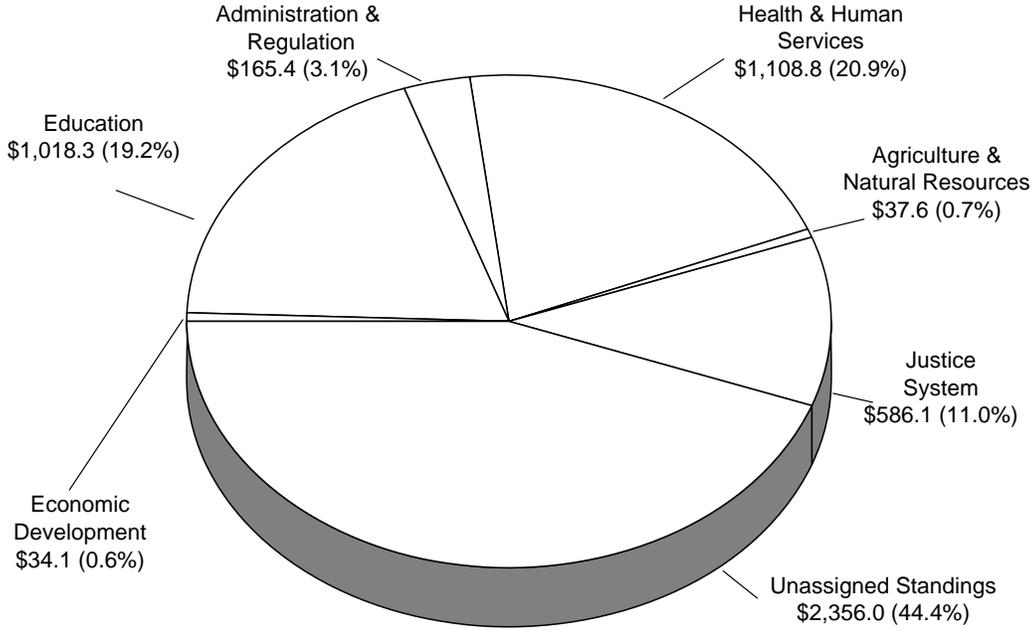
Projected Ending Balance – The Governor's FY 2007 proposed expenditures are \$0.2 million lower than the calculated expenditure limitation. The Governor's projected ending balance for FY 2007 is \$67.9 million.

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General Fund Governor's Recommendations

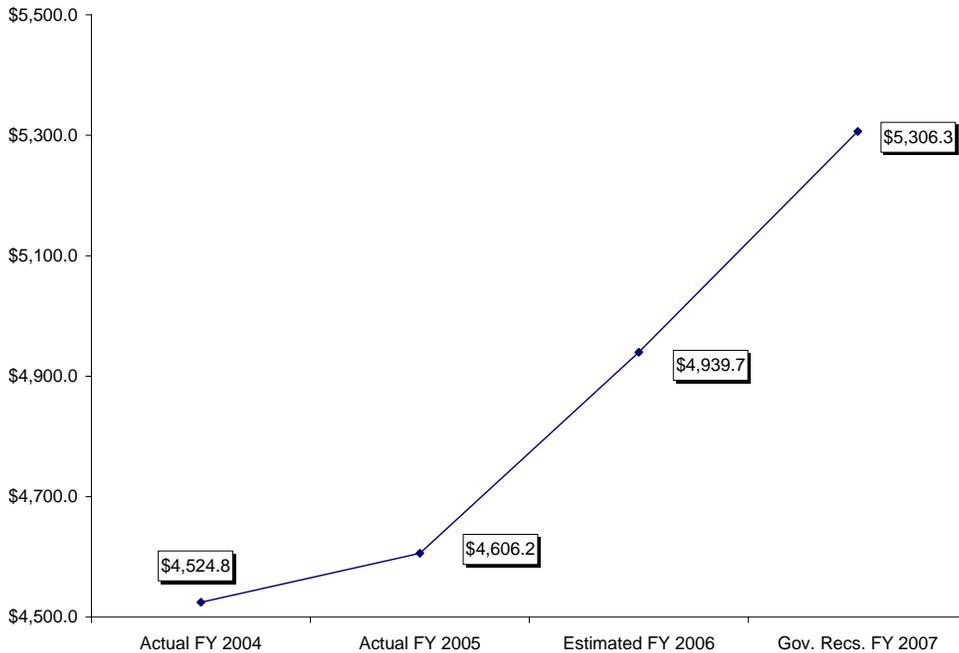
FY 2007 GENERAL FUND GOVERNOR'S RECOMMENDATIONS

Total FY 2007 Recommendations: \$5,306.3 million
(Dollars in Millions)



Totals may not add due to rounding.

Appropriations for FY 2004 – FY 2006 and Governor's Recommendations for FY 2007
(Dollars in Millions)



FY 2007 BUDGET OFFER PROCESS

In FY 2006, the Governor and Lt. Governor implemented a new budgeting process entitled “Purchasing Results”, which the Governor and Executive Branch agencies used in preparing the FY 2006 budget recommendations. State agencies were directed to use the new process to prepare the FY 2007 budget requests, in lieu of the statutory process, which was based on a 75.0% base budget concept. House File 882 (Standing Appropriations Act) authorized language establishing the Purchasing Results process. Under the new process, all State spending is expected to be tied to buying results which are aligned with the seven joint appropriation subcommittees established by the General Assembly.

The Purchasing Results process includes State agencies developing budget offers, or “ideas,” and selling these offers to one of seven Executive Branch buying teams. The offers describe services the departments will provide, the cost of the proposed services, and the anticipated results the department plans to achieve with the requested funding. **In certain instances, offers incorporate more than one department and include multiple appropriations and funding sources.**

The tables within the Subcommittee section of this document present the appropriation requests by State agency and line-item appropriation. The tables also reference the offer for which the appropriation is associated. Not all appropriations are associated with an offer. For example, State agencies under the direction of elected officials or the Judicial and Legislative Branches were not required to participate in the offer process.

Appendix D provides a complete listing of the department offers and a brief summary of each offer. The following spreadsheet summarizes budget offers by Subcommittee.

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Summary of the Governor's Recommended Budget Offers for FY 2007

Subcommittee/Special Department Name	Offer Name	Offer	General Fund	Other Funds	Total
Administration and Regulation Subcommittee					
030SD Administrative Services, Department of	DAS, Central Administration	005_ADM_001	\$ 8,726,351	\$ 0	\$ 8,726,351
030SD Administrative Services, Department of	EIP - Information Security Office (ISO) / COOP-COG	005_ADM_002	248,426	0	248,426
030SD Administrative Services, Department of	SAE/Cash Management Improvement Act	005_ADM_004	436,250	0	436,250
030SD Administrative Services, Department of	SAE/Unemployment Compensation	005_ADM_005	538,750	0	538,750
030SD Administrative Services, Department of	GSE/Essential Utility Service for Capitol Complex & Ankeny L	005_ADM_006	3,420,865	0	3,420,865
030SD Administrative Services, Department of	HRE/State of Iowa Wellness Program	005_ADM_025	0	0	0
030SD Administrative Services, Department of	ITE/Technology Governance Board (TGB) Support/Operations	005_ADM_027	50,000	0	50,000
030SD Administrative Services, Department of	SAE/Sick Leave Incentive Progr	005_ADM_029	100,000	0	100,000
190SD Commerce, Department of	Alcoholic Beverage Licensing / Reg & Liquor Wholesaling Op	212_ADM_001	1,930,962	0	1,930,962
190SD Commerce, Department of	IDOB & PLD	213_ADM_001	8,015,470	62,317	8,077,787
190SD Commerce, Department of	Credit Union Division	214_ADM_001	1,455,874	0	1,455,874
190SD Commerce, Department of	Iowa Insurance Division	216_ADM_001	4,517,481	0	4,517,481
190SD Commerce, Department of	Reasonably Priced, Reliable and Safe Utility Services for IA	219_ADM_001	7,230,820	0	7,230,820
400SD Governor/Lt. Governor's Office	Governor and Lt. Governor's Office Budget	350_ADM_001	2,762,548	0	2,762,548
450SD Human Rights, Department of	DHR administration	379_ADM_711	387,028	0	387,028
450SD Human Rights, Department of	Asian and Pacific Islanders	379_ADM_731	86,000	0	86,000
450SD Human Rights, Department of	Persons with Hearing Loss Access to Programs, Services, Info	379_ADM_741	374,367	0	374,367
450SD Human Rights, Department of	Access Iowa (Persons with Disab-DHR)	379_ADM_751	193,531	0	193,531
450SD Human Rights, Department of	Cultural Competency (Persons with Disab-DHR)	379_ADM_752	0	0	0
450SD Human Rights, Department of	Latino Affairs (DHR)	379_ADM_761	170,749	0	170,749
450SD Human Rights, Department of	Full participation by women	379_ADM_771	335,501	0	335,501
450SD Human Rights, Department of	Enhanced pre-employment services for Iowans in Transition	379_ADM_772	0	0	0
450SD Human Rights, Department of	Enhanced training on issues of violence against women	379_ADM_773	0	0	0
450SD Human Rights, Department of	Advocating for Inclusion	379_ADM_781	171,655	0	171,655
450SD Human Rights, Department of	Cultural Competence (Status Afr-Amer-DHR)	379_ADM_782	0	0	0
450SD Human Rights, Department of	Summer Enrichment Academy (Status of Afr-Amer-DHR)	379_ADM_783	0	0	0
450SD Human Rights, Department of	Justice Research, Evaluation and Decision Support Serv(CJJP)	379_ADM_791	763,398	0	763,398
450SD Human Rights, Department of	Juvenile Justice Community Planning Services	379_ADM_792	64,000	0	64,000
450SD Human Rights, Department of	Criminal Justice Information System Integration	379_ADM_793	270,628	0	270,628
450SD Human Rights, Department of	Iowa Collaboration for Youth Development (CJJP)	379_ADM_796	0	0	0
495SD Inspections & Appeals, Department of	Targeted Small Business Certification	427_ADM_001	37,867	0	37,867
495SD Inspections & Appeals, Department of	Social & Charitable Gambling	427_ADM_002	85,417	0	85,417
495SD Inspections & Appeals, Department of	Food and Consumer Safety	427_ADM_003	1,244,691	0	1,244,691
495SD Inspections & Appeals, Department of	Administrative Hearings	427_ADM_004	778,962	0	778,962
495SD Inspections & Appeals, Department of	Administrative Hearings	427_ADM_004	0	1,482,436	1,482,436
495SD Inspections & Appeals, Department of	Health Facilities	427_ADM_005	2,774,412	0	2,774,412
495SD Inspections & Appeals, Department of	Investigations	427_ADM_006	1,448,734	0	1,448,734
495SD Inspections & Appeals, Department of	Audits	427_ADM_007	186,560	0	186,560
495SD Inspections & Appeals, Department of	Child Advocacy Board	427_ADM_008	2,068,667	0	2,068,667
495SD Inspections & Appeals, Department of	Employment Appeal Board	427_ADM_009	54,600	0	54,600
495SD Inspections & Appeals, Department of	Racing and Gaming Commission	429_ADM_001	5,856,834	0	5,856,834
640SD Management, Department of	State and Local Budget and Accountability for Results	532_ADM_001	2,802,203	56,000	2,858,203
640SD Management, Department of	State Appeal Board	532_ADM_002	4,387,500	0	4,387,500
640SD Management, Department of	LEAN/Process Improvement	532_ADM_003	222,000	0	222,000
640SD Management, Department of	Indian Settlement Officer	532_ADM_004	0	0	0
640SD Management, Department of	Iowa Special Olympics	532_ADM_005	0	0	0
640SD Management, Department of	Local Government Innovation Fund	532_ADM_006	1,000,000	0	1,000,000
700SD IPERS Administration	Investment Management	553_ADM_001	0	745,522	745,522
700SD IPERS Administration	Retirement Services	553_ADM_002	0	3,080,132	3,080,132
700SD IPERS Administration	Member Services	553_ADM_003	0	2,644,493	2,644,493

Summary of the Governor's Recommended Budget Offers for FY 2007

Subcommittee/Special Department Name	Offer Name	Offer	General Fund	Other Funds	Total
700SD IPERS Administration	Employer Relations and Data Management	553_ADM_004	0	1,115,976	1,115,976
700SD IPERS Administration	Governance, Plan Design and Financial Control	553_ADM_005	0	1,891,311	1,891,311
700SD IPERS Administration	Benefits Administration System Modernization	553_ADM_006	0	7,278,697	7,278,697
810SD Revenue, Department of	Enterprise Collection Services	625_ADM_001	0	0	0
810SD Revenue, Department of	Achieving Compliance with Iowa's Tax Laws	625_ADM_002	11,992,942	0	11,992,942
810SD Revenue, Department of	Processing \$6 Billion of Tax Receipts to Fund State Gov Serv	625_ADM_003	5,791,477	0	5,791,477
810SD Revenue, Department of	Property Tax Administration	625_ADM_004	1,753,204	0	1,753,204
810SD Revenue, Department of	Tax Research & Program Analysis	625_ADM_005	601,229	0	601,229
810SD Revenue, Department of	IDR Operations-Internal Services - Central Services	625_ADM_006	2,856,263	0	2,856,263
810SD Revenue, Department of	Local Government Tax Credit	625_ADM_007	0	159,663,964	159,663,964
810SD Revenue, Department of	Creation of the Property Assessment Appeal Board	625_ADM_008	277,401	0	277,401
810SD Revenue, Department of	SAVE Appropriation	625_ADM_010	0	10,000,000	10,000,000
810SD Revenue, Department of	Printing Cigarette Stamps	625_ADM_011	128,000	0	128,000
810SD Revenue, Department of	Collection Costs and Fees	625_ADM_012	27,462	0	27,462
810SD Revenue, Department of	Motor Vehicle Fuel Tax-Admin Approp Increase	625_ADM_013	0	5,373	5,373
417SD Governor's Office of Drug Control Policy	Drug Control Efforts to Reduce Substance Abuse in Iowa	642_ADM_001	307,730	0	307,730
417SD Governor's Office of Drug Control Policy	Enhancement I to Drug Control Efforts	642_ADM_003	0	0	0
417SD Governor's Office of Drug Control Policy	Enhancement II to Drug Control Efforts	642_ADM_004	0	0	0
Total Administration and Regulation Subcommittee			\$ 88,934,809	\$ 188,026,221	\$ 276,961,030
Agriculture and Natural Resources Subcommittee					
25 660SD Natural Resources, Department of	Public Lands and Outdoor Recreation	542_ANR_001	\$ 8,800,611	\$ 0	\$ 8,800,611
660SD Natural Resources, Department of	Watershed Protection and Restoration	542_ANR_002	5,199,533	0	5,199,533
660SD Natural Resources, Department of	Health and the Environment	542_ANR_003	3,792,435	0	3,792,435
660SD Natural Resources, Department of	Fish And Wildlife Operations	542_ANR_004	0	32,477,525	32,477,525
660SD Natural Resources, Department of	Groundwater Protection	542_ANR_005	0	3,455,832	3,455,832
660SD Natural Resources, Department of	UST Administration Match	542_ANR_006	0	200,000	200,000
660SD Natural Resources, Department of	Local Watershed Improvement Efforts	542_ANR_007	0	0	0
660SD Natural Resources, Department of	State Park Operations & Safety	542_ANR_008	75,000	0	75,000
660SD Natural Resources, Department of	Healthy IA Lakes & Wetlands Demonstration Projects	542_ANR_009	0	0	0
660SD Natural Resources, Department of	Pollution Prevention Intern Program	542_ANR_010	50,000	0	50,000
660SD Natural Resources, Department of	Fish & Wildlife Operations Enhancement	542_ANR_011	0	1,845,000	1,845,000
660SD Natural Resources, Department of	Energy Programs Continuation	542_ANR_012	100,000	0	100,000
956SD Natural Resources Capital	Resource Enhancement & Protection Program	543_ANR_001	0	11,000,000	11,000,000
956SD Natural Resources Capital	Marine Fuel Tax Capitals	543_ANR_002	0	2,300,000	2,300,000
956SD Natural Resources Capital	Lake Restoration	543_ANR_003	0	500,000	500,000
956SD Natural Resources Capital	Water Quality Monitoring	543_ANR_004	0	2,955,000	2,955,000
956SD Natural Resources Capital	GIS Data for Watershed Managers	543_ANR_005	0	195,000	195,000
956SD Natural Resources Capital	Keepers of the Land Volunteer Program	543_ANR_006	0	100,000	100,000
956SD Natural Resources Capital	Park Operations & Maintenance	543_ANR_007	0	2,000,000	2,000,000
956SD Natural Resources Capital	Water Supply Appropriation	543_ANR_008	0	500,000	500,000
956SD Natural Resources Capital	Water Quality Monitoring Enhancement	543_ANR_009	0	0	0
660SD Natural Resources, Department of	Air Quality Livestock Monitoring	543_ANR_010	275,000	0	275,000
956SD Natural Resources Capital	Resource Enhancement & Protection Enhancement	543_ANR_011	0	800,000	800,000
956SD Natural Resources Capital	Marine Fuel Tax Capitals Enhancement	543_ANR_012	0	200,000	200,000
956SD Natural Resources Capital	Lake Restoration Enhancement	543_ANR_013	0	0	0
276SD Iowa Finance Authority	Water Quality Improvements	543_ANR_014	0	20,000,000	20,000,000
Total Agriculture and Natural Resources Subcommittee			\$ 18,292,579	\$ 78,528,357	\$ 96,820,936

Summary of the Governor's Recommended Budget Offers for FY 2007

Subcommittee/Special Department Name	Offer Name	Offer	General Fund	Other Funds	Total
Economic Development Subcommittee					
245SD Cultural Affairs, Department of	Iowa Great Places	259_ECO_001	\$ 500,000	\$ 1,000,000	\$ 1,500,000
270SD Economic Development, Department of	Business Development and Marketing	269_ECO_001	6,990,924	0	6,990,924
270SD Economic Development, Department of	Business Financial Assistance	269_ECO_002	229,191	500,000	729,191
270SD Economic Development, Department of	Job Training for New and Existing Employees	269_ECO_003	304,295	8,000,000	8,304,295
270SD Economic Development, Department of	Iowa Career Consortium (ICC)	269_ECO_004	275,709	0	275,709
270SD Economic Development, Department of	Development of Major Community Attractions	269_ECO_005	36,197	12,000,000	12,036,197
270SD Economic Development, Department of	Financing for Housing, Water, Sewer & Community Facilities	269_ECO_006	1,152,461	0	1,152,461
270SD Economic Development, Department of	Tourism Promotion	269_ECO_007	3,256,976	0	3,256,976
270SD Economic Development, Department of	Downtown Resource Development/Main Street	269_ECO_008	678,159	0	678,159
270SD Economic Development, Department of	Community Development Assistance	269_ECO_009	1,021,500	0	1,021,500
270SD Economic Development, Department of	Grow Iowa Values Fund	269_ECO_010	50,000,000	0	50,000,000
270SD Economic Development, Department of	Bioscience Alliance	269_ECO_011	2,309,252	2,800,000	5,109,252
276SD Iowa Finance Authority	State Housing Trust Fund	270_ECO_001	1,000,000	0	1,000,000
276SD Iowa Finance Authority	Entrepreneurs with Disabilities Program	270_ECO_002	200,000	0	200,000
276SD Iowa Finance Authority	Ch 16 State Income Tax Exempt Bonds	270_ECO_003	0	0	0
320SD Iowa Workforce Development	Expanding Iowa's Productive Workforce-Health, Safety & EWB	309_ECO_001	5,478,800	0	5,478,800
320SD Iowa Workforce Development	Expanding Iowa's Productive Workforce-Field Office Network	309_ECO_002	6,856,655	0	6,856,655
320SD Iowa Workforce Development	Skill Credentials Initiative	309_ECO_003	0	0	0
320SD Iowa Workforce Development	Tier2 Reporting	309_ECO_004	0	0	0
755SD Public Employment Relations Board	Meeting the mandates of Chapter 20	572_ECO_001	1,030,607	0	1,030,607
800SD Regents, Board of	BOR Economic Development	615_ECO_003	2,971,853	20,000,000	22,971,853
26 Total Economic Development Subcommittee			\$ 84,292,579	\$ 44,300,000	\$ 128,592,579
Education Subcommittee					
130SD Blind, Iowa Commission for the	Blind General Operations	131_EDU_001	\$ 1,954,105	\$ 0	\$ 1,954,105
130SD Blind, Iowa Commission for the	Blind Older Iowans	131_EDU_002	0	0	0
130SD Blind, Iowa Commission for the	Blind Vocational Rehabilitation	131_EDU_003	0	0	0
130SD Blind, Iowa Commission for the	Blind Business Enterprises	131_EDU_004	0	0	0
130SD Blind, Iowa Commission for the	Blind Project Assist	131_EDU_005	0	0	0
130SD Blind, Iowa Commission for the	Blind In Home Recording	131_EDU_006	0	0	0
130SD Blind, Iowa Commission for the	Blind Learning Disabilities	131_EDU_007	0	0	0
245SD Cultural Affairs, Department of	Connecting Generations – State Historical Society of Iowa	259_EDU_001	4,274,908	1,020,000	5,294,908
245SD Cultural Affairs, Department of	Iowa Art = Iowa Growth	259_EDU_002	1,505,569	0	1,505,569
270SD Economic Development, Department of	Iowa Commission on Volunteer Services-Promise	269_EDU_013	125,000	0	125,000
280SD Education, Department of	Educator Quality	282_EDU_001	99,593,894	0	99,593,894
280SD Education, Department of	Voluntary Access to Quality Preschool for all 4 Year Olds	282_EDU_002	15,000,000	0	15,000,000
280SD Education, Department of	High School Reform	282_EDU_003	270,000	0	270,000
280SD Education, Department of	State Aid to School Districts and Area Education Agencies	282_EDU_004	2,147,718,577	0	2,147,718,577
280SD Education, Department of	Department of Education Administration	282_EDU_005	6,292,576	0	6,292,576
280SD Education, Department of	Iowa Jobs for America's Graduates	282_EDU_006	600,000	0	600,000
280SD Education, Department of	Child Nutrition Programs	282_EDU_007	2,509,683	0	2,509,683
280SD Education, Department of	State Aid to Nonpublic Schools	282_EDU_008	8,987,821	0	8,987,821
280SD Education, Department of	Connect Students to the Workplace	282_EDU_009	0	0	0
280SD Education, Department of	Community Colleges State General Aid	282_EDU_010	155,562,414	0	155,562,414
280SD Education, Department of	Vocational Education Secondary	282_EDU_011	2,936,904	0	2,936,904
280SD Education, Department of	Libraries Enrich Iowa	282_EDU_012	2,913,432	0	2,913,432
962SD Education Capital	Libraries Enrich Iowa	282_EDU_012	0	0	0
280SD Education, Department of	Library Service Areas: Making Libraries Better for Iowans	282_EDU_013	1,376,558	0	1,376,558
280SD Education, Department of	State Library of Iowa: Sustaining a State of Learners	282_EDU_014	1,620,694	0	1,620,694

Summary of the Governor's Recommended Budget Offers for FY 2007

Subcommittee/Special Department Name	Offer Name	Offer	General Fund	Other Funds	Total
280SD Education, Department of	Vocational Rehabilitation Services that lead to Employment	283_EDU_001	4,779,655	0	4,779,655
280SD Education, Department of	Independent Living Services for Iowans with Disabilities	283_EDU_002	54,421	0	54,421
185SD College Student Aid Commission	Iowa Tuition Grant	284_EDU_001	52,653,990	0	52,653,990
185SD College Student Aid Commission	Iowa Work-Study Opportunities	284_EDU_002	140,000	0	140,000
185SD College Student Aid Commission	Iowa Vocational-Technical Tuition Grants	284_EDU_003	2,533,115	0	2,533,115
185SD College Student Aid Commission	Iowa National Guard Educational Assistance Program	284_EDU_004	3,800,000	0	3,800,000
185SD College Student Aid Commission	Iowa Grants	284_EDU_005	1,029,784	0	1,029,784
185SD College Student Aid Commission	Teacher Shortage Forgivable Loans	284_EDU_007	285,000	0	285,000
185SD College Student Aid Commission	Osteopathic Forgivable Loan Program	284_EDU_008	50,000	0	50,000
185SD College Student Aid Commission	Physician Recruitment Program	284_EDU_009	346,451	0	346,451
185SD College Student Aid Commission	Internships for Iowans in Washington DC	284_EDU_010	76,400	0	76,400
185SD College Student Aid Commission	College Student Aid Commission Administration	284_EDU_011	364,640	0	364,640
280SD Education, Department of	Public Service Media	285_EDU_001	6,372,175	0	6,372,175
280SD Education, Department of	Lifelong Learning Media	285_EDU_002	1,594,569	0	1,594,569
280SD Education, Department of	Regional Telecommunications Councils (RTCs)	285_EDU_003	1,240,478	0	1,240,478
280SD Education, Department of	School Readiness and Children's Health Awareness	285_EDU_004	0	0	0
280SD Education, Department of	A Competitive Education for a "Flat World"	285_EDU_005	0	0	0
280SD Education, Department of	Smart Tools for Iowa's Workforce	285_EDU_006	0	0	0
280SD Education, Department of	Comprehensive Early Care, Health and Education System	532_EDU_001	39,757,594	2,153,250	41,910,844
800SD Regents, Board of	BOR Universities	615_EDU_001	582,052,590	9,680,321	591,732,911
800SD Regents, Board of	BOR Special Schools	615_EDU_002	14,305,786	0	14,305,786
800SD Regents, Board of	BOR - Special Purpose	615_EDU_004	25,895,562	0	25,895,562
27 Total Education Subcommittee			\$ 3,190,574,345	\$ 12,853,571	\$ 3,203,427,916
Health and Human Services					
270SD Economic Development, Department of	Iowa Commission on Volunteer Services-RSVP	269_HHS_012	\$ 174,198	\$ 0	\$ 174,198
276SD Iowa Finance Authority	Transitional Housing Revolving Loan	270_HHS_004	0	0	0
276SD Iowa Finance Authority	Home and Community Based Services Rent Subsidy Program	270_HHS_005	0	700,000	700,000
276SD Iowa Finance Authority	Home and Community Based Services Revolving Loan Program	270_HHS_006	0	0	0
276SD Iowa Finance Authority	Senior Living Revolving Loan Program	270_HHS_007	0	0	0
308SD Elder Affairs, Department of	Elder Abuse Awareness	297_HHS_001	7,590	345,091	352,681
308SD Elder Affairs, Department of	Caregivers Retention Project	297_HHS_002	2,424	127,525	129,949
308SD Elder Affairs, Department of	National Family Caregivers Support Program	297_HHS_003	32,168	33,505	65,673
308SD Elder Affairs, Department of	Ombudsman/Resident Advocate Committees	297_HHS_004	145,408	228,125	373,533
308SD Elder Affairs, Department of	Substitute Decision Maker	297_HHS_005	0	0	0
308SD Elder Affairs, Department of	Senior Internship Program	297_HHS_006	88,079	24,083	112,162
308SD Elder Affairs, Department of	Healthy Aging	297_HHS_007	240,221	222,337	462,558
308SD Elder Affairs, Department of	Special Projects	297_HHS_008	15,809	23,273	39,082
308SD Elder Affairs, Department of	Winning Compliance	297_HHS_009	1,592	971,997	973,589
308SD Elder Affairs, Department of	Case Management Program for the Frail Elderly (CMPFE)	297_HHS_010	4,386,023	203,127	4,589,150
308SD Elder Affairs, Department of	Home and Community Based Services and Community Supports	297_HHS_011	734,163	7,003,914	7,738,077
460SD Human Services, Department of	Supporting Basic Needs of Low Income Iowans	401_HHS_001	80,333,705	0	80,333,705
460SD Human Services, Department of	Child Support	401_HHS_002	8,677,662	0	8,677,662
460SD Human Services, Department of	Medical Assistance and Medical Contracts	401_HHS_003	644,342,827	241,058,943	885,401,770
460SD Human Services, Department of	IowaCare	401_HHS_004	0	95,960,447	95,960,447
460SD Human Services, Department of	Health Insurance Premium Payment	401_HHS_005	634,162	0	634,162
460SD Human Services, Department of	State Child Health Insurance Program/hawk-i	401_HHS_006	20,177,584	200,000	20,377,584
460SD Human Services, Department of	Child Care	401_HHS_007	24,447,517	0	24,447,517
460SD Human Services, Department of	Juvenile Facilities	401_HHS_008	17,288,142	0	17,288,142
460SD Human Services, Department of	Child Welfare and Juvenile Justice Community Services	401_HHS_009	102,450,183	4,259,623	106,709,806

Summary of the Governor's Recommended Budget Offers for FY 2007

Subcommittee/Special Department Name	Offer Name	Offer	General Fund	Other Funds	Total
460SD Human Services, Department of	Preparation for Adult Living Services (PALS)	401_HHS_010	3,566,830	0	3,566,830
460SD Human Services, Department of	Adoption	401_HHS_011	35,314,072	0	35,314,072
460SD Human Services, Department of	Children with Disabilities	401_HHS_012	1,936,434	0	1,936,434
460SD Human Services, Department of	Mental Health Institutes	401_HHS_013	20,508,058	0	20,508,058
460SD Human Services, Department of	Resource Centers	401_HHS_014	23,302,660	0	23,302,660
460SD Human Services, Department of	MH/DD Community Services	401_HHS_015	161,527,371	146,750	161,674,121
460SD Human Services, Department of	Civil Commitment Unit for Sexual Offenders (CCUSO)	401_HHS_016	4,757,704	0	4,757,704
460SD Human Services, Department of	Greater Self-sufficiency for Iowans with Disabilities	401_HHS_019	0	0	0
200SD Corrections, Department of	BHC Addiction Free Iowa	588_HHS_001	6,025,306	23,686,565	29,711,871
420SD Public Health, Department of	BHC Healthy Children and Families	588_HHS_005	2,171,190	0	2,171,190
420SD Public Health, Department of	BHC Health Promotion and Chronic Disease Management	588_HHS_007	1,713,990	361,000	2,074,990
420SD Public Health, Department of	BHC Improving Access and Delivery	588_HHS_009	1,479,646	1,157,482	2,637,128
420SD Public Health, Department of	BHC Healthy Aging and Long Term Living	588_HHS_011	9,294,969	0	9,294,969
420SD Public Health, Department of	BHC Assuring Iowa's Environmental Health	588_HHS_013	444,150	365,158	809,308
420SD Public Health, Department of	BHC Defeating Infectious Diseases	588_HHS_015	1,140,887	0	1,140,887
420SD Public Health, Department of	BHC Health Protection and Regulation	588_HHS_019	8,004,385	1,517,320	9,521,705
420SD Public Health, Department of	DAS Utility Billings	588_HHS_021	0	0	0
920SD Veterans Affairs, Commission of	Veteran's Awareness Program for Medical and Other Benefits	671_HHS_001	332,114	0	332,114
920SD Veterans Affairs, Commission of	Cemetery Development	671_HHS_002	0	0	0
920SD Veterans Affairs, Commission of	Long Term Health Care Services for Veterans	671_HHS_003	12,042,021	0	12,042,021
920SD Veterans Affairs, Commission of	Domiciliary Services for Iowa Veterans	671_HHS_004	1,527,480	0	1,527,480
Total Health and Human Services			\$ 1,199,268,724	\$ 378,596,265	\$ 1,577,864,989
Justice Systems Subcommittee					
180SD Civil Rights Commission	Civil rights enforcement, training, education, and outreach	167_JUS_001	\$ 985,753	\$ 0	\$ 985,753
200SD Corrections, Department of	DOC#1 Current Level of Service	238_JUS_001	300,512,419	2,831,285	303,343,704
200SD Corrections, Department of	DOC#2 Basic Life Care	238_JUS_002	0	0	0
200SD Corrections, Department of	DOC#3 Re-Entry Process	238_JUS_003	950,339	0	950,339
200SD Corrections, Department of	DOC#4 Mental Health Transition	238_JUS_004	541,747	310,000	851,747
200SD Corrections, Department of	DOC#5 High Risk Caseload	238_JUS_005	322,417	0	322,417
200SD Corrections, Department of	DOC#6 Education	238_JUS_006	0	0	0
200SD Corrections, Department of	DOC#7 IMCC Six Months Operating Costs	238_JUS_007	5,113,412	0	5,113,412
200SD Corrections, Department of	DOC#8 IMCC One-Time Costs	238_JUS_008	0	0	0
495SD Inspections & Appeals, Department of	Public Defender/Indigent Defense Offer 1	428_JUS_001	47,456,045	0	47,456,045
560SD Law Enforcement Academy	ILEA Offer 1	467_JUS_001	1,172,389	0	1,172,389
560SD Law Enforcement Academy	ILEA Offer 2	467_JUS_002	0	0	0
677SD Parole, Board of	Parole Board Offer 1	547_JUS_001	1,227,848	0	1,227,848
750SD Public Defense, Department of	IA National Guard Military Readiness and Defense	582_JUS_001	6,246,184	0	6,246,184
750SD Public Defense, Department of	Military Service Member Home Buyer Benefit Program	582_JUS_002	0	0	0
750SD Public Defense, Department of	Homeland Security & Emergency Management	583_JUS_001	1,254,029	0	1,254,029
750SD Public Defense, Department of	Homeland Security Regionalization	583_JUS_002	0	0	0
770SD Public Safety, Department of	Supporting All Iowa Law Enforcement	595_JUS_001	3,656,020	0	3,656,020
770SD Public Safety, Department of	Criminal Sciences Supporting Iowans	595_JUS_002	19,015,875	0	19,015,875
770SD Public Safety, Department of	It's a Matter of Supply and Demand	595_JUS_003	4,000,447	0	4,000,447
770SD Public Safety, Department of	Ensuring the Life Safety of Iowans	595_JUS_004	3,888,654	0	3,888,654
770SD Public Safety, Department of	What Brown Does for You	595_JUS_005	44,427,097	0	44,427,097
770SD Public Safety, Department of	Keep 'em Alive and Injury Free Until 25	595_JUS_006	0	0	0
770SD Public Safety, Department of	Taking a Megabyte out of Crime	595_JUS_007	0	0	0
770SD Public Safety, Department of	Criminal Investigations for the Iowa Criminal Justice System	595_JUS_008	0	0	0
770SD Public Safety, Department of	It's No Game – Iowa Must Play With a Full DEC	595_JUS_009	0	0	0

Summary of the Governor's Recommended Budget Offers for FY 2007

Subcommittee/Special Department Name	Offer Name	Offer	General Fund	Other Funds	Total
770SD Public Safety, Department of	Enhancing the Life Safety of Iowans	595_JUS_010	0	0	0
760SD Public Defense, Department of	We Think So That Law Enforcement Can Act	595_JUS_011	1,800,399	0	1,800,399
770SD Public Safety, Department of	Running on Empty	595_JUS_012	1,449,700	0	1,449,700
Total Justice Systems Subcommittee			\$ 444,020,774	\$ 3,141,285	\$ 447,162,059
Transportation, Infrastructure, and Capitals Subcommittee					
954SD General Services Capital	GSE Statewide Major Maintenance	005_TRA_009	\$ 0	\$ 10,000,000	\$ 10,000,000
954SD General Services Capital	GSE/Statewide Routine Maintenance	005_TRA_010	0	2,800,500	2,800,500
954SD General Services Capital	GSE/Complex Pedestrian/Utility Tunnel Repairs	005_TRA_011	0	0	0
954SD General Services Capital	GSE/Capitol Interior and Exterior Restoration Continuation	005_TRA_012	0	6,830,000	6,830,000
954SD General Services Capital	GSE/Wallace Building Renovation or Replacement Planning	005_TRA_014	0	500,000	500,000
954SD General Services Capital	GSE/Capitol Complex Relocation and Leasing Expenses	005_TRA_015	0	1,824,500	1,824,500
954SD General Services Capital	GSE/Repairs to Parking Lots on the Capitol Complex	005_TRA_017	0	1,545,000	1,545,000
954SD General Services Capital	GSE/Site Implementation Planning Services - Capitol Complex	005_TRA_018	0	0	0
954SD General Services Capital	GSE/West Capitol Terrace Restoration/Removal of Parking Lot	005_TRA_019	0	2,300,000	2,300,000
954SD General Services Capital	GSE/Replace Court Avenue Bridge	005_TRA_020	0	0	0
954SD General Services Capital	GSE/Capitol Complex Property Acquisition Services	005_TRA_021	0	0	0
954SD General Services Capital	GSE/East Capitol Parking Lot 13 Restoration	005_TRA_022	0	0	0
030SD Administrative Services, Department of	ITE/Pooled Technology	005_TRA_023	0	3,884,940	3,884,940
954SD General Services Capital	GSE/Capitol Complex Electrical Distribution System Upgrade	005_TRA_026	0	3,468,800	3,468,800
954SD General Services Capital	GSE/Planning for the Renovation of Grimes State Office Build	005_TRA_031	0	0	0
954SD General Services Capital	GSE/Restoration of Capitol Complex Carriage House	005_TRA_032	0	0	0
954SD General Services Capital	GSE/FY2007 Renovation of Records and Property Center	005_TRA_033	0	2,200,000	2,200,000
954SD General Services Capital	GSE/Renovation of 1000 E. Grand for Asbestos Abatement	005_TRA_034	0	0	0
030SD Administrative Services, Department of	ITE/Pooled Technology/EIP Support	005_TRA_035	0	0	0
030SD Administrative Services, Department of	ITE/Depreciation Account	005_TRA_038	0	0	0
954SD General Services Capital	Terrace Hill Carpet Replacement	005_TRA_039	0	55,000	55,000
954SD General Services Capital	Woodward Resource Center Wastewater Treatment Plant	005_TRA_040	0	2,443,000	2,443,000
954SD General Services Capital	DHS Iowa Juvenile School Home New Education & Infirmary Bldg	005_TRA_041	0	0	0
954SD General Services Capital	DHS/IJH Power House and Associated Equipment	005_TRA_042	0	1,521,045	1,521,045
954SD General Services Capital	Terrace Hill Plaster Restoration	005_TRA_043	0	20,000	20,000
969SD Blind Capitals, Department of the	Blind Building Renovation	133_TRA_001	0	4,000,000	4,000,000
200SD Corrections, Department of	DOC/ICON	238_TRA_001	0	500,000	500,000
950SD Corrections Capital	DOC Capitals #1 ISP Electrical Lease	255_TRA_001	0	333,168	333,168
950SD Corrections Capital	DOC Capitals #2 ASP Food Service	255_TRA_002	0	1,840,000	1,840,000
950SD Corrections Capital	DOC Capitals #3 Fort Dodge Residential Facility	255_TRA_003	0	1,400,000	1,400,000
950SD Corrections Capital	DOC Capitals #4 Davenport Residential Center & District Off	255_TRA_004	0	3,750,000	3,750,000
950SD Corrections Capital	DOC Capitals #5 Davenport Rent Carryforward	255_TRA_005	0	0	0
950SD Corrections Capital	DOC Capitals #6 Jesse Parker Building Rent	255_TRA_006	0	0	0
950SD Corrections Capital	DOC Capitals #7 Major Maintenance Projects	255_TRA_007	0	0	0
950SD Corrections Capital	DOC One Times	255_TRA_008	0	3,376,519	3,376,519
280SD Education, Department of	ICN Part III Leases	282_TRA_001	0	2,727,000	2,727,000
962SD Education Capital	Community College Infrastructure	282_TRA_002	0	2,000,000	2,000,000
962SD Education Capital	Replacement of Analog Transmitters	285_TRA_001	0	1,425,000	1,425,000
962SD Education Capital	Uninterruptible Power Supply (UPS)	285_TRA_002	0	315,000	315,000
962SD Education Capital	2004 Iowa Acts Appropriation for Digital Television Conver	285_TRA_003	0	2,300,000	2,300,000
390SD Iowa Telecommunications & Technology Commission	ICN Major Equipment Replacement	336_TRA_001	0	1,997,500	1,997,500
450SD Human Rights, Department of	Infrastructure for Integrating Justice Data Systems	379_TRA_001	0	2,645,066	2,645,066
955SD Human Services Capital	Department of Human Services Capitals	401_TRA_018	0	0	0
560SD Law Enforcement Academy	ILEA - NGF Offer 1-Dorm Updates/Student computer center	467_TRA_001	0	75,000	75,000

Summary of the Governor's Recommended Budget Offers for FY 2007

Subcommittee/Special Department Name	Offer Name	Offer	General Fund	Other Funds	Total
956SD Natural Resources Capital	IA's Special Areas - Public Private Partnerships	543_TRA_001	0	1,500,000	1,500,000
956SD Natural Resources Capital	State Park Infrastructure Renovations	543_TRA_002	0	1,000,000	1,000,000
956SD Natural Resources Capital	Statewide Digital Topographic Mapping (LiDAR)	543_TRA_003	0	0	0
956SD Natural Resources Capital	Renewable Energy From Waste	543_TRA_004	0	0	0
956SD Natural Resources Capital	Regional Office Construction	543_TRA_005	0	0	0
677SD Parole, Board of	Parole Bd./NGF Offer 1	547_TRA_001	0	75,000	75,000
957SD Public Defense Capital	Iowa National Guard Infrastructure Major Maintenance	584_TRA_001	0	1,500,000	1,500,000
957SD Public Defense Capital	Iowa National Guard Future Construction Investment Funding	584_TRA_002	0	0	0
957SD Public Defense Capital	Camp Dodge Armed Forces Readiness Center	584_TRA_003	0	100,000	100,000
957SD Public Defense Capital	Iowa City Armed Forces Readiness Center (Phase III)	584_TRA_004	0	1,444,288	1,444,288
957SD Public Defense Capital	Camp Dodge Water System Upgrade (Phase II)	584_TRA_005	0	750,000	750,000
957SD Public Defense Capital	Waterloo Aviation Armory Addition/Alteration (Phase I)	584_TRA_006	0	1,635,000	1,635,000
957SD Public Defense Capital	Spencer Armory Addition/Alteration	584_TRA_007	0	689,000	689,000
957SD Public Defense Capital	Ottumwa Armory Addition/Alteration	584_TRA_008	0	0	0
957SD Public Defense Capital	Public Defense Technology Projects	584_TRA_009	0	75,000	75,000
958SD Public Safety Capital	Iowa Automated Fingerprint Identification System	596_TRA_001	0	550,000	550,000
958SD Public Safety Capital	ISP Patrol Post 8 Replacement	596_TRA_002	0	2,400,000	2,400,000
958SD Public Safety Capital	Fire Service Regional Training Facilities	596_TRA_003	0	3,000,000	3,000,000
958SD Public Safety Capital	DPS Technology Projects	596_TRA_004	0	943,000	943,000
959SD Regents Capital	BOR Capitals	616_TRA_006	0	0	0
895SD Transportation, Department of	Highway Management	645_TRA_001	0	253,817,872	253,817,872
895SD Transportation, Department of	Motor Vehicle Management	645_TRA_002	0	48,972,776	48,972,776
895SD Transportation, Department of	Modal Programs Management	645_TRA_003	0	6,060,027	6,060,027
965SD Veterans Affairs Capitals	Major Maintenance Projects	672_TRA_005	0	0	0
965SD Veterans Affairs Capitals	Capital Projects	672_TRA_006	0	6,200,000	6,200,000
Total Transportation, Infrastructure, and Capitals Subcommittee			\$ 0	\$ 398,789,001	\$ 398,789,001
TOTAL ALL SUBCOMMITTEES			\$ 5,025,383,810	\$ 1,104,234,700	\$ 6,129,618,510

* Elected officials (with the exception of the Governor's Office) and the Judicial Branch are not participants in the offer process.

Purchasing Priorities

ACCOUNTABLE GOVERNMENT

The Accountable Government platform includes four strategies for improving State government. The first strategy is reviewing agency business processes to increase efficiencies and lower costs. The second is the automation of the State's system for collecting unpaid taxes, fines, and other revenue owed. The third is to continue the restructuring of the Department of Administrative Services to provide better services to other State agencies while lowering costs. The last is to provide funding to reform local government with funds from the Local Government Innovations Fund and technical assistance from the Iowa Center for Governing Excellence.

Funded Priorities by Appropriations Subcommittee

	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Administration and Regulation			
Department of Administrative Services	\$ 13,520,642	\$ 0	\$ 13,520,642
Department of Commerce	23,150,607	62,317	23,212,924
Governor and Lt. Governor	2,762,548	0	2,762,548
Department of Human Rights	2,816,857	0	2,816,857
Department of Inspection and Appeals	14,536,744	1,482,436	16,019,180
Department of Management	8,411,703	56,000	8,467,703
IPERS Administration	0	16,756,131	16,756,131
Department of Revenue	23,427,978	169,669,337	193,097,315
Governor's Office of Drug Control Policy	307,730	0	307,730
Grand Total	<u>\$ 88,934,809</u>	<u>\$ 188,026,221</u>	<u>\$ 276,961,030</u>

NOTE: The Governor's recommendations for the Secretary of State (\$2.7 million), Treasurer of State (\$11.0 million), and Auditor of State (\$1.2 million) are not included in the Accountable Government platform. Elected Officials were exempt from the offer process.

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DRILLING PLATFORM ACCOUNTABLE GOVERNMENT

**HIGHER
PRIORITIES**



**\$276,961,030
Total Resources**

\$2,347,553

**LOWER
PRIORITIES**

Funded Priorities			
FY 2007	Offer Name	Offer Code	Partially Funded
\$ 2,762,548	Governor and Lt. Governor's Office Budget	350_ADM_001	
\$ 2,068,667	Child Advocacy Board	427_ADM_008	X
\$ 7,278,697	Benefits Administration System Modernization	553_ADM_006	
\$ 193,531	Access Iowa (Persons with Disabilities-Dept. Human Rights)	379_ADM_751	
\$ 335,501	Full participation by women	379_ADM_771	
\$ 3,858,203	State and Local Budget and Accountability for Results	532_ADM_001	
\$ 1,930,962	Alcoholic Beverage Licensing & Liquor Wholesaling Op	212_ADM_001	
\$ 8,077,787	Banking & Professional Licensure	213_ADM_001	X
\$ 5,856,834	Racing and Gaming Commission	429_ADM_001	
\$ 374,367	Persons with Hearing Loss	379_ADM_741	
\$ 171,655	Advocating for Inclusion	379_ADM_781	X
\$ 763,398	Justice Research, Evaluation and Decision Support	379_ADM_791	
\$ 2,261,398	Administrative Hearings	427_ADM_004	
\$ 222,000	Process Improvement	532_ADM_003	X
\$ 2,856,263	Revenue: Operations-Internal Services - Central Services	625_ADM_006	
\$ 745,522	Investment Management	553_ADM_001	
\$ 3,080,132	Retirement Services	553_ADM_002	
\$ 2,644,493	Member Services	553_ADM_003	
\$ 1,115,976	Employer Relations and Data Management	553_ADM_004	
\$ 387,028	Human Rights administration	379_ADM_711	
\$ 170,749	Latino Affairs	379_ADM_761	
\$ 270,628	Criminal Justice Information System Integration	379_ADM_793	
\$ 2,774,412	Health Facilities	427_ADM_005	
\$ 11,992,942	Achieving Compliance with Iowa's Tax Laws	625_ADM_002	
\$ 5,791,477	Processing \$6 Billion of Tax Receipts to Fund State Gov Serv	625_ADM_003	X
\$ 86,000	Asian and Pacific Islanders	379_ADM_731	
\$ 186,560	Audits	427_ADM_007	
\$ 54,600	Employment Appeal Board	427_ADM_009	
\$ 248,426	Information Security Office	005_ADM_002	
\$ 3,420,865	Essential Utility Service for Capitol & Ankeny Lab	005_ADM_006	
\$ 1,448,734	Investigations	427_ADM_006	
\$ 307,730	Drug Control Efforts to Reduce Substance Abuse in Iowa	642_ADM_001	
\$ 50,000	Technology Governance Board Support/Operations	005_ADM_027	
\$ 64,000	Juvenile Justice Community Planning Services	379_ADM_792	
\$ 1,244,691	Food and Consumer Safety	427_ADM_003	
\$ 7,230,820	Reasonably Priced, Reliable and Safe Utility Services	219_ADM_001	
\$ 8,726,351	Administrative Services, Central Administration	005_ADM_001	X
\$ 601,229	Tax Research & Program Analysis	625_ADM_005	
\$ 100,000	Sick Leave Incentive Program	005_ADM_029	
\$ 4,387,500	State Appeal Board	532_ADM_002	
\$ 1,455,874	Credit Union Division	214_ADM_001	
\$ 4,517,481	Iowa Insurance Division	216_ADM_001	
\$ 1,891,311	Governance, Plan Design and Financial Control	553_ADM_005	
\$ 1,753,204	Property Tax Administration	625_ADM_004	X
\$ 277,401	Creation of the Property Assessment Appeal Board	625_ADM_008	
\$ 128,000	Printing Cigarette Stamps	625_ADM_011	
\$ 436,250	Cash Management Improvement Act	005_ADM_004	
\$ 538,750	Unemployment Compensation	005_ADM_005	
\$ 27,462	Collection Costs and Fees	625_ADM_012	
\$ 10,000,000	Rebuild Iowa Infrastructure Appropriation	625_ADM_010	
\$ 5,373	Motor Vehicle Fuel Tax-Administration	625_ADM_013	
\$ 85,417	Social & Charitable Gambling	427_ADM_002	
\$ 37,867	Targeted Small Business Certification	427_ADM_001	
\$ 159,663,964	Local Government Tax Credit	625_ADM_007	X
Unfunded Priorities			
\$ -	Enterprise Collection Services	625_ADM_001	
\$ 75,000	Cultural Competence (Status African Americans)	379_ADM_782	
\$ 50,000	Iowa Special Olympics	532_ADM_005	
\$ 24,000	Enhanced training on issues of violence against women	379_ADM_773	
\$ 160,000	Summer Enrichment Academy (Status of African Americans)	379_ADM_783	
\$ 75,000	Cultural Competency (Persons with Disabilities)	379_ADM_752	
\$ 93,000	Enhanced pre-employment services for Iowans in Transition	379_ADM_772	
\$ 1,600,000	Iowa Collaboration for Youth Development	379_ADM_796	
\$ 100,000	HRE/State of Iowa Wellness Program	005_ADM_025	
\$ 83,671	Enhancement I to Drug Control Efforts	642_ADM_003	
\$ 61,882	Enhancement II to Drug Control Efforts	642_ADM_004	
\$ 25,000	Indian Settlement Officer	532_ADM_004	

Purchasing Priorities

NATURAL RESOURCES

The Natural Resources Platform focuses on the improvement of Iowa's water quality. Iowa has more than 72,000 miles of rivers and streams and 182,000 acres of lakes, reservoirs, and wetlands. Iowa residents should be assured that the water in Iowa is clean and safe. The Platform includes the Governor's recommendation of \$20.0 million for the improvement of Iowa's water quality. These funds will be used to award watershed grants, preserve and restore lakes, and to provide grant funding to small communities that are wanting to upgrade water treatment facilities.

Funded Priorities by Appropriations Subcommittee

	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Administration and Regulation			
Treasurer of State*	\$ 0	\$ 10,000,000	\$ 10,000,000
Total	\$ 0	\$ 10,000,000	\$ 10,000,000
Agriculture and Natural Resources			
Department of Natural Resources*	\$ 18,292,579	\$ 63,528,357	\$ 81,820,936
Total	\$ 18,292,579	\$ 63,528,357	\$ 81,820,936
Economic Development			
Iowa Finance Authority*	\$ 0	\$ 5,000,000	\$ 5,000,000
Total	\$ 0	\$ 5,000,000	\$ 5,000,000
Grand Total	\$ 18,292,579	\$ 78,528,357	\$ 96,820,936

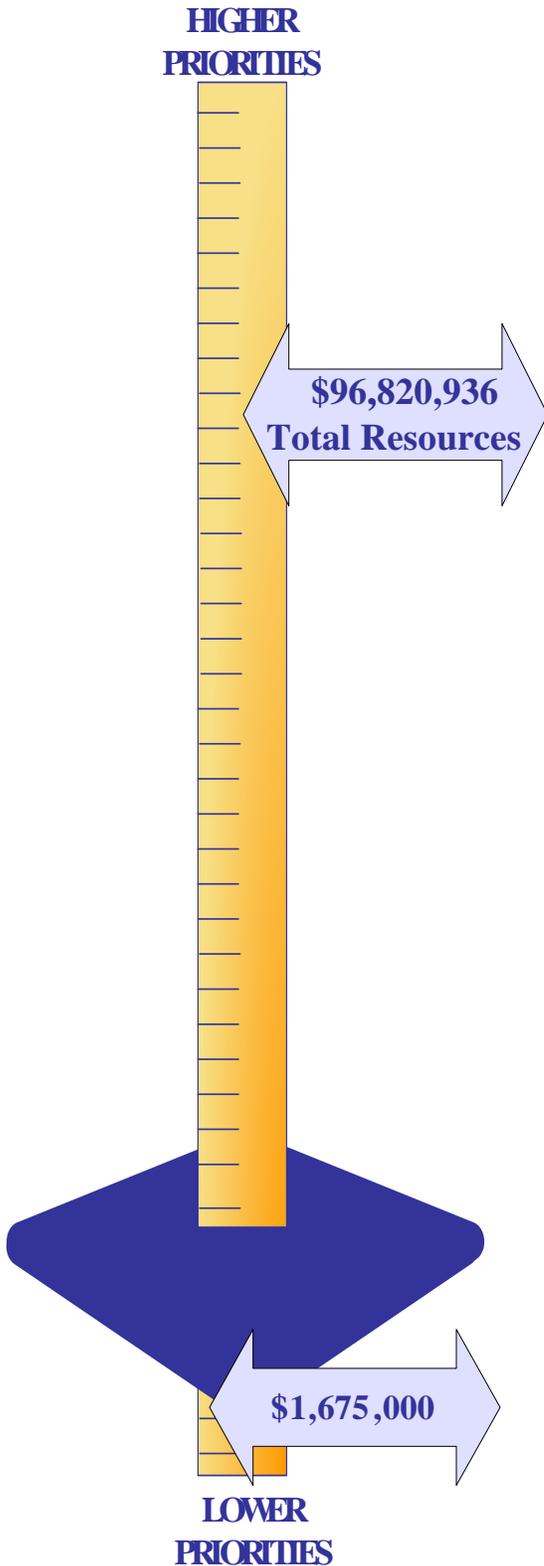
*Offer 543_ANR_014 has \$20.0 million recommended to the Iowa Finance Authority. The allocation of funds includes:

<u>Department Name</u>	<u>Amount</u>	<u>Program</u>
Treasurer of State	\$ 10,000,000	Watershed Improvement Review Board grants
Department of Natural Resources	\$ 5,000,000	Lake Restoration and Preservation Program
Iowa Finance Authority	\$ 5,000,000	Water Treatment Conservation Program

NOTE: The Governor's recommendations for the Department of Agriculture and Land Stewardship (\$19.3 million) are not included in the Natural Resources Platform. Elected officials were exempt from the offer process.

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DRILLING PLATFORM NATURAL RESOURCES



Funded Priorities			
FY 2007	Offer Name	Offer Code	Partially Funded
\$ 8,800,611	Public Lands and Outdoor Recreation	542_ANR_001	
\$ 5,199,533	Watershed Protection and Restoration	542_ANR_002	
\$ 3,792,435	Health and the Environment	542_ANR_003	
\$ 32,477,525	Fish and Wildlife Operations	542_ANR_004	
\$ 3,455,832	Groundwater Protection	542_ANR_005	
\$ 200,000	UST Administration Match	542_ANR_006	
\$ 75,000	State Park Operations and Safety*	542_ANR_008	X
\$ 100,000	Energy Programs Continuation	542_ANR_012	
\$ 50,000	Pollution Prevention Intern Program*	542_ANR_010	X
\$ 1,845,000	Fish And Wildlife Operations Enhancement	542_ANR_011	
Environment First Fund			
\$ 11,000,000	Resource Enhancement & Protection Program	543_ANR_001	
\$ 2,300,000	Marine Fuel Tax Capitals	543_ANR_002	
\$ 500,000	Lake Restoration*	543_ANR_003	X
\$ 2,995,000	Water Quality Monitoring	543_ANR_004	
\$ 195,000	GIS Data for Watershed Managers	543_ANR_005	
\$ 100,000	Keepers of the Land Volunteer Program	543_ANR_006	
\$ 2,000,000	Park Operations and Maintenance	543_ANR_007	
\$ 500,000	Water Supply Appropriation	543_ANR_008	
\$ 275,000	Air Quality Livestock Monitoring	543_ANR_010	
\$ 800,000	Resource Enhancement & Protection Program Enhancement	543_ANR_011	X
\$ 200,000	Marine Fuel Tax Capitals Enhancement*	543_ANR_012	X
\$ 20,000,000	Water Quality Improvements	543_ANR_014	
Unfunded Priorities			
\$ 800,000	Local Watershed Improvement Efforts	542_ANR_007	
\$ 250,000	Healthy IA Lakes & Wetlands Demonstration Project	542_ANR_009	
\$ 125,000	Water Quality Monitoring Enhancement	543_ANR_009	
\$ 500,000	Lake Restoration Enhancement	543_ANR_013	

Purchasing Priorities

TRANSFORM IOWA'S ECONOMY

The Transform Iowa's Economy platform is comprised of offers intended to impact key elements of establishing and supporting new business in the areas of advanced manufacturing, life sciences, and information solutions. Key areas of the platform include:

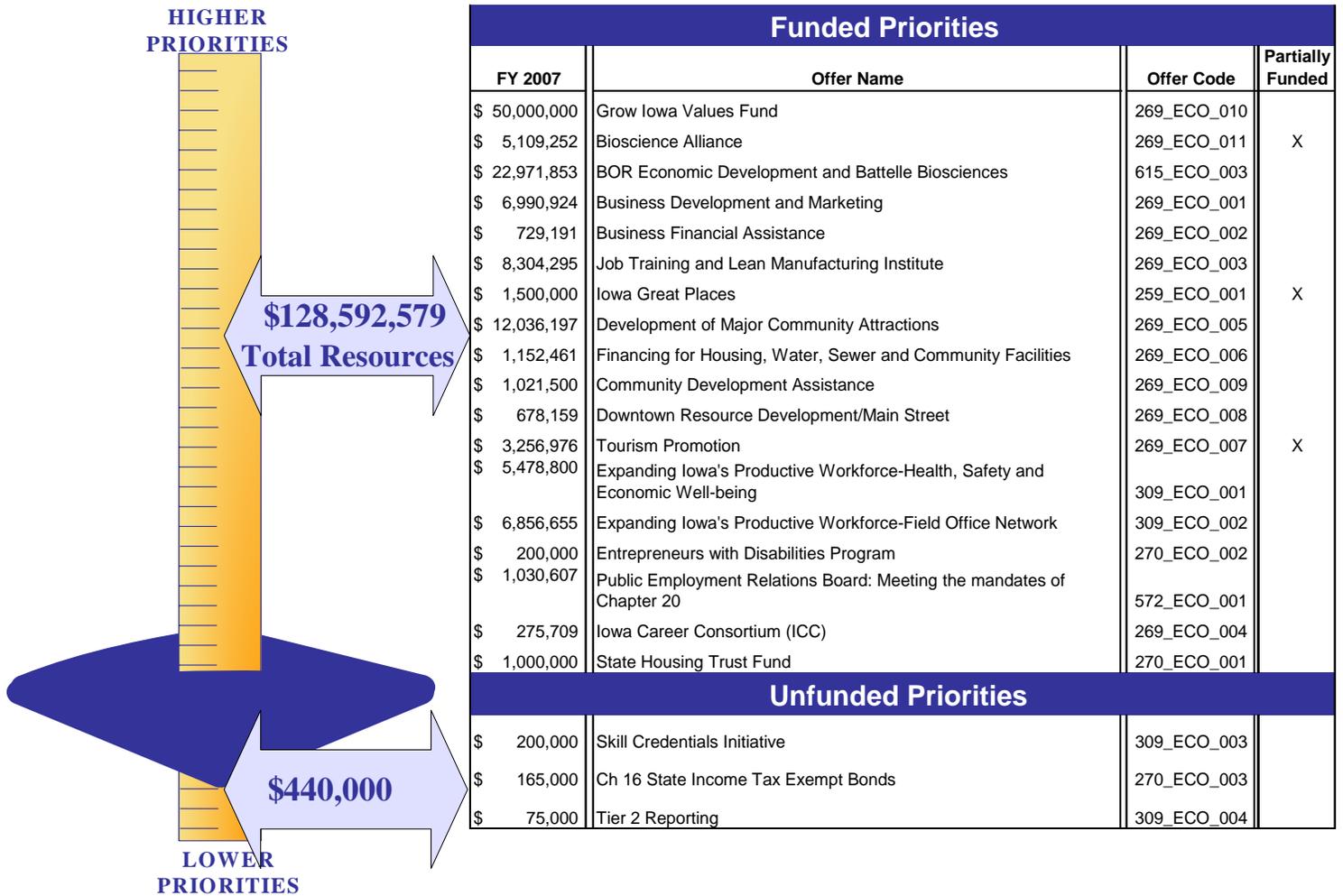
- * Promoting public-private partnerships and leveraging outside money
- * Promoting entrepreneurship
- * Stimulating investment in new economy businesses
- * Securing labor force training in skills supporting new economy industries

Funded Priorities by Appropriations Subcommittee

	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Education			
Department of Cultural Affairs	\$ 500,000	\$ 1,000,000	\$ 1,500,000
Board of Regents	2,971,853	20,000,000	22,971,853
	<u>\$ 3,471,853</u>	<u>\$ 21,000,000</u>	<u>\$ 24,471,853</u>
Economic Development			
Department of Economic Development	\$ 66,254,664	\$ 23,300,000	\$ 89,554,664
Iowa Finance Authority	1,200,000	0	1,200,000
Iowa Workforce Development	12,335,455	0	12,335,455
Public Employment Relations Board	1,030,607	0	1,030,607
	<u>\$ 80,820,726</u>	<u>\$ 23,300,000</u>	<u>\$ 104,120,726</u>
Grand Total	<u>\$ 84,292,579</u>	<u>\$ 44,300,000</u>	<u>\$ 128,592,579</u>

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DRILLING PLATFORM TRANSFORM IOWA'S ECONOMY



Purchasing Priorities

STUDENT ACHIEVEMENT

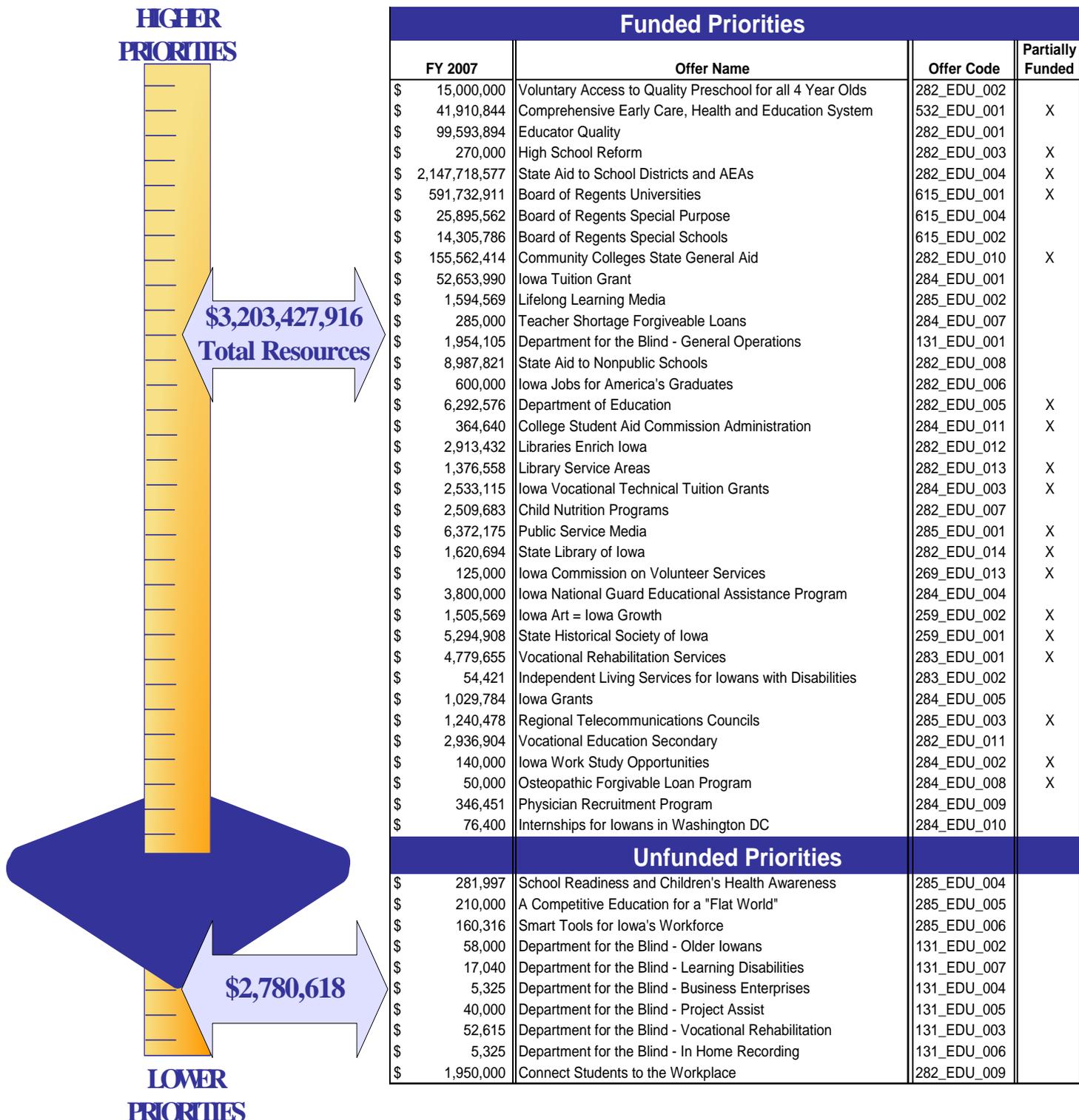
The Student Achievement platform identifies the spectrum of education supports from early childhood through post-secondary and the factors influencing these categories of supports. By ensuring a quality education in early learning and primary grades, children obtain a solid foundation for successful lives. The platform is supported by four major components: create great learning environments; produce ready-to-learn students; ensure students have secure and nurturing families; and create safe and supportive communities.

Funded Priorities by Appropriations Subcommittee

	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Education			
Department for the Blind	\$ 1,954,105	\$ 0	\$ 1,954,105
College Student Aid Commission	61,279,380	0	61,279,380
Department of Cultural Affairs	5,780,477	1,020,000	6,800,477
Department of Education	2,499,181,445	2,153,250	2,501,334,695
Board of Regents	622,253,938	9,680,321	631,934,259
Total	<u>\$ 3,190,449,345</u>	<u>\$ 12,853,571</u>	<u>\$ 2,571,368,657</u>
Economic Development			
Iowa Finance Authority	\$ 125,000	\$ 0	\$ 125,000
Grand Total	<u>\$ 3,190,574,345</u>	<u>\$ 12,853,571</u>	<u>\$ 3,203,427,916</u>

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DRILLING PLATFORM STUDENT ACHIEVEMENT



Purchasing Priorities

HEALTHY IOWANS

The Healthy Iowans Platform increases funding to pay for increased health care costs related the use of tobacco products. The Governor is recommending to increase the cost of a pack of cigarettes by \$0.80 to discourage young adults from smoking. The increased revenue will be transferred to the Healthy Iowans Tobacco Trust Fund to expand smoking prevention programs, provide financial assistance for insurance costs of small businesses and school districts, support Medicaid, and provide funding for the Senior Living Trust Fund.

Funded Priorities by Appropriations Subcommittee

	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Economic Development			
Department of Economic Development	\$ 174,198	\$ 0	\$ 174,198
Iowa Finance Authority	0	700,000	700,000
	<u>\$ 174,198</u>	<u>\$ 700,000</u>	<u>\$ 874,198</u>
Human Services			
Department of Elder Affairs	5,653,477	9,182,977	14,836,454
Department of Human Services	1,149,264,911	341,623,763	1,490,888,674
Department of Public Health	24,249,217	3,400,960	27,650,177
Iowa Commission of Veterans Affairs	13,901,615	0	13,901,615
	<u>\$ 1,193,069,220</u>	<u>\$ 354,207,700</u>	<u>\$ 1,547,276,920</u>
Justice System			
Department of Corrections	\$ 6,025,306	\$ 23,686,565	\$ 29,711,871
Grand Total	<u><u>\$ 1,199,268,724</u></u>	<u><u>\$ 378,594,265</u></u>	<u><u>\$ 1,577,862,989</u></u>

It was determined that the recommended transfer from the Healthy Iowans Tobacco Trust to the Senior Living Trust Fund was also included as an expenditure.

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DRILLING PLATFORM HEALTHY IOWANS

**HIGHER
PRIORITIES**



**\$1,577,862,989
Total Resources**

\$7,508,606

**LOWER
PRIORITIES**

Funded Priorities			
FY 2007	Offer Name	Offer Code	Partially Funded
\$ 20,377,584	State Child Health Insurance Program/Hawk-i	401_HHS_006	X
\$ 24,447,517	Child Care	401_HHS_007	
\$ 2,171,190	BHC Healthy Children and Families	588_HHS_005	X
\$ 885,401,770	Medical Assistance and Medical Contracts	401_HHS_003	
\$ 1,140,887	BHC Defeating Infectious Diseases	588_HHS_015	
\$ 106,707,806	Child Welfare and Juvenile Justice Community Services	401_HHS_009	X
\$ 634,162	Health Insurance Premium Payment	401_HHS_005	
\$ 29,711,871	BHC Addiction Free Iowa	588_HHS_001	X
\$ 95,960,447	IowaCare	401_HHS_004	X
\$ 35,314,072	Adoption	401_HHS_011	
\$ 8,677,662	Child Support	401_HHS_002	X
\$ 80,333,705	Supporting Basic Needs of Low Income Iowans	401_HHS_001	X
\$ 2,074,990	BHC Health Promotion and Chronic Disease Management	588_HHS_007	X
\$ 161,674,121	Mental Health/Developmentally Disabled Community Services	401_HHS_015	X
\$ 1,936,434	Children with Disabilities	401_HHS_012	X
\$ 462,558	Healthy Aging	297_HHS_007	
\$ 65,673	National Family Caregivers Support Program	297_HHS_003	
\$ 7,738,077	Home and Community Based Services and Community Supports	297_HHS_011	X
\$ 4,589,150	Case Management Program for the Frail Elderly	297_HHS_010	
\$ 9,294,969	BHC Healthy Aging and Long Term Living	588_HHS_011	
\$ 809,308	BHC Assuring Iowa's Environmental Health	588_HHS_013	
\$ 2,637,128	BHC Improving Access and Delivery	588_HHS_009	X
\$ 3,566,830	Preparation for Adult Living Services	401_HHS_010	
\$ 17,288,142	Juvenile Facilities	401_HHS_008	X
\$ 12,042,021	Long Term Health Care Services for Veterans	671_HHS_003	X
\$ 1,527,480	Domiciliary Services for Iowa Veterans	671_HHS_004	
\$ 973,589	Winning Compliance	297_HHS_009	X
\$ 352,681	Elder Abuse Awareness	297_HHS_001	
\$ 174,198	Iowa Commission on Volunteer Services-RSVP	269_HHS_012	X
\$ 373,533	Ombudsman/Resident Advocate Committees	297_HHS_004	X
\$ 332,114	Veteran's Awareness Program for Medical and Other Benefits	671_HHS_001	X
\$ 112,162	Senior Internship Program	297_HHS_006	
\$ 129,949	Caregivers Retention Project	297_HHS_002	
\$ 9,521,705	BHC Health Protection and Regulation	588_HHS_019	X
\$ 20,508,058	Mental Health Institutes	401_HHS_013	X
\$ 23,302,660	Resource Centers	401_HHS_014	X
\$ 0	Improve Services to Family Investment Program Participants	401_HHS_017	
\$ 4,757,704	Civil Commitment Unit for Sexual Offenders	401_HHS_016	X
\$ 700,000	Home and Community Based Services Rent Subsidy Program	270_HHS_005	X
\$ 39,082	Elder Affairs Special Projects	297_HHS_008	X
Unfunded Priorities			
\$ 600,000	Greater Self-sufficiency for Iowans with Disabilities	401_HHS_019	
\$ 2,000,000	Home and Community Based Services Revolving Loan Program	270_HHS_006	
\$ 1,400,000	Transitional Housing Revolving Loan	270_HHS_004	
\$ 3,000,000	Senior Living Revolving Loan Program	270_HHS_007	
\$ 395,517	Substitute Decision Maker	297_HHS_005	
\$ 80,280	Cemetery Development	671_HHS_002	
\$ 32,809	Department of Health DAS Billings	588_HHS_021	

Purchasing Priorities

SAFE COMMUNITIES

The Safe Communities platform is comprised of three main strategies to create safe communities: prevention, response and recovery, and preparedness. The budget proposals made by the Safe Communities Buying Team will make communities safer, offer safer living choices for children and older lowans, and reduce future costs to society of crime and substance abuse.

Funded Priorities by Appropriations Subcommittee

	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Justice System			
Department of Civil Rights	985,753	0	985,753
Department of Corrections	307,440,334	3,141,285	310,581,619
Department of Inspections and Appeals	47,456,045	0	47,456,045
Iowa Law Enforcement Academy	1,172,389	0	1,172,389
Board of Parole	1,227,848	0	1,227,848
Department of Public Defense	7,828,518	0	7,828,518
Department of Public Safety	77,909,887	0	77,909,887
Grand Total	<u>\$ 444,020,774</u>	<u>\$ 3,141,285</u>	<u>\$ 447,162,059</u>

NOTE: The Governor's recommendations for the Department of Justice (\$12.4 million) and the Judicial Branch (\$130.2 million) are not included in the Safe Communities Platform. The Justice Department and the Judicial Branch were exempt from the offer process.

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DRILLING PLATFORM SAFE COMMUNITIES



Funded Priorities			
FY 2007	Offer Name	Offer Code	Partially Funded
\$ 1,254,029	Homeland Security & Emergency Management	583_JUS_001	
\$ 6,246,184	Iowa National Guard Military Readiness and Defense	582_JUS_001	X
\$ 3,656,020	Supporting All Iowa Law Enforcement	595_JUS_001	X
\$ 1,800,399	We Think So That Law Enforcement Can Act	595_JUS_011	
\$ 303,343,705	DOC #1 Current Level of Service	238_JUS_001	
\$ 1,227,848	Parole Board Offer #1	547_JUS_001	
\$ 19,015,875	Criminal Sciences Supporting Iowans	595_JUS_002	X
\$ 44,427,097	What Brown Does For You	595_JUS_005	X
\$ 47,456,045	Public Defender/Indigent Defense Offer 1	428_JUS_001	
\$ 4,000,447	It's A Matter of Supply and Demand	595_JUS_003	X
\$ 3,888,654	Ensuring the Life Safety of Iowans	595_JUS_004	X
\$ 851,747	DOC #4 Mental Health Transition	238_JUS_004	X
\$ 985,753	Civil Rights Enforcement, Training, Education, and Outreach	167_JUS_001	X
\$ 322,417	DOC #5 High Risk Caseload	238_JUS_005	X
\$ 1,172,389	ILEA Offer 1	467_JUS_001	
\$ 1,449,700	Running on Empty	595_JUS_012	X
\$ 5,113,412	DOC #7 IMCC Six Months Operating Costs	238_JUS_007	X
\$ 950,339	DOC #3 Re-Entry Process	238_JUS_003	
Unfunded Priorities			
\$ 750,000	DOC #2 Basic Life Care	238_JUS_002	
\$ 1,750,000	DOC #6 Education	238_JUS_006	
\$ 1,443,666	Criminal Investigations for the Iowa Criminal Justice System	595_JUS_008	
\$ 827,725	Taking a Megabyte out of Crime	595_JUS_007	
\$ 514,956	Homeland Security Regionalization	583_JUS_002	
\$ 1,483,156	Keep 'em Alive and Injury Free Until 25	595_JUS_006	
\$ 103,193	It's No Game - Iowa Must Play With a Full DEC	595_JUS_009	
\$ 293,449	Enhancing the Life Safety of Iowans	595_JUS_010	
\$ 3,376,519	DOC #8 IMCC One-Time Costs	238_JUS_008	
\$ 1,000,000	Military Service Member Home Buyer Benefit Program	582_JUS_002	
\$ 152,388	ILEA Offer 2	467_JUS_002	

Purchasing Priorities

TRANSPORTATION

The Transportation, Infrastructure, and Capitals platform is comprised of three main indicators to improve the safety, efficiency, and quality of life of people and goods utilizing Iowa's transportation systems, and maintaining and improving the condition of State government's physical assets. Transportation indicators were intended to focus on: The number of fatal and injury crashes resulting from motor vehicle accidents on an annual basis; the quality of Iowa's roadways from the perspective of ride quality; and the percent of Iowa's highway system where roadway sufficiency is at a certain level. Infrastructure and capitals indicators were intended to focus on: Projects that ensure that State facilities are well-maintained and meet designated safety standards; projects that influence the effective and efficient delivery of State services and support to Iowans; and projects that enhance the enjoyment of a site, expand cultural knowledge, or improve access to State services.

Funded Priorities by Appropriations Subcommittee

	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Administration and Regulation			
Department of Revenue	\$ 0	\$ 10,000,000	\$ 10,000,000
Ag and Natural Resources			
Iowa Finance Authority	\$ 0	\$ 20,000,000	\$ 20,000,000
Education			
Department of Cultural Affairs	\$ 0	\$ 1,020,000	\$ 1,020,000
Board of Regents	0	\$ 9,680,321	9,680,321
Total	<u>\$ 0</u>	<u>\$ 10,700,321</u>	<u>\$ 10,700,321</u>
Economic Development			
Department of Economic Development	\$ 0	\$ 16,000,000	\$ 16,000,000
Department of Cultural Affairs	0	1,000,000	1,000,000
Board of Regents	0	\$ 20,000,000	20,000,000
Total	<u>\$ 0</u>	<u>\$ 37,000,000</u>	<u>\$ 37,000,000</u>
Transportation, Infrastructure, and Capitals			
Department of Administrative Services	\$ 0	\$ 39,392,785	\$ 39,392,785
Department of Education	0	8,767,000	8,767,000
Department of Corrections	0	11,199,687	11,199,687
Iowa Law Enforcement Academy	0	75,000	75,000
Parole Board	0	75,000	75,000
Department of Public Defense	0	6,193,288	6,193,288
Department of Public Safety	0	6,893,000	6,893,000
Iowa Telecommunication and Technology Commission	0	1,997,500	1,997,500
Department of Human Rights	0	2,645,066	2,645,066
Department of Natural Resources	0	2,500,000	2,500,000
Department for the Blind	0	4,000,000	4,000,000
Veteran's Affairs	0	6,200,000	6,200,000
Department of Transportation	0	2,750,000	2,750,000
Total	<u>\$ 0</u>	<u>\$ 92,688,326</u>	<u>\$ 92,688,326</u>
Grand Total	<u>\$ 0</u>	<u>\$ 170,388,647</u>	<u>\$ 170,388,647</u>

NOTE: The Governor's recommendations for the Treasurer of State (\$5.4 million), State Fair Authority (\$1.0 million), Board of Regents (\$10.0 million), and \$306.1 million of the Department of Transportation's total budget are not included in the Transportation platform. Elected Officials were exempt from the offer process.

The following graphic and funding table was created by the Department of Management (DOM) and modified by the LSA to include offer code and partially funded offers. In addition, certain information provided in the drilling platforms required modification by the LSA to reflect the Governor's recommendations as provided in the I/3 budget system. Funded priorities include all funding sources, not just the General Fund.

DRILLING PLATFORM - TRANSPORTATION

**HIGHER
PRIORITIES**



**\$170,388,647
Total Resources**

\$105,744,368

**LOWER
PRIORITIES**

Funded Priorities			
FY 2007	Offer Name	Offer Code	Partially Funded
\$ 10,000,000	Secure and Advance Vision for Education Fund	625_ADM_010	
\$ 10,000,000	Statewide Major Maintenance	005_TRA_009	
\$ 2,800,500	Statewide Routine Maintenance	005_TRA_010	X
\$ 2,200,000	Renovation of Records and Property Center	005_TRA_033	
\$ 1,521,045	Iowa Juvenile Home Power House and Associated Equipment	005_TRA_042	
\$ 1,400,000	Corrections - Fort Dodge Residential Facility	255_TRA_003	
\$ 3,750,000	Corrections - Davenport Residential Center & District Office	255_TRA_004	
\$ 1,840,000	Corrections - Anamosa Food Service Renovations	255_TRA_002	
\$ 2,300,000	Iowa Public Television - Digital Television Conversion	285_TRA_003	
\$ 20,000,000	Water Quality Projects - Iowa Finance Authority	543_ANR_014	
\$ 20,000,000	Implementation of Battelle Recommendations for Economic Development	615_ECO_003	
\$ 1,425,000	Iowa Public Television - Replacement of Analog Transmitters	285_TRA_001	
\$ 333,168	Corrections - Ft. Madison Electrical Lease	255_TRA_001	
\$ 2,727,000	Iowa Communications Network Part III Leases	282_TRA_001	
\$ 3,468,800	Capitol Complex Electrical Distribution System Upgrade	005_TRA_026	
\$ 500,000	Corrections/ICON	238_TRA_001	
\$ 3,376,519	Corrections One Times	255_TRA_008	
\$ 75,000	Iowa Law Enforcement Academy - Dorm Updates/Student computer center	467_TRA_001	X
\$ 75,000	Parole Board Capitals	547_TRA_001	
\$ 75,000	Public Defense Technology Projects	584_TRA_009	
\$ 943,000	DPS Technology Projects	596_TRA_004	
\$ 1,997,500	Iowa Communications Network Major Equipment Replacement	336_TRA_001	
\$ 1,824,500	Capitol Complex Relocation and Leasing Expenses	005_TRA_015	
\$ 1,500,000	Public Defense - Iowa National Guard Infrastructure Major Maintenance	584_TRA_001	
\$ 1,444,288	Public Defense - Iowa City Armed Forces Readiness Center (Phase III)	584_TRA_004	
\$ 1,635,000	Public Defense - Waterloo Aviation Armory Addition/Alteration (Phase I)	584_TRA_006	
\$ 100,000	Public Defense - Camp Dodge Armed Forces Readiness Center	584_TRA_003	
\$ 550,000	Public Safety - Iowa Automated Fingerprint Identification System	596_TRA_001	
\$ 2,300,000	West Capitol Terrace Restoration/Removal of Parking Lot	005_TRA_019	
\$ 3,884,940	Pooled Technology Projects	005_TRA_023	
\$ 2,645,066	Human Rights - Infrastructure for Integrating Justice Data Systems	379_TRA_001	
\$ 55,000	Terrace Hill Carpet Replacement	005_TRA_039	
\$ 20,000	Terrace Hill Plaster Restoration	005_TRA_043	
\$ 1,000,000	Natural Resources - State Park Infrastructure Renovations	543_TRA_002	X
\$ 689,000	Public Defense - Spencer Armory Addition/Alteration	584_TRA_007	
\$ 1,545,000	Repairs to Parking Lots on the Capitol Complex	005_TRA_017	
\$ 315,000	Iowa Public Television - Uninterruptible Power Supply	285_TRA_002	
\$ 6,830,000	Capitol Interior and Exterior Restoration Continuation	005_TRA_012	X
\$ 500,000	Wallace Building Renovation or Replacement Planning	005_TRA_014	
\$ 4,000,000	Dept. for the Blind - Building Renovation	133_TRA_001	
\$ 750,000	Public Defense - Camp Dodge Water System Upgrade (Phase II)	584_TRA_005	
\$ 2,443,000	Woodward Resource Center Wastewater Treatment Plant	005_TRA_040	
\$ 2,400,000	Public Safety - Iowa State Patrol Post 8 Replacement	596_TRA_002	
\$ 6,200,000	Veteran's Home - Capital Projects	672_TRA_006	
\$ 3,000,000	Public Safety - Fire Service Regional Training Facilities	596_TRA_003	X
\$ 2,000,000	Education - Community College Infrastructure	282_TRA_002	
\$ 1,000,000	Department of Transportation - Recreational Trails	645_TRA_003	
\$ 1,000,000	Department of Transportation - Commercial Air Service Airports	645_TRA_004	
\$ 750,000	Department of Transportation - General Aviation Airports	645_TRA_005	
\$ 1,020,000	Cultural Affairs - Battle Flags and Historic Site Preservation Grants	259_EDU_001	
\$ 12,000,000	Economic Development - Community Attraction and Tourism	269_ECO_005	
\$ 4,000,000	Economic Development - Accelerated Career Education Program	269_ECO_003	
\$ 1,500,000	Natural Resources - Iowa's Special Areas - Public Private Partnerships	543_TRA_001	
\$ 1,000,000	Cultural Affairs - Capital Projects Through Great Places	259_TRA_001	
\$ 9,680,321	Board of Regents Tuition Replacement	615_EDU_001	
Unfunded Priorities			
\$ 689,000	Public Defense - Ottumwa Armory Addition/Alteration	584_TRA_008	
\$ 3,410,000	East Capitol Parking Lot 13 Restoration	005_TRA_022	
\$ 1,150,000	Capitol Complex Property Acquisition Services	005_TRA_021	
\$ 26,546,000	Capitol Complex Pedestrian/Utility Tunnel Repairs (Phase I)	005_TRA_011	
\$ 750,000	Planning for the Renovation of Grimes State Office Building	005_TRA_031	
\$ 15,000,000	Renovation of 1000 E. Grand for Asbestos Abatement	005_TRA_034	
\$ 1,500,000	Natural Resources - Renewable Energy From Waste	543_TRA_004	
\$ 1,500,000	Natural Resources - Statewide Digital Topographic Mapping	543_TRA_003	
\$ 1,500,000	Pooled Technology Support	005_TRA_035	
\$ 5,665,000	Replace Court Avenue Bridge	005_TRA_020	
\$ 500,000	Public Defense - National Guard Future Construction Investment Funding	584_TRA_002	
\$ 166,800	Department of Human Services Capitals	401_TRA_018	
\$ 100,000	Site Implementation Planning Services - Capitol Complex	005_TRA_018	
\$ 8,130,668	Iowa Juvenile School Home New Education & Infirmary Building	005_TRA_041	
\$ 979,900	Veteran's Home - Major Maintenance Projects	672_TRA_005	
\$ 2,500,000	Natural Resources - Regional Office Construction	543_TRA_005	
\$ 35,657,000	Corrections Major Maintenance Projects	255_TRA_007	

ECONOMIC CONDITIONS AND GENERAL FUND REVENUE

National Economy

National Recession – There are several national economic groups that classify U.S. economic periods as either expansion or recession. The official federal government source is the Business Cycle Dating Committee of the National Bureau of Economic Research. On November 26, 2001, this Committee announced the longest business expansion in the nation’s history had ended during March of 2001, ten years after the end of the previous recession. On July 16, 2003, the Committee announced the recession had ended during November 2001, eight months after it began. The Committee notes that the average recession in the post-World War II era has lasted eleven months.



The Committee defines a recession as a period of significant decline in total output, income, employment, and trade, usually lasting six months to one year, and marked by a widespread contraction in many sectors of the economy. The Committee does not define a recession as simply two consecutive quarters of decline in real Gross Domestic Product.

According to the Committee, “A recession begins just after the economy reaches a peak of activity and ends as the economy reaches its trough. Between trough and peak, the economy is in an expansion. Expansion is the normal state of the economy; most recessions are brief and have been rare in recent decades.” A recession involves a substantial decline in output and employment. In the past six recessions, industrial production decreased by an average of 4.6% and employment by 1.1%. The Committee waits until the data show whether or not a decline is large enough to qualify as a recession before declaring a turning point in the economy is a true peak marking the onset of a recession.

United States Business Cycle
National Bureau of Economic Research
Business Cycle Dating Committee
 Six most recent recessions

<u>End of Expansion (Peak)</u>	<u>End of Contraction (Trough)</u>	<u>Length of Expansion in Months</u>	<u>Length of Recession in Months</u>
Dec. 1969	Nov. 1970	106	11
Nov. 1973	Mar. 1975	36	16
Jan. 1980	Jul. 1980	58	6
Jul. 1981	Nov. 1982	12	16
Jul. 1990	Mar. 1991	92	8
Mar. 2001	Nov. 2001	120	8

Contractions (recessions) start at the peak of a business cycle and end at the trough.

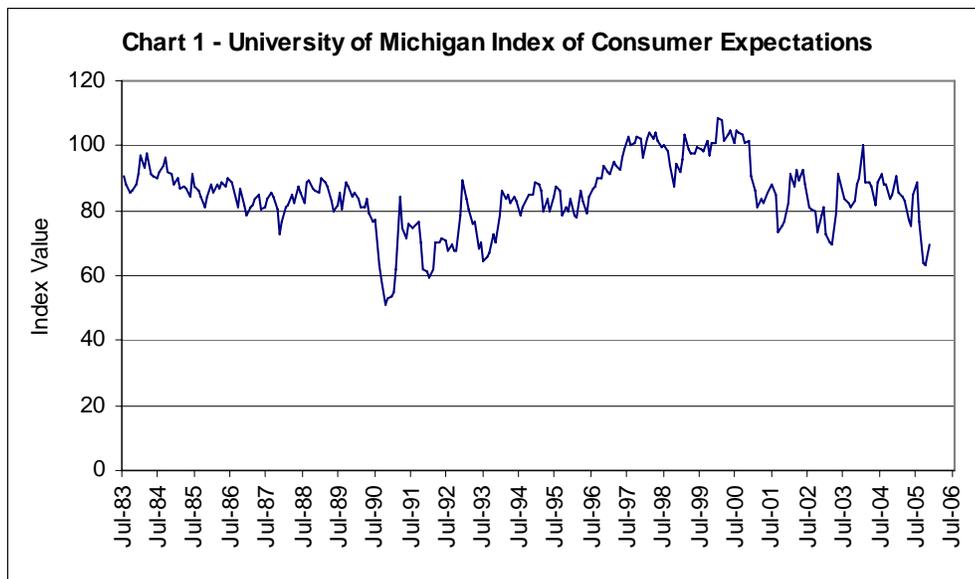
Economic Conditions and General Fund Revenue

Institute for Supply Management Index – The Institute for Supply Management has conducted a monthly survey of business purchasing officers since 1948. The survey's results produce a Purchasing Manager's Index (PMI). The PMI is a composite index based on the seasonally adjusted diffusion indexes for five of the indicators (New Orders, Production, Supplier Deliveries, Inventories, and Employment) with varying weights. Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change. A PMI reading above 50.0 indicates the manufacturing economy is generally expanding; below 50.0 indicates it is generally declining.

In February 2002, an index above 50.0 was recorded for the first time in 18 months. For the next 18 months, the Index hovered near 50.0, averaging 51.5 during that time. Since August 2003, the U.S. Index has averaged 58.0 and it stands at 58.1 for November 2005. The recent numbers for the U.S. economy are down marginally, likely due to pressures created by the late summer hurricanes and high energy prices. A graph depicting the history of the Index is included in the Iowa Economy section.

Consumer Confidence – Each month, researchers at the University of Michigan conduct a Survey of Consumers to determine the views and expectation of consumers concerning their sentiment for the present and future direction of the U.S. economy. The survey result is called the Index of Consumer Expectations. The Index focuses on how consumers view prospects for the general economy over the long term.

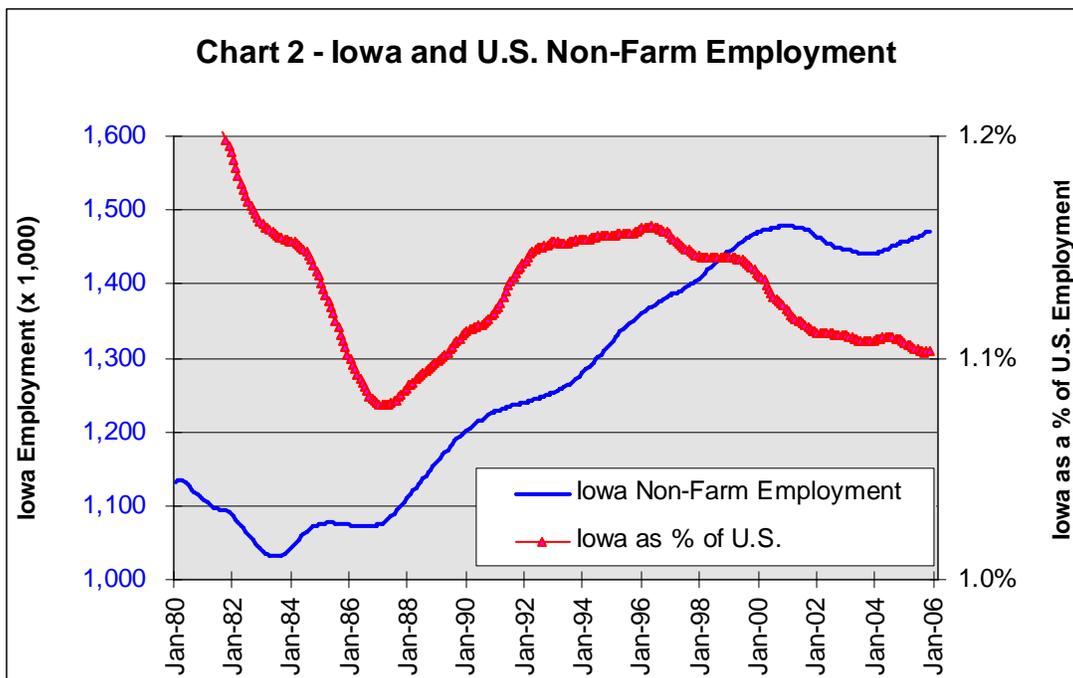
Chart 1 shows consumer confidence as reported by the Index reached a peak in January 2000. The Index generally declined for the next 38 months, reaching a low in March 2003. For November 2005, the value was 69.6, reflecting sagging consumer confidence after high motor fuel prices during the summer and fall and the impact of major hurricanes along the gulf coast in September. Consumer confidence as measured by the Index has not been this low since 1993.



Economic Conditions and General Fund Revenue

Iowa Economy

Iowa Employment – After recovering in the mid-1980s from the lingering effects of the farm crisis, Iowa total employment as well as Iowa's percent of total U.S. employment increased each year for ten years (1987 through 1996). Iowa non-farm employment continued to grow through 2000. After the 2000 employment peak, the Iowa economy lost almost 40,000 non-farm jobs before rebounding in late 2003. Through October 2005, non-farm employment reached within 10,000 of the 2000 peak (calculated on a 12-month moving average). However, Iowa's share of total U.S. non-farm employment has been declining since August 1996, falling from 1.16% of all U.S. non-farm jobs to 1.11%. **Chart 2** shows Iowa non-farm employment as well as the ratio of Iowa employment to U.S. employment.

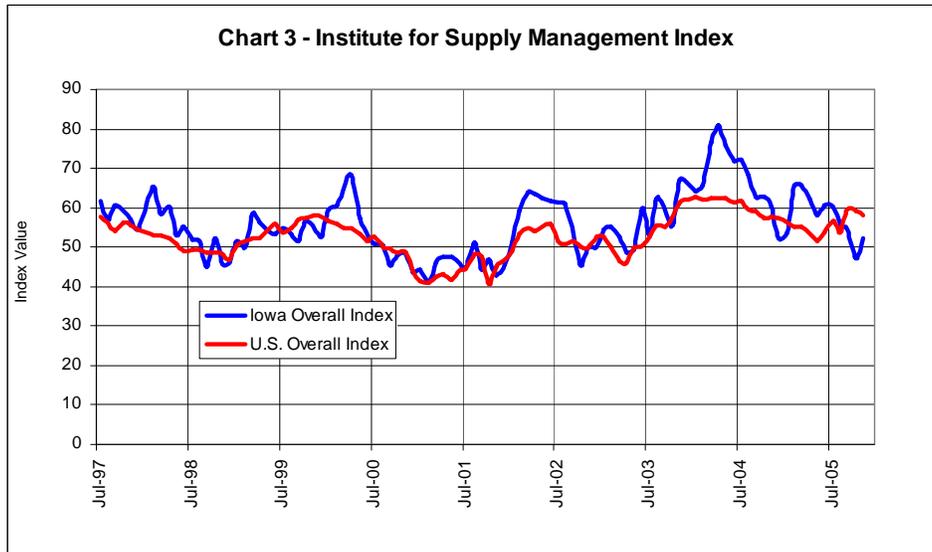


Iowa Purchasing Managers' Index – Creighton University produces a monthly index based on a survey of purchasing managers for businesses within the Mid-American region of the country. The Creighton survey produces index values for the region and for each state in the region. The survey methodology is the same as the national survey completed by the Institute for Supply Management. **Chart 3** shows the Iowa index value and the national value graphed together. The chart shows:

- The trend of the Iowa index is very similar to the trend of the national index.
- The Iowa index was above the national index for a majority of the months in the 1990s. However, this could be a result of different researchers completing the two surveys.

Economic Conditions and General Fund Revenue

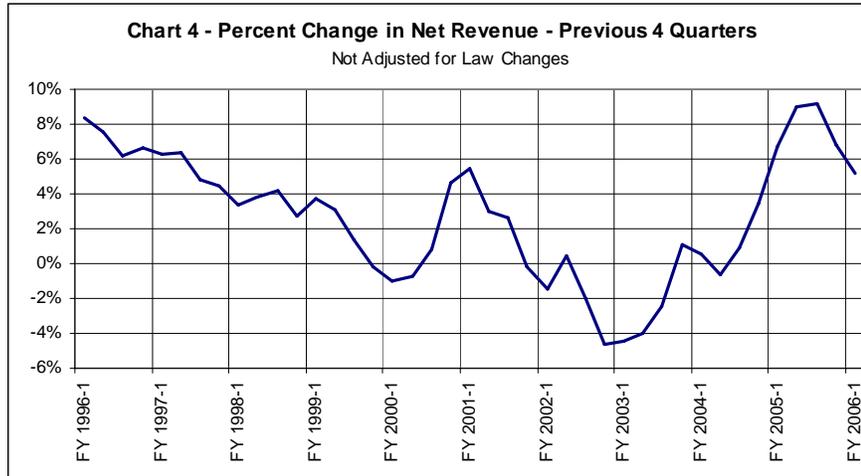
- ▶ The national Index peaked in January 2004 and the Iowa value peaked in April 2004. Since the beginning of the recession in 2001, Iowa's index value has generally been higher than the U.S. index. However, Iowa's index has been below the U.S. value for the most recent three months.



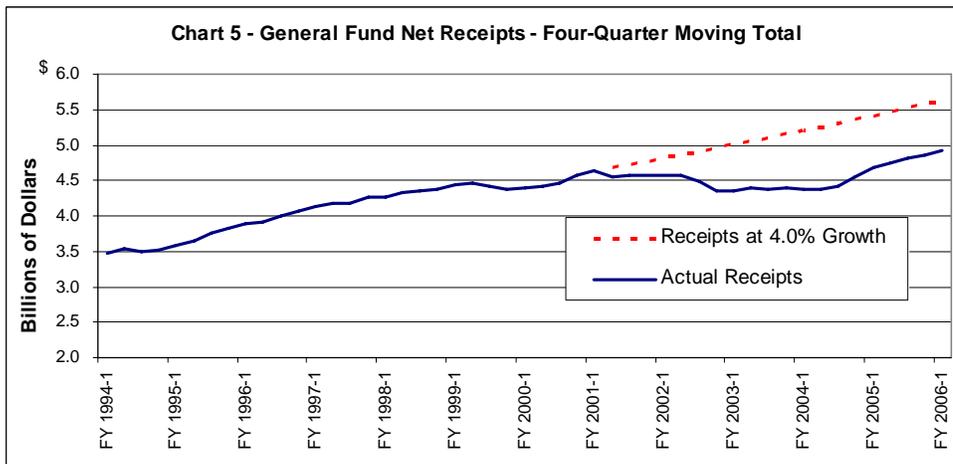
Iowa General Fund Revenues

Iowa's income, sales/use, and corporate taxes raise approximately 86.3% of the revenue deposited to the State General Fund each year (FY 2005 data – net fiscal year basis, excluding transfers). The amount of revenue generated by each of these funding sources depends on the level of economic activity in the State during a fiscal year (employment, consumer expenditures, business and government expenditures, etc.). Assuming other tax factors are equal (tax base and tax rates), a growing economy will produce more tax revenues than a stagnant one. The previous paragraphs on the recent condition of the national and Iowa economy show the economy slowed in the fall of 2000, with an official U.S. recession starting in March 2001 and ending in November of the same year. **Chart 4** shows annual Iowa General Fund net revenue growth calculated on a moving four-quarter basis. The numbers do not include transfers, but are net of tax refunds. Most evident in the graph is the abrupt downturn starting with the second quarter of FY 2001, when receipt growth fell from a positive value of 5.5% in the first quarter of FY 2001 to a value of negative 4.7% by the end of the fourth quarter of FY 2002. The growth rate has generally accelerated since that time, with the four-quarter average reaching 9.2% at the end of the third quarter of FY 2005. The most recent two quarters reflect a modest slowdown in the rate of growth.

Economic Conditions and General Fund Revenue



While economic factors have contributed to the recent reduction in the revenue growth rate, tax reductions and revenue adjustments enacted by the General Assembly have played a significant role in reducing the rate of General Fund net revenue growth over the past six years. While the 26 quarters prior to the FY 2001 peak averaged 4.2% growth, the next 12 quarters averaged negative 1.0%. Had receipt growth averaged 4.0% since the end of FY 2000, net revenues for FY 2005 would have totaled \$5.575 billion, \$719.6 million more the actual net receipts (see Chart 5).



In December 2005, the Revenue Estimating Conference (REC) established an FY 2006 net General Fund revenue growth rate (excluding transfers, accrued revenues, and prior to refunds, of 1.5%. After adjusting for the excluded items, estimated growth is 3.0%.

For FY 2007, the REC estimates growth will be positive 3.0%, and 4.7% after transfer and other adjustments.

In dollar terms, net revenue growth for FY 2006 is estimated at \$146.8 million for FY 2006 and \$238.9 million for FY 2007.

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SALARIES AND COLLECTIVE BARGAINING

The State of Iowa completed negotiations with the eleven unions representing State employees for salaries and benefits by the winter of 2005 for FY 2006 and FY 2007. Chapter 20, Code of Iowa, establishes the framework and timeline for the bargaining process. The basic deadlines are:



- August through September – Unions request bargaining.
- November through December – Unions and the State present initial proposals.
- January through March – Negotiation sessions occur, which may include the appointment of a mediator, fact finding, and binding arbitration.
- March 15 – Deadline for impasse procedure and filing of neutrals award if required.

FY 2007 Estimated Increased Salary Expenses for All Funding Sources

- ***The Governor's FY 2007 recommendation includes \$54.6 million, which includes \$39.6 million from the General Fund, \$12.0 million from the Primary Road Fund, and \$3.0 million from the Road Use Tax Fund for salary increases. Federal Funds would also be available for the payment of salary increases.***
- It is estimated that total salary expenses for all funding sources would increase by \$91.8 million in FY 2007, excluding the Board of Regents. That cost includes:
 - ◆ An increase of \$11.2 million, due to an increase in salaries and benefit costs that increase with salary expenses related to merit increases.
 - ◆ An increase of \$27.7 million related to an increase in salaries and benefit costs that increase with salary expenses related to the increase in the pay plans.
 - ◆ An increase of \$11.0 million related to the increased cost of benefits that are not related to salaries.
 - ◆ An estimated increase of \$41.9 million for partial year increases which took place during FY 2006 (salary annualization).
- It is estimated that General Fund salary expenses would increase by \$57.0 million in FY 2007, excluding the Board of Regents. That cost includes:
 - ◆ An increase of \$6.4 million, due to an increase in salaries and benefit costs that increase with salary expenses related to the merit increases.
 - ◆ An increase of \$18.3 million related to an increase in salaries and benefit costs that increase with salary expenses related to the increase in the pay plans.

Salaries and Collective Bargaining

- ◆ An increase of \$6.9 million related to the increased cost of benefits that are not related to salaries.
 - ◆ An estimated increase of \$25.3 million for partial year increases which took place during FY 2006 (salary annualization).
- ▶ The estimated FY 2006 cost to the General Fund, compared to estimated FY 2005, due to the collective bargaining agreements and an increase in other costs, is \$45.2 million, excluding the Board of Regents, which is estimated to be \$24.8 million.

The following table is a summary of the agreements between the State and the eleven collective bargaining units. The table contains only a summary of the major points. Copies of the agreements and estimates of the fiscal impact are available from the Fiscal Services Division of the Legislative Services Agency upon request. Since collective bargaining agreements cover two years, there are no scheduled collective bargaining negotiations during the 2006 Legislative Session.

FY 2006 AND FY 2007 COLLECTIVE BARGAINING UNIT AGREEMENTS

Bargaining Unit	FY 2006		FY 2007	
	Wages	Benefits	Wages	Benefits
American Federation of State, County, and Municipal Employees (AFSCME) – General Government and Community Based Corrections (CBC)	2.5% increase in pay plan maximums effective April 1, 2006. 4.5% steps for eligible employees.	State pays increased health insurance premiums until January 1, 2006. With a cost of \$16.30/month for each Wellmark Select and Program 3 Plus family contract. The current 85.0% State and 15.0% employee contribution rate will continue thereafter. Permits an employee's family to use the Employee Assistance Program (EAP)	2.0% across-the-board increase effective July 1, 2006. 4.5% steps for eligible employees.	Establishes a Sick Leave Conversion Program July 1, 2006.

Salaries and Collective Bargaining

Bargaining Unit	FY 2006		FY 2007	
	Wages	Benefits	Wages	Benefits
Iowa United Professionals (IUP) – Social Services	<p>Change to pay plan 010 from pay plan 009 April 1, 2006, provides a higher pay maximum than if they did not move.</p> <p>Step increases worth 4.50% for eligible employees during FY 2006.</p>	<p>The State will pay any increase in health premiums until January 1, 2006.</p>	<p>1.0% across-the-board increase effective July 1, 2006.</p> <p>1.5% across-the-board increase effective January 1, 2007.</p> <p>4.5% steps for eligible employees.</p>	<p>Establishes a Sick Leave Conversion Program July 1, 2006.</p> <p>Employer matches 50.0% of employees contribution to Deferred Compensation Program up to a State share of \$50 per month (\$600 per year) effective January 1, 2007.</p>
Iowa United Professionals (IUP) – Science	<p>Increase the pay range maximum by 2.50% April 1, 2006.</p> <p>Step increases worth 4.50% for eligible employees during FY 2006.</p>	<p>The State will pay any increase in health premiums until January 1, 2006.</p>	<p>1.0% across-the-board increase effective July 1, 2006.</p> <p>1.5% across-the-board increase effective January 1, 2007.</p> <p>4.5% steps for eligible employees.</p>	<p>Establishes a Sick Leave Conversion Program July 1, 2006.</p> <p>Employer matches 50.0% of employees contribution to Deferred Compensation Program up to a State share of \$50 per month (\$600 per year) effective January 1, 2007.</p>
Judicial AFSCME	<p>Change to pay plan 030 from pay plan 014 April 1, 2006, brings the pay plan into line with the AFSCME pay plan.</p> <p>Step increases worth 4.50% for eligible employees during FY 2006.</p>	<p>Effective July 1, 2005, weekend shift differential increase to \$.075 per hour from \$.50 and 2nd language differential increases to \$.35 per hour from \$.25.</p>	<p>3.50% across-the-board salary increase on July 1, 2006.</p> <p>No Steps for FY 2007.</p>	<p>Same as FY 2006.</p>
Judicial Exempt	<p>Change to pay plan 030 from pay plan 014 April 1, 2006, to bring it into line with the AFSCME pay plan.</p> <p>Step increases worth 4.50% for eligible employees during FY 2006.</p>	<p>Same as FY 2005.</p>	<p>3.50% across-the-board salary increase on July 1, 2006.</p> <p>No Steps for FY 2007.</p>	<p>Same as FY 2006.</p>

Salaries and Collective Bargaining

Bargaining Unit	FY 2006		FY 2007	
	Wages	Benefits	Wages	Benefits
Judicial Public, Professional, and Maintenance Employees (PPME)	<p>Increase the pay range maximum by 4.00% July 1, 2005.</p> <p>Step increases worth 2.00% for eligible employees during FY 2006.</p> <p>2.00% across-the-board salary increase on July 1, 2005.</p>	<p>Beginning July 1, 2005, increases the deferred compensation match by the State. The State contributes \$1 for each \$2 deferred by the employee up to \$50 per month (\$600 annually).</p>	<p>Step increases worth 2.00% for eligible employees during FY 2007.</p> <p>2.00% across-the-board salary increase on July 1, 2006.</p>	<p>Same as FY 2006.</p>
State Police Officers Council (SPOC)	<p>0.50% across-the-board salary increase on January 1, 2006.</p> <p>1.00% across-the-board salary increases on April 1, 2006.</p> <p>Continuation of merit step increases for employees who are not on the top step of the pay range.</p>	<p>The State will pay any increase in health premiums until January 1, 2006. The current 85.0 State and 15.0% employee contribution rate will continue thereafter.</p> <p>Increase the Department of Natural Resources clothing allowance to \$500 from \$350.</p>	<p>1.00% across-the-board salary increase on July 1, 2006.</p> <p>1.50% across-the-board salary increases on January 1, 2007.</p> <p>Continuation of merit step increases for employees who are not on the top step of the pay range.</p>	<p>Increase Per Diem to \$8.00 from \$750 effective January 1, 2007.</p>
Service Employees International Union (SEIU) – Trinity Health Care at the University of Iowa	<p>4.50% across-the-board salary increase for nursing staff on July 1, 2005.</p> <p>4.35% across-the-board salary increase for non-nursing staff on July 1, 2005.</p>	<p>Same as FY 2005</p>	<p>No current agreement.</p>	<p>No current agreement.</p>
American Federation of State, County, and Municipal Employees (AFSCME - Regents)	<p>Increase the pay range maximum by 2.50% April 1, 2006.</p> <p>Step increases worth 4.50% for eligible employees during FY 2006.</p>	<p>The State will pay any increase in health premiums until January 1, 2006.</p> <p>Permits an employee's family to use the Employee Assistance Program (EAP).</p>	<p>2.00% across-the-board salary increase on July 1, 2006.</p> <p>Step increases worth 4.50% for eligible employees during FY 2007.</p>	<p>Does not establish a Sick Leave Conversion Program July 1, 2006.</p>

Salaries and Collective Bargaining

Bargaining Unit	FY 2006		FY 2007	
	Wages	Benefits	Wages	Benefits
United Faculty of Iowa (UFI) – University of Northern Iowa	1.50% across-the-board salary increases on July 1, 2005. 1.00% across-the-board salary increases on January 1, 2006.	Same as FY 2005.	No current agreement.	No current agreement.
Campaign to Organize Graduate Students (COGS) – University of Iowa	1.50% across-the-board increases in the average graduate assistant stipend on July 1, 2005. The minimum level of tuition scholarship increases by \$650 July 1, 2005.	Same as FY 2005.	No current agreement.	No current agreement.
Non-Contract Employees	Increase the pay range maximum by 2.50% April 1, 2006. Step increases worth 4.00% for eligible employees during FY 2006.	The State will pay any increase in health premiums until January 1, 2006.	2.00% across-the-board salary increase on July 1, 2006. Step increases worth 4.00% for eligible employees during FY 2006.	Establishes a Sick Leave Conversion Program July 1, 2006.

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PUBLIC RETIREMENT SYSTEMS COMMITTEE

The Public Retirement Systems Committee is a 10-member legislative committee tasked with the responsibility to examine and make recommendations to the Iowa General Assembly concerning public retirement systems in Iowa. Section 97D.4(3), Code of Iowa, establishes the duties of the Committee. Historically, the General Assembly addresses retirement system issues during the second year of each biennium, and as needed. Interested parties make recommendations for the Legislature to consider.

The Committee held a two-day meeting in November and received information and recommendations from each of the public retirement systems. Presentations from the systems focused on recommended contribution rates, employer and employee split of the contribution rate, plan design, and benefit structure.

The Committee met again on December 21, and made the following recommendations to the General Assembly:

- House File 729 (Public Pensions Omnibus Bill) should be re-referred to the Senate State Government Committee for consideration and passage.
- The House State Government Committee should consider the IPERS/411 Technical Bill and the Defined Contribution Plan, and the Senate State Government Committee should consider all other proposals outlined by the LSA. (More information on these proposals is available on the Committee's web site: www.legis.state.ia.us/asp/Committees/Committee.aspx?id=57).
- The House and Senate Appropriations Committees should consider using the one-time funds from refinancing Tobacco Settlement bonds for repaying the State's obligation to the Judicial, 411, and PORS pension plans.

Retirement Systems

The public retirement systems in Iowa include:

- **Iowa Public Employees' Retirement System – IPERS:** The membership includes 160,905 active and 76,267 retirees that are employees of State, county, and city governments; other political subdivisions; or agencies, and school districts. Special groups within the System include:
 - ◆ Sheriffs and Deputy Sheriffs.
 - ◆ Protection Occupations - airport safety officers; airport firefighters, conservation peace officers; city marshals, fire fighters, police officers and fire prevention inspectors not under the Municipal Fire and Police Retirement System of Iowa (MFPRSI); correctional officers; and Department of Transportation (DOT) peace officers.

Public Retirement Systems Committee

- ▶ **Judicial Retirement System:** The membership includes 191 active and 102 retired Supreme Court, Court of Appeals, District Court, District Associate, and Associate Juvenile judges. 
- ▶ **Department of Public Safety Peace Officers' Retirement, Accident, and Disability System – PORS:** The membership includes 584 active and 404 retired peace officers of the Department of Public Safety including uniformed officers of the State Patrol, Division of Criminal Investigation (DCI) officers, drug enforcement officers, arson investigators, and fire prevention inspectors.
- ▶ **Municipal Fire and Police Retirement System of Iowa - MFPRSI or 411s:** The membership includes 3,786 active and 3,461 retired police officers and firefighters, and their beneficiaries, from cities with a population of 8,000 or more in 1980, and other cities that voluntarily established a civil service commission.
- ▶ **Teachers' Insurance and Annuity Association - College Retirement Equities Fund - TIAA-CREF:** The membership includes 23,518 active members that are University, Board of Regents, and some community college employees.

Types of Plans

- ▶ The IPERS, Judicial Retirement, PORS, and MFPRSI are “defined benefits plans,” meaning the future pension benefits are set and the contributions by employers and employees are adjusted based on actuarial evaluations so funds will be available to pay retirees’ benefits. The contribution rates for regular IPERS’ members are established by the General Assembly. The IPERS, Judicial Retirement System, and TIAA-CREF retirees also receive Social Security benefits. The PORS and MFPRSI retirees do not.
- ▶ The TIAA-CREF is a “defined contribution plan,” meaning the contributions are fixed and pension benefits are determined at retirement based on contributions and investment income gains and losses. 

Public Retirement Systems Committee

FY 2006 Contribution Rates

	<u>Employee Percent</u>		<u>Employer Percent</u>		<u>Total Percent</u>
IPERS					
Regular	3.70 %		5.75 %		9.45 %
Sheriffs & Dep.	8.20		8.20		16.40
Protection Occup.	6.16		9.23		15.39
Judicial Retirement (1)	5.00		9.71		14.71
PORS					
	9.35		17.00		26.35
MFPRSI/411s (2)	9.35		28.21		37.56
TIAA-CREF (3)	5.00		10.00		15.00

(1) Section 602.9104(4b), Code of Iowa, requires an employer contribution of 23.7%. That section was notwithstanding in HF 807 (FY 2006 Judicial Branch Appropriations Act).

(2) The State also contributed \$2.7 million in FY 2006.

(3) Annual contributions from individuals within TIAA/CREF, less than five years of service are equal to 3 and 1/3% on the first \$4,800 in salary and 5.0% above \$4,800, while the University contributes 6 and 2/3% on the first \$4,800 in salary and 10.0% above \$4,800. After five years of service, the individual contributions go to 5.0% and the corresponding University contribution is 10.0%.

Unfunded Actuarial Liability (UAL)

- ▶ **Iowa Public Employees' Retirement System (IPERS)** – The unfunded actuarial liability was determined to be \$2.3 billion (88.7% funded) at the end of FY 2005 using the Entry Age Normal Cost Method.
- ▶ **Judicial Retirement System** – The unfunded actuarial liability was determined to be \$23.9 million (77.0% funded) at the end of FY 2005 using the Projected Unit Credit Cost Method.
- ▶ **Department of Public Safety Peace Officers' Retirement, Accident, and Disability System – PORS** – The unfunded actuarial liability was determined to be \$83.0 million (75.8% funded) at the end of FY 2005 using the Projected Unit Credit Cost Method.
- ▶ **Municipal Fire and Police Retirement System of Iowa – MFPRSI or 411s** – The System uses the Aggregate Cost Method and does not calculate a separate

Public Retirement Systems Committee

actuarial accrued liability. The actuarial value of plan assets is \$130.9 million less than the present value of all accrued benefits (92.0% funded) at the end of FY 2005.

Additional information is available from the LSA upon request or is available on the Committee's web site:

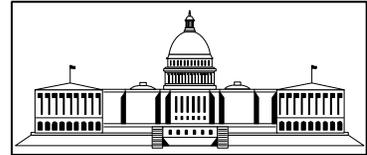
<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=57>.

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TAX AND REVENUE ISSUES

Federal Legislation

The U.S. Congress enacted tax law changes as economic stimulus packages in 2001, 2002, and 2003 that provided income tax refunds, reduced income tax rates, and phased-out federal taxation of estates. Due to Iowa's deduction allowance for federal taxes paid, federal tax law changes that generally lower federal personal and business taxes have the additional impact of raising Iowa taxes owed.



Federal tax law changes can also have the opposite impact on Iowa revenues if Iowa "couples" with federal definitions of taxable income, deductions, and credits. Recent federal legislation increased the front-loaded nature of depreciation schedules for business investment. Those changes are commonly referred to as bonus depreciation and Section 179 expensing. The 2004 Extraordinary Session coupled Iowa tax law with the latest federal change.

A significant provision of recent federal legislation phased in a repeal of the federal tax on estates. Under federal estate tax law, taxpayers receive a dollar-for-dollar credit against their federal estate tax liability for state estate and inheritance tax payments up to a specified amount. The maximum credit varies by the size of the estate. This credit is commonly called a "pick up tax." Prior to the phase-out, Iowa collected approximately \$105.0 million in inheritance tax each year. Of this amount, \$30.0 to \$35.0 million is the result of Iowa's pick up tax. As the federal estate tax is eliminated, Iowa's collections from the pick up tax will also be eliminated. Iowa is projected to receive no pick-up tax after the fall of 2006.

Streamlined Sales Tax Project

Representatives of government and industry are examining ways to simplify sales and use tax administration. Iowa is participating in the Streamlined Sales Tax Project (SSTP) along with 44 other states. The goal of the Project is to develop measures to design, test, and implement a sales and use tax system that substantially simplifies sales and use taxes.

The Project released a final Streamlined Sales and Use Tax Agreement on November 12, 2002. The document is available at the organization's web site at www.streamlinedsalestax.org.

The agreement became official effective October 3, 2005. This triggers a Web-based centralized point of sales tax registration for the member states, an amnesty period for sellers that have not been contacted by member states for audit, and finalizes the process for certification of software that will assist in sales tax collection responsibilities.

Tax and Revenue Issues

The simplified system reduces the number of sales tax rates, brings uniformity to definitions of items in the sales tax base, reduces the paperwork burden on retailers, and incorporates new technology to modernize many administrative procedures.

Full-member Streamlined states include Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, New Jersey, North Carolina, North Dakota, Oklahoma, South Dakota, and West Virginia.

Associate-member states are Arkansas, Ohio, Tennessee, Utah, and Wyoming. Nevada will become an Associate-member state on January 1, 2006. It is anticipated that other states will become members as this effort moves forward.

Phase-out of State Sales Tax on Residential Home Energy

House File 1 (Home Energy Sales Tax Phase-out Act), enacted by the 2001 General Assembly, created a five-year phase-out of the Iowa sales tax on residential household gas and electricity usage. The phase-out reduced Iowa's 5.0% sales tax to 4.0% on January 1, 2002, with additional 1.0% reductions each January 1st until the tax is eliminated on January 1, 2006. The phase-out was projected to reduce sales tax revenues by:

- ▶ FY 2002 – \$ 8.8 million (Jan. 1, 2002, tax reduced to 4.0%)
- ▶ FY 2003 – \$26.5 million (Jan. 1, 2003, tax reduced to 3.0%)
- ▶ FY 2004 – \$44.2 million (Jan. 1, 2004, tax reduced to 2.0%)
- ▶ FY 2005 – \$61.9 million (Jan. 1, 2005, tax reduced to 1.0%)
- ▶ FY 2006 – \$79.6 million (January 1, 2006, tax reduced to 0.0%)
- ▶ FY 2007 – \$88.5 million (tax rate equals 0.0% for entire fiscal year)

Previously Enacted Tax and Revenue Adjustments

The Iowa General Assembly and federal Congress have enacted tax and revenue measures in recent Sessions with phased-in or future impact dates, including the utility sales tax legislation and federal changes discussed above. The following Table provides a summary of projected revenue impacts associated with recent legislation. The list does not include changes with small revenue impacts.

Tax and Revenue Issues

Significant Tax and Revenue Changes with Future Impacts			
Changes from FY 2005 Base			
Dollars in Millions			
	FY 2006	FY 2007	FY 2008
Utility Phase-out	\$-18.7	\$-28.1	\$-28.1
Insurance Premium Tax	-17.0	-32.0	-37.0
Iowa Values Fund Credits	-5.9	-27.3	-28.1
Small Producer Energy Credit	0.0	0.0	-2.8
Depreciation Changes	-29.8	2.0	2.0
Seed Capital Credits	-4.0	0.0	0.0
Venture Capital Tax Credit	-2.3	-2.3	-2.3
Withholding Table Changes	-34.8	-6.8	41.6
Streamlined Sales Tax	3.0	8.0	15.0
Ethanol Tax Credit	-2.6	-3.5	-4.5
Electronic Commerce	-0.9	-1.8	-1.8
Federal Inheritance Tax Changes	-2.0	-4.0	-4.0
	<u>\$-115.0</u>	<u>\$-95.8</u>	<u>\$-50.0</u>
Potential:			
Venture Capital Fund of Funds			
Contingent Credits	\$0.0	\$-20.0	\$-20.0

Cigarette and Tobacco Tax Increase

Iowa's cigarette tax is currently \$0.36 per pack of 20. The Governor is recommending an \$0.80 per pack increase in the tax rate. The Governor is also recommending a similar percentage increase in the tax for other tobacco products. The tax increase would be effective April 1, 2006. The Governor projects that the tax changes will increase cigarette/tobacco tax revenue by:

- ***FY 2006 – \$31.5 million.***
- ***FY 2007 and after – \$129.9 million.***

The Governor's recommendation includes transferring the new money to the Healthy Iowans Tobacco Trust Fund in FY 2006 and FY 2007.

Other Revenue Adjustments

The Governor is recommending several other revenue adjustments that the Governor projects will increase FY 2007 revenue. These include:

Tax and Revenue Issues

- **Combined Corporate Income Tax Reporting – \$25.0 million.** *The Governor is recommending closely related corporations be required to file combined Iowa corporate tax returns. Under current Iowa law and practice, corporations are generally allowed to file tax returns for each separate entity or subsidiary. This method reduces the overall tax liability of the closely related corporation.*
- **Increase the Beer Tax Rate – \$7.4 million.** *The Governor is recommending increasing the tax on beer by \$0.10 per gallon. The current tax rate is \$5.89 per 31-gallon barrel (\$0.19 per gallon).*
- **Increase Net Revenue Collections – \$4.8 million.** *The Governor is recommending funding Department of Revenue collection efforts directly from General Fund revenue instead of through the current appropriation process. The Department projects additional FY 2007 revenue of \$11.0 million under the proposed system. After expending \$6.2 million on collection expenses, the Department expects to deposit \$4.8 million in net proceeds to the General Fund.*
- **Increased Court Charges – \$2.2 million.** *The Governor is recommending increasing fees for criminal case filing and docketing, nonscheduled simple misdemeanors, and scheduled violations for required and non-required court appearances from the current level of \$30 to \$35.*
- **Increased Fines – \$2.0 million.** *The Governor is recommending a 25.0% increase in fines for simple, serious, and aggravated misdemeanors, as well as fines for Operating While Intoxicated (OWI).*
- **Increased Speeding Fines – \$2.1 million.** *The Governor is recommending an increase in speeding fines for violations under 55 miles per hour.*
- **Increased Riverboat Enforcement Fees – \$3.3 million.** *The Governor is recommending an increase in riverboat regulation reimbursement revenue due to the increased number of riverboats operating. The recommendation also includes \$1.0 million in additional FY 2006 revenue.*
- **Increased Banking Fee Revenue – \$0.2 million.** *The Governor is recommending an increase in bank regulation reimbursement revenue.*

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TOBACCO SECURITIZATION

On November 20, 1998, 46 states approved a settlement agreement with the four major tobacco industry manufacturers comprising 99.4% of the United States cigarette market. The manufacturers agreed to a settlement valued at \$206.4 billion to be paid over 25 years to settle tobacco-related lawsuits filed by the states. The Master Settlement Agreement covered 39 states that filed lawsuits and seven states that had yet to sue. The settlement does not apply to the four states that previously settled lawsuits.

Iowa will receive approximately \$1.9 billion (0.87%) of the total funds allocated for distribution to the states. From FY 1998 through FY 2001, Iowa received \$144.4 million under the Master Settlement Agreement. Iowa originally securitized 78.0% of the payment stream in 2001. Since that time, 78.0% of the payments are made to the trustee to pay the bond obligations. The remaining 22.0% is paid directly into the Endowment for Iowa’s Health Account.

Tobacco Securitization Restructuring

In November 2005, the Tobacco Settlement Authority (TSA) restructured the existing debt related to the Series 2001 bonds. The restructuring was completed in accordance with Section 12.65, Code of Iowa. The funds were applied as follows:

Distribution of Funds	
Escrow - Pay off Series 2001 Bonds	\$ 666,800,000
Debt Service Reserve Account - Series 2005 Bonds	59,200,000
Costs of Issuance	2,300,000
Proceeds to the State of Iowa	
Endowment for Iowa's Health - Restricted Capitals Fund	100,500,000
Endowment for Iowa's Health Account	50,200,000
Enforcement Reserve Account	3,000,000
Total	<u><u>\$ 882,000,000</u></u>

Expenditures from the Restricted Capitals Fund must comply with Internal Revenue Service (IRS) rules, and are restricted to depreciable assets. The \$50.2 million recently deposited into the Endowment for Iowa’s Health Account may be used for health-related expenditures. The TSA created an Enforcement Reserve Account in the indenture related to the refinancing. The Enforcement Reserve Account provides a dedicated source of funds for legal expenses of the Attorney General’s Office related to the enforcement provisions of the Master Settlement Agreement and Iowa’s tobacco laws. This Fund remains under the control of the TSA, which must approve any expenditure from the Fund. The bond proceeds were received in November 2005 and will be available for appropriation during the 2006 Legislative Session.

Tobacco Securitization

Governor's Recommended Changes to the Endowment for Iowa's Health Account

The Governor is recommending the deappropriation of the FY 2007 General Fund standing appropriation to the Endowment of \$17.8 million, and is recommending the transfer of an additional \$20.0 million from the Endowment as follows:

- \$10.0 million to the Treasurer of State for Water Protection and Water Quality.***
- \$10.0 million to the Board of Regents for the implementation of the Battelle Report.***

These transfers are in addition to the \$59.3 million that will be appropriated to the Healthy Iowans Tobacco Trust Fund under current law.

Governor's Recommended Changes to the Healthy Iowans Tobacco Trust Fund

The Governor is recommending that the receipts from the proposed 80 cent cigarette and tobacco tax increase be deposited into the Healthy Iowans Tobacco Trust Fund. This results in an increase in receipts of \$31.5 million in FY 2006 that the Governor is recommending as an FY 2006 supplemental appropriation for Medicaid.

The cigarette and tobacco tax increase is estimated to generate an additional \$129.9 million in FY 2007. The Governor is recommending this amount be deposited into the Healthy Iowans Tobacco Trust Fund. The Governor is recommending new appropriations from the Healthy Iowans Tobacco Trust Fund of \$123.4 million:

- A new appropriation of \$30.0 million to the Department of Commerce for small business/school district reinsurance.***
- An increase of \$20.0 million to the Department of Human Services for Medicaid.***
- An appropriation of \$73.4 million to the Senior Living Trust Fund.***

Please refer to the other funds balance sheets in **Appendix C** for information concerning the Governor's recommendations related to the appropriation of securitized tobacco funds.

More information is available on the LSA web site at: <http://staffweb.legis.state.ia.us/lfb/>

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PROPERTY TAX ISSUES

Property Taxes – Recent Legislation

Property tax reform has been a significant issue for the last three legislative sessions. During the 2003 Extraordinary Session, HF 692 (Taxation Changes, Grow Iowa Values, and Regulatory Reform Act) was approved by the General Assembly and attempted to transform property assessment and taxation in Iowa. The Act established parameters for changing Iowa's property tax system and created a Property Tax Implementation Committee to refine the system and make recommendations to the General Assembly for implementation of the new property tax system.



During the 2004 Legislative Session, Senate File 2298 (FY 2005 Omnibus Appropriations Act) repealed the Property Tax Implementation Committee and established a State Tax Implementation Committee for a comprehensive review of property taxes, revenue sources for local and State governments, and alternatives. The Governor vetoed the sections dealing with the new committee but retained the repeal of the original committee.

The Legislative Council established a Property Taxation Review Committee for the 2004 interim and authorized four meetings to review and analyze a number of issues, including revenue sources available to local governments; State revenues provided to local governments; exemptions, credits, deductions, exclusions, and other reductions in local taxes; services provided by local governments and the role of property taxes in funding local government services; and alternative systems of property taxation



During the 2005 Legislative Session, the Governor created a Committee on Local Governance with legislative members, and taxation (primarily property tax) was one of the three subject areas addressed by the Committee. Also during the 2005 Session, several legislators and interest groups proposed changes and legislation dealing with the property tax system.

Current Property Tax System

The existing property tax system has continued to operate while property tax issues are being reviewed and changes proposed. Following are some significant issues for the current tax system.

Property Tax Relief

Major property tax relief programs have been created since FY 1996. **Figure 1** summarizes the major property tax relief expenditures and projects the cost of each program through FY 2007.

Property Tax Issues

Figure 1
Projected State Funded Property Tax Relief
(Dollars in Millions)

	Actual FY 1997	Actual FY 2001	Actual FY 2002	Actual FY 2003	Actual FY 2004	Actual FY 2005	Estimated FY 2006	Current Law - Est. FY 2007
Machinery & Equipment	\$ 6.9	\$ 41.6	\$ 15.1	\$ 35.0	\$ 11.0	\$ 0.0	\$ 0.0	\$ 0.0
Mental Health	78.0	95.0	95.0	95.0	95.0	95.0	95.0	95.0
School Foundation	84.8	123.1	126.5	132.2	127.2	132.6	138.3	143.8
Total	\$ 169.7	\$ 259.7	\$ 236.6	\$ 262.2	\$ 233.2	\$ 227.6	\$ 233.3	\$ 238.8

Note: The FY 2004 Machinery & Equipment and School Foundation credits have been reduced by the 2.25% across-the-board reduction. The School Foundation includes property tax relief from changes to the Foundation Level.

Below is a description of each program, followed by a discussion of tax credits and valuation issues.

Machinery and Equipment (M&E)

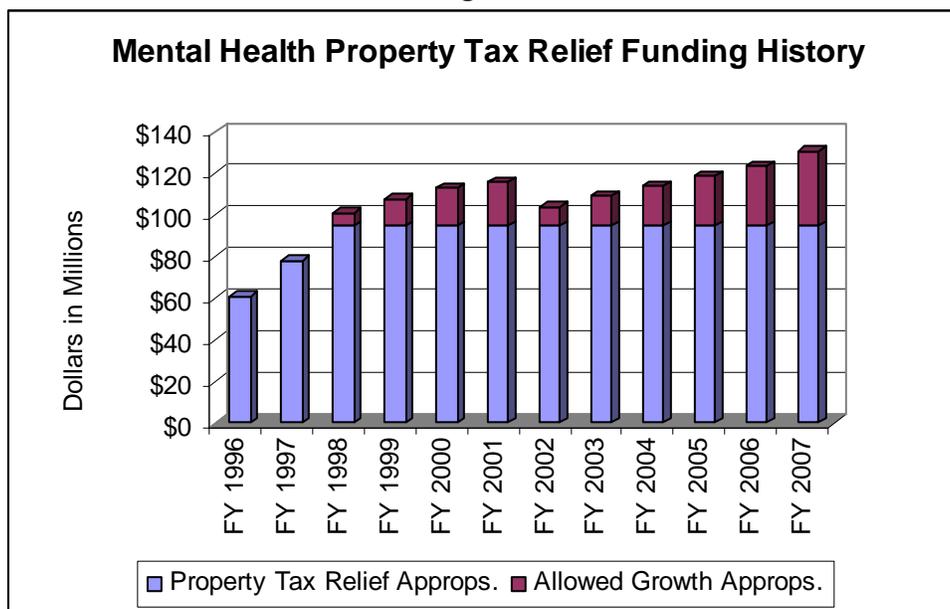
- The property tax on new M&E was repealed during the 1995 Legislative Session in the Property and Income Tax Reduction Act, retroactive to all M&E purchases made since January 1, 1994. The intent of the original legislation was to eliminate the tax on M&E and spur additional commercial and industrial growth that would eventually offset the revenue loss to local governments from the M&E exemption. Local governments received reimbursement for the difference between the base year (FY 1996) M&E valuation and actual valuation for each year through FY 2001. Beginning in FY 2002, the State reduced the reimbursement to the extent that commercial and industrial valuations had grown since FY 1996. The reimbursement ended in FY 2004.

Mental Health Property Tax Relief

- The Mental Health Property Tax Relief Fund was created by the Property and Income Tax Reduction Act during the 1995 Legislative Session.
- A standing limited appropriation was established and phased in over a three-year period to complete the State share. **Figure 2** details annual appropriations from FY 1995 through FY 2007. The State share includes \$6.6 million that is transferred annually from the Property Tax Relief Fund to the Department of Human Services for services for mentally retarded children.

Property Tax Issues

Figure 2



Note: The FY 2006 appropriations for property tax relief and the county expenditure base are assumed at the FY 1998 rate. House File 882 (FY 2006 Standings Appropriations Act) appropriated \$35.8 million for FY 2007 growth, which is a rate of 3.0% with 1.0% of the funds contingent upon enactment of county coverage of services to adults with brain injury. The growth rate for FY 2008 is scheduled to be appropriated during the 2006 Legislative Session.

- ▶ Mental health funding in each county is triggered by a base year amount. The annual appropriation of \$95.0 million was originally set at 50.0% of the FY 1996 county base expenditures of \$189.9 million. Over time, expenditure bases have been adjusted for a total adjusted county base of \$214.4 million.
- ▶ The first \$6.6 million of property tax relief for mental health is transferred annually to the Department of Human Services for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) costs for children. An additional \$6.6 million was appropriated to the Department of Human Services for these same costs in FY 2006.
- ▶ The General Assembly has modified the mental health funds distribution method to counties.
 - ◆ For FY 2006, the distribution is as follows:
 - One-third based on the county's share of State population.
 - One-third based on the county's share of all counties' base year expenditures.
 - One-third based on the county's share of State's total taxable property valuation assessed for taxes payable.

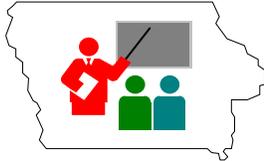
Property Tax Issues

- ◆ For FY 2006, the Mental Health Allowed Growth Distribution Formula includes:
 - \$12.0 million based on county population.
 - \$23.9 million as required by Statute as follows:
 - ◆ The maximum county levy.
 - ◆ The county per capita expenditure to be equal to or greater than the Statewide per capita expenditure.
 - ◆ The FY 2005 County Services Fund year-end balance to be no more than 25.0% of the FY 2005 county mental health gross expenditures.
 - A reduction of \$9.4 million based on FY 2005 county fund balances.
- ▶ The reduction of \$9.4 million within the distribution formula has occurred since FY 2002 to provide more uniform county fund balances. The ending balance percentage, comparing balances to mental health expenditures for each county, determines the amount each county receives from the mental health allowed growth appropriation. The counties are required to submit the FY 2005 ending balances by December 1, 2005. The withholding factor for a county is based on the following:
 - ◆ For an ending balance percentage of less than 5.0%, there is no withholding factor. In addition, a county within this category is to receive an inflation adjustment equal to 3.0% of the gross expenditures reported for the county's Services Fund for FY 2005.
 - ◆ For an ending balance percentage greater than 5.0% and less than 10.0%, there is no withholding factor. In addition, a county within this category is to receive an inflation adjustment equal to 2.0% of the gross expenditures reported for the county's Services Fund for FY 2005.
 - ◆ For an ending balance percentage of 10.0% or greater and less than 25.0%, the withholding factor is 25.0%.
 - ◆ For an ending balance percentage of more than 25.0%, the withholding factor is 100.0%.
- ▶ Ending balances in excess of 10.0% of the expenditures by a county for mental health services will result in a decreased share of the allowable growth appropriation for FY 2006, with the possibility that a county may not receive any of the allowable growth appropriation.
- ▶ The General Assembly may wish to consider the following during the 2006 Legislative Session:

Property Tax Issues

- ✦ Review county expenditures since the beginning of property tax relief funding, individual county levies for mental health services, and balances of the County Services Funds. Changes to the State Plan relating to Medical Assistance (Medicaid) have permitted county expenditures to be matched with federal Medicaid funds, decreasing the amount of county expenditures. This results in either decreased expenditures or increases in services or the number of people served, as determined by individual counties. The State is required to repay the federal Centers for Medicare and Medicaid Services (CMS) ineligible services identified through an audit of Adult Rehabilitative Options that counties provided with individual providers for these services and pay the nonfederal share in lieu of 100.0% of the cost. The FY 2006 Medicaid supplemental estimate includes more than \$6.0 million for this repayment of the federal share.
- ✦ Review proposals for the FY 2007 allowable growth appropriation and other proposed State funding changes.
- ✦ Review the impact of the distribution of the FY 2006 and the FY 2007 allowable growth appropriations. A total of \$2.4 million of the FY 2007 appropriation is contingent on legislation for county services to adults with brain injury.

School Foundation Level

- In the 1996 Legislative Session, the regular program foundation level was raised from 83.0% to 87.5%. Raising the foundation level increases State aid and reduces property taxes for local school districts. In general, school districts with the lowest taxable valuation received the largest tax rate decrease.
- Additional property tax relief was provided by the 1999 General Assembly by raising the foundation level for the special education portion of regular program costs from 79.0% to 87.5%.
- In FY 2000, funding for the Talented and Gifted Program was shifted from 100.0% property taxes to being funded through the foundation formula. This has resulted in the Talented and Gifted Program being funded by a combination of State aid and property taxes. In FY 2000, the State assumed \$16.7 million of the Program costs, and the remaining \$2.4 million continued to be funded by property taxes. The amount of property tax offset changes annually with increases or decreases in allowable growth rates, enrollments, and supplemental weightings.
- Raising the foundation level could provide future property tax decreases. In FY 2007, increasing the regular program foundation level by 1.0% would increase State aid and reduce property taxes by \$25.0 million. Increasing the special education foundation level by 1.0% would increase State aid and reduce property taxes by \$3.7 million, and increasing the Area Education Agency foundation level by 1.0%

Property Tax Issues

would have a \$1.1 million impact. Increasing all three foundation levels to 100.0% would shift an estimated \$386.3 million from property tax to State aid.

Property Tax Credits

 The major property tax credits include the homestead tax credit, agricultural land tax credit, family farm tax credit, military service tax exemption, and various low-income elderly credits. The appropriation for agricultural credits is a standing limited appropriation of \$39.1 million, and taxpayers receive pro-rated shares of the State payment. The homestead, elderly and disabled, and military service property tax credits are standing unlimited appropriations. For the past several years, the General Assembly has appropriated a fixed amount for these tax credits in lieu of the standing unlimited appropriation. When the homestead, elderly and disabled, and military service property tax credits are not fully funded by the State, the credits or exemptions are prorated to the taxpayer.

Figure 3 shows the amounts claimed by taxpayers and the amounts paid by the State in FY 2005.

Figure 3
Local Government Property Tax Claims and Payments
(Dollars in Millions)

FY 2005	Amount Claimed	Amount Paid by State	Amount to Fully Fund
Homestead Credits	\$ 128.3	\$ 102.8	\$ 25.5
Agriculture Land Credits	123.8	24.6	99.2
Family Farm Credits	59.1	10.0	49.1
Military Service Tax Exemption	2.5	2.5	0.0
Elderly Credits			
Rent Reimbursement	13.0	13.0	0.0
Property tax	6.3	6.3	0.0
Mobile homes	0.1	0.1	0.0
Special Assessments	0.0	0.0	0.0
Elderly Credit Total	<u>19.4</u>	<u>19.4</u>	<u>0.0</u>
Total	<u>\$ 333.1</u>	<u>\$ 159.3</u>	<u>\$ 173.8</u>

For FY 2006, HF 882 (FY 2006 Standing Appropriations Act) created the Property Tax Credit Fund and appropriated \$159.7 million from the FY 2005 General Fund surplus before it was deposited to the Cash Reserve Fund. The FY 2006 tax credits are paid from the newly created Fund instead of the General Fund as in the past. The amounts are:

- \$102.9 million for the Homestead Property Tax Credit.
- \$34.6 million for the Agricultural Land and Family Farm Tax Credit.

Property Tax Issues

- \$2.6 million for the Military Service Property Tax Exemption.
- \$19.5 million for the Elderly and Disabled Property Tax Credit.

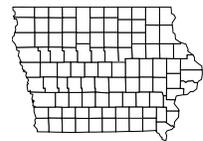
In FY 2007, without changes to current legislation, these standing appropriations will be funded from the General Fund.

The Governor is recommending continued funding of these four property tax credits from the Property Tax Credit Fund. Instead of funding the Property Tax Credit Fund entirely from the General Fund ending balance, the Governor is recommending \$119.8 million from the ending balance and \$39.9 million from an FY 2007 General Fund appropriation. The total funding available from the Property Tax Credit Fund is \$159.7 million, the same as for FY 2006, but with some reallocation among the tax credits:

- ***\$99.7 million for the Homestead Property Tax Credit, which is a decrease of \$3.3 million compared to the FY 2006 appropriation.***
- ***\$34.6 million for the Agricultural Land and Family Farm Tax Credit.***
- ***\$2.6 million for the Military Service Property Tax Exemption.***
- ***\$22.8 million for the Elderly and Disabled Property Tax Credit, which is an increase of \$3.3 million compared to the FY 2006 appropriation.***

In addition, the Governor is recommending elimination of the General Fund appropriation for the Livestock Producers Credit. This a decrease of \$1.8 million compared to the FY 2006 appropriation.

Property Assessment Equalization



Equalization of property assessments is required by law. The process is used to maintain equity for property assessments between counties. The Department of Revenue (DR) determines, by county, if agricultural, residential, and commercial property are generally assessed too high, too low, or within an appropriate range based on county sales data (agricultural property is assessed on a productivity basis, rather than market value).

Equalization of property is performed every two years (odd-numbered years). Equalization orders are given to county assessors. Although the assessors have some discretion in allocating equalization increases and decreases within classifications of property, in most cases, assessors apply the percentage change across the board.

Figure 4 displays the statewide changes to property tax valuations due to assessor revaluation, equalization order, and the net impact on valuations by class of property. The last equalization cycle began with valuations effective January 1, 2005, and

Property Tax Issues

concluded with the DRF equalization order in the fall of 2005. The next cycle begins in January 2007. The January 1, 2005, valuations are used to generate property tax revenues in FY 2007.

Figure 4
2005 Assessor Revaluation Actions and Equalization Orders

	2005 Assessor <u>Revaluation</u>	2005 <u>Equalization</u>	<u>Total Impact</u>
Agricultural	0.5%	2.8%	3.3%
Residential*	5.8%	1.5%	7.3%
Commercial	3.0%	2.1%	5.1%

* Includes urban and rural residential and agricultural dwellings.

Assessed Valuation Limitation (Rollback)

Assessment limitations provide for the reduction of property tax valuations to cushion the impact of rising property values. The assessment limitations are applied to classes of property as follows:

- For agricultural, residential, commercial, and industrial classes of real estate, the taxable valuation for each class is limited to 4.0% annual statewide growth from revaluation. In addition, the percent of growth from revaluation is to be the same for agricultural and residential property (one class may not grow more than the other).
- For utility property, the taxable valuation is limited to 8.0% annual statewide growth from revaluation.
- For railroad property, the assessed valuation is adjusted by the lowest of the assessment limitation percentages for commercial, industrial, and utility property to determine the taxable valuation.

An assessment limitation percentage is applied uniformly to each assessed value in the State for a class of property. Even though the State's total taxable value will increase by only the allowed percent of growth, the taxable values for individual properties will change by different percentages. **Figure 5** shows historical rollback adjustments due to the assessment limitation.

Property Tax Issues

Figure 5
Percent of Property Valuation Taxed after Rollback Adjustment

Assessment Year	Agricultural	Residential	Commercial	Industrial	Utilities	Railroads
1978	96.2480%	78.2516%	-----	-----	-----	-----
1979	94.6706%	64.3801%	88.9872%	100.0000%	100.0000%	88.9872%
1980	99.0951%	66.7355%	93.1854%	100.0000%	100.0000%	93.1854%
1981	95.7039%	64.7793%	87.8423%	96.9619%	100.0000%	87.8423%
1982	99.5711%	67.2223%	91.6331%	100.0000%	100.0000%	91.6331%
1983	86.5024%	69.8754%	91.7230%	97.4567%	98.3345%	91.7230%
1984	90.0058%	72.4832%	95.4242%	100.0000%	97.8637%	95.4242%
1985	93.5922%	75.6481%	98.7948%	100.0000%	100.0000%	98.7948%
1986	100.0000%	77.3604%	100.0000%	100.0000%	100.0000%	100.0000%
1987	100.0000%	80.5966%	100.0000%	100.0000%	100.0000%	100.0000%
1988	100.0000%	80.6384%	100.0000%	100.0000%	100.0000%	100.0000%
1989	100.0000%	79.8471%	100.0000%	100.0000%	100.0000%	100.0000%
1990	100.0000%	79.4636%	100.0000%	100.0000%	100.0000%	100.0000%
1991	100.0000%	73.0608%	100.0000%	100.0000%	100.0000%	100.0000%
1992	100.0000%	72.6985%	100.0000%	100.0000%	100.0000%	100.0000%
1993	100.0000%	68.0404%	100.0000%	100.0000%	100.0000%	100.0000%
1994	100.0000%	67.5074%	100.0000%	100.0000%	97.2090%	97.2090%
1995	100.0000%	59.3180%	97.2824%	100.0000%	100.0000%	97.2824%
1996	100.0000%	58.8284%	100.0000%	100.0000%	100.0000%	100.0000%
1997	96.4206%	54.9090%	97.3606%	100.0000%	100.0000%	97.3606%
1998	100.0000%	56.4789%	100.0000%	100.0000%	100.0000%	0.0000%
1999	96.3381%	54.8525%	98.7732%	100.0000%	100.0000%	98.7732%
2000	100.0000%	56.2651%	100.0000%	100.0000%	100.0000%	100.0000%
2001	100.0000%	51.6676%	97.7701%	100.0000%	100.0000%	97.7701%
2002	100.0000%	51.3874%	100.0000%	100.0000%	100.0000%	100.0000%
2003	100.0000%	48.4558%	99.2570%	100.0000%	100.0000%	99.2570%
2004	100.0000%	47.9642%	100.0000%	100.0000%	100.0000%	100.0000%
2005	100.0000%	45.9960%	99.1509%	100.0000%	100.0000%	99.1509%

Tax Increment Financing (TIF)

A Tax Increment Finance (TIF) area is established when a city or county adopts a resolution establishing an urban renewal project or a community college creates a job training project. The taxable value of the TIF area in the year prior to the establishment of the TIF becomes the base value. The property tax revenue from the base value is distributed to all taxing entities. Any growth above the base is called the incremental value. The property tax revenue from the incremental value goes to the TIF project. Due to the action of property tax rollbacks, the value of the base can erode to a level below the original base, and the taxable value or the base is reduced to zero in some instances.

Iowa's tax increment reporting law was amended by SF 453 (State and Local Government Financial and Regulatory Act of 2003) to require odd-numbered year reporting by local governments of outstanding TIF debt. Annual reporting requirements detailing each TIF project were eliminated.

Property Tax Issues

For FY 2006, approximately 5.6% of total Iowa property tax value was diverted to TIF financing statewide, and the diverted tax equaled approximately \$191.8 million.

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FEDERAL FUNDING ISSUES

For the past three years, Congress has been faced with budget deficits. Despite the surplus of \$127.3 billion for FFY 2001, the federal Treasury reported a deficit of \$158.5 billion for FFY 2002, \$374.2 billion for FFY 2003, and \$412.0 billion for FFY 2004.



When the 109th Congress returns in January, it will be faced with decisions on holding down spending for some domestic programs in order to provide the resources needed to fund the military effort against terrorism and provide funding for areas hit by hurricanes. This may result in decreases to some programs that provide Iowa with federal funding.

For State FY 2006, it is anticipated that Iowa will receive approximately \$4.452 billion in federal funds. This is an increase of \$302.8 million (7.3%) compared to actual State FY 2005 receipts. More than \$2.400 billion (53.9%) of this amount will be received by the Department of Human Services (DHS), primarily for the Medical Assistance (Medicaid), Food Assistance, Children's Health Insurance, and Family Investment Programs. Other departments that will receive significant federal funds include:

- \$445.2 million for the Department of Education.
- \$410.7 million for the Board of Regents Institutions.
- \$276.7 million for the Department of Transportation.
- \$461.9 million for the Department of Workforce Development.

For State FY 2007, it is anticipated that Iowa will receive \$4.103 billion in federal funds, a decrease of \$349.2 million (7.8%) compared to estimated State FY 2006 receipts. More than \$2.445 billion (59.6%) of this amount will be received by the DHS. Other departments that will receive significant federal funds include:

- \$441.7 million for the Department of Education.
- \$393.9 million for the Board of Regents Institutions.
- \$275.7 million for the Department of Transportation.
- \$458.4 million for the Department of Workforce Development.

The estimated State FY 2006 and FY 2007 figures for federal funds are likely to be revised for a number of reasons, including:

- Some departments take a conservative approach and historically underestimate the amount of federal funds that are likely to be received when planning expenditures,

Federal Funding Issues

while some have not yet provided the full amount of funds anticipated to be received for FY 2006 and FY 2007.

- ▶ A number of adjustments are made each time the books are closed on a federal fiscal year. This could result in reversion of unexpended federal funds and, where federal law allows, the carry-forward of federal funds into the next fiscal year.
- ▶ Rule changes in many federal programs take time to be finalized and published, and these changes could impact the amount of funds states will receive and the distribution of available funds.

According to the National Conference of State Legislatures (NCSL), due to the aftermath of September 11, 2001, and the ongoing war against terrorism and in Iraq, the 109th Congress and the President will have to continue to confront certain major issues that will impact Iowa, including:



- ▶ Homeland Security.
- ▶ Continued war against terrorism.
- ▶ Potential threat of bioterrorism.
- ▶ Sluggish economy.
- ▶ Additionally, the hurricanes that have devastated portions of the southern U.S. coastal region will result in significant outlays of federal funds that will likely result in some reduction of spending for other programs that benefit states.

The General Assembly may wish to review the following issues:

- ▶ Children's Health Insurance Program (CHIP) – The DHS estimates that expenditures in the Program will exceed the federal allotment in FY 2007. In previous years, unspent funds reverted from other states have been redistributed to states with exhausted allotments. Congress has not yet acted on the redistribution that would affect the State FY 2006 budget. For more information on this issue, contact Kerri Johannsen (281-4611).
- ▶ Temporary Assistance for Needy Families (TANF) – On September 30, 2002, authorization for the TANF Program expired. At this time, Congress has not passed legislation to reauthorize funds for this welfare reform initiative, which began on October 1, 1997. States have been receiving TANF dollars under the authorization of continuing resolutions since October 1, 2002. Iowa has received \$131.5 million each year. The TANF Emergency Response and Recovery Act was passed by Congress on September 15, 2005, and extended TANF authorization through December 31, 2005. It also included provisions for reimbursing states for expenses attributable to Hurricane Katrina. It is unknown when and at what level TANF will be permanently reauthorized. If new federal funding is less than the current level, the General



Federal Funding Issues

Assembly may wish to consider providing other funds to maintain current cash assistance and services. For more information on this issue, contact Kerri Johannsen (281-4611).

- ▶ Medical Assistance (Medicaid) Program – Intergovernmental Transfers (IGTs) to the Medicaid Program were eliminated as of FY 2006. To replace the \$66.1 million loss in Federal revenue, the General Assembly approved a new indigent care program during the 2005 Session called IowaCare. Using State and county money as match for federal funds, Iowa will draw down all but \$12.9 million of the former federal funding. This \$12.9 million is needed to fulfill agreements made with IowaCare providers and is part of the estimated Medicaid supplemental request for FY 2006. **The Governor is recommending that \$12.9 million be appropriated as part of the FY 2006 Medicaid supplemental appropriation to make up for this loss.** For more information on this issue, contact Kerri Johannsen (281-4611).
- ▶ Low-Income Home Energy Assistance Program (LIHEAP) – The Federal Funds Information for States (FFIS) estimates that Iowa will receive \$36.3 million in regular LIHEAP funding for FFY 2006. For FFY 2005, Iowa received a total of \$38.9 million (regular and emergency contingency funds). Additional emergency contingency funds for FFY 2006 are being discussed in Congress. Several governors have also contacted the federal Director of Health and Human Services requesting an additional emergency distribution for FFY 2006 due in large part to the impact on fuel prices resulting from recent hurricanes in the Gulf States. The Department of Human Rights, Division of Community Action Agencies, estimates an additional funding need ranging from \$18.0 to \$25.0 million. **The Governor is recommending a \$5.0 million contingent supplemental appropriation for FY 2006 for the projected increase in participants and energy costs.** For more information on this issue, contact Sam Leto (281-6764).
- ▶ Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) – The Safe, Accountable, Flexible, Efficient Transportation Equity Act was enacted August 10, 2004. The Act followed almost two years of extensions to the Transportation Equity Act of the 21st Century (TEA-21). The new Act authorizes spending levels for the State's transportation programs over a five-year period (FFY 2005 through FFY 2009).



Similar to the TEA 21, the SAFETEA-LU provides each state with a “contract authority,” also known as apportionments or allocations, for the various programs. These apportionments serve as the basis for the State's annual highway and transit funding. The Department of Transportation estimates Iowa will be allocated a total of \$2.062 billion in highway apportionments over the five-year period of the Act, and a total of \$137.03 million in transit apportionments over the same period.

The apportionments identified in the Act are not necessarily the amount of funding states will be able to spend. Similar to the Transportation Act of the 21st Century,

Federal Funding Issues

the new Act establishes an obligation limitation or obligation authority restricting the amount of funds that can be expended on projects for each of the five years. While this number is identified in the Act, the annual appropriations process determines the final obligation authority that will be available for each of the given years. The obligation authority for FY 2006 and beyond is not known at this time since the Transportation Appropriations Act has not yet been enacted. For more information on this issue, contact Mary Beth Mellick (281-8223).

- Prison Rape Elimination Act Grant – The Iowa Department of Corrections received a \$1.0 million award over a two-year period to prevent and eliminate prison rape with the ultimate goal of making communities safer when the aggressor and the victim are released from prison. There are three focuses: training and education for both staff and inmates; investigation of complaints; and offender victim services. For more information on this issue, contact Beth Lenstra (281-6301).
- Iowa Homeland Security – Iowa received approximately \$22.3 million in federal funds as part of the Homeland Security Program in FFY 2005. This includes \$14.3 million for the State Homeland Security Grant; \$5.2 million for the Law Enforcement Terrorism Prevention Program; and \$182,000 for the Citizen Corps Program. Iowa also received \$2.3 million under the Emergency Performance Grant and \$228,000 for the Metropolitan Medical Response System Program.



The Homeland Security and Emergency Management Division is anticipating a decrease in the State Homeland Security Grant Program for FFY 2006 due to Congress taking a threat and risk-based approach to federal fund allocations and directing more of the funds to major cities with greater target potential. The Division is also anticipating the Emergency Management Performance Grant Program becoming a stand alone grant separate from the overall Homeland Security Grant Programs to allow for a quicker distribution of funds. For additional information on this issue, contact Jennifer Acton (281-7846).

- The Department of Education, Iowa Vocational Rehabilitation Services (IVRS), was unable to draw down \$770,000 in federal funding in FFY 2005 due to a shortage of \$209,000 in non-federal match. This was the second consecutive year that the IVRS could not match all available federal funds. The Division is estimating a 2.0% increase in available federal funding in FFY 2006 and predicts that matching dollars will again fall short, leaving the State unable to draw down \$550,000 to \$1.1 million. The predicted increase in federal funding may be too high, in light of the need for hurricane disaster relief funding.

As of November 1, 2005, the IVRS has a caseload of 12,726, with more than 3,000 individuals on two waiting lists. For additional information on this issue, contact Robin Madison (281-5270).

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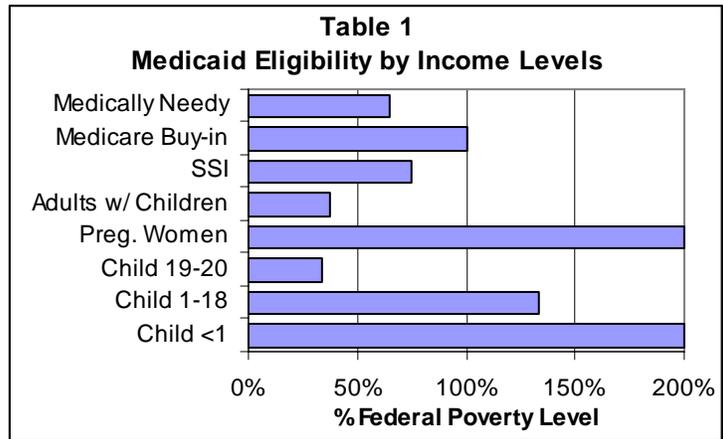
MEDICAL ASSISTANCE (MEDICAID) PROGRAM



Medicaid is a Medical Assistance Program funded jointly by State and federal funds to provide health care services to people with low-income and few resources. Medicaid covers low-income people who are also aged, blind, disabled, pregnant, children under age 21, or members of families with dependent children. For FFY 2006, the federal matching rate (FMAP) for Iowa is 63.61%. For FFY 2007, the FMAP will be 61.98%.

Iowa's Medical Assistance Program

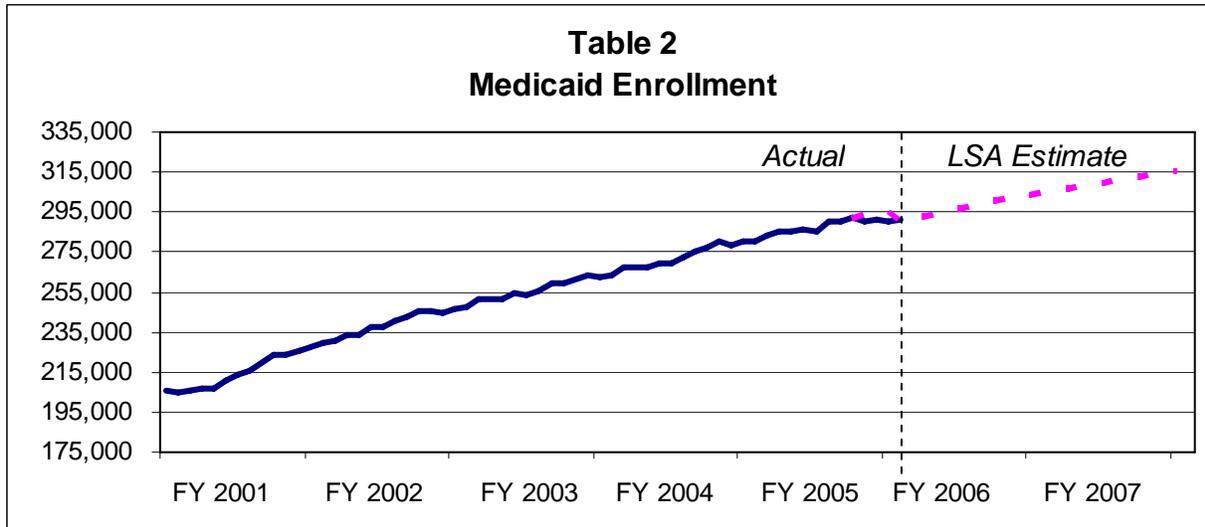
The Iowa Medicaid Program covers individuals at various levels of income as allowed under federal law. **Table 1** shows the maximum income level for children, pregnant women, adults with dependent children, people receiving Supplemental Security Income (SSI), the Medicare Buy-in Program, and the Medically Needy Program. The income levels are based on the percentage of the Federal Poverty Level. The Federal Poverty Level is calculated annually by the federal government and varies by the size of the household. The Federal Poverty Level for a family of four is \$19,350 for 2006.



In June, 2005, 291,111 Iowans were enrolled in Medicaid. Of this amount, 52.2% were children, 21.8% were adults with dependent children, 16.4% were disabled and 9.6% were over age 65. Fiscal Year 2005 State expenditures totaled \$568.5 million, which was matched by approximately \$1.9 billion in federal funds, for a total of approximately \$2.6 billion in expenditures. Of the total expenditures, 16.9% was for children, 9.5% was for adults with dependent children, 48.4% was for the disabled and 25.2% was for adults over age 65. While children account for approximately half of the enrollment, they consume less than 17.0% of Medicaid resources. Adults over age 65 and the disabled account for 26.0% of enrollment but utilize 73.6% of expenditures.

Medical Assistance Program (Medicaid)

State Medicaid Enrollment



Medicaid programs throughout the nation have been experiencing significant growth attributed to economic conditions and increases in the cost of services. **Table 2** shows the enrollment growth in Iowa over the past five years. Average enrollment increased by 7.2% in FY 2003, by 6.4% in FY 2004 and by 5.8% in FY 2005.

Enrollment is projected to continue to increase in FY 2006 and FY 2007. The Fiscal Services Division of the Legislative Services Agency (LSA) estimates Medicaid enrollment will increase by 3.5% in FY 2006 and 4.0% in FY 2007.

State Medicaid Expenditures

The FY 2006 State appropriation of \$704.4 million includes the following fund sources:

- \$560.8 million from the General Fund.
- \$99.7 million from the Senior Living Trust Fund (SLTF).
- \$35.3 million from the Healthy Iowans Tobacco Trust Fund (HITT).
- \$6.6 million from Property Tax Relief.
- \$2.0 million in transfers from other accounts.



Table 3 shows actual State expenditures for Medicaid for FY 2003 through FY 2005, and the appropriation for FY 2006. In addition, **Table 3** includes the LSA estimate for expenditures for FY 2006, including the supplemental need and estimated expenditures

Medical Assistance Program (Medicaid)

for FY 2007. State Medicaid expenditures increased by 11.2% in FY 2002, 2.9% in FY 2003, 1.1% in FY 2004 and 6.4% in FY 2005.

Table 3
State Medicaid Expenditures – All State Funds
(\$ in millions)

	<u>LSA Estimate</u>
FY 2003 Actual	\$531.0
FY 2004 Actual	537.0
FY 2005 Actual	568.5
FY 2006 Appropriation	704.4
FY 2006 With Est. Supplemental	750.9
FY 2007 Estimate	823.6

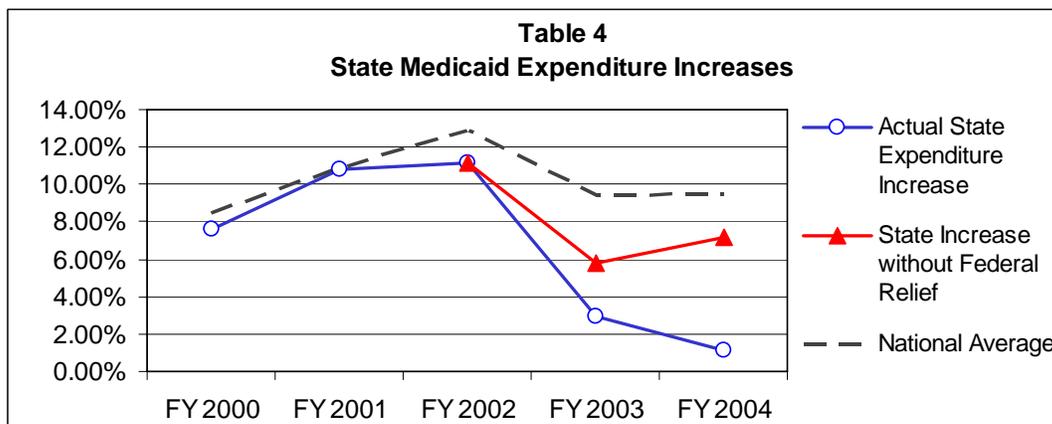
Federal Fiscal Relief



In 2003, Congress enacted legislation that allocated \$10.0 billion in one-time Federal Fiscal Relief for State Medicaid Programs. The funding was distributed through a 2.95% increase in the federal match rate for each state for the last quarter of State FY 2003 and all of State FY 2004. The increase in federal matching funds allows State expenditures to be shifted to federal funds on a one-time basis. For Iowa, this resulted in a shift of \$14.9 million in FY 2003 and \$47.6 million in FY 2004.

In FY 2003, the State savings created by the increased federal funds reverted to the Senior Living Trust Fund pursuant to statute. In FY 2004, the State savings supplemented the Medicaid budget. The net FY 2004 ending balance in Medicaid was \$236,000 after all transfers and the increased federal matching funds were included. In

Table 4
State Medicaid Expenditure Increases



Medical Assistance Program (Medicaid)

FY 2005, the 2.95% increase in the matching rate expired. State matching needed to increase by \$47.6 million to make up for the loss of the one-time federal funds, contributing to the Medicaid expenditure growth rate of 6.4% in FY 2005.

If the increased federal matching funds had not been received, State Medicaid expenditures would have increased by 5.8% in FY 2003 and 7.2% in FY 2004. While these increases are significant, the growth Iowa has experienced is lower than the national average. According to a Kaiser Commission on Medicaid and the Uninsured report from October 2004, on average, Medicaid Program expenditures nationwide increased by 12.9% in FY 2002, 9.4% in FY 2003, and 9.5% in FY 2004 (see **Table 4**). The national average for state data from 2005 is not yet available.

Intergovernmental Transfers



Prior to the current fiscal year, the Medicaid Program was dependent upon a financing mechanism called Intergovernmental Transfers (IGTs) that leveraged approximately \$66.1 million in federal revenue annually. This federal revenue directly offset State General Fund expenditures for Medicaid.

Over the past year, the federal Centers for Medicare and Medicaid Services (CMS) exerted significant pressure on states to negotiate an end to IGTs. The Department of Human Services (DHS) developed a proposal to phase out IGTs, which was approved by the CMS. The result was the creation of IowaCare, an indigent healthcare program that began on July 1, 2005. Creation of the Program allowed the State to make up all but \$12.9 million of the \$66.1 million in lost IGT funds. For more information about the IowaCare Program, see the Statewide Issue found in this document.

Medicare Part D

The new Medicare prescription drug benefit, Medicare Part D, begins on January 1, 2006. Although Medicare is a federal program, the implementation of Part D will have a significant impact on Iowa's Medicaid Program as follows:



- ▶ States are required to perform eligibility determinations for the low-income subsidy.
 - ✦ An estimated 76,000 Iowa Medicare beneficiaries are estimated to be eligible for the low-income subsidy.
- ▶ States are required to send a payment to the federal government for coverage of dual eligibles, known as the "clawback" payment.
 - ✦ On January 1, 2006, prescription drug coverage for Medicaid recipients who are also eligible for Medicare transferred to the new Part D coverage. Iowa Medicaid will no longer pay for the prescription drugs for this population.

Medical Assistance Program (Medicaid)

- ✦ The State is required to make a monthly payment to the federal government, based on a complex formula.
- ✦ The FY 2006 estimated clawback payment of \$33.3 million is offset by a decrease in prescription drug costs for the dual eligibles of approximately the same amount.

FY 2006 Estimates

The staffs of the Department of Management (DOM), DHS, and the Fiscal Services Division of the LSA meet monthly to discuss current enrollment and expenditure data in the Medicaid Program and set a range for projected FY 2006 and FY 2007 expenditures. At the January 5, 2006, meeting, the group agreed to a range of \$30.0 to \$45.0 million for the FY 2006 deficit. ***The Governor is recommending funding \$45.0 million to cover the supplemental need. This funding comes partly from the Governor's recommendation for an increase of \$0.80 per pack to the cigarette tax starting in April of 2006. The tax would generate an estimated \$31.5 million in FY 2006 and the Governor recommends this entire amount go toward funding the supplemental. The Governor is recommending the remaining \$13.5 million needed for the supplemental be appropriated from the General Fund.***

FY 2007 Estimates

At the January 5, 2006 meeting, the three staffs agreed to an estimate for Medicaid for FY 2007 of \$90.0 to \$130.0 million compared to the estimated FY 2006 appropriation, including the supplemental amount. The FY 2007 estimate assumes the following (see **Table 3**):



- An increase of \$19.7 to \$32.5 million for medical cost increases and 4.00% growth in enrollment.
- An increase of \$34.3 million to annualize the Medicare Part D Program clawback payment.
- An increase of \$11.7 million for the Medicare Part D woodwork effect.
- An increase of \$25.0 million due to a decreased FY 2007 FMAP.
- An increase of \$1.9 million for buy-in due to an increase in Medicare premiums.
- ***The Governor is recommending a cigarette tax increase that will generate an additional \$129.9 million in FY 2007 that he is recommending be transferred from the General Fund to the HITT Fund. The Governor is recommending a \$20.0 million increase to the Medical Assistance HITT appropriation. Additionally, the Governor recommends that \$73.4 million be transferred from***

Medical Assistance Program (Medicaid)

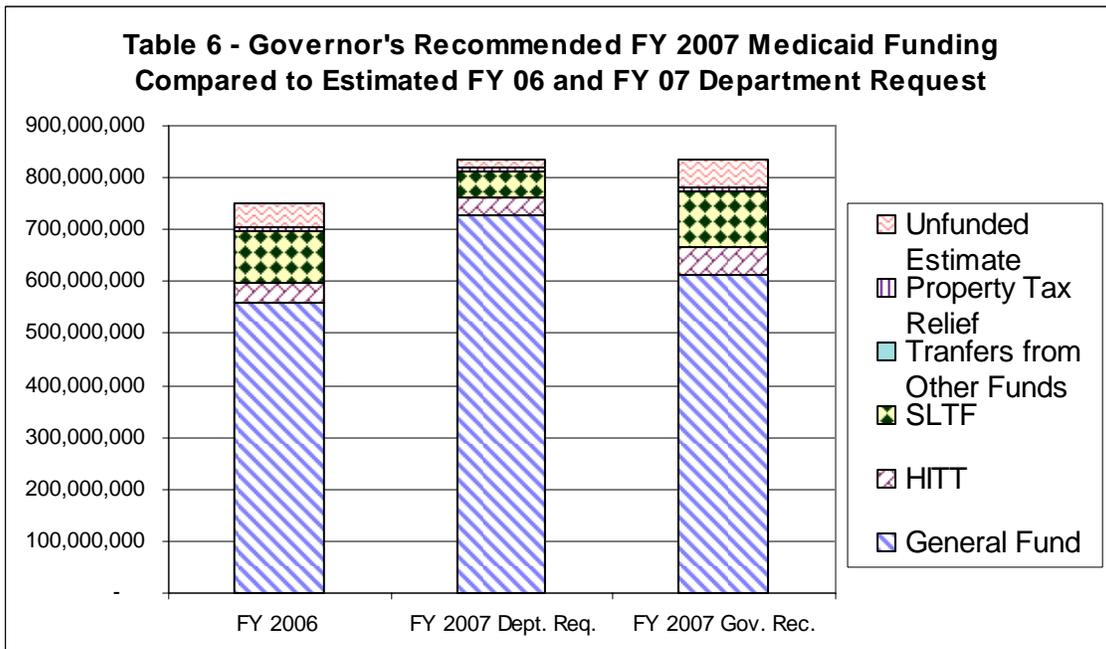
the HITT Fund to the SLTF in FY 2007. The Governor is recommending a \$6.0 million increase in Medicaid funding from the SLTF and an increase in the General Fund appropriation to Medicaid of \$51.1 million (9.1%) for FY 2007. The Governor is also recommending deferral of \$57.0 million in estimated Medicaid needed funding to a later date (see Table 5 and Table 6).

Table 5 - Governor's FY 2007 Recommendation Compared to Department's FY 2007 Request and Estimated FY 2006

	FY 2006 Appropriation	FY 2007 Department Request*	FY 2007 Gov's Recomm.*	Difference: FY 06 vs. Gov's Rec.
General Fund	\$ 560,845,731	\$ 725,910,501	\$ 611,903,273	\$ 51,057,542
HITT	35,327,368	35,327,368	55,327,368	20,000,000
SLTF	99,660,490	51,290,000	105,660,000	5,999,510
Transfers	2,000,000	-	-	(2,000,000)
Property Tax Relief	6,600,000	6,600,000	6,600,000	-
Total Approp./ Request/Recomm.	\$ 704,433,589	\$ 819,127,869	\$ 779,490,641	\$ 75,057,052
Total Estimated Need	\$ 749,433,589	\$ 835,605,936 **	\$ 836,616,005	\$ 87,182,416
Unfunded Estimate	\$ (45,000,000)	\$ (16,478,067)	\$ (57,014,224)	

*Includes FY 2006 estimated supplemental appropriation.

**LSA estimate



Medical Assistance Program (Medicaid)

Other Issues

- ▶ Medical Assistance Projections and Assessment Council – House File 841 (Iowa Care Medicaid Reform Act) established the Medical Assistance Projections and Assessment Council (MAPAC) to oversee the implementation of the Act. The Council includes:
 - ◆ The Chairpersons and Ranking Members of the Health and Human Services Appropriations Subcommittee.
 - ◆ The Chairpersons and Ranking Members or a Committee member appointed by the Chairpersons of the Human Resources Committees of the House and Senate.
 - ◆ The Chairpersons and Ranking Members or a Committee member appointed by the Chairpersons of the Appropriations Committees of the House and Senate.The Council is to meet at least quarterly and is charged with:
 - ◆ Making quarterly cost projections for Medicaid and the expansion population.
 - ◆ Review quarterly reports on design, development, and implementation of HF 841 and make annual recommendations for reform.
 - ◆ Review the providers' audited financial statements related to the expansion population on an annual basis.
 - ◆ Review financial performance of the Iowa Medicaid Enterprise (IME) on an annual basis.
 - ◆ Ensure that the expansion population is managed within funding limitations.
 - ◆ With assistance from the DHS, the DOM, and the LSA, agree to a projection for Medicaid expenditures for the next fiscal year by December 15 of each year.
- ▶ Iowa Medicaid Enterprise – The DHS formerly contracted with a private entity for the majority of administrative functions for the Medicaid Program (known as the “fiscal agent”). Historically, this was one very large contract. Beginning in FY 2006, a new contracting strategy began operating with eight separate contracts. This new administrative structure is called the “Iowa Medicaid Enterprise” (IME). A few key points include:
 - ◆ All of the contractors and the DHS staff are now in one location.
 - ◆ The new contracts require additional services to members, providers, and the DHS from contractors and the contracts have significantly more performance requirements.
- ▶ Elimination of Medicaid Waiver Waiting Lists – The Legislature appropriated \$6.0 million in FY 2006 to reduce Home and Community Based Waiver (HCBS) waiting lists. The \$6.0 million was estimated to be adequate to



Medical Assistance Program (Medicaid)

eliminate the waiting lists that existed at that point in time. However, as eligible clients come off the waiting lists, new applications are received and additional people are eligible for the waivers. Consequently, more than the status quo funding may be needed in future years if the Legislature wishes to continue to avoid waiting lists for those eligible. ***The Governor is recommending baseline funding of \$6.0 million for increased Waiver availability in FY 2007.***

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IOWACARE

IowaCare is a limited healthcare program for indigent Iowans. It was authorized during the 2005 Legislative Session and started services on July 1, 2005. IowaCare was created as part of Iowa's plan to phase out Intergovernmental Transfers (IGTs), formerly used to fund a portion of Iowa's Medicaid Program. The federal Centers for Medicaid and Medicare Services (CMS) requested that in FY 2006 Iowa initiate a voluntary phase-out of these transfers, which used federal dollars to match and draw down additional federal Medicaid funding. Loss of all IGTs would have cost Iowa \$66.1 million. The State negotiated with the CMS to use Polk County property taxes and the University of Iowa General Fund appropriation to the Indigent Patient Program to draw down federal money, making up for all but \$12.9 million of former IGT funding. **The Governor is recommending that \$12.9 million be appropriated as part of the FY 2006 Medicaid supplemental appropriation to make up for this loss.** The negotiation required that these funds be used for a new program and IowaCare was created. IowaCare replaced the former Indigent Care Program known as State Papers.

IowaCare Eligibility

IowaCare has the following eligibility criteria:

- Not eligible for Medicaid, *and*;
- Income up to 200.0% of the Federal Poverty Level (FPL): \$25,660 per year for a family of two, *or*;
- Pregnant woman with income up to 300.0% of FPL with deductions that result in income less than 200.0% of FPL: \$38,490 per year for a family of two.

As of December 31, 2005, 12,684 people had enrolled in IowaCare with 4,481 of these in Polk County. The Department of Human Services (DHS) estimates maximum enrollment of 30,000. Applications were sent to all State Papers patients and are available at county DHS offices.

Providers and Services

The IowaCare Program has three providers: Broadlawn Medical Center in Des Moines, the University of Iowa Hospitals and Clinics (UIHC) and the four State Mental Health Institutions (MHIs). Eligible services depend on the provider, but may include:

- Inpatient procedures
- Outpatient services
- Physician services



IowaCare

- Dental services
- Limited pharmacy benefits
- Transportation services

The MHIs provide only in-patient mental health care. Their populations and processes for admissions will remain the same.

IowaCare Funding

Each provider receives 12 equal monthly allotments to provide services to IowaCare enrollees. Monthly expenditures on IowaCare are limited to the allotment at each institution. The DHS tracks claims in the Iowa Medicaid Management Information System (MMIS). The Federal government matches the claims' cost at the Federal Matching Assistance Percentage (FMAP): 63.61% for FY 2006 and 61.98% for FY 2007. Funding for FY 2006 includes:

- \$37.0 million for Broadlawns. ***The Governor is recommending continued funding at this level.***
- \$27.3 for the UIHC. ***The Governor is recommending continued funding at this level.***
- \$25.8 million for the MHIs. ***The Governor is recommending continued funding at this level.***



Healthcare Ownership

Through IowaCare, the State is attempting to introduce incentives for greater ownership of healthcare both in terms of responsibilities and decision-making. IowaCare attempts this in several ways. First, IowaCare enrollees pay a monthly premium. IowaCare also contains premium reduction incentives for losing weight, staying healthy, quitting smoking and avoiding the emergency room. Finally, IowaCare calls for the DHS to create Health Care Savings Accounts and to help employees purchase employer-sponsored health insurance.

The premium, based on income, ranges from \$0 to \$75 per month per enrollee but cannot exceed five percent of monthly family income. Those enrolled are responsible for paying four months of the assigned premium even if they choose to end their enrollment or are disenrolled for noncompliance with IowaCare eligibility rules. Enrollees can apply for a hardship exemption on a monthly basis. If the DHS receives neither a hardship exemption application nor a premium payment by the due date, members are disenrolled from the Program. As of November 30, 2005, 2,170 people had been disenrolled for non-payment of premiums and failure to file a hardship exemption.

IowaCare

In addition to premium payment, IowaCare enrollees must also undergo a comprehensive medical exam and health risk assessment and create a personal improvement plan along with their physician in order to retain eligibility. Members have 90 days to complete these requirements starting on March 1, 2006.

Rebalancing of Long-Term Care

Along with the IowaCare negotiations, the DHS applied for a waiver to implement higher level of care requirements for nursing homes. This would allow more frail elderly to be served in their homes and communities rather than sending them to nursing facilities. The “rebalancing” would be an expansion of the current Home and Community Based Services (HCBS) waiver and could slow the growth of long-term care costs. The waiver application is pending.

Health Care Transformation Account

The Health Care Transformation Account was created through negotiations with the federal government on Iowa’s plan to eliminate IGTs. The money in the Account is intended to facilitate the State’s transition from the State Papers Program to the IowaCare Program over the next five years. The original federal allocation to the Account was \$33.4 million, resulting in about \$6.7 million per year that would be available to aid the transition. The Legislature appropriated \$4.15 million for FY 2006, leaving \$29.3 million in the Account. Examples of items funded from the Account for FY 2006 include: electronic medical records, the development of the Insurance Cost Subsidy Program and a medical information hotline.

The Governor is recommending \$5.8 million for similar project developments from the Account for FY 2007. Funding this recommendation would result in \$21.6 million remaining in the account.

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SENIOR LIVING TRUST FUND



The Senior Living Trust Fund was established by the 2000 General Assembly to receive Intergovernmental Transfers (IGTs) from participating, government-owned nursing facilities. The funds were derived by calculating the difference between the Medicaid reimbursement rate paid to nursing facilities and the Medicare rate, which is typically higher. The federal matching funds collected on this difference were deposited into the Fund.

The Fund has always been a time-limited revenue source, but in 2004 the federal Centers for Medicare and Medicaid Services (CMS) began to put significant pressure on all states to negotiate an end to IGTs. During the 2005 Legislative Session, Iowa began negotiations with the CMS on a number of State Medicaid reforms that included, but were not limited to, the voluntary elimination of Iowa's IGTs beginning in FY 2006. As a result, the 2005 General Assembly passed HF 841 (IowaCare Medicaid Reform Act), which eliminated Iowa's IGTs and future State revenues from these sources.

FY 2007 Governor's Recommendations

The Governor is recommending a total of \$115.7 million be appropriated from the Fund to the Departments of Human Services, Elder Affairs, Inspections and Appeals, and the Iowa Finance Authority for FY 2007 as follows:

- ▶ ***\$105.8 million to the DHS to supplement the Medical Assistance (Medicaid) Program. This is an increase of \$6.0 million compared to the estimated FY 2006 appropriation.***
- ▶ ***\$8.4 million to the Department of Elder Affairs for non-Medicaid home and community-based services for seniors. This is an increase of \$61,000 compared to the estimated FY 2006 appropriation.***
- ▶ ***\$826,000 to the Department of Inspections and Appeals for the oversight of assisted living and adult day services programs. This is an increase of \$67,000 compared to the estimated FY 2006 appropriation.***
- ▶ ***\$700,000 to the Iowa Finance Authority for the Assisted Living Rent Subsidy Program. This is no change compared to the estimated FY 2006 appropriation.***

The Governor is also recommending the transfer of \$73.4 million from the Healthy Iowans Tobacco Trust to the Senior Living Trust Fund, which is generated by his recommendation for a cigarette and tobacco tax increase.

Senior Living Trust Fund

Repayment Provision

The General Assembly passed HF 2039 (98.0% Expenditure Limitation Act) during the 2004 Legislative Session, which required that at the close of FY 2006, an amount equal to 1.0% of the General Fund adjusted revenue estimate be appropriated to the Senior Living Trust Fund before the surplus is transferred to the Cash Reserve Fund. If the surplus is less than 2.0%, the amount appropriated to the Fund will be equal to one-half of the surplus. These appropriations are to continue until \$118.0 million has been deposited.



Under current law, it is estimated that the Fund will receive \$50.8 million from the estimated surplus at the beginning of FY 2007. This amount may be less, however, depending on the amount of the Medicaid supplemental for FY 2006, which is currently estimated at \$37.5 million. ***Under the Governor's recommendation, and pursuant to Section 8.57(2), Code of Iowa, the Fund will receive \$2.5 million from the estimated General Fund surplus at the beginning of FY 2007.***

SENIOR LIVING TRUST FUND			
	Actual FY 2005	Estimated FY 2006	Gov's Rec. FY 2007
Revenues			
Beginning Balance	\$ 285,736,450	\$ 152,571,703	\$ 40,951,279
Intergovernmental Transfer	5,453,818	0 ¹	0
Medicaid Transfer	6,881,932	0	0
General Fund Transfer	0	0	2,500,000 ³
Healthy Iowans Tobacco Trust Transfer	0	0	73,400,000
Interest	6,111,150	3,204,006	1,961,803
Total Revenues	\$ 304,183,350	\$ 155,775,709	\$ 118,813,082
Expenditures			
IFA - Rent Subsidy Program	\$ 0	\$ 700,000 ²	\$ 700,000
DHS Grants and Services			
NF Conversion Grants/LTC HCBS Funds	\$ 9,822,856	\$ 0	\$ 0
NF Conversion Grant Carry Forward	0	5,085,330	0
Rent Subsidy Program	686,787	0	0
Medicaid HCBS Elderly Waiver	710,000	710,000	710,000
NF Case Mix Methodology	29,950,000	29,950,000	29,950,000
Medicaid Supplement	101,600,000	69,000,490	75,000,000
DHS Administration & Contracts	0	323,406	111,140
DHS Total	\$ 142,769,643	\$ 105,069,226	\$ 105,771,140
Medicaid Subtotal	\$ 134,260,000	\$ 99,660,490	\$ 105,660,000
DEA Service Delivery			
Senior Living Program	\$ 7,638,917	\$ 7,698,461	\$ 7,772,246
Administration & Contracts	523,657	598,269	585,007
DEA Total	\$ 8,162,574	\$ 8,296,730	\$ 8,357,253
DIA - Asst'd. Living & Adult Day Care Oversight	\$ 679,430	\$ 758,474	\$ 825,724
Total Expenditures	\$ 151,611,647	\$ 114,824,430	\$ 115,654,117
Ending Trust Fund Value	\$ 152,571,703	\$ 40,951,279	\$ 3,158,965

¹ House File 841 (IowaCare Medicaid Reform Act) eliminated Intergovernmental Transfers (IGTs); therefore, no additional revenue will be received from this source.

² This amount was appropriated to the DHS for the same purpose in previous years.

³ The \$2.5 million General Fund transfer is not reflected on the SLTF balance sheet in the Governor's Iowa Budget Report. The transfer is required under current statute.

NF = Nursing Facility
IFA = Iowa Finance Authority

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IOWA CORRECTIONS SYSTEM

Present Corrections System

The Iowa corrections system has four parts – administration, prisons, Community-Based Corrections, and Iowa Prison Industries. The Central Office is located in Des Moines and has responsibilities for administration, planning, policy development, program monitoring, and budgeting. Some staff performs system-wide administrative functions (for example, the medical services director and staff) and are located at one of the institutions or Community-Based Corrections (CBC) District Departments. One Regional Deputy Director and his staff are located in the Sixth CBC District Department. Iowa Prison Industries oversees the prison farms, traditional industry programs, private sector employment, and the prison canteen system. Iowa Prison Industries is self-funded and operates without General Fund support.

The prisons are responsible for incarcerating violent offenders and higher-risk individuals and providing the offenders with services essential to reducing risk to the general public upon release or parole. Community-Based Corrections provides supervision and transitional treatment for probationers, work release clients, Operating While Intoxicated (OWI) inmates, and parolees within a community setting. Community-Based Corrections provides both residential and field services (street) supervision.



The CBC District Departments have responsibility for approximately 77.7% of the offenders under correctional supervision while they have approximately 27.6% of the total staff. In FY 1990, CBC supervised 80.5% of the offenders, but by FY 2005, the percentage had declined to 77.7%. Between FY 1990 and FY 2005, the prison population increased from 3,842 to 8,577 inmates, an increase of 4,735 (123.2%) inmates. Over the same time period, the CBC population grew from 16,905 to 29,923 offenders, an increase of 13,018 (77.0%).

Governor's General Fund Recommendations

The Governor is recommending an FY 2006 supplemental appropriation of \$3.3 million as follows:

- ***\$625,000 to fully fund filled positions in Central Office.***
- ***\$125,000 to reimburse counties for holding alleged violators on parole, work release, and Operating While Intoxicated (OWI) offenders.***
- ***\$1.2 million for natural gas cost increases in the prison system.***
- ***\$1.3 million to staff the perimeter towers at the Iowa State Penitentiary at Fort Madison.***

Iowa Corrections System

The Governor is recommending an increase of \$14.5 million for the corrections system in FY 2007 as follows:

- ▶ **An increase of \$432,000 to reimburse the Department of Administrative Services for a general rate increase.**
- ▶ **An increase of \$2.3 million for food, fuel, and pharmacy cost increases in FY 2007. The Governor's recommendation includes \$1.2 million as an FY 2006 supplemental appropriation for fuel cost increases.**
- ▶ **An increase of \$2.2 million for rental agreements, to reimburse counties for holding alleged parole violators, to fully fund Central Office staffing, and to staff the towers at the Iowa State Penitentiary at Fort Madison in FY 2007. The Governor's recommendation includes FY 2006 supplemental appropriations of \$125,000 for the County Confinement Account; \$625,000 to fund Central Office staffing; and \$1.3 million to staff the towers at the Iowa State Penitentiary at Fort Madison.**
- ▶ **An increase of \$2.4 million to electronically monitor, supervise, and treat sex offenders. Funding provides a real-time response resulting from the notification from the Global Positioning System (GPS) bracelets.**
- ▶ **An increase of \$1.1 million to enhance offenders' re-entry to the community upon their release from prison, to connect Anamosa State Penitentiary to the City of Anamosa's water system, and to provide centralized assessment at the Iowa Medical Classification System at Oakdale.**
- ▶ **An increase of \$412,000 to provide additional mental health treatment staff at the Clinical Care Unit. This is in addition to the \$310,000 the Governor is recommending from the Healthy Iowans Tobacco Trust Fund for this purpose.**
- ▶ **An increase of \$452,000 to partially replace expired federal funds for a Drug Court, Mental Health Programs, and Therapeutic Community Program.**
- ▶ **An increase of \$5.1 million to provide three months of staffing for the 178-bed Special Needs Unit at the Iowa Medical Classification Center at Oakdale. The Governor is recommending that the \$3.4 million in one-time equipment costs for the facility be funded from the Restricted Capitals Fund and the Rebuild Iowa Infrastructure Fund.**

Prison System

The Iowa corrections system operates a continuum of sanctions, ranging from probation with minimal supervision to incarceration. The prisons provide the most severe level of sanction, incarcerating violent offenders and



Iowa Corrections System

those offenders who cannot be safely managed in community settings. In addition to security, prisons provide for housing; dietary services; medical, mental health and substance abuse treatment; education and job skills training; behavioral and psychological treatment; and recreational activities.

Facilities – The prison system has nine major prison facilities with a total of 7,238 general population beds and 651 medical and segregation beds. The prisons were operating at 120.8% of designed capacity on January 6, 2006. **Table 1** describes the nine prisons and distribution of the general population beds.

Table 1

Iowa Prison System

(As of January 6, 2006)

Prison	Current Capacity	Security Type	Population	No. Over Capacity	Emphasis
Ft. Madison	1,081	Max. – 749 Med. – 152 Min. – 180	704 159 132	-45 7 -48	General – Male
Anamosa	1,001	Med. – 913 Min. – 88	1,285 40	372 -48	General/Education – Male
Mitchellville	443	Min. – 443	645	202	General – Female
Newton	928	Min. – 166 Med. – 762	313 871	147 109	Pre-Release – Male General
Oakdale	528	Med. – 528	806	278	Reception/Evaluation/ General/Psychiatric
Mt. Pleasant	875	Med. – 875	1,068	193	Substance Abuse/Sex Offender – Male
Ft. Dodge	1,162	Med – 1,162	1,168	6	General Male/Youthful Offender
Clarinda	975	Med. – 750 Min. – 225	926 127	176 -98	Special Learning – Male
Rockwell City	245	Med. – 245	499	254	General – Male
Total	7,238		8,743	1,505	

Since the beginning of FY 1990, 4,297 prison beds have been added to the system, an increase of 146.1%. Listed below are the facilities that have recently opened or are currently under construction:

Iowa Corrections System

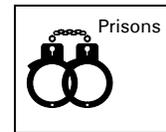
- Clarinda Lodge – 225-bed minimum security facility opened in March 2005.
- The Iowa Medical and Classification Center (IMCC) East Unit – 24-bed special needs unit that is designated for special needs offenders identified as mentally ill, mentally retarded, brain injured, borderline intellectual functioning, or socially inadequate. This Unit opened in September 2005.
- Special Needs Unit at Oakdale – 178 bed maximum security facility scheduled to open in FY 2007. This facility is being constructed due to a federal court order.

Projected Prison Population Growth – On January 6, 2006, there were 8,743 inmates in Iowa's prison system. This is 234 (2.8%) more inmates than one year ago. From FY 2000 to FY 2004, prison admissions outpaced releases. During FY 2005, there were 140 more releases than there were admissions to prison.

The Criminal and Juvenile Justice Planning Division (CJJPD) of the Department of Human Rights has prepared a prison population forecast that adjusts for the recent departmental policy changes and projects prison population growth through FY 2015. If current offender behavior and justice system trends remain unchanged, the prison population will be 10,329 inmates by June 30, 2015, an increase of 20.4% over the next 10 years.



Addition of Three New Prisons – The forecast creates capacity issues because, based on the forecast, the prison system will be operating at 139.4% of current design capacity by the end of FY 2015. According to the DOC, for every 1,000 increase in the inmate population, a new 800-bed prison will need to be constructed. This assumes each prison will operate at 125.0% of capacity. If the inmate population reaches 10,329, three new 800-bed prisons will need to be built at an estimated construction cost of \$50.0 million for each prison. Each prison will incur annual operating costs of approximately \$28.0 million. Total capital costs are estimated to be \$150.0 million and annual operating costs are estimated to be \$84.0 million. If three new prisons are constructed and the population reaches 10,329 inmates, the prison system will be operating at 105.3% of design capacity.



Community-Based Corrections Population Growth – The CJJPD does not forecast the CBC populations. The following information was prepared using average annual percentage growth rates. The average annual growth rate for the CBC population since FY 1995 (10-year average) has been 5.8%, and since FY 1990, the growth rate has averaged 5.1% (15-year average). Using these average annual rates of growth, the CBC population will be approximately 55,500 offenders by the end of FY 2015, an increase of 25,577 offenders, or 85.5%.

Funding to Maintain Current Level of Services – If the CBC population reaches 55,500 offenders in 10 years, the General Fund appropriation will need to increase in order to maintain the current level of service. Assuming the budget will increase at the

Iowa Corrections System

same rate as the CBC offender population, by FY 2015, the CBC District Departments will need a budget of approximately \$113.0 million, an increase of \$45.2 million (66.7%) compared to the estimated FY 2006 General Fund appropriation.

Summary

The corrections system can be expected to continue to grow over the next decade, both in prisons and CBC. This growth will require the construction of new prisons, expansion of Iowa Prison Industries, and an increase in CBC staffing and programming if current levels of service are to be maintained. There are options that may reduce the projected offender population, including:



- Sentencing changes such as the repeal or reduction of mandatory minimum terms or habitual offender laws.
- Improve communication between the Department of Corrections and Board of Parole. The Board's expectations for offender treatment should be communicated early in an offender's sentence, so the DOC may provide those treatment services before the offender is eligible for parole.
- Expand early release or parole eligibility.
- Enhance judicial discretion in criminal sentencing.
- Expand drug treatment availability.
- Establish a Sentencing Commission.
- Increase alternatives to prison for technical violators.
- Create emergency release mechanisms.

All alternatives listed previously will require additional resources for the DOC and/or the CBC District Departments. The alternatives, however, may slow the rate of growth in corrections spending or provide methods of future cost avoidance. The future costs of Iowa's current criminal penalties are greater than the costs of the alternatives.

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IOWA SCHOOL FOUNDATION FORMULA

School Foundation Formula History

The Iowa School Foundation Formula was created between 1970 and 1972, for the school year beginning July 1, 1972. The Formula is a student-driven financing mechanism that works to equalize revenues from State sources and property taxes. The Formula was revised in 1989 to equalize per pupil spending, provide an enrollment cushion (phantom students), increase property tax relief, and provide for increased local discretion. In 1992, further revisions to the Formula included eliminating advanced funding for increasing enrollment, eliminating the enrollment decline cushion (phantom students), and requiring the Governor and General Assembly to establish the allowable growth rate each year for per pupil expenditures, which was previously established by a formula based on the rate of inflation and State revenue growth. In 1995, the General Assembly established the practice of setting the allowable growth rate two years in advance within 30 days of the submission of the Governor’s budget each year. The 1999 General Assembly further revised the School Foundation Formula by raising the foundation level for the special education component of regular program cost from 79.0% to 87.5%. In addition, funding for talented and gifted programs was shifted from 100.0% property tax to the regular program portion of the foundation formula by adding \$38 to the State cost per pupil beginning with FY 2000. **Chart 1** displays the allowable growth rates since FY 1984.

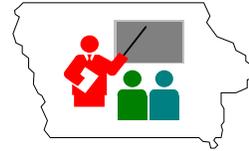
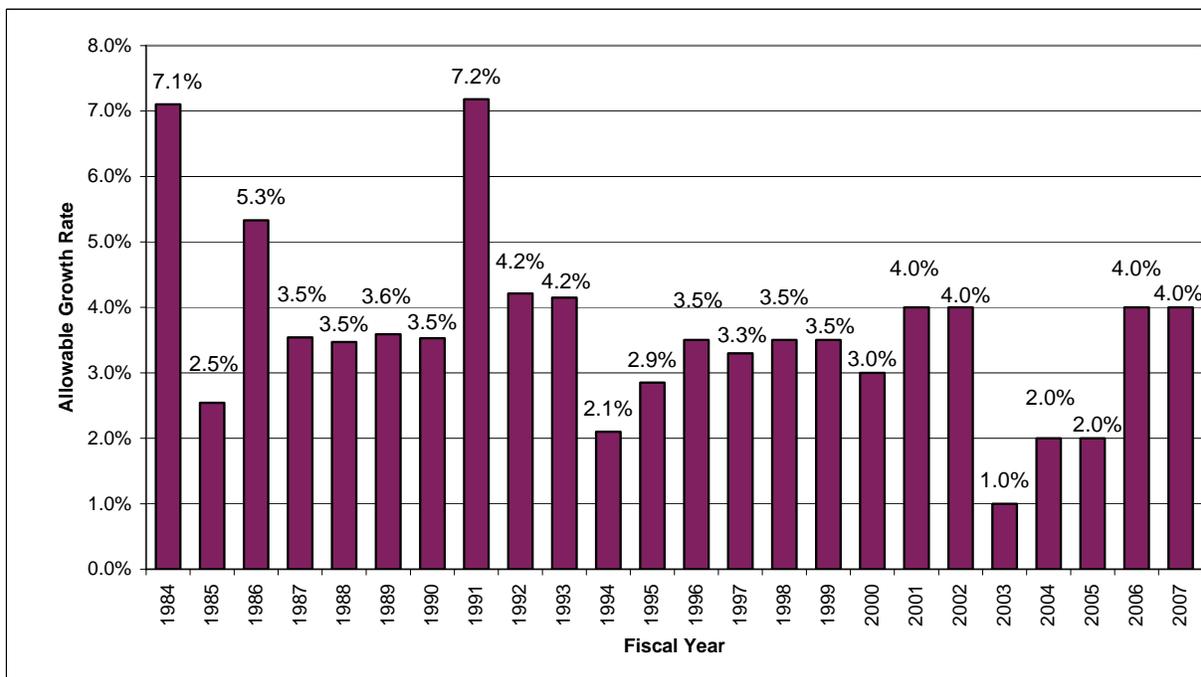


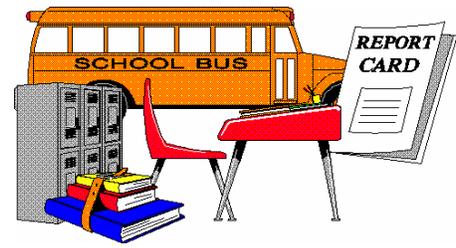
Chart 1

Allowable Growth Rates



Iowa School Foundation Formula

The School Foundation Formula is based on budget enrollment, a school district's regular program cost per pupil, State Aid determined by a foundation level, and amounts generated by the Uniform and the Additional Property Tax Levies. In addition, school districts may obtain authority to raise additional property tax revenues from the School Budget Review Committee (SBRC) for drop-out prevention programs, to



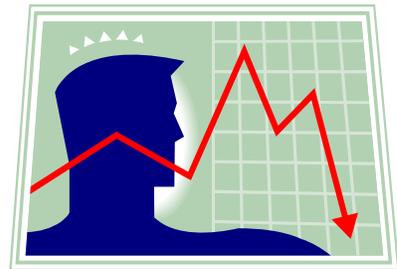
accommodate unusual increases or decreases in enrollment, to meet additional special education program needs, as well as for a variety of circumstances specified in Section 257.31, Code of Iowa. Other optional funding sources available to districts in the general education fund area include the Cash Reserve Levy, Management Levy, and Instructional Support Levy. Across-the-board reductions to State Aid, such as those in FY 2002 and FY 2004, do not affect allowable growth or the school districts' spending authorities. Shortfalls in State Aid can be offset by funds from the Cash Reserve Levy property tax.

Local school districts have a number of optional funding sources available to them for non-general education fund activities. These include: Debt Service Levy, Schoolhouse Property Tax Levy, Physical Plant and Equipment Levy, and the Educational and Recreation Levy.

Over the past several legislative sessions, modifications have been made to the School Foundation Formula. Supplemental weightings have been provided for grade school students that qualify for the free and reduced lunch program, for hosting a regional academy, and for English as a Second Language students. Property tax reductions and supplemental weightings have been offered as incentives for school districts that merge or reorganize.

Enrollment Decline

Over the past three decades, the statewide total enrollment has declined at an average annual rate of 0.9%. All totaled, there are 163,614 (25.3%) fewer students for the FY 2006 budget enrollment than in FY 1973. (Enrollments are based on the previous year's September headcount; that is, the September 2004 headcount is the basis for the FY 2006 budget enrollment.) Enrollments decreased from 646,949 in FY 1973 to 478,816 in FY 1991. In FY 1992 enrollments began to increase, topping out at 505,523 in FY 1998, and then declined to 483,335 in FY 2006. This downward trend is expected to continue for the next several years.

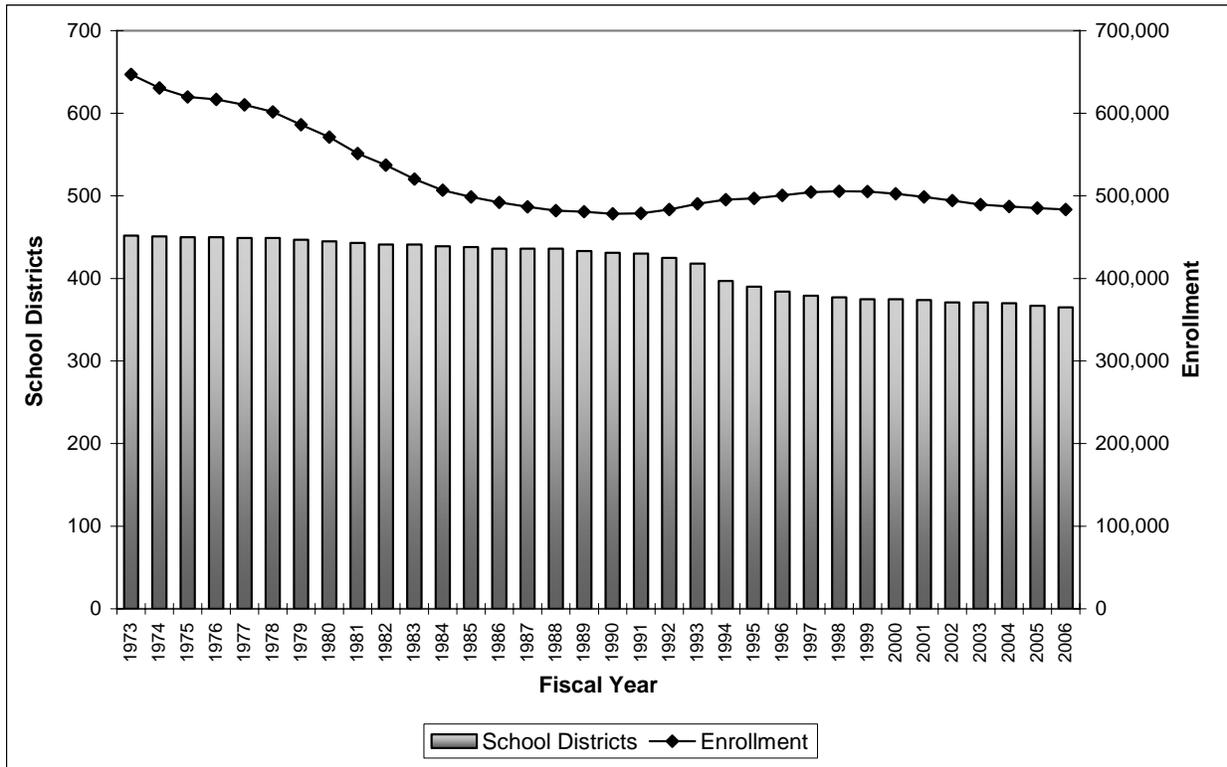


Iowa School Foundation Formula

Over the same period, the number of school districts has decreased from 452 in FY 1973 to 365 in FY 2006, a decrease of 87 (19.3%). In most years, the decrease was three or fewer school districts, but between FY 1992 and FY 1997 there was a decrease of 51 school districts. (See **Chart 2**.)

Chart 2

Budget Enrollment and the Number of School Districts

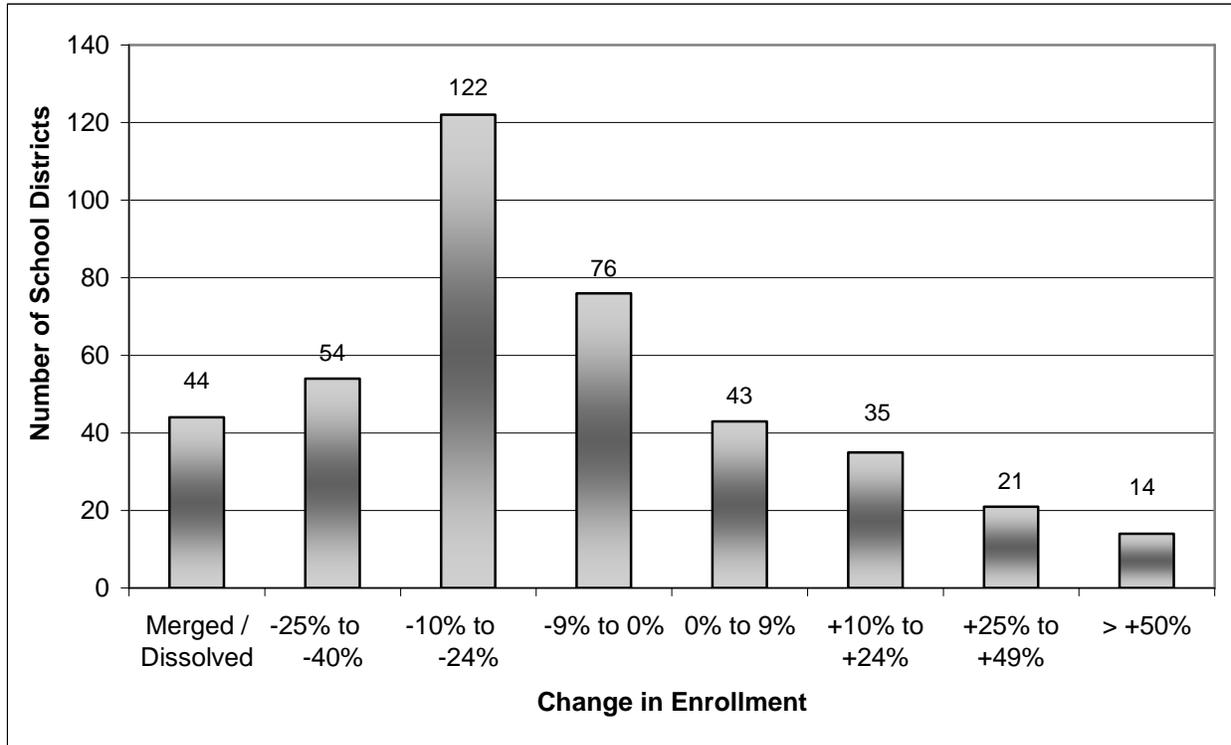


Iowa School Foundation Formula

Chart 3 shows the number of school districts by percentage change in enrollment. Between FY 1986 and FY 2006, 296 (72.4%) of the school districts had decreased budget enrollments while 113 (27.6%) showed increased enrollments. Forty-four school districts merged or dissolved. Pomeroy-Palmer School District decreased by 45.1% from 470 to 258 students. Waukee experienced 327.5% growth, increasing from 943 students to 4,031 students. The most frequent change was a decrease between 10.0% and 25.0%.

Chart 3

Percentage Change in Budget Enrollment: FY 1986 to FY 2006

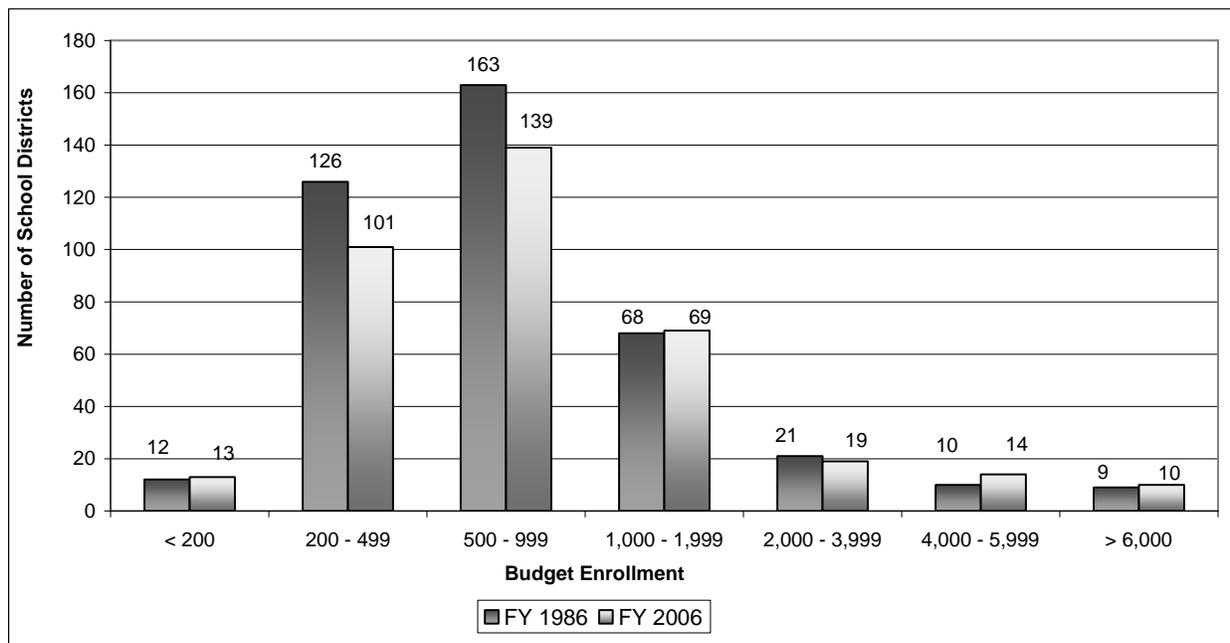


Iowa School Foundation Formula

Chart 4 compares the number of school districts by enrollment categories. It shows that between FY 1986 and FY 2006, there was a decline in the number of school districts with fewer than 1,000 students, while the number of school districts with more than 1,000 students remained fairly constant or increased slightly. Over one-third of Iowa's school districts have between 500 and 1,000 students. On average, these districts would have between 38 and 77 students per grade. The smallest school district in FY 2006 is Lineville-Clio with a budget enrollment of 92 students which equates to 7 students per grade. The Des Moines School District is the largest with 31,874 students for an average of 2,452 students per grade.

Chart 4

Number of School Districts by Budget Enrollment: FY 1986 and FY 2006



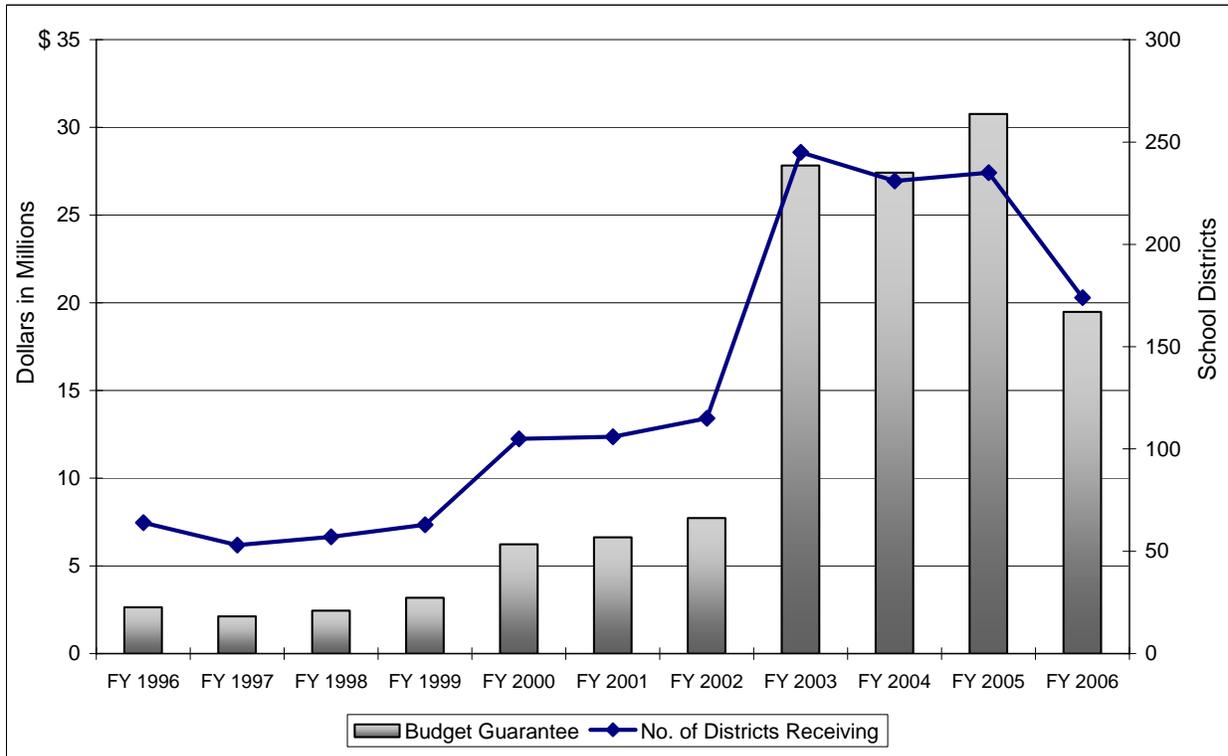
Iowa School Foundation Formula

Budget Guarantee

School districts with declining enrollments have been eligible to receive additional funding, called a “budget guarantee,” since FY 1996. The budget guarantee has been funded entirely from property taxes, except for two years. In FY 1996, the budget guarantee was funded with a combination of local property tax and State Aid, and in FY 2000, it was funded entirely with State Aid. **Chart 5** provides the budget guarantee funding levels since FY 1996. In FY 2006, the budget guarantee provided 174 school districts with funding totaling \$19.5 million, a decrease of 61 school districts and \$11.3 million compared to FY 2005.

Chart 5

Budget Guarantee Amounts and Number of Recipients: FY 1996 - FY 2006



Senate File 203 (School Reorganization Incentives Act), passed during the 2001 Legislative Session, changed the budget guarantee so that beginning in FY 2005 the guarantee is no longer based on providing the previous year’s total regular program district cost. In FY 2005 and future years, school districts with declining enrollments will be eligible for one of two options. They will receive the higher of:

- 101.0% budget adjustment that is based on the previous year’s regular program district cost without any previous budget guarantee adjustment.

Iowa School Foundation Formula

- ▶ 90.0% budget guarantee that is based on the FY 2004 total regular program district cost which includes the FY 2004 budget guarantee. This percentage will be scaled back 10.0% each year until FY 2014.

State Aid for FY 2007

Senate File 36 (FY 2007 Allowable Growth Rate Act) set the allowable growth rate at 4.0% for FY 2007. Setting the allowable growth rate establishes the spending authority once enrollment counts are finalized. For FY 2007, the Legislative Services Agency (LSA) projects that school districts will receive \$2,048.6 million in State Aid (an increase of \$84.7 million compared to FY 2006) and \$1,090.1 million in property tax (an increase of \$40.4 million) for a total foundation budget of \$3,138.7 million (an increase of \$125.1 million). This estimate assumes the \$11.8 million reduction to the Area Education Agencies' (AEAs) funding that was made in FY 2005 and FY 2006 will be restored, and the \$7.5 million statutory reduction will continue in FY 2007.



The Governor is recommending \$2,048.2 million for State Foundation Aid in FY 2007. This is an increase of \$84.3 million and includes funding for 4.0% allowable growth and restores \$10.0 million of the Area Education Agencies' (AEAs) additional \$11.8 million reduction which occurred in FY 2005 and FY 2006. The Governor's recommendation continues the \$1.8 million AEA reduction from the FY 2004 across-the-board reduction, in addition to the \$7.5 million statutory reduction. (Note: The Governor's recommended amounts do not exactly match the LSA projections due to technical differences in the projection models used by the Department of Management and the LSA.)

Table 1 shows the School Foundation Formula funding for various FY 2008 allowable growth rates compared to the currently approved FY 2006 and FY 2007 funding. ***The Governor is recommending a 4.0% allowable growth rate for FY 2008 (bolded in Table 1).*** For the FY 2008 estimates, taxable valuations are projected to increase by 1.0%. Special education weightings are expected to increase by 2.0%. The supplemental weighting for shared programs and the supplemental weighting for Limited English Proficiency are expected to increase by 10.0%. The supplemental weighting for At-Risk Students is not expected to change. Contact the Legislative Services Agency (LSA) for further explanation of the assumptions and any additional detail.

Iowa School Foundation Formula

Table 1
**Estimated FY 2008 Funding at Various Allowable Growth Rates
 Compared to Estimated FY 2007**
 (Dollars in Millions)

Fiscal Year	Allow. Growth	State Aid	Property Tax	Total Budget	Budget Guarantee	Est. No. of Districts Receiving Budget Guarantee
2006	4.0%	\$ 1,963.9	\$ 1,049.6	\$ 3,013.6	\$ 19.5	174
2007	4.0%	2,048.6	1,090.1	3,138.7	13.9	154
FY 2008 for Different Levels of Allowable Growth						
2008	6.0%	\$ 2,205.2	\$ 1,118.3	\$ 3,323.4	\$ 6.0	81
	5.0%	2,178.2	1,114.7	3,293.0	7.2	94
	4.0%	2,151.9	1,111.6	3,263.5	8.7	107
	3.0%	2,126.1	1,108.7	3,234.7	10.9	143
	2.0%	2,099.7	1,108.5	3,208.2	15.3	198
	1.0%	2,073.9	1,112.5	3,186.4	24.9	270
	0.0%	2,047.5	1,125.7	3,173.3	42.5	316
FY 2008 Change from FY 2007						
2008	6.0%	\$ 156.5	\$ 28.2	\$ 184.7	\$ -7.9	-73
	5.0%	129.6	24.7	154.3	-6.7	-60
	4.0%	103.2	21.5	124.8	-5.2	-47
	3.0%	77.4	18.6	96.0	-3.0	-11
	2.0%	51.1	18.4	69.4	1.4	44
	1.0%	25.3	22.4	47.6	11.0	116
	0.0%	-1.1	35.7	34.5	28.6	162

Notes: These projections were made by the LSA. The totals and differences may not sum due to rounding. The Budget Guarantee funding is included in the Property Tax amounts.

Issues for the 2006 Legislative Session

There are a number of issues that may arise related to the School Foundation Formula. Some of the issues the General Assembly may want to consider are:

- ▶ Changes to the Property Tax System – Schools receive approximately one-third of their funding from property taxes. Property tax rates for the additional levy vary across school districts depending on the property valuation per pupil. “Property poor” districts have higher additional levy rates than “property rich” districts, which

Iowa School Foundation Formula

has caused some interest groups to question the equity in school funding. Raising the foundation level with a corresponding increase in the uniform levy would reduce the variation in school property tax rates for funding school operating budgets, but the result would be an increase in rates for “property rich” districts and a decrease in rates for “property poor” districts without necessarily raising State Foundation Aid.

- Budget Guarantee – Beginning in FY 2005, the Budget Guarantee was no longer based on providing 100.0% of the total regular program district cost, and school districts have begun to experience the impact of the change made during the 2001 Legislative Session.
- School District Consolidations – Three school districts consolidated at the beginning of FY 2005 and four more merged into two new districts in FY 2006. The ratcheting down of the budget guarantee and the approaching July 1, 2006, deadline for consolidation for those receiving sharing supplemental weighting incentive may encourage other districts to consider merging or dissolving.
- English as a Second Language – Currently school districts receive an additional weighting for children who are not fluent in English and participate in the English Language Learners (or English as a Second Language) program. Some schools are extending the program beyond the three years that a student may receive this supplemental weighting. The English Language Learners Program is funded from property taxes for the supplementary weighting in the Additional Levy. Costs in excess of the supplementary weighting revenues may be covered by requests to the School Budget Review Committee (also property tax) or absorbed in the general operating budget.

Additional Information

The LSA has a topic presentation on the General Assembly web site that explains the [School Aid Foundation Formula](#).

Issue Reviews

The LSA staff for the Education Standing Committee completed an ***Issue Review*** during the 2004 interim entitled [School Property Taxes](#).

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EDUCATION ISSUES

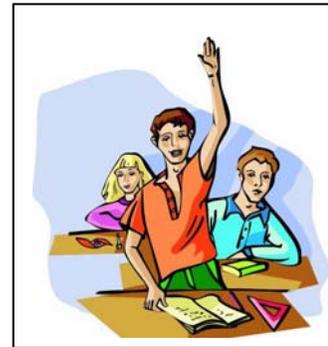
Significant Governor's recommended budget increases for education for FY 2007 include:

- ❖ *\$3.0 million for the Tuition Grant Program.*
- ❖ *\$15.0 million for voluntary preschool access.*
- ❖ *\$1.2 million for local libraries.*
- ❖ *\$30.0 million to increase teacher salaries.*
- ❖ *\$6.0 million for general aid to community colleges.*
- ❖ *\$30.5 million for the Board of Regents universities and special schools.*
- ❖ *\$84.3 million for State aid to local school districts.*

See the Education Subcommittee section or the Iowa School Foundation Formula section of this document for additional detail regarding these recommendations.

School District Consolidation

The State offers local school districts two financial incentives for consolidation – (1) supplemental weightings which increase the school's budget enrollment resulting in a budget increase for the school and (2) a reduction in school property taxes offset by an increase in State Foundation Aid. Supplemental weighting incentives are offered to school districts that share teachers, students, and whole grades. In addition, these districts are required to develop a plan for consolidation. Districts that reorganize continue to receive the sharing supplemental weighting for three years.



The reduction in property taxes is received after the merger or dissolution has occurred. School districts with fewer than 600 students that merge or dissolve receive a \$1.00 reduction in the Uniform Levy property tax rate; the reduction is phased out over the three years following the consolidation. If the school district receiving the students is larger than 600 students, it receives a decreased incentive. Both of these incentives have been modified over the years since their inception, and the supplemental weighting incentive is scheduled to end. Under the current Section 257.11A, Code of Iowa, there is a deadline of July 1, 2006, for achieving consolidation through reorganization or dissolution for those districts receiving the supplemental weighting.

Education Issues



Since 1973, both enrollment and the number of school districts have decreased. (See **Table 1.**) The number of school districts has declined from 452 in FY 1973 to 365 in FY 2006, a decrease of 87 (19.3%) while at the same time, enrollment declined from 646,949 to 483,335, a decrease of 163,614 (25.3%) students.

Table 1

Enrollment and Number of School Districts

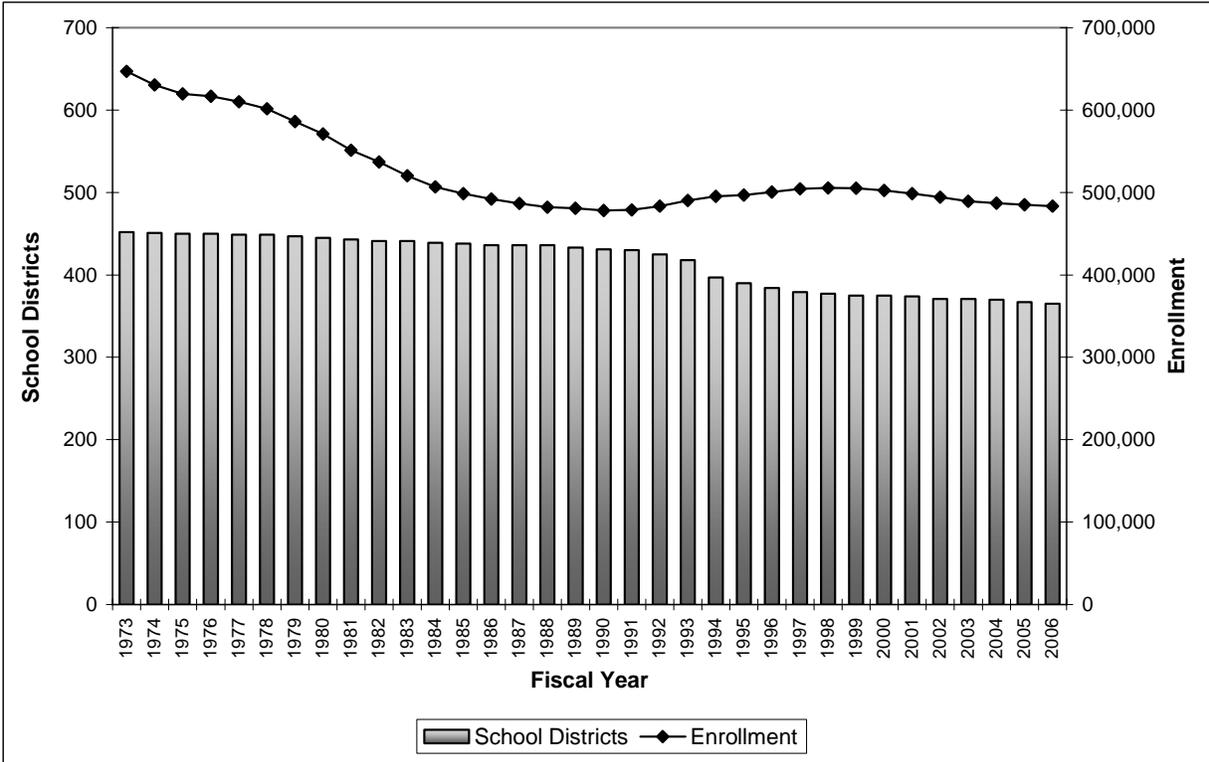


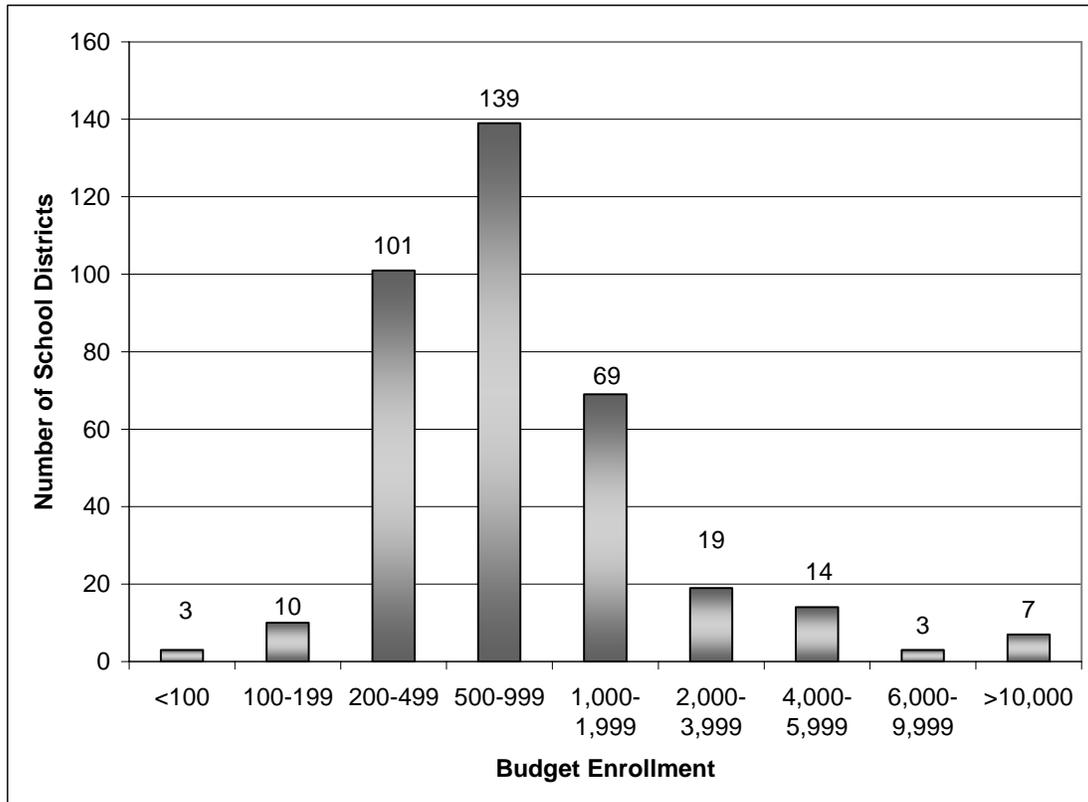
Table 2 shows the FY 2006 distribution of school districts by enrollment. There are three school districts with fewer than 100 students and ten with fewer than 200 students. The school districts with the three smallest budget enrollments are Lineville-Clio (92 students), Diagonal (93 students), and Clearfield (98 students). The Des Moines School District is the largest with a budget enrollment of 31,874 students, followed by Cedar Rapids with 17,691 students and Davenport with 16,809 students.

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followed by Cedar Rapids with 17,691 students and Davenport with 16,809 students. There are 253 (69.3%) school districts with budget enrollments of less than 1,000 students.

Table 2

Number of School Districts by Enrollment Level – FY 2006



Some of the factors affecting consolidation of school districts include the effect of school size on course offerings, impact on the community, transportation costs for larger districts, different debt structures of the merging school districts, property tax differences between the districts, and potential savings from reduced administration and overhead.

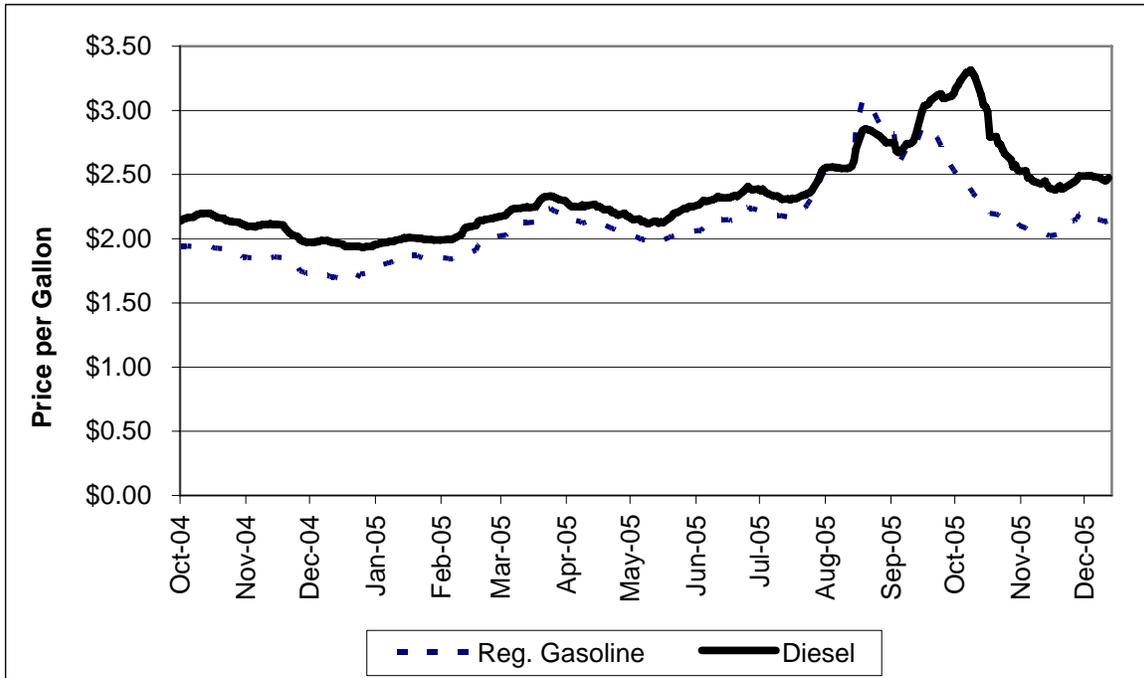
Gas Prices and Transportation Costs

According to the Department of Education's "2003-2004 Annual Transportation Data for Iowa Public Schools" report, Iowa's school buses traveled 56.6 million miles. The Department reports that the current bus fleet runs on 80.8% diesel fuel, 15.4% gasoline, 3.3% compressed natural gas, and 0.5% liquid propane. The buses can be assumed to average eight to ten miles per gallon for diesel and five to six miles per gallon for gasoline. At these rates, the fleet of buses would consume approximately 5.1 million gallons of diesel fuel and 1.6 million gallons of gasoline.

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Table 3

Gasoline and Diesel Prices: October 2004 to December 2005



If fuel cost averages for the year ending December 30, 2005, are compared to the averages for the year ending December 30, 2004, diesel costs increased \$0.58 per gallon and gasoline costs increased \$0.41 per gallon. If fuel cost averages for the two-month period ending December 30, 2005, are compared to the averages for the two-month period ending December 30, 2004, then diesel costs increased \$0.47 per gallon and gasoline increased \$0.30 per gallon. If it is assumed that there will be comparable rate increases for compressed natural gas and liquid propane, then fuel costs to travel the same number of miles in the 2005-2006 school years are likely to increase between \$3.0 million and \$3.7 million. These amounts represent increases between 3.2% and 4.0% of the FY 2004 net transportation operating costs.

School Infrastructure Local Option (SILO) Tax

Chapter 423E, Code of Iowa, establishes the "local sales and services tax for school infrastructure," commonly referred to as the School Infrastructure Local Option (SILO) tax. Upon approval by the electorate, a county can impose a sales tax of up to 1.0% for a maximum period of ten years. The tax is renewable for up to an additional 10 years. The tax is scheduled to sunset on December 31, 2022.

Education Issues

The funding is required to be used for school infrastructure purposes or property tax relief. School infrastructure purposes include the construction, reconstruction, repair, demolition work, purchasing, or remodeling of schoolhouses, stadiums, gyms, fieldhouses, and bus garages, and the procurement of schoolhouse construction sites and site improvements. School districts may contract indebtedness and issue general obligation bonds for school infrastructure (except those expenditures related to a teacher's or superintendent's home) to be repaid with the sales tax.

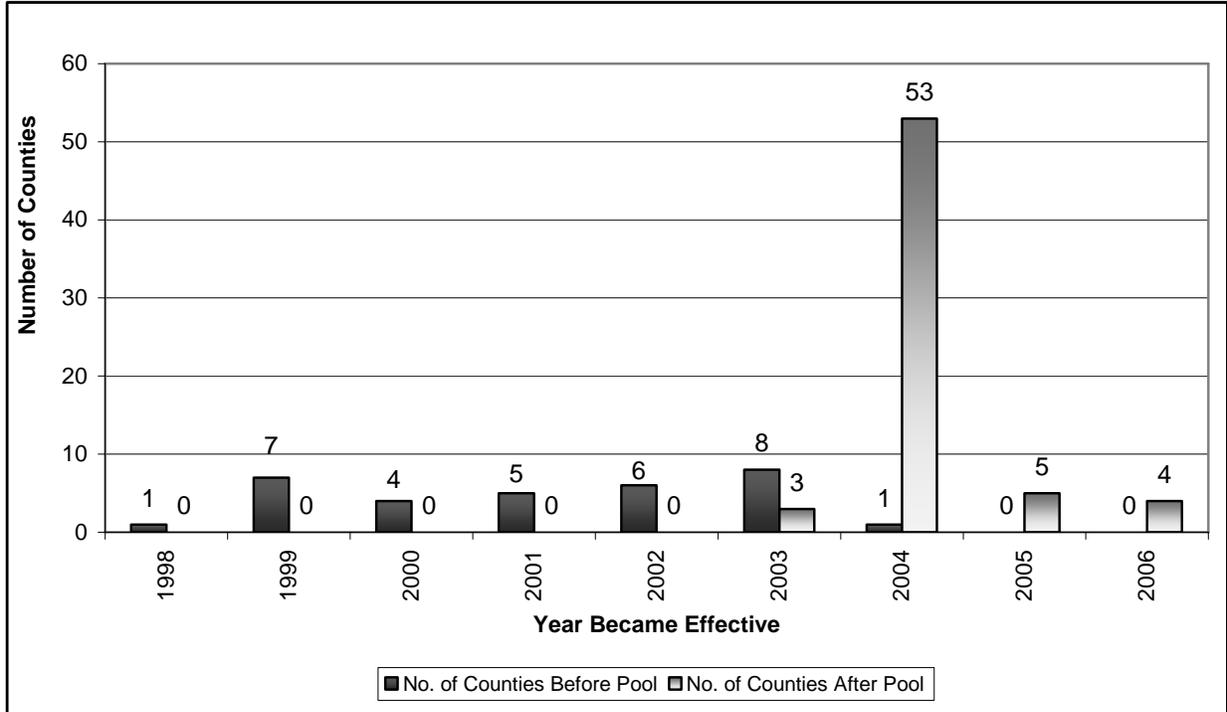
Funds collected from the SILO tax are deposited into the Secure an Advanced Vision for Education (SAVE) Fund for distribution to school districts within the county on a per pupil basis. Counties holding an election approving the SILO tax prior to April 1, 2003, receive the total county SILO tax collection for pro rata distribution to their school districts. Counties holding an election approving or extending the SILO tax after April 1, 2003, receive their pro rata funding up to \$575 per pupil. The funding from the latter counties in excess of \$575 per pupil is distributed to those counties with the lowest per pupil SILO tax revenues. The county with the lowest per pupil SILO tax collection receives supplemental funding bringing it up to the county with the second lowest per pupil amount. Then those two counties receive supplemental funding bringing them up to the county with the third lowest per pupil amount. The process is continued until the funds in the excess pool are expended. In FY 2005 and FY 2006, an additional \$10.0 million was appropriated from the Rebuild Iowa Infrastructure Fund (RIIF) for pooled distribution as described above. ***The Governor is recommending continuation of the \$10.0 million RIIF appropriation to the SAVE Fund in FY 2007.***

Table 4 shows the number of counties implementing the SILO tax each year. The law was amended during the 2003 Legislative Session to create the SAVE Fund and pooled distribution. As a result, most of the remaining counties have approved the SILO tax. In FY 2006, Carroll, Guthrie, Henry, Humboldt, Iowa, and Jefferson Counties passed the SILO tax, with two imposing the tax on July 1, 2005, and the remaining four imposing it on January 1, 2006. Only Johnson and Linn Counties have not imposed the tax. Webster County has a 0.5% SILO tax rather than the full 1.0%.

Education Issues

Table 4

Counties Implementing the School Infrastructure Local Option (SILO) Sales Tax



Based on the growth in the State's 5.0% sales tax receipts over the past six years, it is projected that under current law, the SILO tax will raise \$252.6 million in the 97 counties with the tax in FY 2006. The pooled revenues will generate an estimated \$1.2 million in excess of the \$575 per pupil cap. That amount, combined with the \$10.0 million appropriation, will result in supplemental funding for 53 counties. Louisa County school districts will receive the largest per pupil supplemental of \$273 per pupil for a total of \$672,000, and Plymouth County school districts will receive the smallest supplemental - \$6 per pupil for a total of \$27,000.

If the SILO tax had been in place for all 99 counties at the 1.0% level throughout FY 2006, it is projected that \$305.6 million would be generated. Linn County would generate an estimated \$30.4 million, and Johnson County would generate \$17.1 million in SILO tax. The remaining increase would come from the four counties without the tax in the first half of FY 2006 and Webster County. Linn County would contribute approximately \$11.8 million to the pool, and Johnson County would contribute \$8.7 million. Including the \$10.0 million appropriation, there would be an estimated \$32.8 million in the SAVE Fund for pooled distribution. A total of 77 counties would receive supplemental funding, with Louisa County school districts receiving \$402 per pupil for a total of \$988,000 and Wapello County school districts receiving \$7 per pupil for a total of \$43,000.

Education Issues

Iowa Learning Technology Commission

House File 739 (Learning Technology Act) established the Iowa Learning Technology Commission and charged the Commission with implementing a pilot grant program. House File 882 (FY 2006 Standing Appropriations Act) included a \$500,000 appropriation for implementation of HF 739.

The voting members of the Commission are:

- Chairperson William Decker, Superintendent, Mount Ayr Community School District
- Vice Chairperson Ann Watts, Instruction Design Coordinator, Des Moines Area Community College
- Al Bode, Retired Teacher, Charles City
- Tom Brotherton, Executive Dean, Iowa Lakes Community College, Estherville
- Tim Buenz, Director of Technology, Jefferson-Scranton Community School District
- Matthew Shaffer, Vice President of Sales, Wellmark Blue Cross and Blue Shield
- Gene Vincent, President, State Board of Education



Ex officio members include State Senators Jeff Danielson and Pat Ward and State Representatives Carmine Boal and Mary Mascher, as well as the members of the State Board of Education's Technology Advisory Committee.

The Commission met on August 26, September 23, and October 7 to develop the grant application and approval process, scoring criteria, and timelines.

Applications Received

Grant applications were made available in October, and completed applications were due to the Department of Education by December 15. The Department received a total of 66 applications, requesting a total of \$5.0 million. The applications are categorized by enrollment size as follows:

- 14 from school districts or consortia of districts in the 0-600 category
- 28 from the 601-1,500 category
- 17 from the 1,501-9,000 category

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- 7 from the 9,000+ category

Grant Award Process

The Commission will distribute \$450,000 in grants, with \$50,000 remaining for evaluation costs and Commission expenses. The specifications for the grant awards are as follows:

- The Commission will award no less than five competitive grants, and the minimum award will be \$20,000.
- A minimum local match of 25.0% will be required and may consist of public or private, federal, state, or local funds. Given the timeline for awarding grants, this may take the form of a promise of funding in FY 2006,
- One grant will be awarded to school districts or consortia of districts in each of four enrollment-size categories:
 - ◆ 0 – 600 students
 - ◆ 601 – 1,500 students
 - ◆ 1,501 – 9,000 students
 - ◆ 9,001 or more students
- One or more grants will be awarded to school districts with the highest scores among the remaining applications, regardless of enrollment size.



The Department has assigned 30 people to nine teams of readers to review the applications and make recommendations to the Commission, based on the following criteria:

- ◆ Focus on increasing student achievement opportunities through quality teaching and learning: 0-9 points possible.
- ◆ Identification of needs/support for emerging best practices: 0-12 points possible.
- ◆ Educational technology planning: 0-12 points possible.
- ◆ Involvement of partners and other stakeholders: 0-9 points possible.
- ◆ Curriculum: 0-9 points possible.
- ◆ Professional development: 0-12 points possible.
- ◆ Equitable access: 0-6 points possible.
- ◆ Assessment and accountability: 0-12 points possible.
- ◆ Budget: 0-9 points possible.

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The Commission will meet in late January or early February 2006 to review all applications as well as the Department's recommendations, and award funding. According to the Commission's timeline, successful applicants are to be notified by February 15. All activities funded by the grant must be completed by June 30, 2007.

Community College Property Tax Revenue

Over the last five years, growth in community college revenue from the general property tax levy has lagged behind the growth in enrollment. As a percentage of total unrestricted revenue, property tax revenue was 5.5% in FY 2004, while revenue from tuition and fees was the largest source of revenue at 46.3%. Nationally, Iowa ranks among the lowest states in local funding as a percentage of total community college revenue.

From FY 2002 to FY 2006, statewide community college revenue from the 20.25 cent general levy increased \$905,000 (4.9%) and State General Aid increased \$2.2 million (1.6%). During that same period, enrollment increased by 14,000 students (20.3%). **Table 5** shows that these figures represent a significant change compared to the previous five-year period.

Table 5

Community College Revenue and Enrollment Five-Year Rates of Change FY 1998-FY 2002 and FY 2002-FY 2006

	FY 2006 v. FY 2002	%	FY 2002 v. FY 1998	%
General Levy	\$ 904,580	4.85%	\$ 2,168,100	13.16%
State Aid	\$ 2,193,564	1.59%	\$ 7,003,629	5.36%
Enrollment	13,918	20.29%	7,961	13.13%

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ENVIRONMENTAL INITIATIVES

Iowa's Water Quality Investment

The Governor is recommending \$20.0 million for FY 2007 to invest in the improvement of Iowa's water quality. Funding will be used for watershed protection projects, lake restoration and preservation projects, and grants to small communities to upgrade waste treatment facilities. Specific recommendations include:

- ▶ *\$10.0 million from the Endowment for Iowans Health - Restricted Capital Fund for the Iowa Watershed Improvement Review Board. The Board is responsible for awarding local watershed improvement grants and monitoring the progress of the projects after the grants are awarded.*
- ▶ *\$5.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) to restore and preserve lakes that do not have an impaired watershed. Improvement projects include dredging, shoreline stabilization, and easement acquisition for habitat development.*
- ▶ *\$5.0 million from RIIF for grants to small communities to upgrade water treatment facilities. Communities will be able to use the grant money to supplement and leverage additional funding from the State Revolving Loan Fund.*



Local Watershed Improvement Efforts

The Department of Natural Resources (DNR) is requesting \$800,000 and 7.00 FTE positions from the General Fund for the development of a Statewide Watershed Management Plan. The Plan would accomplish two goals. The first is to increase technical assistance to local organizations, project managers, and landowners. The second is to work cooperatively with private business and other government agencies to reduce stormwater runoff at construction sites, and to increase compliance of other stormwater requirements. The request includes additional field positions that would assist with the development of local watershed improvement plans. In addition, the DNR will gather and distribute information, provide technical assistance to local watersheds, and provide educational information on best management practices. **The Governor is not recommending funding for this program.**



Environmental Initiatives

Healthy Iowa Lakes and Wetlands Demonstration Projects

The Department estimates there are 155 shallow lakes and streams that could have cleaner water if sediment and pollution was controlled and the populations of common carp were decreased. The DNR is requesting \$250,000 from the General Fund for the Healthy Iowa Lakes and Wetlands Demonstration Program. The Program will establish three or four demonstration projects across the State that will include an in-depth assessment related to water quality issues. The projects will focus on the best management practices for watersheds, reduction of shoreline erosion, and the development of plans that reduce the density of common carp to maintain acceptable population levels. ***The Governor is not recommending funding for this program.***

Pollution Prevention Intern Program

The Pollution Prevention Intern Program matches college students with Iowa companies to develop pollution prevention programs. The interns receive one week of training and then work at a business site for 11 weeks with company employees and a DNR Engineering Advisor. The Department is requesting \$100,000 from the General Fund for expansion of the Intern Program as the demand for the Program continues to increase. In FY 2005, the DNR turned away 84.0% of the students and 67.0% of the companies that applied. The Program is currently leveraged with federal funding and private contributions. ***The Governor is recommending \$50,000 from the General Fund for this program.***



Energy Programs Continuation

The Energy Bank in the DNR provides a number of energy services in Iowa. Some of the services include consultation with the State's Emergency Preparedness Program, energy relief programs for a variety of facilities, renewable energy educational programs, and monitoring the efficiency of State facilities. It is estimated that the Energy Bank has saved over \$118.0 million in energy costs for public schools, hospitals, private colleges, private schools, and local governments. Previously, the Program was funded with federal funds from the Oil Overcharge Fund, however, this funding source was depleted. The Department is requesting \$100,000 from the General Fund to maintain the Program. ***The Governor is recommending \$100,000 from the General Fund for this program.***



Environment First Fund Programs

The Environment First Fund was created by the 2000 General Assembly to provide funding for environmental programs. A standing appropriation of \$35.0 million was established for the Fund with funding from the Rebuild Iowa Infrastructure Fund (RIIF). The Transportation, Infrastructure, and Capitals Appropriations Subcommittee makes

Environmental Initiatives

recommendations to the General Assembly regarding programs that should receive appropriations from the Fund. For FY 2006, there was \$20.6 million appropriated.

The DNR is requesting \$23.6 million from the Environment First Fund for FY 2007, an increase of \$3.0 million compared to estimated FY 2006. **The Governor is recommending \$20.6 million from the Environment First Fund.**

The following is a summary of the Department's requests and the Governor's recommendations for FY 2007:

- ▶ Resource Enhancement and Protection (REAP) Fund – \$12.0 million, an increase of \$1.0 million compared to estimated FY 2006. The additional funding would be distributed using the REAP formula that is specified in Section 455A.19, Code of Iowa. **The Governor is recommending \$11.8 million from the Environment First Fund.**
- ▶ Marine Fuel Tax Capitals – \$2.7 million, an increase of \$400,000 compared to FY estimated 2006. The additional funding will be used to emphasize boater safety programs. **The Governor is recommending \$2.5 million from the Environment First Fund.**
- ▶ Lake Restoration Program – \$2.0 million, an increase of \$500,000 compared to estimated FY 2006. The additional funding will be used for lake dredging projects. **The Governor is recommending \$500,000 from the Environment First Fund.**
- ▶ Water Quality Monitoring Program – \$3.8 million, an increase of \$800,000 compared to estimated FY 2006. The additional funding would be used to survey water contaminants, improve statistical-based monitoring, and survey fish that are consumed by the public for toxin levels. **The Governor is recommending \$3.0 million from the Environment First Fund for this program.**
- ▶ State Park Operations and Maintenance – \$2.0 million. This maintains the current level of funding. **The Governor is recommending \$2.0 million from the Environment First Fund for this program.**
- ▶ Keepers of the Land Volunteer Program – \$100,000. This maintains the current level of funding. **The Governor is recommending \$100,000 from the Environment First Fund for this program.**
- ▶ Geographic Information System – \$195,000. This maintains the current level of funding. **The Governor is recommending from the \$100,000 from the Environment First Fund for this program.**



Environmental Initiatives

- ▶ Water Quality Protection Fund – \$500,000. This maintains the current level of funding. **The Governor is recommending \$500,000 from the Environment First Fund for this program.**
- ▶ Air Quality Livestock Monitoring – \$275,000. This Program is being funded with money from Stormwater Permit fees for FY 2006, and the Department is requesting funding from the Environment First Fund for FY 2007. **The Governor is recommending \$275,000 from the General Fund.**

Governor Recommendations Funding Summary

The following table details the FY 2007 Governor’s recommendations for environmental projects.

Budget Unit	Funding Source	Governor’s Recommendations (in millions)	Change in Funding
Watershed Improvement Review Board	Endowment for Iowa’s Health Account	\$ 10.0	Increase of \$5.0 million and changes funding source
Lake Restoration and Preservation Program	Rebuild Iowa Infrastructure Fund	5.0	Increase of \$5.0 million
Water Treatment Conservation Program	Rebuild Iowa Infrastructure Fund	5.0	Increase of \$5.0 million
REAP	Environment First Fund	11.8	Increase of \$800,000
Marine Fuel Tax Capitals	Environment First Fund	2.5	Increase of \$200,000
Lake Restoration Program	Environment First Fund	.5	Decrease of \$1.0 million
Water Quality Monitoring	Environment First Fund	3.0	Maintains funding
State Parks	Environment First Fund	2.0	Maintains funding
Keepers of Land Volunteers	Environment First Fund	0.1	Maintains funding
Geographic Info. System	Environment First Fund	0.2	Maintains funding
Water Quality Protection	Environment First Fund	0.5	Maintains funding
Livestock Air Quality Monitoring	General Fund	0.3	Maintains funding and changes funding source
Total Governor’s Recommendations		\$40.9	Increase of \$15.0 million

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WATERSHED IMPROVEMENT REVIEW BOARD

The Watershed Improvement Review Board was created in SF 200 (FY 2006 Agriculture Powers, Duties, and Watershed Improvement Act). The purpose of the Board is to:

- Award local watershed improvement grants and monitor the progress of the projects awarded.
- Assist with the development of monitoring plans for local watershed improvement projects.
- Review monitoring results before, during, and after completion of a local watershed improvement project.
- Review costs and benefits of mitigation practices utilized by a project.
- Submit an annual report to the Governor and the General Assembly regarding the progress of the Board.
- Obtain technical assistance and expertise from outside organizations.
- Develop and adopt Administrative Rules.



House File 882 (FY 2006 Standing Appropriations Act) appropriated \$5.0 million from the Underground Storage Tank (UST) Fund to the Watershed Improvement Fund for FY 2006. The Department of Agriculture and Land Stewardship receive \$50,000 for administrative costs related to the program. Grant funding will focus on:

- Enhancement of the State's water quality through the completion of locally-directed watershed improvement grant projects.
- Improve the management and use of water in the State for the purposes of drinking, agriculture, recreation, sport, and economic development.
- Ensure public participation to determine water quality improvement priorities related to: agricultural runoff and drainage, stream bank erosion, municipal discharge, stormwater runoff, unsewered communities, industrial discharge, and livestock runoff.



Watershed Improvement Review Board

The Board's first meeting was held on August 22, and Kevin Jacobson was elected the Chairperson of the Board. The Board also approved Administrative Rules that govern the Watershed Improvement Review Board.

The second meeting of the Board was held on October 10, and the Request for Application forms were approved. The Board also determined that the due date for receiving grant applications would be November 30, 2005, and that grant projects would be reviewed and prioritized on December 19, 2005.

Members of the Watershed Improvement Review Board include:



- Senator Dennis Black, Jasper County.
- Senator David Johnson, Osceola County.
- Representative Sandy Greiner, Washington County.
- Representative Dolores Mertz, Kossuth County.
- Mark Rosenbury, Agribusiness Association of Iowa.
- Jolee Belzung, Iowa Association of Water Agencies.
- Susan Heathcote, Iowa Environmental Council.
- Lea Maass, Iowa Farm Bureau.
- Marcia Dudden, Iowa Pork Producers.
- Kevin Jacobson, Iowa Rural Water Association.
- John Hoffman, Iowa Soybean Association.
- Deb Ryun, Soil and Water Conservation Districts of Iowa.
- Jeff Bergman, Iowa Association of County Conservation Boards.
- Jim Gillespie, Department of Agriculture and Land Stewardship.
- Bernie Hoyer, Department of Natural Resources.

The Watershed Improvement Review Board met on December 19 in Des Moines to award grant money. The Board received 46 grant proposals totaling \$12.7 million in

Watershed Improvement Review Board

requests. After discussing the proposals, 17 proposals received a total of \$4.7 million in funding. The following is a list of grants awarded:

- Clear Lake Watershed – \$150,000.
- The Lake at Storm Lake Watershed – \$477,000.
- Storm Lake Watershed – \$23,000.
- Clear Creek Watershed – \$500,000.
- Yellow River Watershed – \$229,000.
- Little Pony Creek – \$216,000.
- Rathbun Lake Watershed – \$500,000.
- Manteno Lake – \$56,000.
- Humboldt and Webster County Joint District Number 1 – \$500,000.
- Viking Lake Watershed – \$59,000.
- Farmers Creek – \$29,000.
- Hewitt Creek Watershed – \$159,000.
- Dickinson County Urban Watershed – \$487,000.
- Elk River – \$292,000.
- Muchakinock Creek – \$500,000.
- Dry Run Creek – \$500,000.
- Upper Miller Creek – \$69,000.

The Board will meet on March 13 in Des Moines to review additional grant proposals. For more information on the Watershed Improvement Review Board, refer to the following web site: <http://www.agriculture.state.ia.us/IWIRB.htm>.

The Governor is recommending \$10.0 million of funding for the Board for FY 2007. Additional information is provided in the Environmental Initiatives Statewide issue.

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Legislative Fiscal Committee Major Issues

**LEGISLATIVE FISCAL COMMITTEE
MAJOR ISSUES**

The Legislative Fiscal Committee is a 10-member Committee of the Legislative Council. The Committee's duties include:

- Gathering information to aid the General Assembly in properly appropriating money for the functions of government.
- Directing the administration of performance audits and visitations.
- Studying the operation of State government.
- Making recommendations regarding government reorganization to the General Assembly (Section 2.46, Code of Iowa).
- Conducting studies and reviewing issues as assigned by the Legislative Council.

During the 2005 Legislative Interim, the Fiscal Committee held three meetings. Holly Lyons, Director of the Fiscal Services Division of the Legislative Services Agency (LSA) and Jeff Robinson, LSA, provided regular revenue updates, and the Committee also received notices of appropriations transfers and lease purchases. The FY 2005 and FY 2006 appropriation transfers are listed below.

FY 2005 Appropriation Transfers

Dollars Transferred	Department/Division Transferred To	Dollars Transferred	Department/Division Transferred From
\$ 15,808	Department of Public Health Resource Management	\$ 1,201 42 521 3,060 1,664 100 9,220 <u>15,808</u>	Department of Public Health Addictive Disorders Child and Adoles. Wellness Chronic Conditions Community Capacity Infectious Disease Injuries Public Protection Total
\$ 445,608	Administrative Services Admin. Services Account	\$ 445,608	Administrative Services Distribution Account
\$ 42,072	College Aid Commission Voc-Tech. Tuition Grant	\$ 42,072	College Aid Commission ACE Program
\$ 162,237	Administrative Services Admin. Services Account	\$ 162,237	Administrative Services Distribution Account
\$ 20,000	Human Rights Status of African Americans	\$ 20,000	Human Rights Central Admin.
\$ 96,329	Public Defense Military Division	\$ 96,329	Public Defense Comp. & Expense
\$ 70,000	Public Defense Military Division	\$ 70,000	Public Defense Comp. & Expense

Legislative Fiscal Committee Major Issues

Dollars Transferred	Department/Division Transferred To	Dollars Transferred	Department/Division Transferred From
	Corrections		Corrections
\$ 100,000	2nd Judicial District	\$ 250,000	Clarinda Correctional Institution
150,000	8th Judicial District		
<u>\$ 250,000</u>	Total		
	Corrections		Corrections
\$ 50,000	1st Judicial District	\$ 50,000	Newton Correctional Institution
	Transportation		Transportation
\$ 230,000	Workers' Comp.	\$ 230,000	Indirect Cost Recovery
	Human Services		Human Services
\$ 725,000	Sexual Predator Commit.	\$ 725,000	State Cases
	Inspections & Appeals		Human Services
\$ 1,063,620	Indigent Defense	\$ 800,000	Supplementary Assistance
		263,620	State Cases
		<u>\$ 1,063,620</u>	Total
	Law Enforcement Academy		Human Services
\$ 41,049	Academy Operations	\$ 41,049	State Cases
	Civil Rights Commission		Human Services
\$ 78,000	Operations	\$ 78,000	State Cases

FY 2006 Appropriation Transfers

Dollars Transferred	Department/Division Transferred To	Dollars Transferred	Department/Division Transferred From
	Human Rights		Human Rights
\$ 20,000	Status of African Americans	\$ 20,000	Latino Affairs
	Inspections & Appeals		Inspections & Appeals
\$ 80,000	Administration Division	\$ 80,000	Health Facilities Division

The following lease-purchase information was received:

Lease-Purchase		
Principal	Department	Purpose
\$ 490,000	Human Services	Replace boilers, chillers and dryers at the Glenwood Resource Center.
\$ 112,200	Corrections	Vehicle replacement at the First Judicial District.
\$ 110,000	Revenue	Replace desk top computers.
\$ 2,435,000	Public Safety	Replace the Automated Fingerprint Information System (AFIS). The lease purchase was authorized in SF 2298 (FY 2005 Omnibus Appropriations Act).
\$ 150,000	Corrections	Upgrades to the Security Control System at the North Central Correctional Facility in Rockwell City.
\$ 165,500	Revenue	Replace desk top computers.

Legislative Fiscal Committee Major Issues

The Committee also received periodic updates on:

- Healthy and Well Kids in Iowa (*hawk-i*) Program.
- Medical Assistance Program (Medicaid).
- Child and Family Services and Adoption Subsidy Expenditures within the Department of Human Services.
- Military Pay Differential expenditures.



Other Agenda Items

- FY 2005 Ending Balance – Review of the FY 2005 ending balance of the General Fund.
- FY 2005 and estimated FY 2006 balances of various funds – Discussion included the Endowment for Iowa’s Health Account, the Restricted Capital Fund, the Healthy Iowans Tobacco Trust (HITT) Fund, the Rebuild Iowa Infrastructure Fund (RIIF), the Environment First Fund, and the Senior Living Trust Fund.
- The Governor’s item vetoes of FY 2006 legislation.
- State Cases expenditures and transfer information.
- Income tax withholding comparisons and farm/nonfarm employment data.
- Update on the Wallace State Office Building structure.
- Bonding update for the Honey Creek Resort State Park Project.
- FY 2007 built-in and planned expenditures.
- Report on energy costs.



Materials distributed to the Committee related to these topics are maintained at the Fiscal Services Division office and are available upon request. The agenda, minutes, and handouts for each meeting can be found on the LSA web site at: <http://staffweb.legis.state.ia.us/lfb/committee/fiscalcomm/fiscalco.htm>.

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GOVERNMENT OVERSIGHT COMMITTEE MAJOR ISSUES

During the 2002 Legislative Session, the General Assembly passed SF 2325 (Oversight and Government Reform Act) creating the Government Oversight Committee as a permanent Committee of the Legislative Council. Previously, the Committee had served as a combined appropriations subcommittee during the legislative session and a committee to review government programs and regulations administered or enforced by State government during the interim periods.

During the 2005 Interim, the Committee met five times and reviewed the following major areas:



Major Issues Reviewed

- ▶ The Residential Treatment Services (RTS) billing audits by field staff from the Department of Human Services (DHS) and the impacts on recipients, providers of services, and State funding resources. The Committee heard testimony from the DHS and providers of RTS at the October meeting. The main issues relate to the loss of federal funds by the State and the impacts of federal and State rules on providers, including school districts, and the affects on services to recipients. The Committee will continue to monitor the discussions and final actions during the 2006 Legislative Session.
- ▶ The ongoing review of the Department of Administrative Services (DAS). The Committee received updates during 2005 regarding the impacts of the DAS services on Executive Branch agencies and in-State contractors of both materials and services. The Committee will continue to monitor operations at DAS during the 2006 Legislative Session.
- ▶ Reports mandated by the General Assembly. Some reports required in legislation passed during the 2004 and 2005 Legislative Sessions did not specify a responsible party to receive the reports. The Legislative Council approved the Committee's request to be the recipient of those reports.
- ▶ Subcommittees were established and met with interested parties during the interim regarding House File 829 (Bidding Requirements for State Executive Branch Purchases Bill), House Study Bill 302 (Starvation and Dehydration of Persons with Disabilities Prevention), and the Gamblers Treatment Assistance funding and contracting for residential treatment services authorized by the General Assembly. Based on the findings from these Subcommittees, further legislative actions may be recommended by the Committee to the Legislative Council for the 2006 Legislative Session.

Government Oversight Committee Major Issues

- ▶ Review of Board of Regents activities. The Committee met with representatives from the Board of Regents and discussed the status of the task force report recommendations regarding the future of the Iowa Braille and Sight Saving School in Vinton. The Committee also discussed the opening of a dental outreach office in Coralville, impacts on private dental practices located in the area with the State University of Iowa, College of Dentistry, and why entities of State government, such as Regents Institutions, are not required to meet existing municipal building code standards for new construction required of the private sector. The Committee will continue to monitor these topics during the 2006 Legislative Session.
- ▶ Amber Alert State Plan. The Committee met with staff from the Departments of Transportation and Public Safety, and the Lottery to discuss the statewide procedures in the Amber Alert Plan and “glitches” regarding the alert issued in Cedar Rapids on March 24, 2005, relating to the disappearance of Jetseta Gage.
- ▶ Preservation, storage, and retrieval of State documents. The Committee received testimony from the Office of Secretary of State, the Departments of Corrections, Public Health, Administrative Services and Cultural Affairs, the Judicial Branch, and a private business that specializing in document preservation. Of particular interest to the Committee was the ability to retrieve State documents, public access to the information, the costs of preserving, storing, and retrieving the documents, and how other states manage documents. The Committee may recommend statutory changes to the Legislative Council during the 2006 Legislative Session to regulate the duration for storage of State documents and suggest a more efficient means for preservation and retrieval of all State documents.
- ▶ Review of the Department of Natural Resources (DNR) contract process for moored vessel inspections. The Committee requested DNR to provide background regarding the development of the request for proposal, the bid scoring and final selection process used for the Permanently Moored Vessel Program Coordinator. The Committee received conflicting testimony regarding the solicitation of the bids from an Iowa-based bidder. The Committee requested that the Department of Administrative Services review the matter and offer an opinion regarding the bidding procedures used by DNR, and also requested an opinion from the State Attorney General regarding possible legal improprieties, such as conflict of interest by the successful bidder and DNR. The response from the DAS suggested that there were issues about the process used and made suggestions regarding improvements for future bidding processes. The State Attorney General did not render an opinion in response to the Committee but suggested that the issues were policy related and could not be resolved through legal research but rather through available administrative procedures and district court.
- ▶ Illegal electronic and mechanical devices and the extent of social gaming in Iowa. The Committee discussed the status of these topics with staff from the Departments of Inspections and Appeals (DIA) and Public Safety, Division of Criminal

Government Oversight Committee Major Issues

Investigation (DCI). The Committee also discussed the legal and illegal aspects of poker tournaments in bars, among high school students, and contests and gambling events held by charitable organizations for fund raising purposes. The Committee may suggest possible legislative changes to the Legislative Council during the 2006 Legislative Session.

- ▶ Iowa Prison Industries (IPI). The Committee requested the Department of Corrections provide information regarding the role of IPI in helping inmates at the State correctional facilities by providing work skills used as part of the treatment and rehabilitation plans, along with vocational education.
- ▶ Inmate labor and work release programs. The Committee discussed recent incidents concerning an inmate violation while on work release at the Woodard Resource Center and the execution of an escape plan from Fort Madison. The Department of Corrections responded to questions and concerns from the Committee and discussed the plans to prevent future incidents, including monitoring by outside experts.
- ▶ Military veteran's issues and the impact on recent Iowa veterans returning from military actions. The Committee heard testimony from legislators, various Iowa military veteran's organizations, and Iowa military veterans concerning federal and State funding of veteran's benefits, as well as issues surrounding the signing up veterans to receive benefits, access to jobs and housing, and how Iowa veteran's benefits compares to other states. The Committee may recommend statutory changes to the Legislative Council during the 2006 Legislative Session.
- ▶ Privacy Legislation. The Committee heard testimony from the Citizen's Aide Ombudsman regarding the need for State legislation to define and protect privacy given the advances in technology, the emergence of identity theft, and heightened public awareness. The Committee may recommend statutory changes to the Legislative Council during the 2006 Legislative Session.
- ▶ Restaurant Inspections. The Committee requested the Department of Inspections and Appeals (DIA) to discuss the impact of reduced support from counties to conduct restaurant inspections and how DIA would meet its legal requirements to complete the inspections.
- ▶ Homeland Security. The Committee requested an update on homeland security activities and issues from the Homeland Security and Emergency Management Division, Department of Public Defense. Federal funding for Iowa is decreasing significantly, as part of a general shift in allocation focus from rural to more urban and densely populated regions.

Beginning in 2006, funding beyond a base amount will be awarded through competitive grants, as determined by the federal Department of Homeland Security.

Government Oversight Committee Major Issues

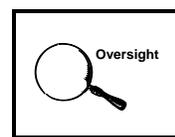
Funding will be based on assessment of relative risk and need, and may further challenge the State's attainment of the objectives of improving the overall emergency management system, supporting local responders, and improving response capabilities and capacities. Local responder training activities and communications issues were discussed along with the creation of intrastate and interstate partnerships, and an emphasis on regionalization of capacity building beyond the county level. The Committee discussion included concerns regarding the State's rating in a federal bioterrorism report; assistance that might be needed relating to a communication agreement involving northwest Iowa; and the assessment of pandemic risk, development of pandemic plans, and education of the public regarding the imposition of isolation and quarantine options.

Materials distributed to the Government Oversight Committee related to these and other topics are maintained by the Legislative Services Agency (LSA) office and are available upon request. Additionally, the agenda, minutes, and handouts for each meeting can be found on the LSA web site at: <http://www3.legis.state.ia.us/ga/committee.do?id=41>

Departments and Programs Selected for Review in 2006

The Government Oversight Committee has selected the following topics for review during 2006, and identified some that will be discussed specifically during the 2006 Legislative Session.

- Review sentencing reform possibilities and the impacts on local governments and private jails.
- Continue to receive public comment from State Departments and vendors regarding the potential use of a model procurement code for the competitive bidding process and contracting for goods and services by State government agencies. The Committee will also continue to monitor the accessibility of State government bids to Iowa-based companies.
- Monitor the effectiveness of the legislation approved by the General Assembly in 2005 regarding the regulation of amphetamine and methamphetamine in Iowa.
- Review with the Department of Agriculture and Land Management the status of monitoring food quality relating to threats of bioterrorism and fuel quality testing in the State.
- Continue to monitor the status of statewide restaurant inspections required to be conducted by the Department of Inspections and Appeals.



Government Oversight Committee Major Issues

- ▶ Continue to study the development of the Department of Administrative Services (DAS) as a competitive option for State services and the methods used to bill for the services DAS provides to State departments.
- ▶ Continue monitoring automated financial and human resource services provided by the Integrated Information for Iowa (I/3) Project.

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Estimated General Fund Expenditure Increases and Decreases

ESTIMATED GENERAL FUND EXPENDITURE INCREASES AND DECREASES

A ***built-in increase or decrease*** is a standing appropriation as required by the Code of Iowa, an entitlement program, or a prior appropriation for a future fiscal year that increases or decreases compared to the prior year. Built-in increases or decreases may be changed by enacted legislation. An ***anticipated increase or decrease*** is based on prior obligation or action and requires legislative action.

For FY 2007, the Legislative Services Agency (LSA) is projecting \$537.3 million in built-in and anticipated increases and decreases. The FY 2007 projection includes \$419.8 million in General Fund built-in increases and decreases and \$117.5 million in anticipated increases and decreases.



The Governor’s FY 2007 budget includes \$252.5 million in funding that is associated with the FY 2007 estimated built-in and anticipated expenditures. This includes \$186.3 million for the statutory built-in expenditures and \$66.2 million for the anticipated increases. The following tables summarize the projected increases and compares the Governor’s funding associated with the increases.

Table 1
Projected FY 2007 Incremental Built-in General Fund Expenditures
(Dollars in Millions)

Incremental Built-in Changes	LSA		Difference
	Estimates	Gov. Rec.	
Revenue - Homestead Tax Credit	\$ 131.8	\$ 25.0 ¹	\$ -106.8
Human Services - Medical Assistance	126.5	51.1 ¹	-75.4
Education - K-12 School Foundation Aid	84.7	84.3	-0.4
Revenue - Agricultural Land Tax Credit	39.1	8.7 ¹	-30.4
Revenue - Elderly and Disabled Credit	22.8	5.7 ¹	-17.1
Treasurer - Endowment for Iowa's Health Account	17.8	0.0	-17.8
Human Services - Mental Health Growth Factor	7.3	7.3	0.0
Human Services - State Children's Health Insurance Program (hawk-i)	5.6	3.1	-2.5
Management - State Appeal Board Claims	3.0	0.0	-3.0
College Aid - College Student Aid Work Study Program	2.7	0.1	-2.6
Revenue - Military Service Tax Credit	2.5	0.6 ¹	-1.9
Public Health - Substance Abuse	2.0	0.0	-2.0
Education - Educational Excellence	1.4	0.0	-1.4
Education - At-Risk Early Childhood Education	1.3	0.0	-1.3
Education - Instructional Support	0.4	0.4	0.0
Revenue - Livestock Producer Tax Credit	0.2	0.0	-0.2
Education - Early Intervention Block Grant	-29.3	0.0	29.3
Subtotal	\$ 419.8	\$ 186.3	\$ -233.5

¹ In addition to the General Fund appropriations, the Governor is recommending appropriations from Non-General Fund sources for these programs.

Estimated General Fund Expenditure Increases and Decreases

Table 2
Projected FY 2007 Incremental Anticipated General Fund Expenditures

(Dollars in Millions)

Incremental Anticipated Expenditure Changes	LSA		Difference
	Estimates	Gov. Rec.	
Statewide - FY 2007 Collective Bargaining Salary Costs	\$ 81.8	\$ 39.6	\$ -42.2
Corrections - Oakdale Expansion Operating Costs	12.2	5.1 ¹	-7.1
Corrections - Increased Fuel, Food, and Pharmacy Costs	4.3	2.3	-2.0
Inspections and Appeals - Indigent Defense and Public Defender	4.6	4.6	0.0
Judicial Branch - Retirement Fund Contribution	3.2	3.2	0.0
Education - Teacher Quality/Student Achievement Act	2.5	2.5	0.0
Public Safety - Gambling Enforcement Officers	2.2	2.2	0.0
Human Services - Child and Family Services (CFS)	2.2	0.0	-2.2
Human Services - Child Care Assistance	2.0	2.0	0.0
Corrections - Mental Health Funding	1.5	0.5 ¹	-1.0
Public Safety - Fuel Costs	1.0	1.0	0.0
Corrections - Sex Offender Treatment and Supervision	1.3	1.3	0.0
Public Safety - DNA Profiling	0.7	0.7	0.0
Public Safety - Administrative Services Billings	0.5	0.5	0.0
Administrative Services - Annualization of DAS Distribution	0.3	0.3	0.0
Public Safety - Narcotics Enforcement Fusion Database System	0.3	0.3	0.0
Public Safety - State Fire Marshal	0.1	0.1	0.0
Workforce Development - Field Offices	-3.2	0.0	3.2
Subtotal	\$ 117.5	\$ 66.2	\$ -51.3
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 537.3	\$ 252.5	\$ -284.8

¹ In addition to the General Fund appropriations, the Governor is recommending appropriations from Non-General Fund sources for these programs.

Appendix B describes the General Fund built-in and anticipated expenditure changes in more detail and provides a comparison to the expenditures funded in the Governor's FY 2007 budget. **Appendix B** includes the following information:

- ▶ Type of appropriation:
 - ◆ Standing unlimited appropriation.
 - ◆ Standing limited appropriation.
 - ◆ Regular appropriation.
- ▶ Description of the program or budget unit.
- ▶ Factors resulting in the increases or decreases.
- ▶ Dollar amount of the incremental increase under current law as projected by the LSA.

Estimated General Fund Expenditure Increases and Decreases

- The Governor's recommended funding for the expenditure.
- Description of the Governor's recommended changes from current law.
- The difference between the current law estimate and the amount recommended by the Governor.

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GROW IOWA VALUES FUND

House File 809 (FY 2006 Economic Development Appropriations Act) and HF 868 (FY 2006 Grow Iowa Values Fund Act) created the Grow Iowa Values Fund and provided a 10-year (FY 2006 through FY 2015) standing appropriation of \$50.0 million annually from the General Fund to the Grow Iowa Values Fund. The legislation also provides the following allocations from the Grow Iowa Values Fund from FY 2006 through FY 2015.

Department of Economic Development

- ▶ ***The Governor's FY 2007 recommendations are the same as the department requests (outlined below) and include the continuation of the \$50.0 million FY 2006 General Fund appropriation to the Grow Iowa Values Fund and the allocations from that Fund.***

- ▶ **\$35.0 million for programs administered by the Department of Economic Development (DED).**
 - ◆ Requires the DED to annually specify a percentage for marketing, research and development, and for business start-ups, expansion, modernization, attraction, retention, marketing, and research and development.
 - ◆ Requires applicants to provide a statement regarding projected return on investment and requires a recipient of funds to provide an annual progress report on the return on the investment.
 - ◆ Requires the DED, in cooperation with the Department of Revenue, to develop a method of identifying and tracking each new job created.
 - ◆ Requires the DED to identify research and development activities to be funded using no more than 10.0% of the funds appropriated and requires the DED to measure the potential impact on the State's economy rather than the return on investment and job creation for these activities.
 - ◆ Allows the DED to use 1.5% of the appropriation (\$525,000 annually) for administration.
 - ◆ Requires the Iowa Economic Development Board to approve or deny applications for financial assistance and whenever possible, to coordinate assistance with other programs administered by the DED.



Grow Iowa Values Fund

- ▶ **\$5.0 million for transfer to Regents Universities for infrastructure projects and programs needed to assist in commercialization of research and related activities.**
- ▶ **\$1.0 million for Target State Parks, Destination Parks, and Banner Parks.**
Requires the Department of Natural Resources (DNR) to submit an expenditure plan for these funds to the DED that focuses on improving State Destination and Banner parks in order to receive financial assistance.
- ▶ **\$7.0 million for deposit into the Workforce Training and Economic Development Funds of the community colleges.**
- ▶ **\$1.0 million for providing regional economic development financial assistance.**
 - ✦ Requires an allocation of \$350,000 annually for Small Business Development Centers, requires the Centers to provide a one-to-one match of funds to receive financial assistance, and caps financial assistance to a single Center at \$20,000.
 - ✦ Allows an annual allocation of up to \$50,000 for financial assistance to Iowa business resource centers.
 - ✦ Allows economic development regions to apply to the DED for financial assistance, and caps the aggregate financial assistance to \$1.0 million per fiscal year.
 - ✦ Establishes and defines economic enterprise areas, and allows up to ten areas to receive up to \$75,000 each per fiscal year from the Grow Iowa Values Fund.



Treasurer of State

- ▶ **\$1.0 million for deposit to the Iowa Cultural Trust Fund.**

House File 868 also included several tax provisions including:

High Quality Job Creation Program

- ▶ Administered by the Department of Economic Development, the Program takes the place of the New Jobs and Income Program and the New Capital Investment Program. Awarding of tax credits under the Program are on a sliding scale based on the size of the capital investment, number of jobs created, and wages and benefits paid for those jobs. The more jobs a business creates, and the greater the investment and compensation, the greater the tax incentive will be. The tax credit

Grow Iowa Values Fund

awarded is to be amortized equally over a five-year period, and may be carried forward and used for up to seven years or until depleted, whichever occurs first.

- Investment tax credits are capped at a total of \$3.6 million annually for the combination of all investments below \$1.0 million under the High Quality Job Creation Program. There is no cap for investments greater than \$1.0 million.
- Wage thresholds must be met in order to receive tax incentives. However, the Department is allowed to grant waivers in certain situations.

Wage Benefits Tax Credit Program

- Allows a non-retail, non-service business to apply to the Department of Revenue to claim a tax credit based on the annual wages and benefits paid for a qualified new job created by the location or expansion of the business in the State. The award is a minimum of 5.0% up to a maximum of 10.0 % of the wages and benefits paid for the new job. The total tax credit is capped at \$10.0 million per year, to be awarded on a first come, first serve basis. Businesses are eligible after they maintain a new job for a 12-month period. The business is eligible to receive the same tax credit for four additional years without additional investment provided it maintains the new jobs it created for each of those years. Businesses that receive a tax credit in excess of their tax liability are allowed to receive a tax refund for the amount in excess of the liability or are allowed to carry the credits forward to be used in a subsequent year.

Research and Development Tax Credit

- Allows up to \$1.0 million in research and development tax credits for innovative renewable-energy generation.

Endow Iowa Tax Credits

- Amends the definition of “Qualified Community Foundation” under the Endow Iowa Program, extends the sunset date for tax credits under the Program from December 31, 2005, to December 31, 2008, allows for the issuance of up to \$2.0 million in tax credits per year, allocates 10.0% of the aggregate tax credits each year for gifts of \$30,000 or under, and requires 3.0% of the county endowment fund to be used by the lead philanthropic entity for administration.

Economic Development Region Revolving Fund Tax Credit

- Allows for a 20.0% tax credit for making a contribution to an economic development region revolving fund, caps the tax credit at \$2.0 million per fiscal year plus carry-forward, allows un-awarded tax credits to be carried forward and used in subsequent fiscal years, and allows a non-profit entity to



Grow Iowa Values Fund

receive a General Fund appropriation in lieu of the tax credit for its contribution.

Historic Rehabilitation and Cultural and Entertainment District Tax Credits

- Requires the Department of Cultural Affairs to establish a Cultural and Entertainment District Certification Program.
- Amends Section 404A.1(1), Code of Iowa, relating to historic rehabilitation tax credits by allowing tax credits for projects in certified cultural and entertainment districts, and allows an additional \$4.0 million in tax credits each fiscal year for Historic Rehabilitation and Cultural and Entertainment Tax Credits.

Other Provisions of the Grow Iowa Values Fund Legislation

- Requires the DED to coordinate all business-related regulatory assistance for the State.
- Creates the Iowa Great Places Program and the Iowa Great Places Board in the Department of Cultural Affairs, specifies the composition and duties of the Board, and requires the Board to initially identify three great places projects. ***The Governor is recommending \$1.5 million for Iowa Great Places, including \$500,000 from the General Fund and \$1.0 million from the Endowment for Iowa's Health Account Restricted Capitals Fund.***
- Creates a new chapter in the Code of Iowa, relating to the establishment, and operation of port authorities in Iowa, which are created by two or more political subdivisions agreeing on the creation and the extent of the powers of the port authority.
- Establishes a State Property Assessment Appeal Board consisting of three Board members with support from an attorney and administrative staff, for the purpose of establishing a consistent, fair, and equitable property assessment appeal process.
- Requires the Economic Development Board to establish a Technology Commercialization Committee to evaluate and approve funding for projects and programs under Section 15G.111(2), Code of Iowa, which appropriates \$5.0 million annually, through FY 2015, for financial assistance to the Regents Universities for infrastructure projects and programs addressing research and economic development, and specifies the composition of the Committee.
- ✦ Requires the establishment of a Technology Commercialization Specialist in the DED and specifies the duties of the position.



Grow Iowa Values Fund

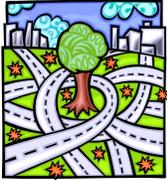
- ✦ Requires the Governor to appoint a Chief Technology Officer to a four-year term to facilitate and oversee commercialization of research efforts.
- Allows the DED to allocate up to 10.0% of the assets in the Loan and Credit Guarantee Fund for certain micro enterprises (a business providing services with five or fewer full-time equivalent positions).
- Requires the Department of Economic Development to create a cost-share program for financial incentives for 30 new or converted E-85 gasoline retail outlets and 4 new or converted on-site or off-site terminal bulk facilities, and caps the expenditure for this program at \$325,000 per year from FY 2006 through FY 2008.
- Provides in Statute for the imposition of a \$0.17 per gallon excise tax on E-85 gasoline.
- Requires the Department of Revenue to examine the taxes paid on E-85 gasoline for the previous calendar year, and based on the data, and revenue generated, requires the Department to establish the rate of taxation for E-85 gasoline for the following fiscal year.



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ROAD JURISDICTION AND FUNDING TRANSFERS

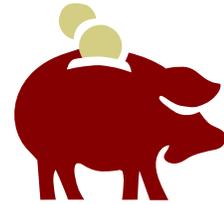
Transfer of Jurisdiction Fund



Senate File 451 (FY 2004 Road Jurisdiction and Funding Act) allowed the transfer of jurisdiction and control of approximately 700 miles of State primary roads classified as Local Service Roads to cities and counties effective from FY 2004 through FY 2013. A portion of the State's share of the Primary Road Fund is transferred monthly to a Transfer of Jurisdiction Fund and apportioned to the cities and counties that received jurisdiction and control of the roads, as detailed below.

Senate File 451 created a Transfer of Jurisdiction Fund in the office of the State Treasurer under the control of the Department of Transportation (DOT). From FY 2004 through FY 2013, following the 47.5% Road Use Tax Fund allocation to the Primary Road Fund, 1.75% of Primary Road Fund moneys is credited to the Transfer of Jurisdiction Fund. The funds are then transferred to cities and counties as follows:

- ▶ 75.0% to cities and counties that assume jurisdiction of primary roads:
 - ✦ 89.56% to the Secondary Road Fund of counties.
 - ✦ 10.44% to the Municipal Road Fund of cities.
- ▶ 22.5% to the Secondary Road Fund of all counties.
- ▶ 2.5% to the Municipal Road Fund of all cities.



In FY 2014 and beyond, the Transfer of Jurisdiction Fund will be eliminated, and the 1.75% of Primary Road Fund moneys will be distributed to cities and counties as follows:

- ▶ 1.575% to the Secondary Road Fund of all counties.
- ▶ 0.175% to the Municipal Road Fund of all cities.

The following table illustrates the distribution of the Transfer of Jurisdiction Fund to cities and counties that assumed jurisdiction of primary roads in FY 2004, and the estimated distribution of the Fund through FY 2007.

Road Jurisdiction and Funding Transfers

TRANSFER OF JURISDICTION FUND FORMULA ALLOCATION (Dollars in Millions)

	<u>Actual FY 2005</u>	<u>Estimated FY 2006</u>	<u>Estimated FY 2007</u>
Transfer of Jurisdiction Fund (1.75% of Primary Road Fund)	\$ 7.9	\$ 7.9	\$ 8.0
<u>Distribution of Transfer of Juris. Fund</u>			
Cities and counties that assumed jurisdiction of primary roads (75.0%)			
Secondary Road Fund of counties (89.56%)	\$ 5.3	\$ 5.3	\$ 5.4
Municipal Road Fund of cities (10.44%)	0.6	0.6	0.6
Secondary Road Fund of all counties (22.5%)	1.8	1.8	1.8
Municipal Road Fund of all cities (2.5%)	0.2	0.2	0.2
TOTAL DISTRIBUTION	<u>\$ 7.9</u>	<u>\$ 7.9</u>	<u>\$ 8.0</u>

Farm-to-Market Road Extensions Transferred to Counties

Effective in FY 2005, jurisdiction and control of approximately 400 miles of Farm-to-Market road extensions in cities with a population of less than 500 was transferred to the respective counties. As a result of the transfers, a portion of the Municipal Road Fund from those cities is transferred monthly to the Secondary Road Fund of the respective counties. The total amount transferred is approximately \$2.1 million annually.



Advice Requested

Senate File 451 contained the following two sections specifying that interest received by counties from the Transfer of Jurisdiction Fund was to be deposited into the Secondary Road Fund of the respective counties to be used for the maintenance and construction of roads:

- “All funds, including any interest or other earnings on the funds, received by a county from the transfer of jurisdiction fund shall be deposited in the secondary road fund of the county to be used only for the maintenance and construction of roads under the county's jurisdiction.”
- “The amount of moneys by which the apportionment to the city is reduced shall be transferred to the secondary road fund of the respective county, to be used only for the maintenance or construction of roads under the county's jurisdiction, and all interest and earnings on the moneys transferred shall remain in the secondary road fund of the county, to be used for the same purposes.”

Road Jurisdiction and Funding Transfers

The legislation in both sections was thought to contradict Section 12C.7(2), Code of Iowa, which specifies, “Interest or earnings on [public] investments. . . shall be credited to the general fund of the governmental body making the investment or deposit. . . .” Advice on the language’s intent was therefore requested from the Attorney General’s Office.

In regard to the first section, the Attorney General’s Office stated that the language was not specific enough to take precedence over Section 12C.7(2), Code of Iowa. Therefore, any interest earned on funds received by a county from the Transfer of Jurisdiction Fund is to be credited to the General Fund of the county.

In regard to the second section, the Attorney General’s Office concluded that since this section specifically calls for “the retention of interest earned upon the moneys after transfer into the secondary road fund,” the language takes precedence over Section 12C.7(2), Code of Iowa. Therefore, the interest earned on moneys transferred from a city to a county is to remain in the county’s Secondary Road Fund instead of being credited to the county’s General Fund.

Secondary Road Fund Distribution Committee (SRFDC)

Prior to calendar year 2002, the DOT conducted a Quadrennial Need Study to determine the 20-year maintenance and construction needs of all roads and bridges in the State. The Study was used to establish the distribution of Road Use Tax Fund moneys to the Secondary Road Fund and Farm-to-Market Road Fund of counties, and to State agencies controlling State Park and institutional roads. Following completion of each Study, the needs for most counties fluctuated significantly from previous studies, causing corresponding shifts in revenue. As a result, legislation was proposed to eliminate the Quadrennial Need Study.



Senate File 2192 (FY 2003 DOT Omnibus Act) provided that the Quadrennial Need Study would be eliminated for county roads, but would continue for State park and institutional roads. The Act provided that the Department was to complete a final Quadrennial Need Study, in addition to completing annual studies to capture roads for which jurisdiction had been transferred from the State to the county or from the county to the State. Senate File 2192 also established a Secondary Road Fund Distribution Advisory Committee to consider a new distribution formula in lieu of the Quadrennial Need Study and make recommendations to the General Assembly. The results of the final Study and the annual updates would be used to determine the distribution of Road Use Tax Fund moneys until a new distribution formula was adopted by the General Assembly.

House File 674 (FY 2006 Road Use Tax Fund, Secondary Roads Act) designated a Secondary Road Fund Distribution Committee (no longer an Advisory Committee), instead of the General Assembly, to develop a new methodology for distributing Road Use Tax Fund moneys to the Secondary Road Fund and Farm-to-Market Road Fund of counties. The Act allowed the Distribution Committee to adopt rules specifying the

Road Jurisdiction and Funding Transfers

calculation of the distribution of Road Use Tax Fund moneys to the Funds. The following table shows the new distribution method of Road Use Tax Fund moneys to the county road funds, as determined by the Distribution Committee.

**SECONDARY ROAD FUND DISTRIBUTION
COMMITTEE (SRFDC) FORMULA**

Secondary Road Fund	Farm-to-Market Road Fund	Distribution Factor
30.0%	30.0%	Total area of each county
10.0%	15.0%	Rural population
12.5%	10.0%	Vehicle miles of travel per day
0.5%	0.0%	Miles of unsurfaced or dirt roads
20.0%	9.0%	Miles of granular-surfaced roads
13.0%	23.0%	Miles of paved roads
14.0%	13.0%	Total lineal feet of bridge deck
100.0%	100.0%	

The new formula replaces the Quadrennial Need Study and will be phased in over five years beginning in FY 2007:

FIVE-YEAR PHASE-IN PERIOD

FY	Quadrennial Need Study	New Formula
2007	80.0%	20.0%
2008	60.0%	40.0%
2009	40.0%	60.0%
2010	20.0%	80.0%
2010	0.0%	100.0%

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GENETICALLY MODIFIED ORGANISMS STUDY

The Genetically Modified Organisms (GMO) Interim Study Committee met on October 21 in Des Moines. The Committee's charge is to review issues regarding the use of GMOs in agricultural production. The Committee adopted rules and elected the following Chairpersons: Senator Thurman Gaskill, Senator Thomas Reilly, and Representative Sandy Greiner. Testimony received at the first meeting included:

- ▶ Fred Kirschenmann, Leopold Center, talked about the challenges related to the co-existence of crops that are GMOs or transgenic and crops that are not modified. 
- ▶ John Turner, United States Department of Agriculture (USDA), discussed federal laws related to GMO production. Federal agencies have the following responsibilities:
 - ◆ The USDA evaluates risks to agriculture and the environment. This includes field tests conducted by the Biotechnology Regulatory Services, which began testing in Iowa in 1988. In 2005, there will be over 650 test sites.
 - ◆ The Food and Drug Administration regulates food and feed safety.
 - ◆ The Environmental Protection Agency (EPA) evaluates the health and environmental risks from crops that contain pesticides.
- ▶ Robin Pruisner, Department of Agriculture and Land Stewardship (DALs), provided an overview of how State and federal regulators work together. Information on certified organic farming in Iowa was presented. In 2000, there were 30 organic farms certified by DALs. In 2004, there were 155 certified organic farms and 33 organic processors.
- ▶ Bill Latham, President of Latham Seed Company, provided information related to pollen transfer between fields and the commingling of seeds. He cited information from the American Seed Association that included:
 - ◆ Trace amounts of GMO material found in non-GMO seeds are acceptable and do not provide risks to humans or the environment.
 - ◆ Fully-tested GMO seeds should not be labeled as contaminants.
 - ◆ Fully-tested GMO seeds should not be subject to special handling rules and regulations.
 - ◆ Low levels of seed commingling should be expected. 
- ▶ Ron Rosmann, Rosmann Family Farms, provided information related to issues regarding organic farming. He farms 600 acres of organic crops and raises organic livestock as well. His concerns related to organic farming included:

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- ◆ Organic farmers have fewer markets available to sell their organic crops when trace amounts of GMO material is found.
 - ◆ There is no mechanism to pay organic farmers the organic price premium when organic crops are rejected due to GMO contamination. This is an unfair advantage to organic farmers who have taken every precaution to avoid the contamination.
 - ◆ Many organic companies do not test for the presence of GMO material, particularly in organic feed crops.
- ▶ Ken Roseboro, The Non-GMO Report, provided producer information and concerns related to identity-preserved (IP) crops, non-GMO crops, and organic crops that included measures farmers use to maintain IP crops:
- ◆ Continually test non-GMO seed to ensure no GMO material is present.
 - ◆ Isolate organic fields and include buffer strips from GMO crop fields.
 - ◆ Plant later in the season to prevent cross pollination.
 - ◆ Segregate GMO crops and non-GMO crops at every stage of development.
 - ◆ Maintain clean combines, storage bins, and transporters to eliminate GMO contamination.
- ▶ Doug Getter, Executive Director Iowa Biotechnology Association, provided an historical overview on biotechnology crop production and discussed current biotechnology issues:
- ◆ George Washington Carver began using biotechnology in the 1890's.
 - ◆ Food production must increase as the world's population increases.
 - ◆ From 1996 to 2004, there have been over 951 million acres of biotech crops planted (cumulative total).
 - ◆ The safety of biotechnology has been proven.



The second meeting of the GMO Interim Study Committee was held on December 13 in Des Moines. Testimony given at the second meeting included:

- ▶ Dr. Drew L. Kershen, University of Oklahoma, presented testimony via the Iowa Communications Network concerning the following topics:
- ◆ The majority of soybean, corn, and canola grown in North America is transgenic and coexists with conventional and organic crops without significant economic disruption or legal dispute.

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- ◆ A discussion on organic standards and regulations and those federal organic standards that are process-based. Process-based standards regulate crop production and practices.

- ▶ Dr. Mark Westgate, Iowa State University, provided testimony concerning the following topics:



- ◆ The federal Department of Agriculture, the Environmental Protection Agency, and the Food and Drug Administration do not have food safety concerns with the accidental presence of transgenic material in crops.
- ◆ Pollen drift is a natural and predictable phenomenon in corn production. Pollen dispersal models can provide producers with accurate management information in order to isolate nontransgenic crops from possible contamination.
- ◆ There are barriers for reducing accidental cross-pollination. They include physical structures, biology, mechanical techniques (detasseling and hand pollination), spatial practices (isolation distances), and temporal practices (delayed planting).

- ▶ Mr. Gregory Lamka, Pioneer Hi-Bred Inc., provided testimony concerning the following topics:

- ◆ The establishment of minimum genetic standards and uniform certification procedures by the Association of Official Seed Certifying Agencies. This includes a minimum of three field inspections prior to certification and destruction of any off-type plants.
- ◆ Producers and seed companies are responsible for isolating crops and implementing other management practices to meet genetic standards. Several strategies are available to reduce the accidental presence of transgenic material.

- ▶ Three Iowa farmers gave brief presentations regarding various types of crop production, including:



- ◆ Jim Peterson, a producer of transgenic, organic, and conventional crops.
- ◆ Bill Horan, a producer of transgenic, pharmaceutical, and conventional crops.
- ◆ Franco Owens, a producer of transgenic and conventional crops.

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The Committee members noted that Iowa agriculture is in a state of transition, and discussed the importance of revitalizing rural Iowa and helping farmers to increase their markets.

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=71>.

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JUDICIAL DISTRICT AND JUDICIAL RESOURCES STUDY

The Judicial District and Judicial Resources Committee met on November 3 in Des Moines. The 31-member Committee was created by the Legislative Council during the 2003 Legislative Session pursuant to HF 694 (Court Practices and Procedures Act). The Committee's charge is to study judicial district and judicial election district redistricting, the allocation of Judicial Branch resources, and related matters. The Study Committee was reauthorized for the 2004 Interim and held one meeting. The Committee was authorized four meeting dates during the 2005 Interim; however, the Committee finished business for the 2005 Interim during the first meeting held on November 3.

The following people presented to the Committee:

- David Boyd, State Court Administrator, presented on the history of the Committee and discussed past proposed legislation that was a result from previous Committee discussions.
- John Goerdt, State Court Planner, presented on the judgeship formula. There are 116 District Court Judges, 57 District Associate Judges, 12 Associate Juvenile Judges, one Probate Judge, and 149 Magistrates.



The Committee voted on and adopted the following list of proposals to be included in legislation for the upcoming Session:

- The Supreme Court will draft a new judgeship formula.
- The Committee requests the General Assembly adequately and fully fund the Judicial Branch.
- The Supreme Court and the Department of Human Services will work in partnership to provide better services to juveniles in a more timely manner.
- All magistrates must have a law degree; however, current non-lawyer magistrates do not lose their position upon enactment of this recommendation.
- An applicant for a magistrate position may be a resident of another county when applying for the position; however, within 30 days of appointment, the applicant must be a resident the county of appointment or a resident of a county contiguous to the county of appointment.
- If the Chief Justice makes a finding that a substantial disparity exists in the allocation of District Associate Judges between judicial election districts, the Chief Justice may

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apportion a vacant district associate judgeship to another judicial election district upon approval of a majority of the Judicial Council.

- The Chief Justice may also authorize a voluntary permanent transfer of a District Associate Judge to another judicial election district if a substantial disparity exists in the allocation of District Associate Judges between judicial election districts and a majority of the Judicial Council approves such a transfer.
- The General Assembly will provide adequate funding to the Judicial Branch to develop technology that will improve accessibility to court services and the efficient use of public resources.
- The courts and local governments will take urgent action to fund and implement modern courthouse security systems.
- The State will proceed with implementing drug courts on a statewide basis.
- The Legislative Committee will reauthorize the Committee for next year.



Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=58>

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MEDICAL MALPRACTICE STUDY

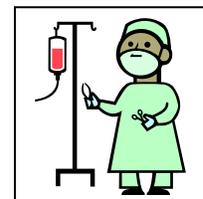
The Medical Malpractice Interim Study Committee was established pursuant to HR 50 (Medical Malpractice Study Resolution). The Committee's charge is to propose possible solutions to the General Assembly to alleviate problems regarding availability and affordability of medical liability insurance in Iowa.



The first meeting was held on October 5 in Des Moines. The Committee heard testimony from the following presenters:

- ▶ Susan Voss, Iowa Insurance Commissioner, presented a brief history of medical malpractice insurance in Iowa from the 1970s through 2002. In addition, Commissioner Voss presented on the 2005 market. There are four malpractice insurance providers currently in Iowa including Midwest Medical Insurance Company (MMIC), Physicians Insurance Company (PIC) Wisconsin, Preferred Professional Insurance Company, and Medical Protective.
- ▶ Trina Caudle, Medical Malpractice Research Analyst with the National Conference of State Legislatures (NCSL), presented information on medical malpractice legislation in other states. Ms. Caudle noted that during the 2005 Iowa Legislative Session, HF 598 (Medical Malpractice Liability Bill) proposed setting up a patient compensation fund to assist in paying claims and HF 704 (Non-Economic Damages Bill) proposed to cap non-economic damages at \$250,000. Ms. Caudle stated some states have changed the application of joint and several liabilities so a physician is only responsible for the physician's liability. In addition, she stated some states have created funds to assist in paying medical malpractice claims or insurance premiums. The position of the NCSL is that issues involving medical malpractice should be a matter of State regulation since states are in a better position to try new ideas and innovations.
- ▶ David Brown, Iowa Defense Counsel Association, presented on changes in tort laws, such as allowing states and counties to be sued; the collateral source rule-making medical bills inadmissible in medical malpractice cases; Section 668.11, Code of Iowa, which requires designation of an expert witness in malpractice cases within 180 days of filing; and statute of limitations provisions in Chapter 614, Code of Iowa.
- ▶ Jay Angoff, Iowa Trial Lawyers Association representative, presented on a study he authored that was commissioned by the Center for Justice and Democracy entitled, "Falling Claims and Rising Premiums in the Medical Malpractice Insurance Industry."
- ▶ Testimony was also received from the following interest groups and private citizens:

- ◆ Iowa Medical Society



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- ◆ Iowa Medical Group Management Association
- ◆ Iowa Podiatric Medical Society
- ◆ Iowa Citizen Action Network
- ◆ Iowa Academy of Family Physicians
- ◆ Iowa State Bar Association
- ◆ Vern Dostel

Second Meeting

The second meeting was held on November 7 in Des Moines. The Committee heard testimony from the following presenters:

- ▶ Susan Voss, Iowa Insurance Commissioner, and Ramona Lee, Actuarial Administrator, Insurance Commission, presented follow-up information requested by the Committee on October 5. Commissioner Voss addressed a list of average rates for different specialties; insurer claims, settlements, and lawsuit data; investment income rates; using income from surplus in rate making; a mechanism for public review of rate prior to approval; medical malpractice trends vs. consumer price index (CPI); expanding the market place in Iowa; certificates of merit; and recent rate changes and stabilization.
- ▶ David Bounk, President & CEO, and Libby Lincoln, General Counsel, Midwest Medical Insurance Company (MMIC), presented an overview of the Company which was founded in 1980 and covers six Midwestern states. For year-to-date 2005, the Company insures approximately 11,845 physicians, 210 hospitals, and covers \$125.0 million in total premiums. The Company was also asked to present information on the differences between Iowa and Minnesota.
- ▶ Karla Fultz McHenry, Iowa Medical Society, presented a history of tort/medical liability reform, a state-by-state comparison of certificates of merit, a state-by-state comparison of physician apologies, and an update on the Iowa Medical Society's liability work group.
- ▶ Lucia D'Hooge, Iowa Department of Public Health, and Greg Boattenhamer, Iowa Hospital Association, presented on patient safety and medical errors.

Proposals

The Committee approved the following 10 recommendations for the upcoming Legislative Session:

- ▶ Incentives for physicians and other health care providers to increase efforts to reduce medical errors.



Medical Malpractice Study

- Provide a type of use immunity to health care providers who fill out a physician's apology. The apology cannot be used against the doctor in a medical malpractice lawsuit.
- Allow statutes of limitation to be stayed by agreement of parties, in writing.
- Require insurance claims and income data from medical malpractice insurers.
- Revise expert witness standards; especially, limit the numbers of experts in any one specialty area.
- Provide a State tax credit to assist in paying the cost of specialty physicians in areas of the State where there are physician shortages.
- Require criminal background checks (all State and federal checks) for licensing new health care providers.
- Include a provision on pending legislation by requiring a study of the effectiveness of the legislation. (Sunset any legislation after three or five years).
- Require a certificate of merit before filing or continuing a medical malpractice lawsuit.
- Require medical reporting error data collection.

Additional information is available on the legislative web site at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=72>.

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MOTOR VEHICLE DEALER STUDY

The Motor Vehicle Dealers Study Committee met on October 11. The Committee's charge was to propose to the General Assembly possible solutions to amending Chapters 322 and 322A, Code of Iowa, pertaining to the establishment and relocation of motor vehicle dealerships, and the regulation of motor vehicle franchises.

The Committee heard testimony from James West, Iowa Automobile Dealers Association; Michael Treinen, Iowa Auto Dealers Association for Fair Competition; James Piazza, Iowa Auto Dealers for Equal Opportunity; Doug Livy (President) and Judy Wilson (Board Member), Iowa Independent Automobile Dealers Association; Stew Hansen, Owner of Stew Hansen's Dodge City; and Ron Brown, Owner of Bob Brown Chevrolet.



The Committee received testimony on and discussed legislation proposed during the 2005 Legislative Session. The proposed bills were HF 525 and SSB 1237 (Motor Vehicle Franchisers Bill).

Topic of Discussion – The “10-Mile Rule”

House File 575 and SSB 1237 proposed the following:

- Location of New Motor Vehicle Dealerships – The proposed location of the new dealership cannot be less than five miles from the geographic boundary of the applicant's community, unless certain circumstances are met, including, all existing new dealerships of the same make and whose principal places of business are within 10 miles of the propose location provide written consent.
- Relocation of Existing Motor Vehicle Dealerships – The principal place of business of an existing dealership cannot be relocated to a site that is 10 or fewer miles from the principal place of business of another existing dealership of the same make, unless certain circumstances are met; and the principal place of business of an existing new dealership cannot relocate to a site that is more than 10 miles from its existing location, unless certain circumstances are met.

Mediation

Following testimony and discussion, the Committee informed the interested parties to report back within 45 days with a compromise concerning the regulation of relocation of dealers who sell new motor vehicles. Since then, the Iowa Automobile Dealers Association (IADA) agreed to attempt to facilitate a compromise between the parties by hiring Iowa Mediation Service Inc. The initial mediation session convened on November 14, and a follow-up session convened on December 14, 2005.



Motor Vehicle Dealer Study

To date, a compromise has not been reached. Once a compromise is reached, a report will be submitted to the Motor Vehicle Dealership Study Committee. The Committee will not meet a second time.

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=73>.

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MOTOR VEHICLE FUEL STUDY

The Motor Vehicle Dealers Study Committee met on November 4 to investigate issues related to the sale of motor vehicle fuel, including minimum markup, selling below cost, and limiting quantities of gasoline.

The Committee heard testimony from the following attendees:

- ▶ Dawn Carlson, President; and Jim Mulgrew, Chairman, Petroleum Marketers and Convenience Stores of Iowa – Testimony was provided on retail and wholesale gasoline prices, and the negative effect of Iowa’s low retail gasoline margins due to a competitive market. Dawn Carlson stated: “If close competitors are priced lower than a retailer’s costs, then a retailer may have no business choice to but move its retail price lower to meet competition and maintain the volume of its retail sales.”



- ▶ Bill Brauch, Director, Consumer Protection Division, Office of Iowa Attorney General – The Attorney General’s Office has found no evidence of gasoline price gouging, but continues to investigate reports of gasoline quality problems and the blocking of consumer checking accounts when using a debit card to purchase gasoline.

Brauch stated that there is concern in setting minimum retail fuel prices, in that it would allow large retailers to spread costs more efficiently and charge lower prices than smaller retailers: Large retailers “can use retail gas prices as a loss leader, and sell gas under cost, making up the difference in other things that consumers purchase at the retail establishment, whether it be Wal-Mart, Costco, or other retailer.”

Brauch testified that Iowa law makes it clear that it is unlawful for a seller to offer merchandise at a lower price in one community than in another community for the purpose of destroying a competitor’s business or establishing a monopoly. Brauch stated that proving such a violation, however, “requires an extraordinary level of proof – like testimony from insiders or the proverbial ‘smoking gun’ e-mail or memo stating the purpose for the pricing.”

- ▶ Ron Rowland, Director, Consumer Protection and Animal Health Division, Iowa Department of Agriculture and Land Stewardship (DALs) – Mr. Rowland testified on the DALs’s position regarding HSB 282, a bill introduced during the 2005 Legislative Session that would require the Department, in conjunction with the Attorney General’s Office, to enforce minimum fuel-pricing standards. Rowland identified potential problems with the bill, including technical problems with the gas pump meter fee increase, the uncertainty of whether current staff could handle the workload, and questions surrounding enforcement issues, including access to records and penalties.

Motor Vehicle Fuel Study

- ▶ Tom Watson, Assistant Vice President, Petroleum Marketing, Hy-Vee Corporation – Hy-Vee operates 29 gas stations in Iowa. Watson testified that minimum pricing “would be a detriment to most business owners, and would harm consumers by denying them access and opportunity to the lowest possible fuel prices.” 
- ▶ Jim West, Legislative Council, Iowa Grocery Industry Association – West testified on the Iowa Grocery Industry Association’s position on HSB 282; specifically, the language that prohibits the sale of gasoline by retailers below cost and mandates a minimum retail markup of 8.0%, and language that prohibits the sale of gasoline by wholesalers below cost and mandates a minimum wholesale markup of 3.0%. West stated that the bill would negatively affect competition: “You can fix prices and protect some merchants, but the ultimate price of protectionism is higher prices to the public and the loss of the benefits of competition.”
- ▶ David Smitherman, Spokesman, American Petroleum Institute – Smitherman testified on keeping the free market place, and discouraged legislation that would allow below-cost or minimum fuel-pricing standards: “The legislation currently being proposed would serve little purpose other than to constrain competition and would ultimately raise prices to the consumers of petroleum products in Iowa.”
- ▶ Doug Beech, Manager of Government Relations, Casey’s General Stores, Inc. – Beech testified that Casey’s General Stores, Inc., opposes legislation in which the government sets the price of motor fuel. In addition, Beech stated concerns with HSB 282; specifically, the following:
 - ✦ The language that describes when gasoline prices can deviate from the minimum markup is not inclusive enough to allow Casey’s to be competitive in all areas of the State, including the border areas of Iowa.
 - ✦ The penalties would be prohibitive, making it unclear as to whether a violation would be on a per site basis.
 - ✦ The reporting requirements would be burdensome to retailers.
- ▶ Mark Nelson, President, Dyno Oil Company, Inc. – Nelson testified that retailers such as Wal-Mart and Hy-Vee are using the sale of gasoline, sometimes at a loss, as a means of drawing consumers from a long distance to their sites. As a result, such stores increase the cost of other products to offset the profit loss on gasoline. Nelson also testified on the lack of E-85 retail stations compared to the number of facilities in Minnesota: “If E-85 sales are to increase, there has to be an incentive, and petroleum marketers have to feel that they have a future and will not be forced out of business by those selling gasoline below cost or using it as a loss leader.”

Motor Vehicle Fuel Study

The Motor Vehicle Fuel Study Committee chose not to make a formal recommendation to the General Assembly, and agreed not to meet again.

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=74>.

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NEW IOWANS STUDY

The New Iowans Interim Study Committee was established by the 2005 General Assembly to review the impact of the growing population of immigrants, migrant workers, and refugees who are relocating to Iowa.

The Committee held four public hearings including: Des Moines on September 26, Storm Lake on September 27, Ottumwa on October 4, and Davenport on October 6. The Committee received testimony regarding educational needs, employment opportunities, health care, outreach efforts, and public safety issues. Specific concerns mentioned by participants included:



- ◆ Landlords taking advantage of renters.
- ◆ Access to health care and transportation needs.
- ◆ Acquisition of drivers' licenses, including bilingual testing capability, translation services, and access to insurance coverage.
- ◆ Profiling and public safety, including discrimination while incarcerated at local facilities.
- ◆ Lack of adequate employment.
- ◆ Various minority groups working together for common good.
- ◆ Needing five to seven years of school aid weighting for English as a Second Language education in lieu of the current three year maximum. Providing assistance to help parents learn English.
- ◆ The need to communicate with all of the citizens of the community.
- ◆ Elimination of penalties for acquiring the appropriate work permits and then lack of extension due to time delays by the Immigration and Naturalization Service.
- ◆ Increasing the number of work visa waivers on a national basis.
- ◆ The impact of new Iowans on local school districts and the need for increased funding for teacher salaries and technology.
- ◆ Support for the federal Dream Act (S-1545) to require universities to charge in-state tuition rates for undocumented students.
- ◆ The recent closing of a Refugee Resettlement Office in Davenport and the subsequent loss of services.
- ◆ The need for a State law addressing human trafficking.
- ◆ Deportation proceedings resulting in the separation of family members or children born in the U. S. being forced to leave the country with parents.

New Iowans Study

- ◆ The need to educate new Iowans regarding financial services available from local banks, credit unions, and the Iowa Finance Authority (IFA).
- ◆ Bureaucratic barriers between Iowa and Illinois that interfere with helping immigrants in the Quad Cities area.

The Committee held a final meeting on November 21 and made recommendations to address the following general areas:

- ◆ Human trafficking
- ◆ Incentives for public safety officers and medical personnel
- ◆ English as a second language funding
- ◆ Interpreter services
- ◆ A task force to address public safety concerns due to a lack of a comprehensive identification system
- ◆ Immigration reform
- ◆ Licensing of professionally trained immigrants
- ◆ Alternative teaching licensure for language instruction
- ◆ Mentoring programs for young people
- ◆ A state version of the federal Development, Relief, and Education for Alien Minors Act (DREAM Act).

The final draft of the recommendations will be made available in January.

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=75>.

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NURSING STAFF IN HOSPITALS STUDY



The Legislative Council established the Nursing Staff in Hospitals Study Committee after the passage of SR 23 (Nurse Staffing Level Resolution) during the 2005 Legislative Session. The Resolution requested a study to review the nurse staffing ratios of hospitals in the State and to make recommendations for options to improve these levels.

Nursing staff levels in hospitals have been impacted over the years by a combination of increasing health care costs, hospital cost-containment measures, higher patient acuity levels, and a limited nursing workforce. The debate surrounding potential solutions involves two primary issues; nurse staffing level regulations and mandatory overtime restrictions.

The Committee met on October 18 and received testimony on and discussed the following issues:

- ▶ Representatives from the California and Iowa Hospital Associations and Finley Hospital in Dubuque provided perspectives regarding mandated, specified nurse-to-patient ratios. In most states with these requirements, the mandate is tied to certain specialty areas. In California; however, the mandate applies to every patient care unit in every State hospital, which some reports indicate have intensified competition for nurses, increased salary costs, forced hospitals to reduce bed capacity, and created widespread variation in the ability of hospitals to comply with the mandate. Opposition to mandatory overtime prohibitions was also expressed, noting this could impede flexibility, jeopardize patient safety, and lead to closing beds and emergency departments.
- ▶ Representatives from the Iowa Nurses' Association and the Iowa Organization of Nurse Leaders discussed the Association's position regarding mandated nurse-to-patient ratios. The testimony emphasized that in any health care setting the appropriate level of nursing staff can be only be achieved through a decision-making process in which nurses themselves evaluate and respond based on patient care needs.
- ▶ A summary report of three public hearings held by the Department of Public Health in Des Moines, Carroll, and Iowa City in September 2005 was provided. The hearings provided an opportunity for nurses and others to discuss workplace conditions that impact patient safety, recruitment and retention of quality health care providers, and workplace safety. It was noted that the majority of comments received at the hearings indicated an opposition to mandatory staffing regulations and overtime prohibitions. Participants requested that the General Assembly focus on issues that improve quality of care and address the nurse shortage. The report is available on the web site at:



Nursing Staff in Hospitals Study

http://idph.state.ia.us/hpcdp/common/pdf/workforce/summary_of_nursing_public_hearing.pdf.

- Representatives from the Service Employees International Union testified that nurse staffing levels are directly related to patient outcomes and called for inclusion of nurses in decision-making and an atmosphere that promotes nurse leadership in determining ratio levels. It was noted that the perception that nurses are against mandated ratios may be related to a reluctance to speak out for fear of employer reprisal, which is more common among nurses not represented by collective bargaining agreements.
- A representative from the Iowa Board of Nursing provided a series of charts detailing the number of licensed nurses in the State; full-time versus part-time employment levels; basic employment statistics; and maps indicating nurse residence by county and population by county of employment. Approximately 60.0% of the State's nurses are employed full-time, with approximately 55.0% employed in acute care settings.
- Representatives from the University of Hospitals and Clinics (UIHC) and the University of Iowa College of Nursing provided testimony regarding nurse staffing perspectives and the nursing faculty shortage. It was reported that a critical, global nursing shortage is developing, which is further complicated by an aging nursing workforce. 
- In addition, the need for aggressive and comprehensive registered nurse retention strategies by health care providers; competitive salaries and benefits; and educational assistance for nursing students were emphasized by these representatives. Other suggested strategies included offering shift and schedule flexibility, using evidence-based practice and business concepts to change nurse workflow, measuring nursing sensitive outcomes, and collaborating regarding staff concerns.

The Committee agreed to hold a conference call after members have had a chance to review and consider the presented information. A date for the conference call was not determined. To date, no formal recommendations had been established by the Committee.

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=76>.

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SEXUAL AND OTHER CRIMINAL OFFENSES, CRIMINAL PENALTIES, AND SENTENCING PRACTICES STUDY

The Sexual and Other Criminal Offenses Interim Committee met on October 26 in Des Moines. The Committee's charge is to review sexual abuse-related criminal offenses and the sex offender registry; review Iowa's criminal Code and make recommendations for the Code's reorganization, updating, and revision; review current penalties and sentencing practices, including current mandatory minimum sentences, limitations on parole, and sentence enhancements; and conduct a comparative assessment of relative penalties based on the threat imposed by the prohibited conduct and the risk associated with particular criminal offenders.



The Committee heard testimony from the following presenters:

- ✦ Steve Conlon, Assistant Director of the Division of Criminal Investigation with the Department of Public Safety, provided the Committee with an update on the Sex Offender Registry.
- ✦ Phyllis Blood, Criminal and Juvenile Justice Planning Division (CJJPD), discussed the status of the CJJPD Sex Offender Task Force and issues that Committee was addressing in their report due to the General Assembly in January.
- ✦ Joe McEniry, Legislative Services Agency, discussed similar sex offender legislation in other states.
- ✦ Lois Osborn, Fort Des Moines Correctional Facility, presented information on electronic monitoring systems.
- ✦ Ellen Baker, 2nd Judicial District Probation Officer, presented information on supervision and treatment of sex offenders.
- ✦ Jennifer Miller, Marshall County Attorney and Tom Ferguson, Black Hawk County Attorney, presented information on the 2,000 foot rule and other areas in the current law where ambiguity exists in sentencing offenders.
- ✦ Dave Spencer from Rare Pearl presented information on the Iowa Recidivism Study.
- ✦ Susan Fox, Private Citizen, presented a testimonial on her brother's situation as a sex offender living in the community.

Sexual and Other Criminal Offenses Study

The second meeting for the Committee was held on November 30. The Committee heard testimony from the following presenters:

- ✦ Tom Ferguson with the Iowa County Attorney's Association provided the Committee with suggested amendments for the upcoming Legislative Session in regards to sex offenders and HF 619 (Sex Offender Act).
- ✦ Mark Smith, State Public Defender's Office, discussed suggested amendments to HF 619 in regards to the Public Defender's Office.
- ✦ Margaret Sanders, Vice President with the Iowa Coalition Against Sexual Assault, offered suggested amendments to HF 619 in regards to victims.
- ✦ Susan Cameron, Iowa State Sheriffs and Deputies Association Lobbyist, offered suggested amendments to HF 619 in regards to Sheriffs' Offices in Iowa.

The Committee discussed the information presented and voted to make no recommendations at this time. The Committee discussed the possibility of meeting in January after reviewing the information provided by the presenters.

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=77>.

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TARGETED JOBS WITHHOLDING TAX CREDIT STUDY

The Targeted Jobs Withholding Study Committee was established and authorized by the Legislative Council. The Committee's charge was to meet in Sioux City and discuss a proposal for a pilot project for a targeted jobs withholding tax credit. The Committee met on October 25 and 26, 2005.

The Committee heard testimony from:

- John Meyers, Finance Director, City of Sioux City
- Steve Corrie, Chairperson, Siouxland Chamber of Commerce Government Relations Committee
- Ken Beekley, Executive President, Siouxland Economic Development Corporation
- Marty Palmer, President, Palmer Candy Company
- Julie Stoik, Government Affairs, Western Iowa Tech Community College
- Dave Bernstein, State Steel Supply
- Patty Heagel, Economic Development Director, City of Sioux City
- John Williams, Certified Public Accountant
- Marty Dougherty, Sioux City Council Member

The testimony of the presenters related to the economic competitiveness and tax advantages and disadvantages of the Siouxland region.

The Committee also toured economic development areas in the Siouxland region, as well as the restored Orpheum Theater in downtown Sioux City.

Mike Goedert, Legislative Services Agency, reviewed provisions of the draft legislation related to the Committee's charge. The proposal provides for pilot projects in two cities that meet specific requirements (Sioux City and Council Bluffs). The legislation would allow qualified businesses within the pilot project areas to divert State income tax payments withheld from employees' paychecks. The amount diverted could equal a maximum of 3.0% of the employees' salary for up to 20 years. Qualified business would utilize the money instead of remitting the taxes to the State General Fund.

The Committee voted to recommend that the draft legislation be considered by the Legislature during the 2006 General Assembly.

Additional information is available on the legislative web site at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=78>.

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OVERVIEW OF FY 2007 BUDGETS AND SUBCOMMITTEE ISSUES

The following are summary analyses that provide information on the FY 2007 Governor's recommendations in comparison to the estimated FY 2006 budget. The analyses consist of an annotated spreadsheet followed by *Subcommittee Budget Issues*. The information identifies possible issues to be discussed by individual appropriation subcommittees. The spreadsheets also include a budget offer reference for those appropriations that have been incorporated into budget offers. A list of budget offers can be found in **Appendix D**. Not all appropriations are associated with an offer. For example, State agencies under the direction of elected officials or the Judicial and Legislative Branches were not required to participate in the offer process. Staff contacts are listed at the end of each subcommittee analysis and in **Appendix I**.

ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE MEMBERS

SENATE

John Putney, Co-Chairperson
Roger Stewart, Co-Chairperson
Robert Dvorsky
Matt McCoy
Dave Mulder
Mark Ziemann

HOUSE

Tom Sands, Chairperson
Ralph Watts, Vice Chairperson
Bruce Hunter, Ranking Member
Jeff Elgin
Mary Gaskill
David Lalk
Dawn Pettengill
Doug Struyk
Dick Taylor

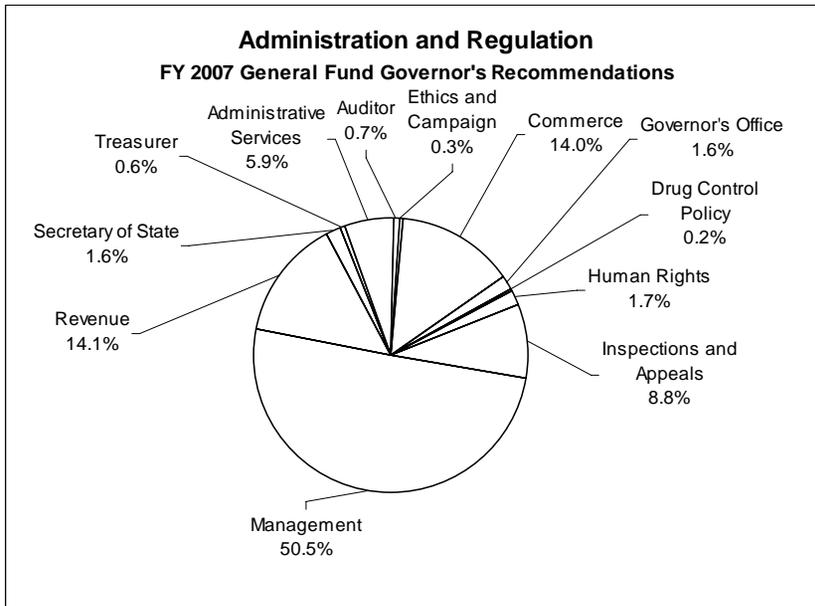
LEGISLATIVE SERVICES AGENCY

Fiscal Services Division
Fiscal Services Division
Fiscal Services Division
Legal Services Division

Doug Wulf (Ext. 13250)
Sam Leto (Ext. 16764)
Jess Benson (Ext. 14613)
Ed Cook (Ext. 13994)

ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE

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Administration and Regulation
FY 2007 General Fund Governor's Recommendations

Administrative Services	\$ 9,799,858
Auditor	1,207,341
Ethics and Campaign	497,056
Commerce	23,150,607
Governor's Office	2,658,838
Drug Control Policy	307,730
Human Rights	2,816,857
Inspections and Appeals	14,536,744
Management	83,550,823
Revenue	23,274,978
Secretary of State	2,711,033
Treasurer	936,624
	\$ 165,448,489

The following spreadsheet lists the FY 2007 Governor's recommendations by budget offer, which includes the FY 2006 restoration amount and the new FY 2007 Governor's recommendations. The restoration amount is 100.0% of the FY 2006 appropriation, including salary adjustment. Elected officials (with the exception of the Governor's Office) and the Judicial Branch are not participants in the offer process.

Appropriation Name	Budget Offer Name and Number: In this example, two separate budget offers comprise one appropriation. Within each budget offer is the restored amount, new amount, and total offer amount for the appropriation. Some budget offers do not contain restoration.				
Department of Inspections & Appeals					
Investigation Division					
Investigations (427_ADM_006)					
Restoration	\$ 1,298,629	\$ 1,298,629	\$ 0		Maintains current level of funding for investigative and collection services to identify and collect overpayments of public assistance funds.
New		5,814	5,814		An increase for fuel costs and personal mileage reimbursement.
Total Offer	<u>\$ 1,298,629</u>	<u>\$ 1,304,443</u>	<u>\$ 5,814</u>		
Audits (427_ADM_007)					
Restoration	185,792	185,792	0		Maintains current level of funding for financial audits.
New		768	768		An increase for fuel costs and personal mileage reimbursement.
Total Offer	<u>\$ 185,792</u>	<u>\$ 186,560</u>	<u>\$ 768</u>		
Total New Recommendations	Total New Recommendation	<u>\$ 6,582</u>	<u>\$ 6,582</u>		
Total Investigation Division	<u>\$ 1,484,421</u>	<u>\$ 1,491,003</u>	<u>\$ 6,582</u>		
Total FTE Positions	45.00	45.00	0.00		
Example	Total Estimated FY 2006 Appropriation with Salary Adjustment	Total FY 2007 Governor's Recommendations	Total FY 2007 Governor's Rec. vs. Est. FY 2006		

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department of Administrative Services				
Department of Administrative Services (DAS)				
DAS, Central Administration (005_ADM_001)				
Restoration	\$ 5,048,824	\$ 5,048,824	\$ 0	Maintains current level of funding.
New		884,016	\$ 884,016	An increase of 8.00 FTE positions and related support costs for the Integrated Information for Iowa (I/3) System.
New		-399,603	\$ -399,603	A decrease for General Services Enterprise (GSE)/Design and Construction. Activities will now be supported through rates established by the GSE Customer Council.
New		147,330	\$ 147,330	An increase of 2.65 FTE positions and related support costs to provide facility maintenance for the Capitol Complex.
New		100,000	\$ 100,000	An increase of 1.00 FTE position and related support costs to maintain a retiree health insurance database.
Total Offer	<u>\$ 5,048,824</u>	<u>\$ 5,780,567</u>	<u>\$ 731,743</u>	Offer includes a total of 13.65 FTE positions.
Enterprise Infrastructure and Personnel (EIP) - Information Security Office (005_ADM_002)				
New		248,426	248,426	An increase of 2.00 FTE positions and related support costs for Information Technology (IT) security.
Information Technology Enterprise (ITE) - Technology Governance Board (005_ADM_027)				
New		50,000	50,000	An increase for the Technology Governance Board created during the 2005 Legislative Session.
State Accounting Enterprise (SAE) - Sick Leave Incentive Program (005_ADM_029)				
New		100,000	100,000	An increase of 1.00 FTE position and related support costs for the Sick Leave Incentive Program established during the 2005 Legislative Session.
Total New Recommendations		<u>\$ 1,130,169</u>	<u>\$ 1,130,169</u>	
Total New FTE Positions		<u>27.48</u>	<u>27.48</u>	
Total Department of Administrative Services	<u>\$ 5,048,824</u>	<u>\$ 6,178,993</u>	<u>\$ 1,130,169</u>	
Total FTE Positions	<u>97.65</u>	<u>122.13</u>	<u>24.48</u>	

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Utilities				
GSE - Essential Utility Service for Capitol Complex & Ankeny Lab (005_ADM_006)				
Restoration	\$ 3,080,865	\$ 3,080,865	\$ 0	Maintains current level of funding.
New		340,000	340,000	An increase for utilities for Capitol Complex and Ankeny Lab.
Total Utilities	\$ 3,080,865	\$ 3,420,865	\$ 340,000	
Total FTE Positions	1.75	1.75	0.00	
Financial Administration				
DAS, Central Administration (005_ADM_001)				
Restoration	\$ 200,000	\$ 200,000	\$ 0	Maintains current level of funding.
DAS Distribution Account				
DAS Distribution Account				
Restoration	\$ -71,714	\$ 0	\$ 71,714	An increase of \$71,714 due to the Department distributing a portion of a balance that was carried forward into FY 2006 from a FY 2005 appropriation. The Department received an appropriation of \$158,295 to be distributed to other departments for payment of the DAS billings. The Department distributed \$230,009 during FY 2006.
Total Department of Administrative Services	\$ 8,257,975	\$ 9,799,858	\$ 1,541,883	
Total FTE Positions	461.26	443.68	-17.58	A decrease of 17.58 FTE positions.
Auditor of State				
Auditor of State				
General Office				
Restoration	\$ 1,207,341	\$ 1,207,341	\$ 0	Maintains current level of funding.
Total Auditor of State	\$ 1,207,341	\$ 1,207,341	\$ 0	
Total FTE Positions	102.50	103.40	0.90	An increase of 0.90 FTE position.
Iowa Ethics & Campaign Disclosure Board				
Iowa Ethics & Campaign Disclosure Board				
Restoration	\$ 487,023	\$ 487,056	\$ 33	Maintains current level of funding.
New		1,400	1,400	An increase to cover lease costs for office space.
New		3,600	3,600	An increase to cover additional Board expenses for the 2006 election.
New		5,000	5,000	An increase for maintenance of electronic filing system and providing more reports electronically.
Total New Recommendations		\$ 10,000	\$ 10,000	
Total Iowa Ethics & Campaign Disclosure Board	\$ 487,023	\$ 497,056	\$ 10,033	
Total FTE Positions	6.00	6.00	0.00	

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department of Commerce				
Alcoholic Beverages Operations				
Alcoholic Beverage Licensing/Regulation & Liquor Wholesaling Operations (212_ADM_001)				
Restoration	\$ 1,930,962	\$ 1,930,962	\$ 0	Maintains current level of funding.
Banking Division				
Iowa Division of Banking (IDOB) and Professional Licensing and Regulation Division (PLD) (213_ADM_001)				
Restoration	\$ 7,059,508	\$ 7,059,508	\$ 0	Maintains current level of funding.
New		162,500	\$ 162,500	An increase for replacement of laptop computers to comply with Federal Deposit Insurance Corporation (FDIC) guidelines and replacement of a postage machine to meet new postal requirements.
Total Banking Division	\$ 7,059,508	\$ 7,222,008	\$ 162,500	
Total FTE Positions	71.00	71.00	0.00	
Credit Union Division				
Credit Union Division (214_ADM_001)				
Restoration	\$ 1,455,874	\$ 1,455,874	\$ 0	Maintains current level of funding.
Insurance Division				
Iowa Insurance Division (216_ADM_001)				
Restoration	\$ 4,517,481	\$ 4,517,481	\$ 0	Maintains current level of funding, except for the FY 2006 DAS distribution.
Professional Licensing Division				
Iowa Division of Banking (IDOB) and Professional Licensing and Regulation Division (PLD) (213_ADM_001)				
Restoration	\$ 863,462	\$ 863,462	\$ 0	Maintains current level of funding.
New		0	0	An increase of 0.25 FTE position for the Interior Design Board.
New		-70,000	-70,000	A decrease due to efficiencies from merging the Division with the Division of Banking.
Total Professional Licensing Division	\$ 863,462	\$ 793,462	\$ -70,000	
Total FTE Positions	12.75	13.50	0.75	
Utilities Division				
Reasonably Priced, Reliable and Safe Utility Services for Iowa (219_ADM_001)				
Restoration	\$ 7,230,820	\$ 7,230,820	\$ 0	Maintains current level of funding.
Total Department of Commerce	\$ 23,058,107	\$ 23,150,607	\$ 92,500	
Total FTE Positions	328.75	318.50	-10.25	A decrease of 10.25 FTE positions.

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Governor/Lt. Governor's Office				
Governor/Lt. Governor's Office				
Governor and Lt. Governor's Office Budget (350_ADM_001)				
Restoration	\$ 1,823,111	\$ 1,823,111	\$ 0	Maintains current level of funding.
New		88,057	88,057	An increase for vacation pay-out of Governor's staff during the transition year.
Administrative Rules Coordinator				
Governor and Lt. Governor's Office Budget (350_ADM_001)				
Restoration	\$ 150,013	\$ 150,013	\$ 0	Maintains current level of funding.
Terrace Hill Quarters				
Governor and Lt. Governor's Office Budget (350_ADM_001)				
Restoration	\$ 378,633	\$ 378,633	\$ 0	Maintains current level of funding.
New		22,676	22,676	An increase to maintain current level of service.
National Governor's Association				
Governor and Lt. Governor's Office Budget (350_ADM_001)				
Restoration	\$ 64,393	\$ 64,393	\$ 0	Maintains current level of funding.
New		13,107	13,107	An increase to cover additional dues for the National Governor's Association.
New		3,100	3,100	An increase to cover a 4.00% increase in National Governor's Association dues in 2007.
Total National Governor's Association	\$ 64,393	\$ 80,600	\$ 16,207	
State-Federal Relations				
Governor and Lt. Governor's Office Budget (350_ADM_001)				
Restoration	\$ 115,748	\$ 115,748	\$ 0	Maintains current level of funding.
Total Governor/Lt. Governor's Office	\$ 2,531,898	\$ 2,658,838	\$ 126,940	
Total FTE Positions	34.00	34.00	0.00	

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Governor's Office of Drug Control Policy				
Drug Policy Coordinator				
Drug Control Efforts to Reduce Substance Abuse in Iowa (642_ADM_001)				
Restoration	\$ 307,730	\$ 307,730	\$ 0	Maintains current level of funding.
Total Governor's Office of Drug Control Policy	\$ 307,730	\$ 307,730	\$ 0	
Total FTE Positions	8.00	8.00	0.00	
Department of Human Rights				
Human Rights Administration				
DHR Administration (379_ADM_711)				
Restoration	\$ 317,028	\$ 317,028	\$ 0	Maintains current level of funding.
New		70,000	70,000	An increase for a Cultural Competency Program that offers training for departments and communities in Iowa.
Total Asian and Pacific Islanders	\$ 6,000	\$ 86,000	\$ 80,000	
Total FTE Positions	0.00	1.00	1.00	
Deaf Services				
Persons with Hearing Loss Access to Programs, Services, Info (379_ADM_741)				
Restoration	\$ 374,367	\$ 374,367	\$ 0	Maintains current level of funding.
Persons with Disabilities				
Access Iowa (Persons with Disabilities-DHR) (379_ADM_751)				
Restoration	\$ 193,531	\$ 193,531	\$ 0	Maintains current level of funding.
Total Persons with Disabilities	\$ 193,531	\$ 193,531	\$ 0	
Total FTE Positions	3.20	3.20	0.00	

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Latino Affairs				
Latino Affairs (DHR) (379_ADM_761)				
Restoration	\$ 170,749	\$ 170,749	\$ 0	Maintains current level of funding.
Status of Women				
Full Participation by Women (379_ADM_771)				
Restoration	\$ 335,501	\$ 335,501	\$ 0	Maintains current level of funding.
Total Status of Women	\$ 335,501	\$ 335,501	\$ 0	
Total FTE Positions	3.00	3.00	0.00	
Status of African Americans				
Advocating for Inclusion (379_ADM_781)				
Restoration	\$ 121,655	\$ 121,655	\$ 0	Maintains current level of funding.
New		50,000	50,000	An increase for 1.00 FTE position and related support costs to expand the availability of current services provided by the Commission.
Total Offer	\$ 121,655	\$ 171,655	\$ 50,000	
Total Status of African Americans	\$ 121,655	\$ 171,655	\$ 50,000	
Total FTE Positions	2.00	3.00	1.00	

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Criminal & Juvenile Justice				
Justice Research, Evaluation and Decision Support Services (CJJP) (379_ADM_791)				
Restoration	\$ 763,398	\$ 763,398	\$ 0	Maintains current level of funding for Criminal and Juvenile Justice Planning Advisory Council (CJJPAC).
Juvenile Justice Community Planning Services (379_ADM_792)				
Restoration	64,000	64,000	0	Maintains current level of funding for the Juvenile Justice Delinquency Prevention Grant.
Criminal Justice Information System Integration (379_ADM_793)				
New		270,628	270,628	An increase of 2.02 FTE positions and related support costs for a new Iowa Criminal Justice Information Systems Integration Initiative.
Total New FTE Positions		3.02	3.02	
Total Criminal & Juvenile Justice	\$ 827,398	\$ 1,098,026	\$ 270,628	
Total FTE Positions	9.16	12.18	3.02	
Total Department of Human Rights	\$ 2,346,229	\$ 2,816,857	\$ 470,628	
Total FTE Positions	33.16	37.38	4.22	An increase of 4.22 FTE positions.

Department of Inspections & Appeals

Child Advocacy Board				
Child Advocacy Board (427_ADM_008)				
Restoration	\$ 2,068,667	\$ 2,068,667	\$ 0	Maintains current level of funding for local review board activities, Court-Appointed Special Advocate (CASA), and administration for the Child Advocacy Board.
Employment Appeal Board				
Employment Appeal Board (427_ADM_009)				
Restoration	\$ 54,600	\$ 54,600	\$ 0	Maintains current level of funding.

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Administrative Hearings Division				
Administrative Hearings (427_ADM_004)				
Restoration	\$ 634,647	\$ 634,647	\$ 0	Maintains current level of funding.
Administration Division				
Targeted Small Business Certification (427_ADM_001)				
Restoration	\$ 37,867	\$ 37,867	\$ 0	Maintains current level of funding.
Social & Charitable Gambling (427_ADM_002)				
Restoration	85,417	85,417	0	Maintains current level of funding for licensing, auditing, and complaint services for bingo and raffles conducted by approved organizations.
Food and Consumer Safety (427_ADM_003)				
Restoration	863,262	863,262	0	Maintains current level of funding for a uniform, statewide system to ensure food and consumer safety at a variety of establishments.
New		6,429	6,429	An increase for fuel costs and personal mileage reimbursement.
New		375,000	375,000	An increase for food establishment inspections in Polk and Jasper Counties.
Total Offer	\$ 863,262	\$ 1,244,691	\$ 381,429	
Administrative Hearings (427_ADM_004)				
Restoration	144,315	144,315	0	Maintains current level of funding for the administrative hearings process system.
Health Facilities (427_ADM_005)				
Restoration	302,166	302,166	0	Maintains current level of funding for complaint investigation services of nursing homes, facilities serving children, and health providers.
New		52,504	52,504	An increase for additional costs for space, personnel, workers compensation, and other expenses.
Total Offer	\$ 302,166	\$ 354,670	\$ 52,504	

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Investigations (427_ADM_006)				
Restoration	144,291	144,291	0	Maintains current level of funding for overpayments of public assistance funds.
Administration Division				
New		80,000	80,000	An increase due to shifting a function from the Health Facilities Division to the Administration Division.
Total New Recommendations		\$ 513,933	\$ 513,933	
Total Administration Division	\$ 1,577,318	\$ 2,091,251	\$ 513,933	
Total FTE Positions	33.25	33.25	0.00	
Investigations Division				
Investigations (427_ADM_006)				
Restoration	\$ 1,298,629	\$ 1,298,629	\$ 0	Maintains current level of funding for investigative and collection services to identify and collect overpayments of public assistance funds.
New		5,814	5,814	An increase for fuel costs and personal mileage reimbursement.
Total Offer	\$ 1,298,629	\$ 1,304,443	\$ 5,814	
Audits (427_ADM_007)				
Restoration	185,792	185,792	0	Maintains current level of funding for financial audits.
New		768	768	An increase for fuel costs and personal mileage reimbursement.
Total Offer	\$ 185,792	\$ 186,560	\$ 768	
Total New Recommendations		\$ 6,582	\$ 6,582	
Total Investigations Division	\$ 1,484,421	\$ 1,491,003	\$ 6,582	
Total FTE Positions	45.00	45.00	0.00	
Health Facilities Division				
Health Facilities (427_ADM_005)				
Restoration	\$ 2,419,742	\$ 2,419,742	\$ 0	Maintains current level of funding for regulation of health care facilities and programs.
New		-80,000	-80,000	A decrease due to shifting a function from the Health Facilities Division to the Administration Division.

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Pari-Mutuel Regulation				
Racing and Gaming Commission (429_ADM_001)				
Restoration	\$ 2,617,511	\$ 2,617,511	\$ 0	Maintains current level of funding for administration and regulation of pari-mutuel and gambling games at racetracks.
New		39,883	39,883	An increase in funding for additional costs for regulation at racetracks and casinos. All costs are reimbursed to the General Fund through billings of racetrack casinos.
Total Pari-Mutuel Regulation	\$ 2,617,511	\$ 2,657,394	\$ 39,883	
Total FTE Positions	27.53	27.53	0.00	
River Boat Regulation				
Racing and Gaming Commission (429_ADM_001)				
Restoration	\$ 2,491,949	\$ 2,491,949	\$ 0	Maintains current level of funding for administration and regulation of excursion boat gambling.
New		707,491	707,491	An increase of 8.00 FTE positions and related support costs for regulation of four new excursion boats. All costs are reimbursed to the General Fund through billings of riverboat casinos.
Total River Boat Regulation	\$ 2,491,949	\$ 3,199,440	\$ 707,491	
Total FTE Positions	35.22	43.22	8.00	
Total Department of Inspections & Appeals	\$ 13,348,855	\$ 14,536,744	\$ 1,187,889	
Total FTE Positions	336.24	345.24	9.00	An increase of 9.00 FTE positions.
Department of Management				
Management Departmental Operation				
State and Local Budget Accountability for Results (532_ADM_001)				
Restoration	\$ 2,244,335	\$ 2,244,335	\$ 0	Maintains current level of funding for the State budget process.
New		94,497	94,497	An increase to cover costs associated with DAS billings and 1/3 System expenses.
Total Management Departmental Operations	\$ 2,244,335	\$ 2,338,832	\$ 94,497	
Total FTE Positions	32.00	32.00	0.00	

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Enterprise Resource Planning				
State and Local Budget Accountability for Results (532_ADM_001)				
Restoration	\$ 57,435	\$ 57,435	\$ 0	Maintains current level of funding for coordination and implementation of the I/3 System.
New		62,000	62,000	An increase to fully fund the DOM I/3 Administrator.
Total Enterprise Resource Planning	\$ 57,435	\$ 119,435	\$ 62,000	
Total FTE Positions	1.00	1.00	0.00	
Salary Model Administrator				
State and Local Budget Accountability for Results (532_ADM_001)				
Restoration	\$ 127,936	\$ 127,936	\$ 0	Maintains current level of funding for the Salary Model Administrator.
Performance Audits				
State and Local Budget Accountability for Results (532_ADM_001)				
Restoration	\$ 216,000	\$ 216,000	\$ 0	Maintains current level of funding for Performance Audits.
DOM - LEAN/Process Improvement LEAN/Process Improvement (532_ADM_003)				
New		222,000	222,000	An increase of 1.00 FTE position and related support costs to improve the process for obtaining permits.
Institute for Tomorrow's Workforce				
Institute for Tomorrow's Workforce				
	\$ 150,000	\$ 0	\$ -150,000	No recommendation by the Governor.
Salary Adjustments				
FY 2006 Undistributed Balance				
	\$ 154,135	\$ 0	\$ -154,135	No recommendation by the Governor.
Local Government Innovation Fund				
Local Government Innovation Fund				
New		1,000,000	1,000,000	A increase to create a Local Government Innovations Fund and an Iowa Center for Governing Excellence.

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Salary Adjustments				
Salary Adjustment				
New	0	39,632,095	39,632,095	An increase for salary adjustment, not including the Board of Regents or the Department of Transportation.
Property Tax Credit				
Property Tax Credit				
New	0	39,894,525	39,894,525	An increase to provide additional for property tax relief to local governments.
Total Department of Management	\$ 2,949,841	\$ 83,550,823	\$ 80,600,982	
Total FTE Positions	40.50	39.50	-1.00	A decrease of 1.00 FTE position.
Department of Revenue				
Collections Costs and Fees				
Collections Costs and Fees (625_ADM_012)				
Restoration	\$ 27,462	\$ 27,462	\$ 0	Maintains current level of funding for fees to county recorders, sheriffs, and other costs for collecting outstanding tax liabilities.
Department Of Revenue				
Achieving Compliance with Iowa's Tax Laws (625_ADM_002)				
Restoration	\$ 11,967,942	\$ 11,967,942	\$ 0	Maintains current level of funding.
Enterprise Collection Services (625_ADM_001)				
Restoration	4,207,441	4,207,441	0	Maintains current level of funding.
New		-4,207,441	-4,207,441	A decrease for Collection Services, which will operate as an enterprise.
Total Offer	\$ 4,207,441	\$ 0	\$ -4,207,441	
IDR Operations - Internal Services (625_ADM_006)				
Restoration	2,727,314	2,727,314	0	Maintains current level of funding.
New		128,949	128,949	An increase for Morgan Street Office rent where tax records are kept and for internet technology expenses.
Total Offer	\$ 2,727,314	\$ 2,856,263	\$ 128,949	
Property Tax Administration (625_ADM_004)				
Restoration	1,753,204	1,753,204	0	Maintains current level of funding.

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Property Assessment Appeal Board (625_ADM_008)				
New		277,401	277,401	An increase to establish a statewide Property Assessment Appeal Board.
Tax Research & Program Analysis (625_ADM_005)				
Restoration	601,229	601,229	0	Maintains current level of funding.
Processing \$6 Billion of Tax Receipts to Fund State Government (625_ADM_003)				
Restoration	5,741,477	5,741,477	0	Maintains current level of funding.
New		50,000	50,000	An increase for a one-time investment to create an image scanning system to transfer tax records from the Harvester Building to the Morgan Street Building.
Total Offer	<u>\$ 5,741,477</u>	<u>\$ 5,791,477</u>	<u>\$ 50,000</u>	
Total New Recommendations		<u>\$ -3,751,091</u>	<u>\$ -3,751,091</u>	
Total New FTE Positions		<u>27.48</u>	<u>27.48</u>	
Total Department of Revenue	<u>\$ 27,028,891</u>	<u>\$ 23,274,978</u>	<u>\$ -3,753,913</u>	
Total FTE Positions	<u>386.72</u>	<u>392.64</u>	<u>5.92</u>	An increase of 5.92 FTE positions.
Secretary of State				
Administrative/Elections/Voter Registration				
Administrative/Elections/Voter Registration				
Restoration	\$ 707,942	\$ 707,942	\$ 0	Maintains current level of funding.
Secretary of State - Business Services				
Secretary of State - Business Services				
Restoration	\$ 2,003,091	\$ 2,003,091	\$ 0	Maintains current level of funding.
Biennial Reporting				
Biennial Reporting				
Restoration	\$ 275,000	\$ 0	\$ -275,000	A decrease as funding is not needed in the off year for Limited Liability Companies' (LLC) biennial reporting.
Total Secretary of State	<u>\$ 2,986,033</u>	<u>\$ 2,711,033</u>	<u>\$ -275,000</u>	
Total FTE Positions	<u>44.00</u>	<u>42.00</u>	<u>-2.00</u>	A decrease of 2.00 FTE positions.

**General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Treasurer of State				
Treasurer of State				
Treasurer of State - General Office				
Restoration	\$ 922,899	\$ 922,899	\$ 0	Maintains current level of funding.
New		13,725	13,725	An increase in funding for I/3 expenses.
Total Offer	<u>\$ 922,899</u>	<u>\$ 936,624</u>	<u>\$ 13,725</u>	
Total New Recommendations		<u>\$ 13,725</u>	<u>\$ 13,725</u>	
Total Treasurer of State	<u>\$ 922,899</u>	<u>\$ 936,624</u>	<u>\$ 13,725</u>	
Total FTE Positions	<u>28.80</u>	<u>28.80</u>	<u>0.00</u>	
Grand Totals				
Total New Recommendations		<u>\$ 80,525,877</u>		
Total Restoration		<u>\$ 84,922,612</u>		
Total Administration and Regulation Subcommittee	<u>\$ 85,432,822</u>	<u>\$ 165,448,489</u>	<u>\$ 80,015,667</u>	
Total Restored FTEs		<u>1,423.21</u>	<u>0.00</u>	
Total New FTE Positions		<u>391.73</u>	<u>391.73</u>	
Total FTEs	<u>1,423.21</u>	<u>1,786.04</u>	<u>391.73</u>	Total increase of 391.73 FTE positions.

* The FTE numbers in this spreadsheet may not include all non-appropriated FTE positions.

**Non-General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department of Commerce				
Real Estate Trust Account Audit				
Iowa Division of Banking (IDOB) and Professional Licensing and Regulation Division (PLD) (213_ADM_001)				
Restoration	\$ 62,317	\$ 62,317	\$ 0	Maintains current level of funding.
Reinsurance Program				
New		\$ 30,000,000	\$ 30,000,000	An increase for a reinsurance program for small businesses and school districts from the Healthy Iowans Tobacco Trust Fund.
Total Department of Commerce	\$ 62,317	\$ 30,062,317	\$ 30,000,000	
Department of Inspections and Appeals				
Health Facilities Division				
Senior Living Trust Fund (297_HHS_009)				
Restoration	\$ 758,474	\$ 758,474	\$ 0	Maintains current level of funding from the Senior Living Trust Fund to the Adult Service Bureau.
New		\$ 67,250	\$ 67,250	An increase for the "Winning Compliance" joint offer with the Department of Elder Affairs for Assisted Living, Adult Day, and Elder Group Homes.
Total Offer	\$ 758,474	\$ 825,724	\$ 67,250	
DIA - Use Tax				
Administrative Hearings (427_ADM_004)				
Restoration	\$ 1,482,436	\$ 1,482,436	\$ 0	Maintains current level of funding.
Total Department of Inspections and Appeals	\$ 2,240,910	\$ 2,308,160	\$ 67,250	

**Non-General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department of Management				
DOM RUTF Appropriation				
State and Local Budget Accountability for Results (532_ADM_001)				
Restoration	\$ 56,000	\$ 56,000	\$ 0	Maintains current level of funding for the Department of Management from the Road Use Tax Fund.
Road Use Tax Salary Adjustment				
FY 2007 Salary Adjustment				
New	\$ 386,895	\$ 3,000,000	\$ 2,613,105	The FY 2006 amount is the remaining balance after salary distribution and will revert to the Road Use Tax Fund at the end of FY 2006.
Primary Road Salary Adjustment				
FY 2007 Salary Adjustment				
New	\$ 2,765,937	\$ 12,000,000	\$ 9,234,063	The FY 2006 amount is the remaining balance after salary distribution and will revert to the Primary Road Fund at the end of FY 2006.
Total Department of Management	<u>\$ 3,208,832</u>	<u>\$ 15,056,000</u>	<u>\$ 11,847,168</u>	
Iowa Public Employees Retirement System Administration				
IPERS Administration				
Investment Management (553_ADM_001)				
Restoration	\$ 745,522	\$ 745,522	\$ 0	Maintains current level of funding.
Retirement Services (553_ADM_002)				
Restoration	3,080,132	3,080,132	0	Maintains current level of funding.
Members Services (553_ADM_003)				
Restoration	2,644,493	2,644,493	0	Maintains current level of funding.
Employee Relations and Data Management (553_ADM_004)				
Restoration	1,115,976	1,115,976	0	Maintains current level of funding for on-site compliance reviews, employee training, and data collection.

**Non-General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Governance, Plan Design and Financial Control (553_ADM_005)				
Restoration	1,813,864	1,813,864	0	Maintains current level of funding for meeting Generally Accepted Accounting Principles (GAAP).
New		77,447	77,447	An increase for I/3 expenses.
Total Offer	\$ 1,813,864	\$ 1,891,311	\$ 77,447	
Benefits Administration System Modernization (553_ADM_006)				
Restoration	\$ 1,415,097	\$ 1,415,097	\$ 0	Maintains current level of funding for updating benefits modernization system.
New		5,863,600	5,863,600	An increase to continue a multi-year project to update the computer system.
Total Offer	\$ 1,415,097	\$ 7,278,697	\$ 5,863,600	
Total New Recommendations		\$ 5,941,047	\$ 5,941,047	
Total New FTE Positions		0.00		
Total IPERS	\$ 10,815,084	\$ 16,756,131	\$ 5,941,047	
Total FTE Positions	95.13	95.13	0.00	
Department of Revenue				
Motor Vehicle Fuel Tax - Administrative Appropriation				
Motor Vehicle Fuel Tx-Admin Appropriation				
Restoration	\$ 1,252,669	\$ 1,252,669	\$ 0	An increase for new office rent and I/3 expenses.
Motor Vehicle Fuel Tx-Admin Appropriation Increase (625_ADM_013)				
New		5,373	5,373	An increase for new office rent and I/3 expenses.
Total Department of Revenue	\$ 1,252,669	\$ 1,258,042	\$ 5,373	

**Non-General Fund
FY 2007 Governor's Recommendations
Administration and Regulation Appropriations Subcommittee**

Treasurer of State	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Treasurer of State				
I/3 Expenses - Road Use Tax New		93,148	93,148	An increase for I/3 expenses related to administering the Road Use Tax Fund.
Watershed Protection-Water Quality New		10,000,000	10,000,000	An increase for watershed protection and water quality funded by the Endowment for Iowa's Health Account.
Watershed Improvements	5,000,000		-5,000,000	A decrease due to change in funding source for FY 2007. For FY 2006, the appropriation was from the Underground Storage Tank Fund.
Total Treasurer of State	<u>\$ 5,000,000</u>	<u>\$ 10,093,148</u>	<u>\$ 5,093,148</u>	
Grand Totals				
Total New Recommendations		\$ 61,106,818		
Total Restoration		\$ 14,426,980		
Total Administration and Regulation Subcommittee	<u>\$ 22,579,812</u>	<u>\$ 75,533,798</u>	<u>\$ 52,953,986</u>	

SUBCOMMITTEE BUDGET ISSUES

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

- ▶ Government Oversight Committee Recommendations – The Subcommittee may wish to review recommendations made or being considered by the Government Oversight Committee relating to State agencies or offices within the purview of the Administration and Regulation Appropriations Subcommittee. This includes:
 - ◆ Bills sponsored by the Government Oversight Committee during the 2005 Legislative Session.
 - ◆ Use of the American Bar Association’s 2001 Model Procurement Code for competitive bidding and contracting by State agencies.
 - ◆ Improve preservation, storage and retrieval of State documents for access by the public and government agencies.
 - ◆ Define and protect privacy to information available via State technology.
- ▶ Department of Administrative Services (DAS) – The Subcommittee may wish to review how products and services are designated by the DAS, as well as the billing method used for the products and services provided by the DAS. The DAS designates products and services as Marketplace (agencies may select any vendor including the DAS), Utility (agencies must use the DAS for these products and services), and Leadership (the product or service is supported by a direct General Fund appropriation to the DAS).
- ▶ The Public Strategies Group (PSG) – continues to work with the DOM and other State and local agencies to make improvements in government process and performance. Several Charter Agencies have signed contract addendums directly with the PSG that will allow them to request assistance from the PSG in efforts to improve performance or processes. The PSG would be paid from either funds saved by the agency or increased revenues the agency would generate.
- ▶ Implementation of the Federal Help America Vote Act (HAVA) – The Secretary of State has received \$28.7 million in federal funds to implement the HAVA. Approximately \$22.0 million will be used to replace existing voting equipment and for a statewide voter registration system. The Subcommittee may wish to review the progress the Secretary of State has made in replacing equipment to meet the new federal requirements.
- ▶ Department of Inspections and Appeals (DIA) Abuse Coordinating Unit – As a result of the continuing increase in the number of dependent adult abuse complaints in health care facilities, the DIA has created an Abuse Coordinating Unit. The purpose of the Unit is to provide close quality oversight and instruction to staff involved in dependent adult abuse investigations, administrative hearings, and criminal prosecutions. The oversight and instruction is to ensure quality, consistency, and timeliness



of these activities, with the intent to protect residents of health care facilities, such as nursing homes and homes for the mentally retarded, from abuse or abusive situations. The Subcommittee may wish to review the efforts of the new Unit and its impact on Iowans.



- ▶ DIA Food Service Inspections – Two counties, Polk and Jasper, have turned over the inspection of food service operations to the DIA due to insufficient funds from licensing fees. The Subcommittee may wish to review this issue and decide whether the DIA should receive an increased appropriation to provide sufficient State staff and support costs for the inspections or allow an increase in licensing fees so counties can take over inspections again.

- ▶ Auditor of State

- ◆ The Subcommittee may wish to review the appropriations process used to annually fund the Auditor’s Office. This might include providing an increase in the General Fund appropriation for the Office to cover the State share of audit costs that are currently appropriated to State departments.
- ◆ The Subcommittee and the Legislative Services Agency (LSA) continue to monitor amounts budgeted for audit costs to ensure amounts are adequate to cover the estimates sent out by the Auditor.

- ▶ The Department of Human Rights

- ◆ Low-Income Home Energy Assistance Program (LIHEAP) – The Division of Community Action Agencies is projecting a shortfall ranging from \$18.0 million to \$25.0 million in federal LIHEAP funding for FFY 2006. This shortfall is based on the amount of payments provided in FY 2005, the estimated increases in participants, and energy costs due to the recent hurricanes in the Gulf areas. The Administration and Congress are currently discussing additional funding for LIHEAP for FFY 2006. **The Governor is recommending a \$5.0 million contingency supplemental appropriation from the General Fund for FY 2006. The funds are contingent on receipt of federal funds.**
- ◆ Senate File 2188 (Commission on the Status of Iowans of Asian and Pacific Islander Heritage Act) created a new Commission in the Department of Human Rights in FY 2004. The Subcommittee may wish to review the 2005 annual report, which is due to the General Assembly and Governor by February 1, 2006, as well as the Commission’s 2006 activities. For FY 2007, the Department is requesting an increased appropriation to hire a permanent Division Administrator. This was requested but not funded for FY 2006. **The Governor is recommending \$80,000 and 1.0 FTE position for a Division Administrator.**

- ▶ Ethics and Campaign Disclosure Board

- ◆ The Subcommittee may wish to receive an update on the electronic filing of election reports to the Board.



- ✦ The Subcommittee may wish to receive an update on the reporting of any gifts, bequests, and grants received by the Executive Branch during 2005. This information is available via the Board's web site @ http://www.state.ia.us/government/iecdb/ethics/gifts/gifts_2005.htm



➤ **Racing and Gaming Commission – The Governor is recommending increased revenues of \$1.0 million for FY 2006 and \$3.3 million for FY 2007 to cover the costs of regulation of racetrack casinos and riverboats. These receipts will repay the General Fund the full amount of the increased costs of regulation by the Commission and the Division of Criminal Investigation.**

➤ **Secretary of State – The Governor is recommending a \$400,000 supplemental appropriation for FY 2006 to cover additional data system costs associated with voter registration.**

➤ **Department of Commerce**

✦ **Division of Alcoholic Beverages – The Governor is recommending an increase in the tax on beer of 10 cents per gallon for FY 2007. This is projected to increase revenues to the State by an estimated \$7.4 million.**

✦ **Division of Banking – The Governor is recommending an increase in revenue from banking fees for FY 2007. This is projected to increase revenues to the State by an estimated \$200,000.**

➤ **Department of Management (DOM)**

✦ **Local Government Innovations Fund – The Governor is recommending \$1.0 million for the creation of a Local Government Innovations Fund and an Iowa Center for Governing Excellence. The funds will be used to identify models of collaboration among local governments that might be replicable; overcome barriers to collaboration through technical assistance, outside mediation and facilitation; promote best practices; and encourage innovative and creative models of collaboration.**

✦ **LEAN/Process Improvement Program – The Governor is recommending \$222,000 and 1.0 FTE position to establish this Program in the DOM and fund training for facilitators in several departments to review and improve work processes for the benefit of Iowans. This Program has been supported by the private sector in the past two years through a partnership between the Iowa Council for Innovation and Growth and several Executive Branch agencies.**

- ▶ ***Department of Revenue – The Governor is recommending funding the Collections Unit through retention of a portion of the funds collected. The net revenue to the General Fund is expected to be \$4.8 million in FY 2007.***
- ▶ ***Department of Administrative Services – The Governor is recommending \$147,000 and 2.7 FTE positions for facility maintenance, restoration painting, project management for Capitol restoration, and monument care in the areas designated as Ceremonial Space.***

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed one **Issue Reviews** relating to the Administration and Regulation Appropriations Subcommittee during the 2005 Interim that is available on the LSA web site:

- ✦ [College Savings Plan](#)

Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA web site. Presentations relating to the Administration and Regulation Appropriations Subcommittee include:

- ✦ [Administration and Regulation Appropriations Subcommittee](#)
- ✦ [Iowa Lottery](#)
- ✦ [Iowa Retirement Systems](#)
- ✦ [Community Action Agencies](#)

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AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE MEMBERS

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LEGISLATIVE SERVICES AGENCY

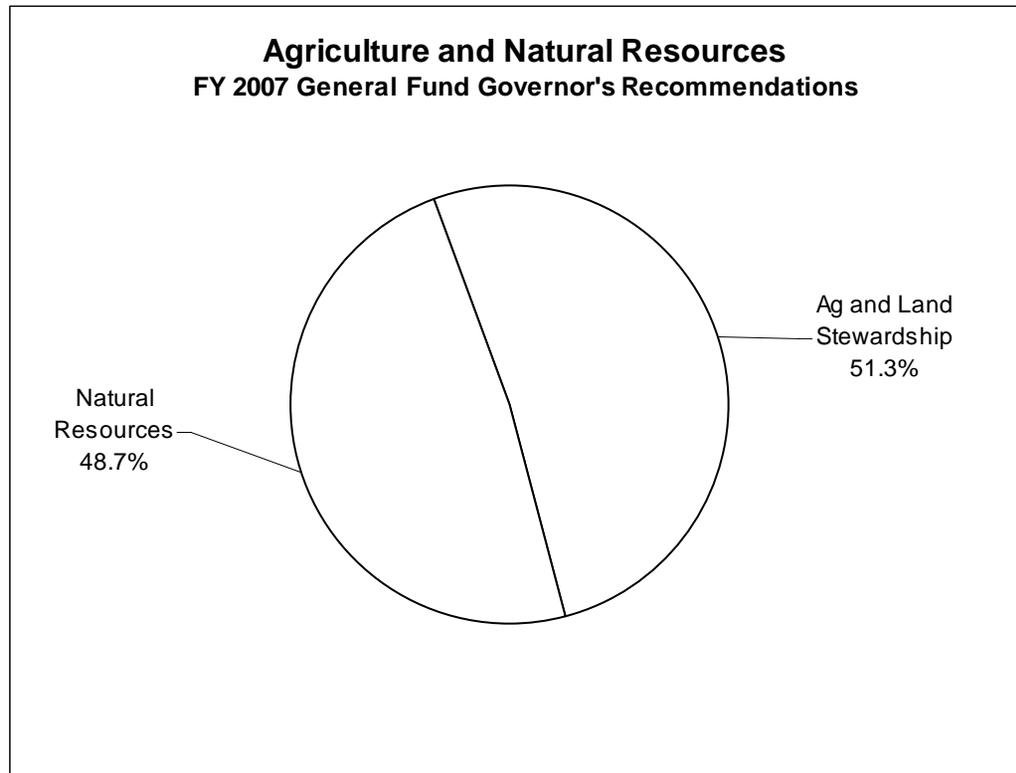
Fiscal Services Division

Legal Services Division

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AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE



Agriculture and Natural Resources
General Fund Governor's Recommendations

Ag and Land Stewardship	\$ 19,307,601
Natural Resources	\$ 18,292,579
	\$ 37,600,180

The following spreadsheet lists the FY 2007 Governor's recommendations by budget offer, which includes the FY 2006 restoration amount and the new FY 2007 Governor's recommendations. The restoration amount is 100.0% of the FY 2006 appropriation, including salary adjustment. Elected officials (with the exception of the Governor's Office) and the Judicial Branch are not participants in the offer process.

Appropriation Name	Budget Offer Names and Numbers: In this example, two separate budget offers comprise one appropriation, and two separate budget offer numbers comprise one offer. Within each budget offer is the restored amount, new amount, and total offer amount for the appropriation. Some budget offers do not contain restoration money. The restoration amounts are provided within the first offer number.			
Department of Natural Resources (DNR)	Environment First Fund (EFF) Programs			
Resource Enhancement and Protection Fund (543_ANR_001) (543_ANR_011)				
Restoration	\$ 11,000,000	\$ 11,000,000	\$ 0	Maintains current level of funding.
New	0	800,000	800,000	Funding to increase programs using the formula distribution.
Total Offer	\$ 11,000,000	\$ 11,800,000	\$ 800,000	
Marine Fuel Tax Capitals (543_ANR_002) (543_ANR_012)				
Restoration	2,300,000	2,300,000	0	Maintains current level of funding.
New		200,000	200,000	Funding for boat activities, safety education, and storm water access.
Total Offer	\$ 2,300,000	\$ 2,500,000	\$ 200,000	
Total New Recommendations		\$ 1,000,000	\$ 1,000,000	
Total Environment First Fund (DNR)	\$ 13,300,000	\$ 14,300,000	\$ 1,000,000	
Total FTE Positions	0.00	0.00	0.00	
	Total Estimated FY 2006 Appropriation with Salary Adjustment	Total FY 2007 Governor's Recommendations	Total FY 2007 Governor's Rec. vs. Est. FY 2006	

EXAMPLE

**General Fund
FY 2007 Governor's Recommendations
Agriculture and Natural Resources Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department of Agriculture and Land Stewardship (DALs)				
Administrative Division				
Provide Services to Iowa Citizens				
Restoration	\$ 17,837,900	\$ 17,837,900	\$ 0	Maintains current level of funding for operations and 404.39 FTE positions.
Dairy Products Control Bureau				
New		250,000	250,000	Funding for the Dairy Products Control Bureau and related laboratory staff.
Ankeny Laboratory Facility Surcharge				
New		85,000	85,000	Funding to increase base budget costs for the Ankeny Laboratory.
Move Climatology Records				
New		15,000	15,000	Funding to move climatology records to a permanent location.
Total New Recommendations		<u>\$ 350,000</u>	<u>\$ 350,000</u>	
Total New FTE Positions		<u>0.00</u>	<u>0.00</u>	
Total Administrative Division	<u>\$ 17,837,900</u>	<u>\$ 18,187,900</u>	<u>\$ 350,000</u>	
Total FTE Positions	<u>404.39</u>	<u>404.39</u>	<u>0.00</u>	
Other General Fund Programs				
Avian Influenza				
Restoration	\$ 50,000	\$ 50,000	\$ 0	Maintains current level of funding.
Missouri River Authority				
Restoration	9,535	9,535	0	Maintains current level of funding.
Chronic Wasting Disease				
Restoration	100,000	100,000	0	Maintains current level of funding.
Senior Farmer's Market				
Restoration	77,000	77,000	0	Maintains current level of funding.
Regulatory Dairy Products				
Restoration	643,166	643,166	0	Maintains current level of funding.
Soil Commissioners Expense				
Restoration	200,000	200,000	0	Maintains current level of funding.

**General Fund
FY 2007 Governor's Recommendations
Agriculture and Natural Resources Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Apiary Program				
Restoration	40,000	40,000	0	Maintains current level of funding.
Total Other General Fund Programs	<u>\$ 1,119,701</u>	<u>\$ 1,119,701</u>	<u>\$ 0</u>	
Total FTE Positions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Total Agriculture and Land Stewardship	<u>\$ 18,957,601</u>	<u>\$ 19,307,601</u>	<u>\$ 350,000</u>	
Total FTE Positions	<u>404.39</u>	<u>404.39</u>	<u>0.00</u>	

Department of Natural Resources (DNR)

Operations

**Public Lands and Outdoor Recreation
(542_ANR_001)**

 Restoration \$ 8,800,611 \$ 8,800,611 \$ 0 Maintains current level of funding for operations and 638.28 FTE positions.

**Watershed Protection and Restoration
(542_ANR_002)**

 Restoration 5,199,533 5,199,533 0 Maintains current level of funding for operations and 204.10 FTE positions.

Health and the Environment (542_ANR_003)

 Restoration 3,792,435 3,792,435 0 Maintains current level of funding for operations and 260.25 FTE positions.

State Park Operations & Safety (542_ANR_008)

 New 0 75,000 75,000 Funding for 2.00 FTE positions.

Energy Programs Continuation (542_ANR_009)

 New 0 100,000 100,000 Funding for the Energy Bank Program that provides a number of energy services in Iowa. Previously funded from the Oil Overcharge Fund, but that Fund has been depleted.

**Pollution Prevention Intern Program
(542_ANR_010)**

 New 0 50,000 50,000 Funding for the Pollution Prevention Intern Program that matches college students with Iowa companies to develop pollution prevention programs.

**General Fund
FY 2007 Governor's Recommendations
Agriculture and Natural Resources Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Air Quality Livestock Monitoring (542_ANR_012)				
New	0	275,000	275,000	Funding for the Energy Bank Program that provides a number of energy services in Iowa. Previously funded from the Oil Overcharge Fund, but that Fund has been depleted.
Total New Recommendations		<u>\$ 500,000</u>	<u>\$ 500,000</u>	
Tot New FTE Positions		<u>2.00</u>	<u>2.00</u>	
Total Operations (DNR)	<u>\$ 17,792,579</u>	<u>\$ 18,292,579</u>	<u>\$ 500,000</u>	
Total FTE Positions	<u>1,102.63</u>	<u>1,104.63</u>	<u>2.00</u>	
Total Department of Natural Resources	<u>\$ 17,792,579</u>	<u>\$ 18,292,579</u>	<u>\$ 500,000</u>	
Total FTE Positions	<u>1,102.63</u>	<u>1,104.63</u>	<u>2.00</u>	Total of 2.00 new FTE positions.
Grand Totals				
Total Restoration	\$ 36,750,180	\$ 36,750,180	\$ 0	
Total New Requests		<u>\$ 850,000</u>	<u>\$ 850,000</u>	
Total Ag. and Natural Resources Sub.	<u>\$ 36,750,180</u>	<u>\$ 37,600,180</u>	<u>\$ 850,000</u>	
Total Restored FTEs	1,507.02	1,507.02	0.00	
Total New FTE Positions	<u>0.00</u>	<u>2.00</u>	<u>2.00</u>	
Total FTE Positions	<u>1,507.02</u>	<u>1,509.02</u>	<u>2.00</u>	Total of 2.00 FTE positions.

* The FTE numbers in this spreadsheet may not include all non-appropriated FTE positions.

**Non-General Fund
FY 2007 Governor's Recommendations
Agriculture and Natural Resources Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department of Agriculture and Land Stewardship (DALs)				
Other Non-General Fund Programs				
Native Horse and Dog Program				
Restoration	\$ 305,516	\$ 305,516	\$ 0	Maintains current level of funding.
Open Feedlots Research Project				
Restoration	100,000	100,000	0	Maintains current level of funding.
Total Other Non-General Fund Programs	\$ 405,516	\$ 405,516	\$ 0	
Total FTE Positions	0.00	0.00	0.00	
Environment First Fund Programs				
Agriculture Drainage Wells				
Restoration	\$ 500,000	\$ 500,000	\$ 0	Maintains current level of funding.
Watershed Protection Fund				
Restoration	2,700,000	2,700,000	0	Maintains current level of funding.
Farm Management Demonstration				
Restoration	850,000	850,000	0	Maintains current level of funding.
Soil Conservation Cost Share				
Restoration	5,500,000	5,500,000	0	Maintains current level of funding.
Conservation Reserve Enhancement Program (CREP)				
Restoration	1,500,000	1,500,000	0	Maintains current level of funding.
Conservation Reserve Program				
Restoration	2,000,000	2,000,000	0	Maintains current level of funding.
Southern Iowa Conservation Authority				
Restoration	300,000	300,000	0	Maintains current level of funding.

**Non-General Fund
FY 2007 Governor's Recommendations
Agriculture and Natural Resources Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Loess Hills Development and Cons. Authority Restoration	600,000	600,000	0	Maintains current level of funding.
Total Environment First Fund (DAL\$)	\$ 13,950,000	\$ 13,950,000	\$ 0	
Total FTE Positions	0.00	0.00	0.00	
Total Agriculture and Land Stewardship	\$ 14,355,516	\$ 14,355,516	\$ 0	
Total FTE Positions	0.00	0.00	0.00	

Department of Natural Resources (DNR)

Operations

**Fish & Wildlife Operation (542_ANR_004)
(542_ANR_011)**

Restoration	32,477,525	32,477,525	0	Maintains current level of funding.
New		1,845,000	1,845,000	Funding for aquatic invasive species, outdoor recreation programs, Missouri River Fisheries Team, and increased gasoline costs.
Total Offer	\$ 32,477,525	\$ 34,322,525	\$ 1,845,000	

Boat Registration Fees

Restoration	1,400,000	0	-1,400,000	Transfers funds to the Fish and Wildlife Trust Fund.
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Snowmobile Registration Fees

Restoration	100,000	0	-100,000	Transfers funds to the Fish and Wildlife Trust Fund.
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**Air Quality Livestock Monitoring-Stormwater
Permit Fees (542_ANR_012)**

Restoration	275,000	0	-275,000	Decrease of \$275,000. Moved to General Fund.
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Groundwater Protection (542_ANR_005)

Restoration	3,455,832	3,455,832	0	Maintains current level of funding for: Underground Storage Tank Program (\$100,303) Household Hazardous Waste Program (\$447,324) Private Wells Closing Program (\$62,461) Groundwater Monitoring Program (\$1,686,751) Landfills Alternatives Program (\$618,993) Solid Waste Reduction Program (\$192,500) Solid Waste Authorization Program (\$50,000) Geographic Information System (\$297,500)
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**Non-General Fund
FY 2007 Governor's Recommendations
Agriculture and Natural Resources Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Underground Storage Tanks Fund (542_ANR_006)				
Restoration	200,000	200,000	0	Maintains current level of funding.
Total New Recommendations		<u>\$ 1,845,000</u>	<u>\$ 1,845,000</u>	
Tot New FTE Positions		<u>0.00</u>	<u>0.00</u>	
Total Operations (DNR)	<u>\$ 37,908,357</u>	<u>\$ 37,978,357</u>	<u>\$ 70,000</u>	
Total FTE Positions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Environment First Fund (EFF) Programs				
Resource Enhancement and Protection Fund (543_ANR_001) (543_ANR_011)				
Restoration	\$ 11,000,000	\$ 11,000,000	\$ 0	Maintains current level of funding.
New	0	800,000	800,000	Funding to increase programs using the formula distribution.
Total Offer	<u>\$ 11,000,000</u>	<u>\$ 11,800,000</u>	<u>\$ 800,000</u>	
Marine Fuel Tax Capitals (543_ANR_002) (543_ANR_012)				
Restoration	2,300,000	2,300,000	0	Maintains current level of funding.
New		200,000	200,000	Funding for boat activities, safety education, and storm water access.
Total Offer	<u>\$ 2,300,000</u>	<u>\$ 2,500,000</u>	<u>\$ 200,000</u>	
Lake Dredging (543_ANR_003) (543_ANR_013)				
Restoration	1,500,000	500,000	-1,000,000	Decrease of \$1.0 million.
Water Quality Monitoring (543_ANR_004) (543_ANR_009)				
Restoration	2,955,000	2,955,000	0	Maintains current level of funding.
Geographic Information System (543_ANR_005)				
Restoration	195,000	195,000	0	Maintains current level of funding.
Keepers of the Land Volunteer Program (543_ANR_006)				
Restoration	100,000	100,000	0	Maintains current level of funding.

**Non-General Fund
FY 2007 Governor's Recommendations
Agriculture and Natural Resources Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Park Operations and Maintenance (543_ANR_007)				
Restoration	2,000,000	2,000,000	0	Maintains current level of funding.
Water Quality Protection (543_ANR_008)				
Restoration	500,000	500,000	0	Maintains current level of funding.
Total New Recommendations		<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	
Total Environment First Fund (DNR)	<u>\$ 20,550,000</u>	<u>\$ 20,550,000</u>	<u>\$ 0</u>	
Total FTE Positions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Total Department of Natural Resources	<u>\$ 58,458,357</u>	<u>\$ 58,528,357</u>	<u>\$ 70,000</u>	
Total FTE Positions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Grand Totals				
Total Restoration	<u>\$ 72,813,873</u>	<u>\$ 70,038,873</u>	<u>(2,775,000)</u>	
Total New Recommendations		<u>\$ 2,845,000</u>	<u>\$ 2,845,000</u>	
Total Ag. and Natural Resources Sub.	<u>\$ 72,813,873</u>	<u>\$ 72,883,873</u>	<u>\$ 70,000</u>	

* The FTE numbers in this spreadsheet may not include all non-appropriated FTE positions.

SUBCOMMITTEE BUDGET ISSUES

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

- ▶ **Investment in Iowa's Water Quality** – *The Governor is recommending \$20.0 million for FY 2007 to invest in the improvement of Iowa's water quality. Funding will be used for watershed protection projects, lake restoration and preservation projects, and grants to small communities to upgrade waste treatment facilities. Specific recommendations include:*

- ◆ *\$10.0 million to fund the Iowa Watershed Improvement Review Board. The Board is responsible for awarding local watershed improvement grants.*

- ◆ *\$5.0 million to restore and preserve lakes that do not have an impaired watershed. Improvement projects include dredging, shoreline stabilization, and easement acquisition for habitat development.*

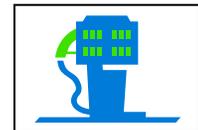
- ◆ *\$5.0 million for grants to small communities to upgrade water treatment facilities. Communities will be able to use the grant money to supplement and leverage additional funding from the State Revolving Loan Fund.*



- ▶ **Avian Influenza** – Avian influenza or bird flu is a viral illness that can infect a variety of animals, including birds and pigs. Although the disease is spread through the wild bird population, poultry can be infected and are more susceptible to illness when exposed to the Avian influenza virus. The Department of Agriculture and Land Stewardship (DALs) received \$50,000 for the Avian Influenza Program for FY 2006 and is requesting the same amount for FY 2007. **The Governor is recommending funding for this offer from the General Fund.**

- ▶ **Homeland Security** – The DALs announced the formation of the Center for Agriculture Security in August 2005. The Center coordinates Homeland Security efforts that are related to livestock, crop production, dairy operations, and fertilizer and pesticide security. The Center includes response training for agriculture producers and emergency response personnel.

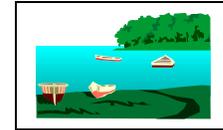
- ▶ **Increased Gasoline Costs** – Due to higher gasoline prices, the DALs is requesting funding from the General Fund, and the Department of Natural Resources (DNR) is requesting funding from the General Fund and the Fish and Wildlife Trust Fund.



- ▶ **Johne's Disease** – Paratuberculosis, or Johne's disease, is a contagious disease of the intestinal track of ruminants caused by the bacteria *Mycobacterium Paratuberculosis*. Ruminants are hoofed animals that have a multi-chambered stomach and chew a cud such as cattle, sheep, goats, llamas, deer, and elk. The DALs is requesting \$250,000 and 2.0 FTE positions to provide herd risk assessment to Iowa producers.
- ▶ **Chronic Wasting Disease** – This is a neurological disease similar to Mad Cow Disease that affects deer and elk. The disease has been reported in several states; however, no cases have been documented in Iowa. The Chronic Wasting Disease Program was transferred to the DALs beginning in FY 2004; however, since no funding was available, the Department used federal funds for FY 2005 expenditures. The Department received a \$100,000 General Fund appropriation for FY 2006 and is requesting the same amount for FY 2007. ***The Governor is recommending funding for this offer.***

- ▶ **Iowa Watershed Improvement Review Board** –The Board was created by SF 200 (FY 2006 Agriculture Powers, Duties, and Watershed Improvement Act) and is responsible for awarding local watershed improvement grants and monitoring the progress of the projects after the grant is awarded. House File 882 (FY 2006 Standing Appropriations Act) appropriated \$5.0 million from the Underground Storage Tank (UST) Fund to the Watershed Improvement Fund for FY 2006. The DALs received \$50,000 to assist in administering the Program. ***The Governor is recommending \$10.0 million for the Iowa Watershed Improvement Review Board for FY 2007 from the Iowa's Health Restricted Capital Fund.***
- ▶ **Help Us Stop Hunger (HUSH) Program** – The HUSH Program began during the 2003 hunting season and is a cooperative effort between deer hunters, the Food Bank of Iowa, meat lockers, and the DNR. The goals of the Program are to reduce the deer population and to provide high-quality meat to the Food Bank of Iowa. Senate File 206 (FY 2006 Deer Harvest Act) provides revenue through a \$1.00 fee to the HUSH Program from every resident or non-resident deer license that is sold. The additional estimated revenue is \$350,000. The DNR has expanded the Program to include the entire State and has over 95 meat lockers registered.
- ▶ **Boater Safety Education Program** – Boaters under the age of 12 that want to operate a boat with more than ten horsepower, are required to have an experienced boater on board that is 18 years of age or older. Boaters between the ages of 12 and 17, are required to complete an approved Watercraft Safety Course. This requirement became effective in FY 2006 with the passage of HF 828 (FY 2006 Boat Registration Act). Boaters will receive a water safety certificate upon the successful completion of the course and are required to have the certificate with them when operating a boat.
 

► **Watershed Management Plan** – The DNR continues to monitor the quality of Iowa’s waterbodies. As part of the effort, the DNR is requesting new funding of \$800,000 from the General Fund and 7.0 FTE positions to develop and enhance the Statewide Watershed Management Plan. The Plan increases technical assistance to local organizations, project managers, and landowners. The Plan also encourages stakeholders to work cooperatively with private businesses and other government agencies to reduce stormwater runoff at construction sites and to increase compliance of other stormwater requirements. The request includes additional field positions that would assist with the development of local watershed improvement plans. This includes 1.0 FTE position that would work in metro areas to increase stormwater compliance and 6.0 FTE positions to provide technical assistance in local watershed development projects.

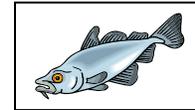


ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed one **Issue Review** relating to the Agriculture and Natural Resource Appropriations Subcommittee during the 2005 Interim that is available on the LSA web site:

- [Aquatic Invasive Species](#)



Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA web site. Presentations relating to the Agriculture and Natural Resources Appropriations Subcommittee include:

- [Agriculture and Natural Resources Appropriations Subcommittee](#)
- [Agriculture and Water Quality](#)
- [Energy in Iowa](#)
- [Environment First Fund](#)
- [Groundwater Protection Fund](#)
- [Overview of Forestry in Iowa](#)
- [Resource Enhancement and Protection Fund](#)

Staff Contact: Deb Kozel (281-6767) deb.kozel@legis.state.ia.us

ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE MEMBERS

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LEGISLATIVE SERVICES AGENCY

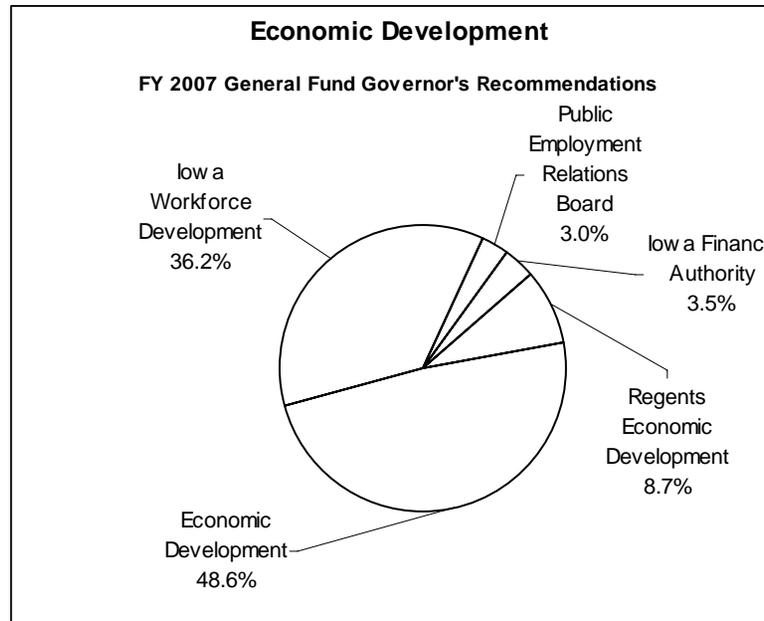
Fiscal Services Division

Legal Services Division

Ron Robinson (Ext. 16256)

Tim McDermott (Ext. 13444)

ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE



Economic Development
FY 2007 General Fund Governor's Recommendations

Economic Development	\$ 16,553,862
Iowa Workforce Development	12,335,455
Public Employment Relations Board	1,030,607
Iowa Finance Authority	1,200,000
Regents Economic Development	2,971,853
	<u>\$ 34,091,777</u>

The following spreadsheet lists the FY 2007 Governor's recommendations by budget offer, which includes the FY 2006 restoration amount and the new FY 2007 Governor's recommendations. The restoration amount is 100.0% of the FY 2006 appropriation, including salary adjustment. Elected officials (with the exception of the Governor's Office) and the Judicial Branch are not participants in the offer process.

Appropriation Name

Budget Offer Name and Number: In this example, two separate budget offers comprise one appropriation. Within each budget offer is the restored amount, new amount, and total offer amount for the appropriation. Some budget offers do not contain restoration money.

Department of Economic Development (DED)

**Vision Iowa-Community Attractions and Tourism
Business Development and Marketing (269_ECO_001)**

Restoration \$ 0 \$ 0 \$ 0 Maintains current level of 2.25 FTE

**Workforce Development Fund
Job Training for New and Existing Employees
(269_ECO_003)**

Restoration \$ 4,000,000 \$ 4,000,000 \$ 0 Maintains current funding level from the Workforce Development Fund Account for financial assistance and staffing for job training programs administered by the DED in cooperation with Iowa's community colleges, Iowa Department of Education and Iowa business and industry.

New 0.00 0.00 0.00 An increase of 4.00 FTE positions.

Total New Recommendations Total New Recommendations \$ 0 \$ 0
Total New FTE Positions 4.00 4.00

Total Department of Economic Development \$ 4,000,000 \$ 4,000,000 \$ 0
Total FTE Positions 2.25 6.25 4.00

Total of 4.00 new FTE positions, including General Fund.

EXAMPLE

Total Estimated FY 2006
Appropriation with Salary
Adjustment

Total FY 2007
Governor's
Recommendations

Total FY 2007
Governor's Rec.
vs. Est. FY 2006

**General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department of Economic Development (DED)				
Administration Division				
Business Development and Marketing (269_ECO_001)				
Restoration	\$ 681,347	\$ 681,347	\$ 0	Maintains current funding level (including a Department of Administrative Services distribution of \$1,347) and 13.89 FTE positions for staffing and direct marketing efforts (travel, face-to-face meetings, and events) specifically targeting existing, new, and start-ups in the Advanced Manufacturing, Life Science and Information Solutions clusters.
New		115,000	115,000	An increase to restore the \$115,000 reduction in HF 882 (FY 2006 Standing Appropriations Act).
Total Business Development and Marketing	\$ 681,347	\$ 796,347	\$ 115,000	
Business Financial Assistance (269_ECO_002)				
Restoration	199,083	199,083	0	Maintains current funding level and 2.48 FTE positions for financial and technical assistance for Iowa's communities and business prospects.
Job Training for New and Existing Employees (269_ECO_003)				
Restoration	54,295	54,295	0	Maintains current funding level and 0.69 FTE positions for financial assistance and staffing for job training programs administered by the DED in cooperation with Iowa's community colleges, Iowa Department of Education, and Iowa business and industry.
Development of Major Community Attractions (269_ECO_005)				
Restoration	36,197	36,197	0	Maintains current funding level and 0.44 FTE positions for support of the Vision Iowa Program and the Community Attraction and Tourism (CAT) Program that provide financial incentives to communities for the construction of recreational, cultural, educational or entertainment facilities that enhance the quality of life in Iowa.
Financing for Housing, Water, Sewer & Community Facilities (269_ECO_006)				
Restoration	452,461	452,461	0	Maintains current funding level and 5.61 FTE positions for financial and technical assistance for the "bricks and mortar" portion of affordable housing, water and sewer projects, and community facilities projects in Iowa communities.
Tourism Promotion (269_ECO_007)				
Restoration	199,083	199,083	0	Maintains current funding level and 2.48 FTE positions for the promotion of tourism.

**General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Downtown Resource Development/Main Street (269_ECO_008)				
Restoration	90,493	90,493	0	Maintains current funding level and 1.13 FTE positions for assistance to communities in growing and revitalizing their downtown cores.
Community Development Assistance (269_ECO_009)				
Restoration	162,886	162,886	0	Maintains current funding level and 2.03 FTE positions for assistance to communities and regions to deal with growth and development.
Total New Requests		<u>\$ 115,000</u>	<u>\$ 115,000</u>	
Total Administration Division	<u>\$ 1,875,845</u>	<u>\$ 1,990,845</u>	<u>\$ 115,000</u>	
Total FTE Positions	<u>28.75</u>	<u>28.75</u>	<u>0.00</u>	
Business Development				
Business Development and Marketing (269_ECO_001)				
Restoration	\$ 5,909,577	\$ 5,909,577	\$ 0	Maintains current funding and 41.70 FTE positions for staffing and direct marketing efforts (travel, face-to-face meetings, and events) specifically targeting existing, new, and start-up businesses in the Advanced Manufacturing, Life Science and Information Solutions clusters.
Business Financial Assistance (269_ECO_002)				
Restoration	30,108	30,108	0	Maintains current funding level and 13.30 FTE positions for financial and technical assistance for Iowa's communities and business prospects.
Iowa Career Consortium (269_ECO_004)				
Restoration	275,709	275,709	0	Maintains current funding level and 2.00 FTE positions for support of the Iowa Careers Consortium (ICC), which is a public-private partnership created to meet Iowa's growing need for highly skilled employees. The Consortium includes Iowa businesses, communities, educational institutions, professional associations, the DED, and Iowa Workforce Development.
Total Business Development	<u>\$ 6,215,394</u>	<u>\$ 6,215,394</u>	<u>\$ 0</u>	
Total FTE Positions	<u>57.00</u>	<u>57.00</u>	<u>0.00</u>	

**General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Community Development Block Grant Division				
Financing for Housing, Water, Sewer & Community Facilities (269_ECO_006)				
Restoration	\$ 700,000	\$ 700,000	\$ 0	Maintains current funding level and 30.85 FTE positions for financial and technical assistance for the "bricks and mortar" portion of affordable housing, water and sewer projects, and community facilities projects in Iowa communities.
Tourism Promotion (269_ECO_007)				
Restoration	3,557,893	3,557,893	0	Maintains current funding level and 14.00 FTE positions for the promotion of tourism.
New	0	-500,000	-500,000	A general decrease in funding for the promotion of tourism.
Total Tourism Promotion	\$ 3,557,893	\$ 3,057,893	\$ -500,000	
Downtown Resource Development/Main Street (269_ECO_008)				
Restoration	587,666	587,666	0	Maintains current funding, including Rural Community 2000 appropriation funding level, and 5.75 FTE positions for assistance to communities in growing and revitalizing their downtown cores.
Community Development Assistance (269_ECO_009)				
Restoration	808,614	808,614	0	Maintains current funding level and 10.66 FTE positions for assistance to communities and regions to deal with growth and development.
Total Community Development Block Grant Division	\$ 5,654,173	\$ 5,154,173	\$ -500,000	
Total FTE Positions	61.26	61.26	0.00	The FTE positions are a decrease of 0.49 FTE positions from the amount authorized in HF 809 (FY 2006 Economic Development Appropriations Act).
World Food Prize				
Business Development and Marketing (269_ECO_001)				
Restoration	\$ 285,000	\$ 285,000	\$ 0	Maintains current funding level for direct marketing efforts (travel, face-to-face meetings, and events) specifically targeting existing, new, and start-ups in the Advanced Manufacturing, Life Science and Information Solutions clusters, through the World Food Prize.

**General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Community Development Division - Endow Iowa Grants				
Community Development Assistance (269_ECO_009)				
Restoration	\$ 50,000	\$ 50,000	\$ 0	Maintains current funding level for assistance to communities and regions to deal with growth and development.
Bioscience Alliance				
Bioscience Alliance (269_ECO_011)				
New	\$ 0	\$ 2,309,252	\$ 2,309,252	<p>An increase in funding, including the addition of 7.00 FTE positions, to follow the recommendation of the Battelle Plan. The first step of the Plan was the creation of the Biosciences Alliance of Iowa. The Alliance has been formed to steer the development of the emerging biosciences industry. The Alliance has representation from the Iowa Capital Investment Corporation (ICIC), the Iowa Capital Investment Board (ICIB), the University of Northern Iowa, Iowa State University, the University of Iowa, private colleges and universities, community colleges, commodity groups, farm organizations, private and investor owned utilities, business associations, local economic development professionals, venture capital firms, community colleges, and the Board of Regents. The recommendation also includes \$2,800,000 from a non-General Fund source, the Federal Economic Stimulus and Jobs Holding Fund.</p> <p>The Alliance is responsible for presenting funding proposals to the Board of Directors of the DED that will support four strategic areas as recommended by Battelle. The Alliance has developed a review system for use of funds that relies on the cooperation and coordination of multiple players from the public and private sectors. A total five-year request of \$80,000,000 is estimated to implement the four strategic areas.</p>
Iowa Commission on Volunteer Services-Retired Senior Volunteer Program (ICVS-RSVP)				
ICVS-RSVP (269_HHS_012)				
New	\$ 0	\$ 174,198	\$ 174,198	An increase to continue the Senior Corps, a network of national service programs that provides Americans 55 and older the opportunity to apply their life experience to meeting community needs through volunteerism. The funds were appropriated to the Department of Elder Affairs for FY 2006 and the Program responsibilities were assigned to the Governor's Office by Section 15H, <u>Code of Iowa</u> .

**General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Iowa Commission on Volunteer Services-Promise				
ICVS-Promise (269_EDU_013)				
New	\$ 0	\$ 125,000	\$ 125,000	An increase in funding, including the addition of 1.50 FTE positions, for a proposal by the Iowa Collaboration for Youth Development (ICYD) that includes State-local partnerships of multiple units of government and public and private agencies that will be enhanced and improved. The collaboration is intended to work toward seeing that all Iowa youth will be: successful in school; healthy and socially competent; prepared for productive adulthood; and in safe, supportive families, schools and communities.
Lean Manufacturing				
Job Training for New and Existing Employees (269_EDU_003)				
New	\$ 0	\$ 250,000	\$ 250,000	An increase in funding to establish a lean manufacturing institute for the training of executives in the systematic identification of ways to improvement the manufacturing process.
Total New Requests		<u>\$ 2,473,450</u>	<u>\$ 2,473,450</u>	
Total New FTE Positions		<u>8.50</u>	<u>8.50</u>	
Total Department of Economic Development	<u>\$ 14,080,412</u>	<u>\$ 16,553,862</u>	<u>\$ 2,473,450</u>	
Total FTE Positions	<u>147.01</u>	<u>155.51</u>	<u>8.50</u>	

**General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Board of Regents Economic Development				
Board of Regents Economic Development (615_ECO_003)				
Restoration	\$ 2,363,557	\$ 2,363,557	\$ 0	Maintains current funding level and 56.63 FTE positions at Iowa State University for the Small Business Development Centers, Research Park, and the Institute for Physical Research and Technology.
Restoration	247,005	247,005	0	Maintains current funding level and 6.00 FTE positions at the University of Iowa for the Research Park, Institute for Physical Research, and the Advanced Drug Development Program.
Restoration	361,291	361,291	0	Maintains current funding level and 4.75 FTE positions at the University of Northern Iowa for the Metal Casting Institute and the Institute for Decision Making.
Total Board of Regents Economic Development	\$ 2,971,853	\$ 2,971,853	\$ 0	
Total FTE Positions	67.38	65.13	-2.25	Includes a general unspecified reduction of 2.25 FTE positions due to a data entry error.
Department of Workforce Development				
Iowa Workforce Development (IWD) - Operations				
Expanding Iowa's Productive Workforce-Health, Safety and Economic Wellbeing (309_ECO_001)				
Restoration	\$ 5,278,800	\$ 5,278,800	\$ 0	Maintains current funding level (including \$128,848 salary adjustment funding and \$33 Department of Administrative Services distribution) and 87.90 FTE positions, including an unspecified increase of 1.45 FTE positions, for the enforcement and adjudication of State regulations relating to workers' compensation laws and occupational safety and health regulations.
New	0	200,000	200,000	An increase in funding, including the addition of 3.00 FTE positions to add one Workers' Compensation Commissioner and two Health Safety Inspectors to increase the oversight of the work environment for Iowa workers.
Total IWD - Operations	\$ 5,278,800	\$ 5,478,800	\$ 200,000	

**General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Workforce Development Field Offices				
Expanding Iowa's Productive Workforce-Field Office Network (309_ECO_002)				
Restoration	\$ 6,856,655	\$ 6,856,655	\$ 0	Maintains current funding level (including \$331,655 salary adjustment funding) for a network of rural development offices providing a workforce development system to increase the skills of the Iowa workforce, foster economic growth and the creation of new high skill and high wage jobs through job placement and training services, provide assistance to new Iowans entering Iowa's workforce, assist Iowa businesses in meeting their workforce needs and encourage investment in workers. Senate File 2311 (FY 2005 Economic Stimulus Act) passed during the 2004 Special Session made an FY 2006 appropriation of \$6,525,000 and an FY 2007 appropriation of \$3,262,500. The Offices are also permitted to retain administrative surcharge fees.
Total New Requests		<u>\$ 200,000</u>	<u>\$ 200,000</u>	
Total New FTE Positions		<u>3.00</u>	<u>3.00</u>	
Total Department of Workforce Development	<u>\$ 12,135,455</u>	<u>\$ 12,335,455</u>	<u>\$ 200,000</u>	
Total FTE Positions	<u>86.45</u>	<u>90.90</u>	<u>4.45</u>	

Public Employment Relations Board

Public Employment Relations Board - Gen. Office				
Meeting the mandates of Chapter 20 (572_ECO_001)				
Restoration	\$ 1,030,607	\$ 1,030,607	\$ 0	Maintains current funding level and 10.00 FTE positions to continue operations of the Board's mission to promote relationships between governments and their employees without disruption of public services.
Total Public Employment Relations Board	<u>\$ 1,030,607</u>	<u>\$ 1,030,607</u>	<u>\$ 0</u>	
Total FTE Positions	<u>10.00</u>	<u>10.00</u>	<u>0.00</u>	

Iowa Finance Authority (IFA)

Entrepreneurs with Disabilities Program				
Entrepreneurs With Disabilities Program (270_ECO_002)				
Restoration	\$ 200,000	\$ 200,000	\$ 0	Maintains current funding level to continue the Entrepreneurs With Disabilities (EWD) Program that provides technical and financial assistance to help people with disabilities become self-sufficient by establishing or expanding business ventures. The FY 2006 funding was provided in HF 882 (FY 2006 Standings Appropriation Act).

**General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
State Housing Trust Fund				
State Housing Trust Fund (270_ECO_001)				
New	\$ 0	\$ 1,000,000	\$ 1,000,000	This is a new offer in which the funding would be used for a matching grant program that would encourage cities, counties, or regions to create and fund Local Housing Trust Funds. The funded projects would include the construction, rehabilitation and preservation of single family and multi-family housing; owner-occupied rehabilitation and repairs and emergency owner repair; repairs and maintenance of nonprofit-owned units; operations and housing supportive services for nonprofit entities; down payment and closing cost assistance for first time homebuyers; funding for emergency shelters and transitional housing; housing for persons with disabilities; neighborhood-wide housing rehabilitation; gap financing for new subdivisions which offer affordable housing to working families; and, funding to provide downtown second-story affordable loft housing as a way to attract and keep young professionals in the community. At least 30 percent of funds would be used to assist extremely low-income households.
Total Iowa Finance Authority (IFA)	\$ 200,000	\$ 1,200,000	\$ 1,000,000	
Grand Totals				
Total Restoration	\$ 30,418,327	\$ 29,918,327	\$ -500,000	
Total New Requests	\$ 30,418,327	\$ 4,173,450	\$ 4,173,450	
Total Economic Development Approp. Subcomm.	\$ 30,418,327	\$ 34,091,777	\$ 3,673,450	
Total Restored FTEs	310.84	308.59	-2.25	
Total New FTE Positions	0.00	12.95	12.95	
Total FTEs	310.84	321.54	10.70	

* The FTE numbers on this spreadsheet may not include all non-appropriated FTE positions.

**Non-General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

Department of Economic Development (DED)	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Business Development				
Business Development and Marketing (269_ECO_001)				
Restoration	\$ 100,000	\$ 100,000	\$ 0	0 Maintains current funding from excess Insurance Division revenue for staffing and direct marketing efforts (travel, face-to-face meetings, and events) specifically targeting existing, new, and start-up businesses in the Advanced Manufacturing, Life Science and Information Solutions clusters. The offer also recommends \$5,909,577 and 41.70 FTE positions from the General Fund.
Community Development Block Grant Division				
Downtown Resource Development/Main Street (269_ECO_008)				
Restoration	120,000	120,000	0	0 Maintains current funding from the Rural Community 2000 Fund. The offer also recommends \$587,666 and 5.75 FTE positions from the General Fund for assistance to communities in growing and revitalizing their downtown cores.
Councils of Governments (COG) Assistance				
Community Development Assistance (269_ECO_009)				
Restoration	\$ 150,000	\$ 150,000	\$ 0	0 Maintains current funding from the Rural Community 2000 Fund.
Vision Iowa-Community Attractions and Tourism				
Business Development and Marketing (269_ECO_001)				
Restoration	\$ 0	\$ 0	\$ 0	0 Maintains current level of 2.25 FTE positions.
Workforce Development Fund				
Job Training for New and Existing Employees (269_ECO_003)				
Restoration	\$ 4,000,000	\$ 4,000,000	\$ 0	0 Maintains current funding level from the Workforce Development Fund Account for financial assistance and staffing for job training programs administered by the DED in cooperation with Iowa's community colleges, Iowa Department of Education and Iowa business and industry.
New	0.00	0.00	0.00	An increase of 4.00 FTE positions.

**Non-General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Bioscience Alliance				
Bioscience Alliance (269_ECO_011)				
New	\$ 0	\$ 2,800,000	\$ 2,800,000	<p>An increase in funding from the Federal Economic Stimulus and Jobs Holding Fund to follow the recommendations of the Battelle Plan. The first step of the Plan was the creation of the Biosciences Alliance of Iowa. The Alliance has been formed to steer the development of the emerging biosciences industry. The Alliance has representation from the Iowa Capital Investment Corporation (ICIC), the Iowa Capital Investment Board (ICIB), the University of Northern Iowa, Iowa State University, the University of Iowa, private colleges and universities, community colleges, commodity groups, farm organizations, private and investor owned utilities, business associations, local economic development professionals, venture capital firms, community colleges, and the Board of Regents. The offer also recommends \$2,309,252 and 7.00 FTE positions from the General Fund.</p> <p>The Alliance is responsible for presenting funding proposals to the Board of Directors of the DED that will support four strategic areas as recommended by Battelle. The Alliance has developed a review system for use of funds that relies on the cooperation and coordination of multiple players from the public and private sectors. A total five-year request of \$80,000,000 is estimated to be needed to implement the four strategic areas.</p>
DED Programs-Grow Iowa Values Fund				
GIVF (269_ECO_010)				
Restoration	\$ 35,000,000	\$ 35,000,000	\$ 0	Maintains current funding from the Grow Iowa Values Fund for business assistance and marketing.
Regents Institutions-Grow Iowa Values Fund				
GIVF (269_ECO_010)				
Restoration	\$ 5,000,000	\$ 5,000,000	\$ 0	Maintains current funding from the Grow Iowa Values Fund for Board of Regents projects related to economic development.
State Parks-Grow Iowa Values Fund				
GIVF (269_ECO_010)				
Restoration	\$ 1,000,000	\$ 1,000,000	\$ 0	Maintains current funding from the Grow Iowa Values Fund for state parks.
Cultural Trust Fund-Grow Iowa Values Fund				
GIVF (269_ECO_010)				
Restoration	\$ 1,000,000	\$ 1,000,000	\$ 0	Maintains current funding from the Grow Iowa Values Fund for the Cultural Trust Fund.

**Non-General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Workforce Training and Economic Development Funds- Grow Iowa Values Fund				
GIVF (269_ECO_010)				
Restoration	\$ 7,000,000	\$ 7,000,000	\$ 0	Maintains current funding from the Grow Iowa Values Fund for community college job training.
Regional Financial Assistance-Grow Iowa Values Fund				
GIVF (269_ECO_010)				
Restoration	\$ 1,000,000	\$ 1,000,000	\$ 0	Maintains current funding from the Grow Iowa Values Fund for regional economic development assistance.
DED Brownfield's				
Business Financial Assistance (269_ECO_002)				
Restoration	\$ 500,000	\$ 500,000	\$ 0	Maintains current funding from the Environment First Fund for financial and technical assistance for Iowa's communities and business prospects.
Total New Requests		<u>\$ 2,800,000</u>	<u>\$ 2,800,000</u>	
Total New FTE Positions		<u>4.00</u>	<u>4.00</u>	
Total Department of Economic Development	<u>\$ 54,870,000</u>	<u>\$ 57,670,000</u>	<u>\$ 2,800,000</u>	
Total FTE Positions	<u>2.25</u>	<u>6.25</u>	<u>4.00</u>	Total of 12.50 new FTE positions, including General Fund.

Department of Workforce Development

Iowa Workforce Development (IWD) - Operations				
Expanding Iowa's Productive Workforce-Health, Safety and Economic Wellbeing (309_ECO_001)				
Restoration	\$ 661,000	\$ 661,000	\$ 0	Maintains current funding level including \$471,000 from the Employment Security Contingency Fund to the Workers' Compensation Division and an estimated \$190,000 from workers' compensation filing fees. The offer also recommends \$5,939,800 and 87.90 FTE positions, including an unspecified increase of 1.45 FTE positions, to enhance the health, safety and economic wellbeing of Iowa's workforce through consultation, enforcement and adjudication of State regulations, specifically, regulations relating to workers' compensation laws and occupational safety and health regulations.

**Non-General Fund
FY 2007 Governor's Recommendations
Economic Development Appropriations Subcommittee**

Iowa Finance Authority (IFA)	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Senior Living Trust Fund (SLTF)-Rent Subsidy Program				
Home and Community Based Services Rent Subsidy Program (270_HHS_005)				
Restoration	\$ 700,000	\$ 700,000	\$ 0	Maintains current funding level from the SLTF for the Home and Community Based Services Rent Subsidy Program. This Program provides temporary rent assistance for people that receive medically-necessary services through any of the six Medicaid 1915(c) waivers and are at risk for placement in a nursing facility. This Program provides rent assistance until the client becomes eligible for a Housing and Urban Development (HUD) housing choice voucher or any other type of public or private rent subsidy.
Grand Totals				
Total Restoration	\$ 56,231,000	\$ 56,231,000	\$ 0	
Total New Requests	<u>0.00</u>	<u>2,800,000</u>	<u>2,800,000</u>	
Total Economic Development Approp. Subcomm.	<u>\$ 56,231,000</u>	<u>\$ 59,031,000</u>	<u>\$ 2,800,000</u>	
Total Restored FTEs	2.25	2.25	0.00	
Total New FTE Positions	<u>0.00</u>	<u>4.00</u>	<u>4.00</u>	
Total FTEs	<u>2.25</u>	<u>6.25</u>	<u>4.00</u>	Total of 14.70 new FTE positions including General Fund.

* The FTE numbers on this spreadsheet may not include all non-appropriated FTE positions.

SUBCOMMITTEE BUDGET ISSUES

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

- ▶ **Strategic Investment Fund and the Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP)** – The two Programs did not receive an appropriation for FY 2005 or FY 2006. The Strategic Investment Fund is comprised of the Community and Economic Betterment Account (CEBA), the Targeted Small Business Financial Assistance Program, the Entrepreneurs with Disabilities Program, and the Entrepreneurial Ventures Assistance Program. Remaining sources of revenue for the Strategic Investment Fund and VAAPFAP are loan repayments and interest. The Subcommittee may wish to examine the programs and activities funded through the Strategic Investment Fund and VAAPFAP and the future of those programs and activities.
- ▶ **Battelle Reports** – An article from Time Magazine entitled, “Visions of the 21st Century – Our Work, Our World,” argues that the country has moved from the industrial economy, into the information economy, and is now moving into a new economy called the bioeconomy. The Department of Economic Development (DED) paid the Battelle Memorial Institute \$466,000 to conduct a study to determine Iowa’s core bioscience competencies and to produce a formal strategy and roadmap to drive bioscience growth in the State. The report provides several recommendations to strengthen Iowa’s bioscience industry. In total, the recommendations call for an investment of approximately \$301.5 million over a 10-year period. The report recommends the State issue bonds for \$169.7 million and provide General Fund support in the amount of \$131.8 million over 10 years. In doing so, according to Battelle’s projections, the State will leverage \$1.5 billion in federal, private, and other funding sources. Battelle projects that the total funding will result in an increase of 16,000 jobs over 10 years, with total sales in year 10 of approximately \$1.4 billion. The DED is requesting a \$16.4 million appropriation from the General Fund for FY 2007 for the Bioscience Alliance. The Alliance has been formed to steer the development of the emerging biosciences industry. The Alliance has representation from the Iowa Capital Investment Corporation (ICIC), the Iowa Capital Investment Board (ICIB), the University of Northern Iowa, Iowa State University, the University of Iowa, private colleges and universities, community colleges, commodity groups, farm organizations, private and investor owned utilities, business associations, local economic development professionals, venture capital firms, community colleges, and the Board of Regents. **The Governor is recommending \$2.3 million from the General Fund and \$2.8 million from the Federal Economic Stimulus and Jobs Fund for the Bioscience Alliance, \$10.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) and \$10.0 million from the Endowment for Iowa’s Health Fund to the Board of Regents to support the biosciences and the commercialization of research, and \$250,000 from the General Fund to the Department of Economic Development for the Lean Manufacturing Institute. The Governor’s total recommendations for Battelle recommendations are \$25.4 million.**



- ▶ **Community Attraction and Tourism (CAT) Program** – In the past, the CAT Program received an annual appropriation of \$12.5 million from the Restricted Capital Fund of the Tobacco Settlement Trust Fund for infrastructure projects to enhance tourism. The last Restricted Capital Fund appropriation was for FY 2004. Senate File 2298 (FY 2005 Omnibus Appropriations Act) extended the CAT Program through FY 2010. For FY 2005 through FY 2010, the CAT Program will receive an annual appropriation of \$12.0 million. For FY 2005, the funding source was the Rebuild Iowa Infrastructure Fund (RIIF). For FY 2006 through FY 2010, the funding sources will be RIIF (\$5.0 million) and a General Fund allocation from franchise tax revenue (\$7.0 million). The Board has made awards totaling \$66.0 million. ***The Governor is recommending the full \$12.0 million from the RIIF.***
- ▶ **Administrative Contribution Surcharge** – In prior years, 55 rural and satellite Workforce Development field offices were funded by the Administrative Contribution Surcharge that was paid by Iowa employers, based upon unemployment compensation rates. The surcharge, originally scheduled to sunset on July 1, 2003, was extended to July 1, 2006, through the enactment of HF 692 (Taxation Changes, Grow Iowa Values and Regulatory Reform Act). Since HF 692 was invalidated by the Iowa Supreme Court, the original sunset date of July 1, 2003, became law. Senate File 2311 (Economic Stimulus Appropriations Act) provided a General Fund appropriation of \$6.5 million for FY 2005 and FY 2006, and a General Fund appropriation of \$3.3 million for FY 2007. As specified in statute, Administrative Contribution Surcharge collections were extended through the end of calendar year 2003. Surcharges collected after December 31, 2003, were set aside in escrow and refunded to businesses. If the appropriation is reduced by 50.0% for FY 2007, the Department intends to request an appropriation from the interest earnings on the Unemployment Compensation Reserve Fund.

The Department received a General Fund appropriation of \$6.9 million for FY 2006 that includes salary adjustment distribution of \$332,000. The Department's FY 2007 request is to continue the \$6.9 million appropriation from the General Fund. The Department estimates that federal support will decrease by approximately \$232,000 in FY 2007 compared to FY 2006. ***The Governor is recommending a \$6.9 million General Fund Appropriation for FY 2007.***



ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed one **Issue Review** relating to the Economic Development Appropriations Subcommittee during the 2005 Interim that is available on the LSA web site:

- [Iowa Finance Authority](#)

Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA Web site. Presentations relating to the Economic Development Appropriations Subcommittee include:

- [Community Economic Betterment Account \(CEBA\) Program](#)
- [Economic Development Subcommittee](#)
- [The Strategic Investment Fund](#)
- [Vision Iowa Program](#)

Copies of the **Topic Presentations** are available from the LSA.

Staff Contact: Ron Robinson (281-6256) ron.robinson@legis.state.ia.us

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EDUCATION APPROPRIATIONS SUBCOMMITTEE MEMBERS

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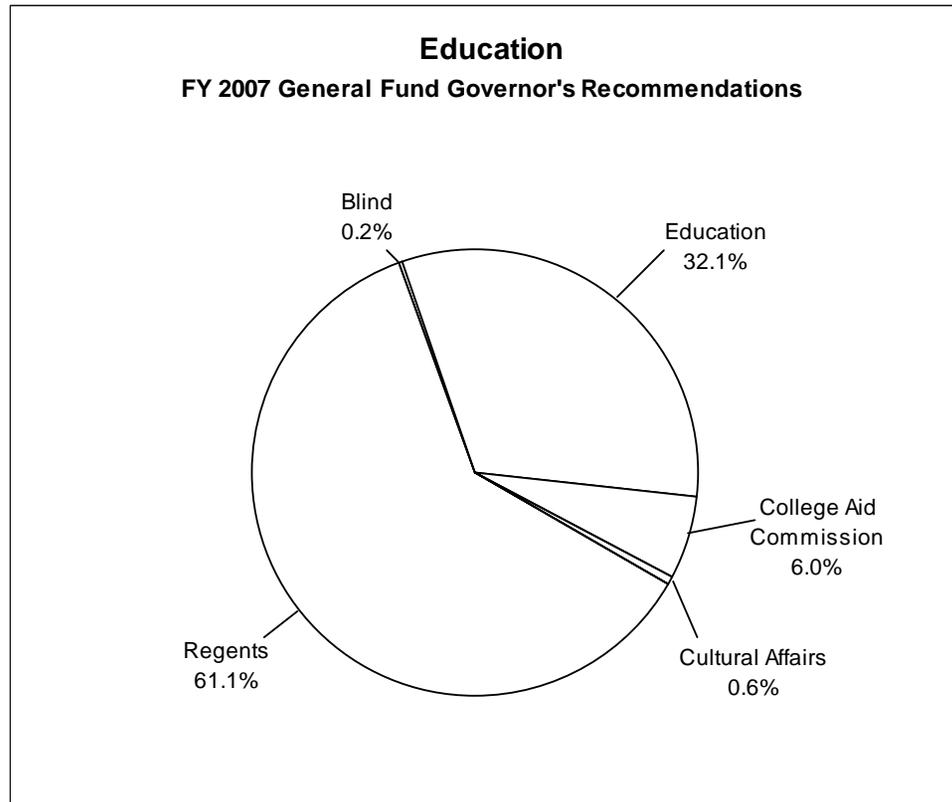
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EDUCATION APPROPRIATIONS SUBCOMMITTEE



The pie chart above does not include the standing appropriations for K-12.

Education
FY 2007 General Fund Governor's Recommendations

Blind	\$ 1,954,105
College Aid Commission	61,279,380
Cultural Affairs	6,280,477
Education	326,498,105
Regents	622,253,938
	\$ 1,018,266,005

The following spreadsheet lists the FY 2007 Governor's recommendations by budget offer, which includes the FY 2006 restoration amount and the new FY 2007 Governor's recommendations. The restoration amount is 100.0% of the FY 2006 appropriation, including salary adjustment. Elected officials (with the exception of the Governor's Office) and the Judicial Branch are not participants in the offer process.

Appropriation Name	Budget Offer Name and Number: In this example, three separate budget offers comprise one appropriation. Within each budget offer is the restored amount, new amount, and total offer amount for the appropriation. Some budget offers do not contain restoration money.					
Department of Education						
Iowa Public Television						
Public Service Media (285_EDU_001)						
Restoration	\$ 6,388,225	\$ 6,388,225	\$ 0			Maintains the current level of funding and 66.00 FTE positions.
Lifelong Learning Media (285_EDU_002)						
Restoration	\$ 1,207,888	\$ 1,207,888	\$ 0			Maintains the current level of funding and 20.00 FTE positions.
New	\$ 0	\$ 370,631	\$ 370,631			An increase to launch digital multicasting with three distinct genres: 1) Programming for preschool and school-aged children; 2) How-to and lifestyle programming; and 3) Formal adult instructional programming, including college credit, GED, and foreign language courses. Includes 2.00 FTE positions.
School Readiness and Children's Health Awareness (285_EDU_004)						
New	0	0	0			An increase of 1.25 FTE positions for coordination of the Ready to Learn effort. The funding for these positions is included in the Governor's recommendation for Community Empowerment.
Total New Recommendations		\$ 370,631	\$ 370,631			
Total New FTE Positions		3.25	3.25			
Total Iowa Public Television	\$ 7,596,113	\$ 7,966,744	\$ 370,631			
Total FTE Positions	86.00	89.25	3.25			
EXAMPLE	Total Estimated FY 2006 Appropriation with Salary Adjustment	Total FY 2007 Governor's Recommendations	Total FY 2007 Governor's Rec. vs. Est. FY 2006			

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department for the Blind				
Department for the Blind				
Blind General Operations (131_EDU_001)				
Restoration	\$ 1,954,105	\$ 1,954,105	\$ 0	Maintains current level of funding and 104.50 FTE positions for operations.
College Student Aid Commission				
Scholarship and Grant Administration				
College Student Aid Commission Administration (284_EDU_011)				
Restoration	\$ 364,640	\$ 364,640	\$ 0	Maintains current level of funding and 4.30 FTE positions.
Iowa Grants				
Iowa Grants (284_EDU_005)				
Restoration	\$ 1,029,784	\$ 1,029,784	\$ 0	Maintains current level of funding. The current funding level provides average grants of \$675 to an estimated 1,525 students. Maximum award is \$1,000. Grants are for students in all three high education sectors: community colleges; Regents universities; and, independent colleges and universities.
Des Moines University - Osteopathic Loans				
Osteopathic Forgivable Loan Program (284_EDU_008)				
Restoration	\$ 50,000	\$ 50,000	\$ 0	Maintains current level of funding. The State appropriation is matched by institutional funds provided by Des Moines University and proceeds from loan repayments to provide average loans of \$2,750.
Des Moines University - Physician Recruitment				
Physician Recruitment Program (284_EDU_009)				
Restoration	\$ 346,451	\$ 346,451	\$ 0	Maintains current level of funding. The State funding is matched by community funds to provide assistance up to \$40,000 per recipient for physician graduates that locate in designated rural areas.

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
National Guard Benefits Program				
Iowa National Guard Educational Assistance Program (284_EDU_004)				
Restoration	\$ 3,725,000	\$ 3,725,000	\$ 0	Maintains current level of funding. The current funding level provides average awards of \$3,104 to an estimated 1,200 students. Maximum award is limited to cost of attendance at Board of Regents universities.
New	0	75,000	75,000	An increase to provide larger average awards. The recommended funding level will provide average awards of \$3,167 to 1,200 students. This is an increase of \$63 in the average award.
Total National Guard Benefits Program	\$ 3,725,000	\$ 3,800,000	\$ 75,000	
Teacher Shortage Forgivable Loan Program				
Teacher Shortage Forgivable Loans (284_EDU_007)				
Restoration	\$ 285,000	\$ 285,000	\$ 0	Maintains current level of funding. The State funding is expected to be supplemented with \$981,169 of federal funds for total FY 2007 funding of \$1,266,169. This level of funding provides average awards of \$3,000 for 422 students.
Washington DC Internships				
Internships for Iowans in Washington DC (284_EDU_010)				
New	\$ 0	\$ 76,400	\$ 76,400	An increase to provide 64 scholarships of \$1,200 each for Iowa students studying in Washington DC. Internships are coordinated by the Washington Center for Internships and Academic Seminars. During the 2004-2005 academic year, 64 Iowa students from six colleges and universities attended one-semester, college-credit internship programs.
College Work Study				
Iowa Work-Study Opportunities (284_EDU_002)				
Restoration	\$ 140,000	\$ 140,000	\$ 0	Maintains current level of funding. The current funding level provides average awards of \$636 to an estimated 220 students.
Tuition Grant Program - Standing				
Iowa Tuition Grant (284_EDU_001)				
Restoration	\$ 49,673,575	\$ 49,673,575	\$ 0	Maintains current level of funding. The current funding level provides average grants of \$3,085 to an estimated 16,100 students. Maximum grant is \$4,000.
New	0	2,980,415	2,980,415	An increase to provide larger average grants to more students. The requested funding will provide average grants of \$3,172 to 16,600 students. This is an increase of \$87 in the average grant and an increase of 500 in the number of recipients. Maximum grant would remain at \$4,000.
Total Tuition Grant Program - Standing	\$ 49,673,575	\$ 52,653,990	\$ 2,980,415	

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Vocational Technical Tuition Grant				
Iowa Vocational-Technical Tuition Grant (284_EDU_003)				
Restoration	\$ 2,533,115	\$ 2,533,115	\$ 0	Maintains current level of funding. The current funding level provides average grants of \$700 to an estimated 3,618 students. Maximum grant is \$1,200.
Total College Student Aid Commission	\$ 58,147,565	\$ 61,279,380	\$ 3,131,815	
Total FTE Positions	4.30	4.30	0.00	
Department of Cultural Affairs				
Administration				
Connecting Generations - State Historical Society of Iowa (259_EDU_001)				
Restoration	\$ 240,195	\$ 240,195	\$ 0	Maintains current level of funding and 2.10 FTE positions.
Cultural Grants				
Iowa Art = Iowa Growth (259_EDU_002)				
Restoration	\$ 299,240	\$ 299,240	\$ 0	Maintains the current level of funding.
Historical Society				
Connecting Generations - State Historical Society of Iowa (259_EDU_001)				
Restoration	\$ 3,239,269	\$ 3,239,269	\$ 0	Maintains the current level of funding and 57.09 FTE positions.
New	0	185,768	185,768	An increase in funding for the State Archives and Records Program.
Total Historical Society	\$ 3,239,269	\$ 3,425,037	\$ 185,768	
Total FTE Positions	57.09	57.09	0.00	
Historic Sites				
Connecting Generations - State Historical Society of Iowa (259_EDU_001)				
Restoration	\$ 534,676	\$ 534,676	\$ 0	Maintains the current level of funding and 8.25 FTE positions.
Arts Council				
Iowa Art = Iowa Growth (259_EDU_002)				
Restoration	\$ 1,181,329	\$ 1,181,329	\$ 0	Maintains the current level of funding and 10.01 FTE positions.
Governors' Papers				
Connecting Generations - State Historical Society of Iowa (259_EDU_001)				
Restoration	\$ 75,000	\$ 75,000	\$ 0	Maintains the current level of funding and 1.00 FTE position for archiving the papers of former Governors.

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Music Grants				
Iowa Art = Iowa Growth (259_EDU_002)				
Restoration	\$ 25,000	\$ 25,000	\$ 0	Maintains the current level of funding.
Great Places				
Iowa Great Places (259_ECO_001)				
Restoration	\$ 200,000	\$ 200,000	\$ 0	Maintains the current level of funding and 1.70 FTE positions.
New	0	300,000	300,000	An increase to fund learning opportunities for applicant communities to develop needed skills.
Total Great Places	\$ 200,000	\$ 500,000	\$ 300,000	
Total FTE Positions	1.70	1.70	0.00	
Total Department of Cultural Affairs	\$ 5,794,709	\$ 6,280,477	\$ 485,768	
Total FTE Positions	80.15	80.15	0.00	

Department of Education

Administration				
Department of Education Administration (282_EDU_005)				
Restoration	\$ 5,418,607	\$ 5,418,607	\$ 0	Maintains the current level of funding.
New	0	343,540	343,540	An increase for 4.00 FTE positions for school regulation, so that one person is assigned to each Area Education Agency (AEA).
Total Administration	\$ 5,418,607	\$ 5,762,147	\$ 343,540	
Total FTE Positions	71.37	75.37	4.00	
Board of Educational Examiners				
Total FTE Positions	13.00	13.00	0.00	Maintains 13.00 FTE positions funded by licensure fee revenue.
Vocational Education Administration				
Department of Education Administration (282_EDU_005)				
Restoration	\$ 530,429	\$ 530,429	\$ 0	Maintains the current level of funding and 13.50 FTE positions.
Vocational Rehabilitation				
Vocational Rehabilitation Services that Lead to Employment (283_EDU_001)				
Restoration	\$ 4,779,655	\$ 4,779,655	\$ 0	Maintains the current level of funding and 273.50 FTE positions.
Independent Living				
Independent Living Services for Iowans with Disabilities (283_EDU_002)				
Restoration	\$ 54,421	\$ 54,421	\$ 0	Maintains the current level of funding and 1.00 FTE position.

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
State Library				
State Library of Iowa: Sustaining a State of Learners (282_EDU_014)				
Restoration	\$ 1,420,694	\$ 1,420,694	\$ 0	Maintains the current level of funding and 18.00 FTE positions.
New	0	200,000	200,000	An increase to fund additional library books and journals.
Total State Library	\$ 1,420,694	\$ 1,620,694	\$ 200,000	
Total FTE Positions	18.00	18.00	0.00	
Library Service Areas				
Library Services Areas: Making Libraries Better for Iowans (282_EDU_013)				
Restoration	\$ 1,376,558	\$ 1,376,558	\$ 0	Maintains the current level of funding.
Iowa Public Television				
Public Service Media (285_EDU_001)				
Restoration	\$ 6,372,175	\$ 6,372,175	\$ 0	Maintains the current level of funding and 66.00 FTE positions.
Lifelong Learning Media (285_EDU_002)				
Restoration	\$ 1,223,938	\$ 1,223,938	\$ 0	Maintains the current level of funding and 20.00 FTE positions.
New	0	370,631	370,631	An increase to launch digital multicasting with three distinct genres: 1) Programming for preschool and school-aged children; 2) How-to and lifestyle programming; and 3) Formal adult instructional programming, including college credit, GED, and foreign language courses. Includes 2.00 FTE positions.
School Readiness and Children's Health Awareness (285_EDU_004)				
New	0	0	0	An increase of 1.25 FTE positions for coordination of the Ready to Learn effort. The funding for these positions is included in the Governor's recommendation for Community Empowerment,
Total New Recommendations		\$ 370,631	\$ 370,631	
Total New FTE Positions		3.25	3.25	
Total Iowa Public Television	\$ 7,596,113	\$ 7,966,744	\$ 370,631	
Total FTE Positions	86.00	89.25	3.25	
Regional Telecommunications Councils (RTCs)				
Regional Telecommunications Councils (285_EDU_003)				
Restoration	\$ 1,240,478	\$ 1,240,478	\$ 0	Maintains the current level of funding.

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Voluntary Preschool Access				
Voluntary Access to Quality Preschool for All 4-Year-Olds (282_EDU_002)				
New	\$ 0	\$ 15,000,000	\$ 15,000,000	New funding and 2.00 FTE positions to provide \$15.0 million in direct categorical grants to selected local school districts that have initiated a 4-year-old preschool program. It is estimated the grants will serve 4,800 children in FY 2007. Additional funding will be sought in subsequent years to reach a goal of 90.00% of 4-year-olds participating in preschool by FY 2010. The cost in FY 2010 and subsequent years is estimated to be \$75.0 million, funded primarily through the State's school aid formula.
High School Reform				
High School Reform (282_EDU_003)				
New	\$ 0	\$ 270,000	\$ 270,000	New funding and 3.00 FTE positions to provide training and technical assistance in the implementation of the model core curriculum as required by SF 245 (Model Core Curriculum Act).
Enrich Iowa Libraries				
Libraries Enrich Iowa (282_EDU_012)				
Restoration	\$ 1,698,432	\$ 1,698,432	\$ 0	Maintains the current level of funding.
New	0	1,215,000	1,215,000	An increase to fund a higher reimbursement rate to local libraries under the Open Access Program. The current rate per transaction will increase from the current \$0.32 to \$0.40. The increase includes \$900,000 that was appropriated from the Rebuild Iowa Infrastructure Fund (RIIF) in FY 2006.
Total Enrich Iowa Libraries	\$ 1,698,432	\$ 2,913,432	\$ 1,215,000	
Vocational Education Secondary				
Vocational Education Secondary (282_EDU_011)				
Restoration	\$ 2,936,904	\$ 2,936,904	\$ 0	Maintains the current level of funding.
School Food Service				
Child Nutrition Programs (282_EDU_007)				
Restoration	\$ 2,509,683	\$ 2,509,683	\$ 0	Maintains the current level of funding and 17.43 FTE positions.

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Community Empowerment - School Ready Grants				
Comprehensive Early Care, Health, and Education System (532_EDU_001)				
Restoration	\$ 23,781,594	\$ 23,781,594	\$ 0	Maintains the current level of General Fund support.
New	0	-1,000,000	-1,000,000	A decrease to transfer professional development funds to the Department of Human Services to better coordinate with the Quality Rating System efforts.
New	0	300,000	300,000	An increase of \$200,000 to fund 0.50 FTE position in each of the four departments involved in the State Empowerment Team and \$100,000 to fund 1.25 FTE positions for coordination of the IPTV Ready to Learn effort.
New	0	75,000	75,000	An increase for evaluation and coordination of home visitation/parent support programs to identify areas of overlap, redundancy, and fragmentation.
Total New Recommendations		\$ -625,000	\$ -625,000	
Total New FTE Positions		0.50	0.50	
Total Community Empowerment - School Ready Grants	\$ 23,781,594	\$ 23,156,594	\$ -625,000	
Total FTE Positions	0.00	0.50	0.50	
Nonpublic School Textbooks				
State Aid to Nonpublic Schools (282_EDU_008)				
Restoration	\$ 614,058	\$ 614,058	\$ 0	Maintains the current level of funding. In FY 2006, this level of funding resulted in an allocation of approximately \$16 per student.
New	0	10,000	10,000	An increase to fund a greater allocation per student.
Total Nonpublic School Textbooks	\$ 614,058	\$ 624,058	\$ 10,000	

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Student Achievement and Teacher Quality				
Educator Quality (282_EDU_001)				
Restoration	\$ 69,593,894	\$ 69,593,894	\$ 0	Maintains the current level of funding.
New	0	14,424,991	14,424,991	An increase to fund an across-the-board teacher salary increase.
New	0	10,080,009	10,080,009	An increase to raise the minimum salaries for beginning and career teachers by \$1,000 and to add one professional development day.
New	0	4,680,000	4,680,000	An increase in funding and 2.00 FTE positions to establish a Teachers as Trainers Program, providing stipends to approximately 270 teachers who participate in academies focusing on teaching strategies in reading, mathematics, and science.
New	0	115,000	115,000	An increase for career development, evaluator approval, and content networks.
New	0	250,000	250,000	An increase to establish a National Board Certification Support Program.
New	0	200,000	200,000	An increase for the Beginning Teacher Mentoring and Induction Program.
New	0	250,000	250,000	An increase to establish a mentoring and induction program for new school administrators.
Total New Recommendations		\$ 30,000,000	\$ 30,000,000	
Total New FTE Positions		2.00	2.00	
Total Student Achievement and Teacher Quality	\$ 69,593,894	\$ 99,593,894	\$ 30,000,000	
Total FTE Positions	0.00	2.00	2.00	
Jobs for America's Graduates (JAG)				
Iowa Jobs for America's Graduates (282_EDU_006)				
Restoration	\$ 400,000	\$ 400,000	\$ 0	Maintains the current level of funding.
New	0	200,000	200,000	An increase to expand the JAG Program to four additional sites and to serve an additional 132 students in grades 9-12. The Program currently serves 1,100 students in grades 11-12.
Total Jobs for America's Graduates	\$ 400,000	\$ 600,000	\$ 200,000	
Community College General Aid				
Community Colleges State General Aid (285_EDU_010)				
Restoration	\$ 149,579,244	\$ 149,579,244	\$ 0	Maintains the current level of funding.
New	0	5,983,170	5,983,170	An increase to fund 4.00% growth over the FY 2006 appropriation.
Total Community College General Aid	\$ 149,579,244	\$ 155,562,414	\$ 5,983,170	
Total Department of Education	\$ 273,530,764	\$ 326,498,105	\$ 52,967,341	
Total FTE Positions	493.80	508.55	14.75	

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Board of Regents				
Board of Regents Universities				
Board of Regents Universities (615_EDU_001)				
Restoration	\$ 552,102,930	\$ 552,102,930	\$ 0	Maintains current level of funding and 11,166.40 FTE positions
New	0	20,000,000	20,000,000	An increase for the second-year funding of the Board's four-year transformation plan. For FY 2006, the Board implemented a four-year plan to transform the institutions and increase education excellence by increasing overall university resources for strategic needs. New funds will be matched by specifically directed internal reallocations. Funds will be used to increase salaries, establish new faculty positions, and preserve excellence in statewide outreach services. Includes 239.00 FTE positions.
New	0	9,050,000	9,050,000	An increase to restore one-time funds received in FY 2006. These include \$2,800,000 of FY 2005 reversions that were allowed to carryover and \$6,250,000 from the Rebuild Iowa Infrastructure Fund (RIIF) for maintenance.
New	0	250,000	250,000	An increase to establish a new Center of Governing Excellence. The Center will utilize all three Regents universities in a public/private partnership. The purpose of the Center is to continue State and local government reform initiated by the Governor and Lt. Governor; enhance accountability, effectiveness, and efficiency of State and local government; and study governing models, and design and analyze policy issues for the Innovations Commission.
Board of Regents Universities (615_EDU_001), cont'd.				
New	0	649,660	649,660	An increase for Tuition Replacement. Tuition Replacement funds are used to pay debt service on Academic Revenue Bonds. The universities use these bonds for building projects. This increase replaces funding that was appropriated from tobacco funds in FY 2006. Total FY 2006 funding for Tuition Replacement was \$24,305,412 with \$13,975,431 appropriated from the General Fund and \$10,329,981 funded from tobacco funds. The Governor is recommending total FY 2007 funding for Tuition Replacement of \$24,305,412 with \$14,625,091 from the General Fund and \$9,680,321 from the Rebuild Iowa Infrastructure Fund (RIIF). This is no change in the level of funding but a change in the source of funds.
Total New Recommendations		\$ 29,949,660	\$ 29,949,660	
Total New FTE Positions		239.00	239.00	
Total Board of Regents Universities	\$ 552,102,930	\$ 582,052,590	\$ 29,949,660	
Total FTE Positions	11,166.40	11,405.40	239.00	

**General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Board of Regents Special Schools				
Board of Regents Special Schools (615_EDU_002)				
Restoration	\$ 13,755,786	\$ 13,755,786	\$ 0	Maintains current level of funding and 207.60 FTE positions.
New	0	550,000	550,000	An increase for increased costs associated with special instruction. These include: salaries; safe, suitable, and accessible facilities for special needs students; boarding costs; and, support services. Includes 7.71 FTE positions.
Total New Recommendations		\$ 550,000	\$ 550,000	
Total New FTE Positions		7.71	7.71	
Total Board of Regents Special Schools	\$ 13,755,786	\$ 14,305,786	\$ 550,000	
Total FTE Positions	207.60	215.31	7.71	
Board of Regents Special Purpose				
Board of Regents Special Purpose (615_EDU_004)				
Restoration	\$ 25,895,562	\$ 25,895,562	\$ 0	Maintains current level of funding for 18 various budget line items and 809.77 FTE positions. This is an unspecified reduction of 9.89 FTE positions.
Total Board of Regents	\$ 591,754,278	\$ 622,253,938	\$ 30,499,660	
Total FTE Positions	12,193.66	12,430.48	236.82	The FTE totals reflect an increase of 239.00 FTE positions for Regents Universities, a decrease of 9.89 FTE positions for Regents Special Purpose, and an increase of 7.71 FTE positions for Regents Special School.
Grand Totals				
Total Restoration	\$ 931,181,421	\$ 931,181,421	\$ 0	
Total New Recommendations	0	87,084,584	87,084,584	
Total Education Appropriations Subcommittee	\$ 931,181,421	\$ 1,018,266,005	\$ 87,084,584	
Total Restored FTEs	12,876.41	12,876.41	0.00	
Total New FTE Positions	0.00	262.46	262.46	
Total FTEs	12,876.41	13,138.87	262.46	

* The FTE numbers in this spreadsheet may not include all non-appropriated FTE positions.

**Non-General Fund
FY 2007 Governor's Recommendations
Education Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Department for the Blind				
Department for the Blind				
 Newline for the Blind				
Restoration	130,000	0	-130,000	Eliminates funding for the newline service that was appropriated in FY 2005 and FY 2006 from the Healthy Iowans Tobacco Trust.
Department of Education				
Community Empowerment - School Ready Grants				
 Comprehensive Early Care, Health, and Education System (532_EDU_001)				
Restoration	\$ 2,153,250	\$ 2,153,250	\$ 0	Maintains the current level of funding from the General Fund and the Healthy Iowans Tobacco Trust Fund. The Governor also recommends \$23,156,594 from the General Fund.
Grand Totals				
Total Restoration	\$ 2,283,250	\$ 2,153,250	-130,000	
Total New Requests	0	0	0	
Total Education Appropriations Subcommittee	<u>\$ 2,283,250</u>	<u>\$ 2,153,250</u>	<u>\$ -130,000</u>	

SUBCOMMITTEE BUDGET ISSUES

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

- ▶ **College Student Aid Commission** – Tuition Grant Program Study – The Commission was required to perform a study to determine any changes necessary to the Program to protect students. The Study is expected to be completed by January 15, 2006. Recommendations of the study are expected to assist the General Assembly in determining what changes, if any, should be made to the definition of a qualifying institution in regard to profit versus nonprofit educational institutions.

- ▶ **Department of Education – Vanguard School Grants** – *The Governor is recommending the creation of the Vanguard School Grants Fund that would receive any unexpected revenues the State collects at the end of the fiscal year. The State Board of Education would use the funds to award five-year grants to school districts for innovative proposals in the following areas:*
 - ◆ *Access to Advanced Placement courses and web-based learning opportunities.*
 - ◆ *Assistance to low-performing schools.*
 - ◆ *Recruitment and retention of teachers in shortage areas.*
 - ◆ *Parent liaison programs.*
 - ◆ *Sharing and consolidation of school schedules and calendars.*
 - ◆ *Technology in the classroom.*
 - ◆ *Fine arts courses.*
 - ◆ *Placing certified teacher-librarians in school libraries.*
 - ◆ *Extra learning opportunities.*

- ▶ **Department of Education** – Iowa Vocational Rehabilitation Services (IVRS) – The IVRS received \$23.3 million in federal funding in FFY 2005 but was unable to draw down \$770,000 due to a shortage of \$209,000 in non-federal matching funds. This was the second consecutive year that the IVRS could not match all available federal funds. The Division had previously estimated a 2.0% increase in available federal funding in FFY 2006, which would have required approximately \$6.7 million in non-federal matching funds. The Division had predicted that matching dollars would fall short by \$150,000 to \$300,000, leaving the State unable to draw down between \$550,000 and \$1.1 million.

As of January 6, the Division has increased its estimate of available federal funds in FFY 2006 and is now anticipating a 3.2% increase. A specific estimate for the required non-federal match is not yet available; however, it will be greater than previously estimated. ***The Governor is recommending no increase in funding for the Division in FY 2007.***



As of December 31, 2005, the IVRS has a caseload of 12,811, with 3,417 individuals on two waiting lists.

- ▶ **Department of Education** – Community Colleges – The average annual full-time tuition in FY 2006 among Iowa's community colleges was \$2,916, an increase of \$162 (5.9%) compared to FY 2005. *The Chronicle of Higher Education Almanac Issue 2004-2005* cited the FY 2005 average tuition rate at Iowa's community colleges as 73.0% above the national average. Iowa had the third highest tuition rate when compared to seven surrounding states.

Over the past five years, from FY 2002 through FY 2006, statewide community college revenue from the 20.25 cent general levy increased 4.9%. This is significantly slower growth than occurred over the previous five years, FY 1998 through FY 2002, when statewide revenue from the levy increased 13.2%.

- ▶ **Department of Education – Standing Appropriations**

★ State Foundation Aid – The FY 2007 allowable growth rate was set at 4.0% during the 2005 Legislative Session at an estimated cost of \$2.0 billion. In FY 2005 and FY 2006, funding for the Area Education Agencies (AEAs) was reduced by \$11.8 million, in addition to the statutory \$7.5 million. Without action by the General Assembly, this reduction will be restored in FY 2007. ***The Governor is recommending \$2.0 billion for State Foundation Aid. This is an increase of \$84.3 million and includes funding for 4.0% allowable growth and restoring \$10.0 million of the Area Education Agencies' (AEAs) additional \$11.8 million reduction. The Governor's recommendation continues the \$1.8 million AEA reduction from the FY 2004 across-the-board reduction and the \$7.5 million statutory reduction. For FY***



2008, the Governor is recommending a 4.0% allowable growth rate. At this rate, State Foundation Aid is projected to cost the General Fund \$2,151.9 million in FY 2008, which is an increase of \$103.2 million compared to the estimated FY 2007 State Foundation Aid.

- ✦ Nonpublic Student Transportation – The cost is projected to be \$8.3 million in FY 2007, which is no change compared to Estimated FY 2006. **The Governor is recommending \$8.4 million for Nonpublic Student Transportation which is an increase of \$90,000.**
- ✦ Child Development – The cost continues to be \$11.3 million as in the previous two fiscal years. **The Governor is recommending language to continue funding at the FY 2006 level.**
- ✦ Instructional Support – The State's portion of the additional funding for schools' general operations continues at the statutory \$14.8 million.
- ✦ Teacher Excellence Program – Funding remains at \$55.5 million as in the previous two fiscal years. **The Governor is recommending language to continue funding at the FY 2006 level.**
- ✦ Early Intervention Block Grant – The cost continues to be \$29.3 million as in the previous two fiscal years. **This appropriation is to sunset at the end of FY 2006. The Governor is recommending a five-year extension with FY 2007 funding continuing at the FY 2006 level.**
- ✦ **Voluntary Preschool Access – The Governor is recommending a General Fund appropriation of \$15.0 million for preschool instruction for four-year olds. The instruction would include at least 2.5 hours of early childhood instruction for four days per week. This appropriation would become part of the School Foundation Aid formula beginning in FY 2008 and is projected to cost \$75.0 million when fully implemented in FY 2010.**

- ▶ **Board of Regents – Partnership for Transformation and Excellence –** The Board is requesting new General Fund appropriations of \$40.0 million for FY 2007 for the second year of the four-year Partnership for Transformation and Excellence. Funding at this level will prevent the Board from raising tuition beyond the 4.5% rate of higher education inflation and requires the Regents institutions to match funding increases with 50.0% internal investment through reallocation of funds.

For FY 2006, the Board did not receive new direct General Fund appropriations totaling \$40.0 million. However, the Board did not raise tuition rates after the 2005 Session, because total funds from all sources exceeded the \$40.0 million requested. The Board and the Governor agreed to calculate total new funds at \$40.2 million for FY 2006 as follows:

- \$15.0 million of new General Fund appropriations in HF 816 (FY 2006 Education Appropriations Act) for general operations.

- \$2.8 million of FY 2005 funds authorized for carryover to FY 2006 in HF 882 (FY 2006 Standing Appropriations Act).
- \$6.3 million from the Rebuild Iowa Infrastructure Fund (RIIF) designated for renovations and repairs in HF 875 (FY 2006 Infrastructure Appropriations Act).
- \$6.4 million of funds earmarked for the three Regents universities for economic development initiatives.
- \$4.0 million of cost savings through purchasing efficiencies among State agencies.
- \$5.7 million of federal funds for the University of Iowa Hospitals and Clinics related to the new IowaCare Program (Medicaid).

The Governor is recommending total new General Fund appropriations of \$29.1 million for FY 2007 for the Board of Regents related to the Transformation Plan. This includes \$20.0 million of new funding for the Transformation Plan and \$9.1 million to annualize one-time funds provided in FY 2006 (carryover funds of \$2.8 million and \$6.3 million of infrastructure funding).

- ***Board of Regents – Center of Governing Excellence – The Governor is recommending \$250,000 to establish a new Center of Governing Excellence. The Center will utilize the three Regents universities in a public/private partnership. The purpose of the Center is to continue State and local government reform initiated by the Governor and the Lt. Governor; enhance accountability, effectiveness, and efficiency of State and local government; and study governing models and design and analyze policy issues for the Innovations Commission.***
- ***Department of Commerce – Insurance Division – The Governor is recommending \$30.0 million in tobacco sales tax revenues deposited into the Healthy Iowans Tobacco Trust (HITT) Fund be appropriated for a new Small Business/School District Health Insurance Reinsurance Program to provide assistance with high-cost claims and relief from increasing health insurance premiums.***

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed an **Issue Review** entitled “[Board of Educational Examiners Fee Increase](#)” relating to the Education Appropriations Subcommittee during the 2005 Interim. The **Issue Review** is available on the LSA web site.

Topic Presentations

The LSA maintains and updates **Topic Presentations** on the LSA web site. Presentations relating to the Education Appropriations Subcommittee include:

- [Board of Educational Examiners](#)
- [Community Colleges](#)
- [Educational Excellence Program](#)
- [Iowa's Historic Sites](#)
- [Reading Recovery](#)
- [Enrollments at Higher Education Institutions](#)
- [Plant Science Initiative at Iowa State University](#)
- [Teacher Shortage Forgivable Loans](#)
- [Tuition Grant Program](#)

► [Tuition Policy at the Board of Regents](#)

Copies of the **Topic Presentations** are available from the LSA.

Additional **Issue Reviews** and **Topic Presentations** relating to funding for school districts (school aid) are also available from the LSA.

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**HEALTH AND HUMAN SERVICES APPROPRIATIONS
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Maggie Tinsman, Co-Chairperson
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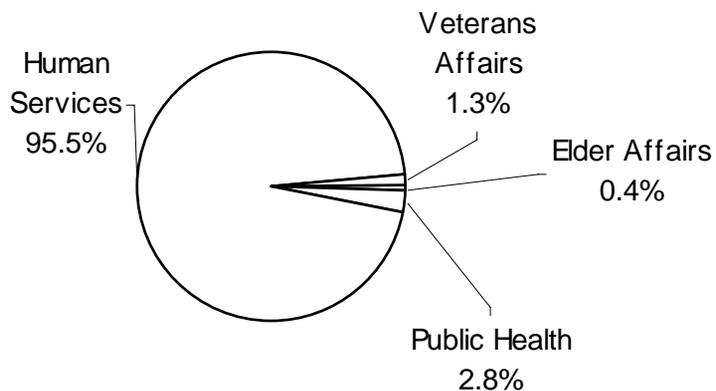
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HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE

**Health and Human Services
FY 2007 General Fund Governor's
Recommendations**



**Health and Human Services
FY 2007 General Fund Governor's Recommendations**

Elder Affairs	\$ 5,653,477
Public Health	30,549,523
Human Services	1,058,703,419
Veterans Affairs	13,901,615
	<u>\$ 1,108,808,034</u>

The following spreadsheet lists the FY 2007 Governor's recommendations by budget offer, which includes the FY 2006 restoration amount and the new FY 2007 Governor's recommendations. The restoration amount is 100.0% of the FY 2006 appropriation, including salary adjustment. Elected officials (with the exception of the Governor's Office) and the Judicial Branch are not participants in the offer process.

Appropriation Name		Budget Offer Name and Number: In this example, three separate budget offers comprise one appropriation. Within each budget offer is the restored amount, in one offer a new amount, and the total offer amount for the appropriation. Some budget offers do not contain restoration money.				
Department of Elder Affairs						
Aging Programs						
Elder Abuse Awareness (297_HHS_001)						
Restoration		\$ 345,091	\$ 345,091	\$ 0		Maintains current level of Senior Living Trust Fund (SLTF) support.
Caregivers Retention Project (297_HHS_002)						
Restoration		127,525	127,525	0		Maintains current level of SLTF support.
Winning Compliance (297_HHS_009)						
Restoration		83,773	83,773	0		Maintains current level of SLTF support.
New			62,500	62,500		An increase from the SLTF to implement a compliance strategy for assisted living, adult day care, and elder group homes that rewards providers who have an established history of successful compliance with State standards.
Total Offer		\$ 83,773	\$ 146,273	\$ 62,500		
Total New Recommendations			\$ 62,500	\$ 62,500		
Total New FTE Positions			0.00	0.00		
Total Department of Elder Affairs		\$ 556,389	\$ 618,889	\$ 62,500		
Total FTE Positions		0.00	0.00	0.00		
		Total Estimated FY 2006 Appropriation with Salary Adjustment	Total FY 2007 Governor's Recommendations	Total FY 2007 Governor's Rec. vs. Est. FY 2006		

EXAMPLE

**General Fund
FY 2007 Governor's Recommendations
Health and Human Services Appropriations Subcommittee**

Department of Elder Affairs	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Aging Programs				
Elder Abuse Awareness (297_HHS_001) Restoration	\$ 7,590	\$ 7,590	\$ 0	Maintains current level of General Fund (GF) support.
Caregivers Retention Project (297_HHS_002) Restoration	\$ 2,424	\$ 2,424	\$ 0	Maintains current level of GF support.
National Family Caregivers Support Program (297_HHS_003) Restoration	\$ 32,168	\$ 32,168	\$ 0	Maintains current level of GF support.
Ombudsman/Resident Advocate Committees (297_HHS_004) Restoration	\$ 145,408	\$ 145,408	\$ 0	Maintains current level of GF support.
Substitute Decision Maker (297_HHS_005) Restoration	\$ 1,898	\$ 0	\$ -1,898	A decrease to eliminate funds used for implementation of an Office of Substitute Decision Maker.
Senior Internship Program (297_HHS_006) Restoration	\$ 88,079	\$ 88,079	\$ 0	Maintains current level of GF support.
Healthy Aging (297_HHS_007) Restoration	\$ 240,221	\$ 240,221	\$ 0	Maintains current level of GF support.
Special Projects (297_HHS_008) Restoration	\$ 15,809	\$ 15,809	\$ 0	Maintains current level of GF support.
Winning Compliance (297_HHS_009) Restoration	\$ 1,592	\$ 1,592	\$ 0	Maintains current level of GF support.
Case Management Program for the Frail Elderly (CMPFE) (297_HHS_010)				
Restoration	\$ 1,384,993	\$ 1,384,993	\$ 0	Maintains current level of GF support.
New		3,001,030	3,001,030	An increase from the GF and 1.00 FTE position to leverage federal Medicaid reimbursement for Case Management clients under the Elderly Waiver.
Total Offer	\$ 1,384,993	\$ 4,386,023	3,001,030	

**General Fund
FY 2007 Governor's Recommendations
Health and Human Services Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Home and Community-Based Services and Community Supports (297_HHS_011)				
Restoration	\$ 908,361	\$ 908,361	\$ 0	Maintains current level of GF support.
		\$ -174,198	\$ -174,198	A decrease in GF to transfer Retired Senior Volunteer Program (RSVP) funding to the Commission on Volunteerism.
New				
Total Offer	\$ 908,361	\$ 734,163	\$ -174,198	
Total Department of Elder Affairs	\$ 2,828,543	\$ 5,653,477	\$ 2,824,934	
Total FTE Positions	30.50	31.50	1.00	Increase of 1.00 FTE position.

Department of Public Health

Addictive Disorders

Building Healthy Communities - Addiction Free Iowa (588_HHS_001)

Restoration	\$ 1,761,036	\$ 1,761,036	0	Maintains current level of GF support.
New		4,000,000	\$ 4,000,000	An increase for tobacco prevention and treatment for adult smokers and to improve access to services for under-served populations, including recipients of the new Medicaid cessation benefit.
Total Addictive Disorders	\$ 1,761,036	\$ 5,761,036	\$ 4,000,000	
Total FTE Positions	4.35	5.00	0.65	Increase of 0.65 FTE position.

Adult Wellness

**Building Healthy Communities - Healthy Children and Families
(588_HHS_005)**

Restoration	\$ 304,067	\$ 0	\$ -304,067	A decrease in GF to transfer existing funds for the Maternal Health Program to the Healthy Children and Families appropriation.
Healthy Children and Families				
Building Healthy Communities - Healthy Children and Families (588_HHS_005)				
Restoration	\$ 916,280	\$ 916,280	\$ 0	Maintains current level of GF support.
New		645,917	\$ 645,917	An increase in GF and 0.80 FTE position to transfer existing funds for the Healthy Opportunities for Parents to Experience Success (HOPES) Program from the Injuries appropriation.

**General Fund
FY 2007 Governor's Recommendations
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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
New		304,067	304,067	An increase in GF to transfer existing funds for the Maternal Health Program from the Adult Wellness appropriation.
Total Offer	\$ 916,280	\$ 1,866,264	\$ 949,984	
Comprehensive Early Care, Health, and Education System (532_EDU_001)				
New		\$ 475,000	\$ 475,000	An increase in GF and 2.00 FTE positions for the Access to Baby and Child Dentistry (ABCD) Program.
Total Healthy Children and Families	\$ 916,280	\$ 2,341,264	\$ 1,424,984	
Total FTE Positions	6.80	9.60	2.80	Increase of 2.80 FTE positions.
Chronic Conditions				
Building Healthy Communities - Health Promotion and Chronic Disease Management (588_HHS_007)				
Restoration	\$ 1,279,671	\$ 1,279,671	\$ 0	Maintains current level of GF support.
New		100,000	\$ 100,000	An increase in GF to transfer existing funds for Phenylketonuria (PKU) assistance from a separate appropriation.
New		63,169	\$ 63,169	An increase in GF and 1.00 FTE position to transfer existing funds for the Head Injuries Council from the Injuries appropriation.
Total Chronic Conditions	\$ 1,279,671	\$ 1,442,840	\$ 163,169	
Total FTE Positions	1.35	2.35	1.00	Increase of 1.00 FTE position.
Community Capacity				
Building Healthy Communities - Improving Access and Delivery (588_HHS_009)				
Restoration	\$ 1,354,083	\$ 1,354,083	\$ 0	Maintains current level of GF support.
		64,579	64,579	An increase in GF and 0.65 FTE position to transfer existing funds for the Local Board of Health Environmental Liaison Program from the Public Protection appropriation.
New				
Total Community Capacity	\$ 1,354,083	\$ 1,418,662	\$ 64,579	
Total FTE Positions	10.10	10.75	0.65	Increase of 0.65 FTE position.

**General Fund
FY 2007 Governor's Recommendations
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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Elderly Wellness				
Building Healthy Communities - Healthy Aging and Long-Term Living (588_HHS_011)				
Restoration	\$ 9,233,985	\$ 9,233,985	\$ 0	Maintains current level of GF support.
Environmental Hazards				
Building Healthy Communities - Assuring Iowa's Environmental Health (588_HHS_013)				
Restoration	\$ 353,133	\$ 353,133	\$ 0	Maintains current level of GF support.
New		70,688	70,688	An increase in GF and 0.25 FTE position for the transfer of existing funds for the Environmental Health Program from the Public Protection appropriation.
Total Environmental Hazards	\$ 353,133	\$ 423,821	\$ 70,688	
Total FTE Positions	1.50	1.75	0.25	Increase of 0.25 FTE position.
Infectious Diseases				
Building Healthy Communities - Defeating Infectious Diseases (588_HHS_015)				
Restoration	1,100,230	1,100,230	0	Maintains current level of GF support and FTE positions.
Total FTE Positions	4.75	4.75	0.00	
Injuries				
Building Healthy Communities - Healthy Children and Families (588_HHS_005)				
Restoration	\$ 645,917	\$ 0	\$ -645,917	A decrease in GF and 0.80 FTE position to transfer existing funds for the HOPES Program to the Healthy Children and Families appropriation.
Building Healthy Communities - Health Protection and Regulation (588_HHS_019)				
Restoration	\$ 620,172	\$ 0	\$ -620,172	A decrease in GF to transfer existing funds for the Emergency Medical Services (EMS) Program to the Public Protection appropriation.

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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Building Healthy Communities - Health Promotion and Chronic Disease Management (588_HHS_007)				
Restoration	\$ 63,169	\$ 0	\$ -63,169	A decrease in GF and 1.00 FTE position to transfer existing funds for the Head Injuries Council to the Chronic Conditions appropriation.
Total Injuries	\$ 1,329,258	\$ 0	\$ -1,329,258	
Total FTE Positions	1.80	0.00	-1.80	
Public Protection				
Building Healthy Communities - Health Protection and Regulation (588_HHS_019)				
Restoration	\$ 7,147,106	\$ 7,147,106	\$ 0	Maintains current level of GF support.
New		620,172	620,172	An increase in GF due to the transfer of existing funds for the EMS Program from the Injuries appropriation.
New		99,812	99,812	An increase in GF for DAS fees in the State Medical Examiner's Office.
New		79,442	79,442	An increase in GF due to the transfer of existing funds for the State Medical Examiner's Office from Resource Management.
New		-70,688	-70,688	A decrease in GF and 0.25 FTE position to transfer existing funds for the Environmental Health Program to the Environmental Hazards appropriation.
New		-64,579	-64,579	A decrease in GF and 0.65 FTE position to transfer existing funds for the Local Board of Health Environmental Liaison Program to the Community Capacity appropriation.
Total Public Protection	\$ 7,147,106	\$ 7,811,265	\$ 664,159	
Total FTE Positions	115.00	114.10	-0.90	
Resource Management				
Building Healthy Communities - Health Protection and Regulation (558_HHS_019)				
Restoration	\$ 1,095,862	\$ 1,095,862	\$ 0	Maintains current level of GF support.
New		-79,442	-79,442	A decrease in GF to transfer existing funds for the State Medical Examiner's Office to the Public Protection appropriation.
Total Resource Management	\$ 1,095,862	\$ 1,016,420	\$ -79,442	
Total FTE Positions	3.00	3.00	0.00	

**General Fund
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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
PKU Assistance				
Building Healthy Communities - Health Promotion and Chronic Disease Management (588_HHS_007)				
Restoration	\$ 100,000	\$ 0	\$ -100,000	A decrease to transfer existing GF for PKU assistance to the Chronic Conditions appropriation.
Total PKU Assistance	\$ 100,000	\$ 0	\$ -100,000	
Total Department of Public Health	\$ 25,974,711	\$ 30,549,523	\$ 4,574,812	
Total FTE Positions	148.65	151.30	2.65	Total of 2.65 new FTE positions.

Department of Human Services

Family Investment Program (FIP)/JOBS

Supporting Basic Needs of Low-Income lowans (401_HHS_001)				
Restoration	\$ 40,461,923	\$ 40,461,923	\$ 0	Maintains current level of GF support. A decrease of 0.65 FTE position.
New		577,896	577,896	This increase covers the FY 2007 Child Support Recovery shortfall.
New		1,310,066	1,310,066	An increase to cover the projected increase in Electronic Benefit Transfer (EBT) households.
New		-495,776	-495,776	Reduction in the EBT retailer fee.
Total FIP/JOBS	\$ 40,461,923	\$ 41,854,109	\$ 1,392,186	
Total FTE Positions	16.65	16.00	-0.65	

Child Support Recoveries

Child Support (401_HHS_002)				
Restoration	\$ 8,214,690	\$ 8,214,690	\$ 0	Maintains current level of GF support.
Total FTE Positions	429.00	429.00	0.00	

**General Fund
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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
State Supplementary Assistance				
Supporting Basic Needs of Low-Income Iowans (401_HHS_001)				
Restoration	\$ 19,810,335	\$ 19,810,335	\$ 0	Maintains current level of GF support.
New		-800,000	-800,000	Allow projected carry over from FY 2006 to reduce state need in FY 2007.
Total State Supplementary Assistance	\$ 19,810,335	\$ 19,010,335	\$ -800,000	
State Children's Health Insurance Program (CHIP/hawk-i)				
State Child Health Insurance Program/hawk-i (401_HHS_006)				
Restoration	\$ 16,568,275	\$ 16,568,275	\$ 0	Maintains current level of GF support.
New		5,468,241	5,468,241	An increase to continue to serve 22,738 children.
New		772,118	772,118	An increase to expand coverage to include 25,061 children by the end of FY 2007.
New		130,750	130,750	An increase to continue outreach contract with the Department of Public Health for FY 2007.
New		-3,235,699	-3,235,699	Adjustment to lower projected enrollment and cost projections based on FY 2006 actuals thus far. Also adjusts for higher federal matching percentage change.
Total CHIP/hawk-i	\$ 16,568,275	\$ 19,703,685	\$ 3,135,410	
Medical Assistance (Medicaid)				
Medical Assistance & Medical Contracts (401_HHS_003)				
Restoration	\$ 560,850,253	\$ 560,850,253	\$ 0	Maintains current level of GF support.
New		5,789,976	5,789,976	An increase to provide targeted case management.
New		7,214,497	7,214,497	An increase to restore nursing facility funding.
New		-7,214,497	-7,214,497	A decrease for nursing facility rates.
New		409,040	409,040	An increase for postage costs.
New		50,242,899	50,242,899	An increase for the Medicare Part D Drug benefit.
New		33,926,503	33,926,503	An increase to continue to provide Home and Community-Based Waiver Services (HCBS).
New		3,871,798	3,871,798	An increase to continue to provide Intermediate Care Facilities for persons with Mental Retardation (ICF/MR).
New		177,886	177,886	An increase for MediPASS patient management.
New		-11,476,236	-11,476,236	A decrease due to savings in the Medical Assistance Program and the Iowa Medicaid Enterprise.
New		790,727	790,727	An increase to continue to provide ambulance
New		951,973	951,973	An increase to continue to provide clinic services.

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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
New		5,136,610	5,136,610	An increase to continue to provide hospice services.
New		8,067,452	8,067,452	An increase to continue to provide dental services.
New		10,560,531	10,560,531	An increase to continue to provide medical supplies and Durable Medical Equipment.
New		3,316,688	3,316,688	An increase to continue to provide Adult Rehabilitative Services.
New		50,000,000	50,000,000	An increase to pay for the FY 2006 supplemental.
New		77,386	77,386	An increase to continue to fund HMO optional services.
New		4,636,269	4,636,269	An increase to continue to fund Mental Health-related optional services.
New		1,410,826	1,410,826	An increase to continue to fund chiropractic services.
New		1,641,483	1,641,483	An increase to continue to provide optometric services.
New		707,257	707,259	An increase to continue to fund podiatric services.
New		2,015,470	2,015,470	An increase to continue to fund other provider services.
New		10,430,072	10,430,072	An increase to reflect increased Federal Medical Assistance Percentage (FMAP) rate for FY 2007.
New		-53,660,000	-53,660,000	A decrease due to an increase from SLTF.
New		-20,000,000	-20,000,000	A decrease due to an increase from Healthy Iowans Tobacco Trust (HITT) funds.
New		-2,010,386	-2,010,386	Reflect updated estimates of payments to the Iowa Veterans' Home.
New		-57,014,224	-57,014,224	Delay funding for Medical Services to the 2007 Legislative Session.
Total Offer	\$ 560,850,253	\$ 610,850,253	\$ 50,000,000	
Preparation for Adult Living Services (401_HHS_010)				
New		\$ 1,053,020	\$ 1,053,020	An increase to provide Medicaid to children aging out of foster care.
Total New Recommendations		\$ 51,053,020	\$ 51,053,020	
Total Medical Assistance		\$ 560,850,253	\$ 611,903,273	\$ 51,053,020

**General Fund
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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Health Insurance Premium Payment				
Health Insurance Premium Payment (401_HHS_006)				
Restoration	\$ 634,162	\$ 634,162	\$ 0	Maintains current level of GF support.
Total FTEs	<u>21.00</u>	<u>21.00</u>	<u>0.00</u>	
Medical Contracts				
Medical Assistance & Medical Contracts (401_HHS_003)				
Restoration	\$ 14,711,985	\$ 14,711,985	\$ 0	Maintains current level of GF support and eliminates one FTE position.
Total FTEs	<u>1.00</u>	<u>0.00</u>	<u>-1.00</u>	
Child Care Assistance				
Child Care (401_HHS_007)				
Restoration	\$ 15,800,752	\$ 15,800,752	\$ 0	Maintains current level of GF support.
New		4,297,220	\$ 4,297,220	An increase in GF for projected caseload growth.
New		1,500,000	1,500,000	An increase in GF for annualization of FY 2006 provider rate increases.
Total Offer	<u>\$ 15,800,752</u>	<u>\$ 21,597,972</u>	<u>\$ 5,797,220</u>	
Comprehensive Early Care, Health, and Education System (532_EDU_001)				
New		1,497,488	\$ 1,497,488	An increase in GF to support 26 child care nurse consultants dedicated to the Quality Rating System.
New		1,200,000	\$ 1,200,000	An increase in GF to expand professional development opportunities for child care providers.
New		972,489	\$ 972,489	An increase in GF to expand and improve consultation to child care home providers.
New		450,000	450,000	An increase in GF for the Quality Rating System.
Total Offer		<u>\$ 4,119,977</u>	<u>\$ 4,119,977</u>	
Total New Recommendations		<u>\$ 9,917,197</u>	<u>\$ 9,917,197</u>	
Total Child Care Assistance	<u>\$ 15,800,752</u>	<u>\$ 25,717,949</u>	<u>\$ 9,917,197</u>	
Toledo Juvenile Home				
Juvenile Facilities (401_HHS_008)				
Restoration	\$ 6,667,121	\$ 6,667,121	\$ 6,667,121	Maintains current level of GF support.

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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
New		279	279	An increase in GF for fuel and utility costs.
Total Toledo Juvenile Home	\$ 6,667,121	\$ 6,667,400	\$ 279	
Total FTE Positions	119.50	119.00	-0.50	Decrease of 0.50 FTE position.
Eldora Training School				
Juvenile Facilities (401_HHS_008)				
Restoration	\$ 10,546,241	\$ 10,546,241	\$ 10,546,241	Maintains current level of GF support.
New		36,907	36,907	An increase in GF for fuel and utility costs.
Total Eldora Training School	\$ 10,546,241	\$ 10,583,148	\$ 36,907	
Total FTE Positions	196.05	196.55	0.50	Increase of 0.50 FTE positions.
Child and Family Services				
Child Welfare and Juvenile Justice Community Services (401_HHS_009)				
Restoration	\$ 75,200,000	\$ 75,200,000	\$ 0	Maintains current level of GF support.
New		1,142,993	1,142,993	An increase in GF for child safety and offender rehabilitation programs.
New		778,971	463,057	An increase in GF for changes in the Federal Match Assistance Participation (FMAP) rate.
New		212,555	212,555	An increase in GF to maintain foster care rates at the level required by the <u>Code of Iowa</u> .
New		50,000	50,000	An increase in GF to provide additional staff and upgraded equipment for the Child Abuse Hotline.
New		26,842	26,842	An increase in GF to provide 3.00 FTE positions for part-time law clerks in the Attorney General's Office to reduce the backlog of child abuse appeals.
Total Child and Family Services	\$ 75,200,000	\$ 77,411,361	\$ 2,211,361	
Preparation for Adult Living Services				
Preparation for Adult Living Services (PALS) (401_HHS_010)				
New	\$ 0	\$ 9,618	\$ 9,618	An increase in GF for changes in the Federal Match Assistance Participation (FMAP) rate.
New	0	1,117,888	1,117,888	An increase to allow children to remain in foster care on a voluntary basis up to age 21.
New	0	11,176	11,176	An increase in GF to maintain independent living rates at the level required by the <u>Code of Iowa</u> .
Total Preparation for Adult Living Services	\$ 0	\$ 1,138,682	\$ 1,138,682	

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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Adoption Subsidy				
Adoption (401_HHS_011)				
Restoration	\$ 32,250,000	\$ 32,250,000	\$ 0	Maintains current level of GF support.
New		348,758	\$ 348,758	An increase in GF to maintain adoption subsidy rates at the level required by the <u>Code of Iowa</u> .
New		338,406	338,406	An increase in GF for projected caseload growth.
New		508,899	508,899	An increase in GF for changes in the Federal Match Assistance Participation (FMAP) rate.
Total Adoption Subsidy	\$ 32,250,000	\$ 33,446,063	\$ 1,196,063	
Family Support Subsidy				
Children with Disabilities (401_HHS_012)				
Restoration	\$ 1,936,434	\$ 1,936,434	\$ 0	Maintains current level of GF support.
Conners Training				
Resource Centers (401_HHS_014)				
Restoration	\$ 42,623	\$ 42,623	\$ 0	Maintains current level of GF support.
Cherokee MHI				
Mental Health Institutes (401_HHS_013)				
Restoration	\$ 4,852,942	\$ 4,852,942	\$ 0	Maintains current level of GF support.
New		40,756	40,756	An increase for fuel and utility costs.
Total Offer	\$ 4,852,942	\$ 4,893,698	\$ 40,756	
Total New Recommendations		\$ 40,756	\$ 40,756	
Total New FTE Positions		-1.00	-1.00	
Total Cherokee MHI	\$ 4,852,942	\$ 4,893,698	\$ 40,756	
Total FTE positions	216.00	215.00	-1.00	A decrease of 1.00 FTE position to reflect utilization.
Clarinda MHI				
Mental Health Institutes (401_HHS_013)				
Restoration	\$ 5,669,983	\$ 5,669,983	\$ 0	Maintains current level of GF support.
New		9,361	9,361	An increase for fuel and utility costs.

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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
New		250,000	250,000	An increase for compliance with federal Centers for Medicare and Medicaid (CMS) standards, including 5.80 FTE positions. An FY 2006 GF supplemental appropriation is recommended for the same purpose.
Total Offer	\$ 5,669,983	\$ 5,929,344	\$ 259,361	
Total New Recommendations		\$ 259,361	\$ 259,361	
Total New FTE Positions		5.80	5.80	
Total Clarinda MHI	\$ 5,669,983	\$ 5,929,344	\$ 259,361	
Total FTE positions	106.40	112.20	5.80	An increase of 5.80 FTE positions.
Independence MHI				
Mental Health Institutes (401_HHS_013)				
Restoration	\$ 8,929,177	\$ 8,929,177	\$ 0	Maintains current level of GF support.
New		55,708	55,708	An increase for fuel and utility costs.
New		22,014	22,014	An increase for FMAP decrease for the Psychiatric Medical Institution for Children (PMIC) unit.
Total Offer	\$ 8,929,177	\$ 9,006,899	\$ 77,722	
Total New Recommendations		\$ 77,722	\$ 77,722	
Total Independence MHI	\$ 8,929,177	\$ 9,006,899	\$ 77,722	
Total FTE positions	286.40	286.40	0.00	
Mount Pleasant MHI				
Mental Health Institutes (401_HHS_013)				
Restoration	\$ 591,855	\$ 591,855	\$ 0	Maintains current level of GF support.
New		4,478	4,478	An increase for fuel and utility costs.
Total Offer	\$ 591,855	\$ 596,333	\$ 4,478	
Total New Recommendations		\$ 4,478	\$ 4,478	
Total New FTE positions		-1.00	-1.00	
Total Mount Pleasant MHI	\$ 591,855	\$ 596,333	\$ 4,478	
Total FTE positions	91.64	90.64	-1.00	A decrease of 1.00 FTE position to reflect utilization. An additional 6.20 FTE positions are reflected in the Non-General Fund portion of the budget.

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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Glenwood State Resource Center				
Resource Centers (401_HHS_014)				
Restoration	\$ 16,316,040	\$ 16,316,040	\$ 0	Maintains current level of GF support.
New		36,770	36,770	An increase for fuel and utility costs.
New		409,258	409,258	An increase to replace decreased FMAP.
New		-2,363,382	-2,363,382	A decrease for return of FY 2006 salary funds federally matched.
New		107,897	107,897	An increase to replace lost federal funds for those placed in the community.
Total New Recommendations		\$ -1,809,457	\$ -1,809,457	
Total Glenwood State Resource Center	\$ 16,316,040	\$ 14,506,583	\$ -1,809,457	
Total FTE positions	894.48	894.48	0.00	
Woodward State Resource Center				
Resource Centers (401_HHS_014)				
Restoration	\$ 8,203,796	\$ 8,203,796	\$ 0	Maintains current level of GF support.
New		22,401	22,401	An increase for fuel and utility costs.
New		298,981	298,981	An increase to replace decreased FMAP.
New		-733,814	-733,814	A decrease for return of FY 2006 State salary funds federally matched in FY 2007.
New		728,265	728,265	An increase for additional federal Department of Justice (DOJ) staffing requirements, including 21.79 FTE positions.
New		71,132	71,132	An increase to replace lost federal funds for those placed in the community.
Total New Recommendations		\$ 386,965	\$ 386,965	
Total New FTE positions		21.79	21.79	
Total Woodward State Resource Center	\$ 8,203,796	\$ 8,590,761	\$ 386,965	
Total FTE positions	673.76	695.55	21.79	An increase of 21.00 FTE positions.
Mental Illness/Mental Retardation/Developmental Disabilities State Cases				
Mental Health/Developmental Disabilities Community Services (401_HHS_015)				
Restoration	\$ 10,864,619	\$ 10,864,619	\$ 0	Maintains current level of GF support.
New		148,701	148,701	An increase for additional eligibles.
Total State Cases	\$ 10,864,619	\$ 11,013,320	\$ 148,701	

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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
MH/DD Community Services				
MH/DD Community Services (401_HHS_015)				
Restoration	\$ 17,757,890	\$ 17,757,890	\$ 0	Maintains current level of GF and HITT support.
Total MH/DD Community Services	\$ 17,757,890	\$ 17,757,890	\$ 0	
Sexual Predator Commitment Program (Civil Commitment for Sexual Offenders)(CCUSO)				
Civil Commitment for Sexual Offenders (401_HHS_016)				
Restoration	\$ 4,025,704	\$ 4,025,704	\$ 0	Maintains current level of GF support.
New		725,000	725,000	An increase for continuation of one-time FY 2005 to FY 2006 State Cases appropriations transfer. This includes 9.66 FTE positions.
Total New Recommendations		\$ 725,000	\$ 725,000	
Total New FTE positions		9.66	9.66	
Total Sexual Predator Commitment Program	\$ 4,025,704	\$ 4,750,704	\$ 725,000	
Total FTE positions	64.00	73.66	9.66	
MH/DD Growth Factor				
MH/DD Community Services (401_HHS_015)				
Restoration	\$ 28,507,362	\$ 28,507,362	\$ 0	Maintains current level of GF support.
New		7,280,679	7,280,679	An increase to fund the enacted FY 2007 allowed growth funding in HF 882 (FY 2006 Standing Appropriations Act).
Total MH/DD Growth Factor	\$ 28,507,362	\$ 35,788,041	\$ 7,280,679	
Field Operations				
Supporting Basic Needs of Low-Income lowans (401_HHS_001)				
Restoration	\$ 17,298,207	\$ 17,298,207	\$ 0	Maintains current level of GF support.
Medical Assistance and Medical Contracts (401_HHS_003)				
Restoration	\$ 11,316,090	\$ 11,316,090	\$ 0	Maintains current level of GF support.
State Child Health Insurance Program (SCHIP) - hawk-i (401_HHS_006)				
Restoration	\$ 70,631	\$ 70,631	\$ 0	Maintains current level of GF support.
New		0	0	An increase of 4.00 FTE positions to maintain FY 2006 timeliness and accuracy of individual and family eligibility determination.
Total Offer	\$ 70,631	\$ 70,631	\$ 0	

**General Fund
FY 2007 Governor's Recommendations
Health and Human Services Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Child Care (401_HHS_007)				
Restoration	\$ 2,271,737	\$ 2,271,737	\$ 0	Maintains current level of GF support.
New		24,212	24,212	An increase for 0.56 FTE position for eligibility determination and local staff due to additional children receiving child care assistance.
New		24,967	24,967	An increase for 0.46 FTE position eligibility determination and local staff due to additional children receiving child care assistance.
New		3,830	3,830	An increase for 0.08 FTE position for eligibility determination and local staff due to additional children receiving child care assistance.
New		120,649	120,649	An increase for 3.14 FTE positions for eligibility determination and local staff due to additional children receiving child care assistance.
Total Offer	<u>\$ 2,271,737</u>	<u>\$ 2,445,395</u>	<u>\$ 173,658</u>	
Child Welfare and Juvenile Justice Community Services (401_HHS_009)				
Restoration	\$ 23,676,594	\$ 23,676,594	\$ 0	Maintains current level of GF support.
New		775,665	775,665	An increase for 12.00 FTE positions for improving child safety and offender rehabilitation.
Total Offer	<u>\$ 23,676,594</u>	<u>\$ 24,452,259</u>	<u>\$ 775,665</u>	
Preparation for Adult Living Services (401_HHS_010)				
Restoration	\$ 46,043	\$ 46,043	\$ 0	Maintains current level of GF support.
New		41,316	41,316	An increase of 1.00 FTE position for the voluntary continuation of those in foster care after the age of 18, to continue to providing staffing.
Total Offer	<u>\$ 46,043</u>	<u>\$ 87,359</u>	<u>\$ 41,316</u>	
Adoption (401_HHS_011)				
Restoration	\$ 1,348,026	\$ 1,348,026	\$ 0	Maintains current level of GF support.
New		19,460	19,460	An increase of 0.45 FTE position for increased adoption caseload.
New		58,864	58,864	An increase of 1.10 FTE positions for increased adoption caseload.
New		9,029	9,029	An increase of 0.18 FTE position for increased adoption caseload.
New		36,170	36,170	An increase of 0.94 FTE position for increased adoption caseload.
Total Offer	<u>\$ 1,348,026</u>	<u>\$ 1,471,549</u>	<u>\$ 123,523</u>	

**General Fund
FY 2007 Governor's Recommendations
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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
MH/DD Community Services (401_HHS_015)				
Restoration	\$ 801,948	\$ 801,948	\$ 0	Maintains current level of GF support.
New		66,967	66,967	An increase of 1.26 FTE positions for increased State Payment Program (State Cases) caseload.
New		10,272	10,272	An increase of 0.20 FTE position for increased State Payment Program (State Cases) caseload.
Total Offer	<u>\$ 801,948</u>	<u>\$ 879,187</u>	<u>\$ 77,239</u>	
Comprehensive Early Care, Health, and Education System (532_EDU_001)				
New		\$ 484,907	\$ 484,907	An increase of 15.00 FTE positions for registered child care homes by adding pre-registration assessments and increased monitoring activities.
New		250,116	250,116	An increase of 7.00 FTE positions for increasing monitoring activities and providing consultation to licensed child care centers.
Total Offer	<u>\$ 0</u>	<u>\$ 735,023</u>	<u>\$ 735,023</u>	
Total New Recommendations		<u>\$ 1,926,424</u>	<u>\$ 1,926,424</u>	
Total New FTE positions		<u>5.74</u>	<u>5.74</u>	
Total Field Operations	<u>\$ 56,829,276</u>	<u>\$ 58,755,700</u>	<u>\$ 1,926,424</u>	
Total FTE positions	<u>1,924.60</u>	<u>1,930.34</u>	<u>5.74</u>	A net increase of 5.74 FTE positions to reflect utilization.
General Administration				
Supporting Basic Needs of Low-Income Iowans (401_HHS_001)				
Restoration	\$ 2,171,054	\$ 2,171,054	\$ 0	Maintains current level of GF support and adds 1.26 FTE positions to parallel FY 2006 estimated positions.
Child Support (401_HHS_002)				
Restoration	\$ 462,972	\$ 462,972	\$ 0	Maintains current level of GF support.
Medical Assistance and Medical Contracts (401_HHS_003)				
Restoration	\$ 7,464,499	\$ 7,464,499	\$ 0	Maintains current level of GF and HITT support.

**General Fund
FY 2007 Governor's Recommendations
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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
State Child Health Insurance Program (SCHIP/hawk-i) (401_HHS_006)				
Restoration	\$ 403,268	\$ 403,268	\$ 0	Maintains current level of GF support.
Child Care (401_HHS_007)				
Restoration	\$ 402,511	\$ 402,511	\$ 0	Maintains current level of GF support.
New		1,639	1,639	An increase for postage rate.
Total Offer	\$ 402,511	\$ 404,150	\$ 1,639	
Juvenile Facilities (401_HHS_008)				
Restoration	\$ 37,594	\$ 37,594	\$ 0	Maintains current level of GF support.
Child Welfare and Juvenile Justice Community Services (401_HHS_009)				
Restoration	\$ 1,477,264	\$ 1,477,264	\$ 0	Maintains current level of GF support.
Preparation for Adult Living Services (PALS) (401_HHS_010)				
New		\$ 47,500	\$ 47,500	An increase for 1.00 FTE position for the additional individuals being served by the voluntary continuance in the foster care program beyond 18 years of age.
Adoption (401_HHS_011)				
Restoration	\$ 395,306	\$ 395,306	\$ 0	Maintains current level of GF support.
New		1,154	1,154	
Total Offer	\$ 395,306	\$ 396,460	\$ 1,154	
Mental Health Institutes (401_HHS_013)				
Restoration	\$ 81,784	\$ 81,784	\$ 0	Maintains current level of GF support.
Resource Centers (401_HHS_014)				
Restoration	\$ 162,693	\$ 162,693	\$ 0	Maintains current level of GF support.
MHDD Community Services (401_HHS_015)				
Restoration	\$ 912,441	\$ 912,441	\$ 0	Maintains current level of GF support.

**General Fund
FY 2007 Governor's Recommendations
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	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Sexual Predator Program (Civil Commitment Unit for Sexual Offenders) (401_HHS_016)				
Restoration	\$ 7,000	\$ 7,000	\$ 0	Maintains current level of GF support.
Total New Recommendations		<u>\$ 50,293</u>	<u>\$ 50,293</u>	
Total New FTE Positions		-1.74	-1.74	
Total General Administration	<u>\$ 13,978,386</u>	<u>\$ 14,028,679</u>	<u>\$ 50,293</u>	
Total FTE Positions	311.00	309.26	-1.74	A net decrease of 1.74 FTE positions to reflect utilization.
Volunteers				
Child Welfare and Juvenile Justice Community Services (401_HHS_009)				
Restoration	\$ 109,568	\$ 109,568	\$ 0	Maintains current level of GF support.
Total Department of Human Services	<u>\$ 980,331,392</u>	<u>\$ 1,058,703,419</u>	<u>\$ 78,372,027</u>	
Total FTE Positions	5,351.48	5,389.08	37.60	A net increase of 37.60 to reflect FY 2006 expected utilization and increase in FY 2007 FTE positions.
Veterans Affairs				
General Administration - Commission				
Veteran's Awareness Program for Medical and Other Benefits (671_HHS_001)				
Restoration	\$ 332,114	\$ 332,114	\$ 0	Maintains current level of GF support for the Commission.
Total Veterans Affairs Commission	<u>\$ 332,114</u>	<u>\$ 332,114</u>	<u>\$ 0</u>	
Total FTE Positions	4.00	4.00	0.00	
Iowa Veterans Home				
Long Term Health Care Services for Veterans (671_HHS_003)				
Restoration	\$ 17,118,781	\$ 17,118,781	\$ 0	Maintains current level of GF support.
New		491,505	491,505	An increase for the creation of a licensed Intermediate Behavioral Health Unit and 9.25 FTE positions.
Total Offer	<u>\$ 17,118,781</u>	<u>\$ 17,610,286</u>	<u>\$ 491,505</u>	

**General Fund
FY 2007 Governor's Recommendations
Health and Human Services Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Domiciliary Services for Iowa Veterans				
Restoration	\$ 1,327,268	\$ 1,327,268	\$ 0	Maintains current level of GF support.
New		200,212	200,212	An increase for vocational education to provide for residents to return to the community and 3.00 FTE positions.
Total Offer	<u>\$ 1,327,268</u>	<u>\$ 1,527,480</u>	<u>\$ 200,212</u>	
Long Term Health Care Services for Veterans (671_HHS_003)				
New		\$ -5,568,265	\$ -5,568,265	A decrease from offset increased Medicaid payments. An appropriation of \$6.2 million from the Endowment for Iowa's Health Account Restricted Capitals Fund is recommended.
Total New Recommendations		<u>\$ -4,876,548</u>	<u>\$ -4,876,548</u>	
Total New FTE Positions		<u>4.25</u>	<u>4.25</u>	A net increase of 4.25 FTE positions to reflect expected FY 2006 utilization and the increase of FY 2007 new positions.
Total Veterans Home	<u>\$ 18,446,049</u>	<u>\$ 13,569,501</u>	<u>\$ -4,876,548</u>	
Total FTE Positions	<u>870.30</u>	<u>874.55</u>	<u>4.25</u>	A net increase of 4.25 FTE positions to reflect expected FY 2006 utilization and the increase of FY 2007 new positions.
Total Veterans Affairs	<u>\$ 18,778,163</u>	<u>\$ 13,901,615</u>	<u>\$ -4,876,548</u>	
Total FTE positions	<u>874.30</u>	<u>878.55</u>	<u>4.25</u>	A net increase of 4.25 FTE positions to reflect expected FY 2006 utilization and the increase of FY 2007 new positions.
Grand Totals				
Total Restoration		\$ 1,027,912,809		
Total New Recommendations		\$ 80,895,225		
Total HHS Appropriations Subcommittee	<u>\$ 1,027,912,809</u>	<u>\$ 1,108,808,034</u>	<u>\$ 80,895,225</u>	
Total Restored FTEs		6,404.93		
Total New FTE Positions		45.50		
Total FTEs	<u>6,404.93</u>	<u>6,450.43</u>	<u>45.50</u>	Total increase of 45.50 FTE positions.

* The FTE numbers in this spreadsheet may not include all non-appropriated FTE positions.

**Non-General Fund
FY 2007 Governor's Recommendations
Health and Human Services Appropriations Subcommittee**

Department of Elder Affairs	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Aging Programs				
Elder Abuse Awareness (297_HHS_001)				
Restoration	\$ 345,091	\$ 345,091	\$ 0	Maintains current level of Senior Living Trust Fund (SLTF) support.
Caregivers Retention Project (297_HHS_002)				
Restoration	\$ 127,525	\$ 127,525	\$ 0	Maintains current level of SLTF support.
National Family Caregivers Support Program (297_HHS_003)				
Restoration	\$ 33,505	\$ 33,505	\$ 0	Maintains current level of SLTF support.
Ombudsman/Resident Advocate Committees (297_HHS_004)				
Restoration	\$ 228,125	\$ 228,125	\$ 0	Maintains current level of SLTF support.
Substitute Decision Maker (297_HHS_005)				
Restoration	\$ 1,977	\$ 0	\$ -1,977	A decrease from the SLTF to eliminate funds used to implement an Office of Substitute Decision Maker.
Senior Internship Program (297_HHS_006)				
Restoration	\$ 24,083	\$ 24,083	\$ 0	Maintains current level of SLTF support.
Healthy Aging (297_HHS_007)				
Restoration	\$ 222,337	\$ 222,337	\$ 0	Maintains current level of SLTF support.
Special Projects (297_HHS_008)				
Restoration	\$ 23,273	\$ 23,273	\$ 0	Maintains current level of SLTF support.
Winning Compliance (297_HHS_009)				
Restoration	83,773	83,773	0	Maintains current level of SLTF support.
New		62,500	62,500	An increase from the SLTF to implement a compliance strategy for assisted living, adult day care, and elder group homes that rewards providers who have an established history of successful compliance with State standards.
Total Offer	\$ 83,773	\$ 146,273	\$ 62,500	
Case Management Program for the Frail Elderly (CMPFE) (297_HHS_010)				
Restoration	\$ 203,127	\$ 203,127	\$ 0	Maintains current level of SLTF support.

**Non-General Fund
FY 2007 Governor's Recommendations
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	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Home and Community-Based Services and Community Supports (297_HHS_011)				
Restoration	\$ 7,003,914	\$ 7,003,914	\$ 0	Maintains current level of SLTF support.
Total Department of Elder Affairs	\$ 8,296,730	\$ 8,357,253	\$ 60,523	
Department of Public Health				
Addictive Disorders				
Building Healthy Communities - Addiction Free Iowa (588_HHS_001)				
Restoration	\$ 17,686,565	\$ 17,686,565	0	Maintains current level of Healthy Iowans Tobacco Trust (HITT) Fund support and 5.30 FTE positions for tobacco use prevention and control activities, smoking cessation products, and substance abuse treatment. The funds are currently in four separate appropriations and the recommendation is to combine these existing funds under this appropriation.
Chronic Conditions				
Building Healthy Communities - Health Promotion and Chronic Disease Management (588_HHS_007)				
Restoration	\$ 361,000	\$ 361,000	\$ 0	Maintains current level of HITT support for the AIDS Drug Assistance Program (ADAP), Phenylketonuria (PKU) assistance, and the Congenital and Inherited Disorders Registry. The funds are currently in three separate appropriations and the recommendation is to combine these existing funds under this appropriation.
Community Capacity				
Building Healthy Communities - Improving Access and Delivery (588_HHS_009)				
Restoration	\$ 1,157,482	\$ 1,157,482	\$ 0	Maintains current level of HITT support for local public health services. The funds are currently allocated in the Healthy Iowans 2010 appropriation and the recommendation is to combine these existing funds under this appropriation.

**Non-General Fund
FY 2007 Governor's Recommendations
Health and Human Services Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Environmental Hazards				
Building Healthy Communities - Assuring Iowa's Environmental Health (588_HHS_013)				
Restoration	\$ 365,158	\$ 365,158	\$ 0	Maintains current level of HITT support for the Environmental Epidemiology and the Childhood Lead Programs and 3.00 FTE positions. The funds are currently allocated in the Healthy Iowans 2010 appropriation and the recommendation is to combine these existing funds under this appropriation.
Public Protection				
Building Healthy Communities - Health Protection and Regulation (588_HHS_019)				
Restoration	\$ 1,337,320	\$ 1,337,320	\$ 0	Maintains current level of HITT support for the Emergency Medical Services (EMS) Program, the Poison Control Center, the Automated External Defibrillator (AED) Grant Program, and the Capitol Complex AED Program and 2.00 FTE positions. The AED funds are currently in two separate appropriations and the EMS and Poison Control Center funds are allocated in the Healthy Iowans 2010 appropriation. The recommendation is to combine these existing funds under this appropriation.
Gambling Treatment				
Building Healthy Communities - Addiction Free Iowa (588_HHS_001)				
Restoration	\$ 4,310,000	\$ 4,310,000	\$ 0	Maintains current level of Gambling Treatment Fund (GTF) support for gambling treatment and 2.95 FTE positions.
Restoration	\$ 1,690,000	\$ 1,690,000	\$ 0	Maintains current level of GTF support for substance abuse treatment.
New	0	180,000	180,000	An increase for the EMS Program.
Total Gambling Treatment	\$ 6,000,000	\$ 6,180,000	\$ 180,000	
Total Department of Public Health	\$ 26,907,525	\$ 27,087,525	\$ 180,000	
Total FTE Positions	13.25	13.25	0.00	

**Non-General Fund
FY 2007 Governor's Recommendations
Health and Human Services Appropriations Subcommittee**

Department of Human Services	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
State Children's Health Insurance (SCHIP/hawk-i)				
State Child Health Insurance Program/hawk-i (401_HHS_006)				
Restoration	\$ 200,000	\$ 200,000	\$ 0	Maintains current level of HITT support.
Medical Assistance (Medicaid)				
Medical Assistance & Medical Contracts (401_HHS_003)				
Restoration	\$ 134,997,699	\$ 134,997,699	\$ 0	Maintains current level of SLTF support.
New		20,313,565	20,313,565	An increase to supplement Medical Assistance from tobacco use tax increase deposited in the HITT fund.
New		5,999,510	5,999,510	Additional SLTF support to assist in covering projected need.
New		-212,266	-212,266	A decrease in long term care alternative services costs.
Total New Recommendations		\$ 26,100,809	\$ 26,100,809	
Total Medical Assistance (Medicaid)	\$ 134,997,699	\$ 161,098,508	\$ 26,100,809	
State Supplementary Assistance				
New		\$ 182,381	\$ 182,381	An increase to reflect a transfer of funds from Child and Family Services in previous years.
UI Hospital				
IowaCare (401_HHS_004)				
Restoration	\$ 27,284,584	\$ 27,284,584	\$ 0	Maintains current level of IowaCare support.
Broadlawns Hospital				
IowaCare (401_HHS_004)				
Restoration	\$ 40,000,000	\$ 40,000,000	\$ 0	Maintains current level of IowaCare support.
New		-3,000,000	-3,000,000	A decrease to reflect actual Broadlawns appropriation in FY 2006.
Total Health Care Premium Implementation	\$ 40,000,000	\$ 37,000,000	\$ -3,000,000	

**Non-General Fund
FY 2007 Governor's Recommendations
Health and Human Services Appropriations Subcommittee**

	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Medical Examinations - Expansion Population				
IowaCare (401_HHS_004)				
Restoration	\$ 136,500	\$ 136,500	\$ 0	Maintains current level of Health Care Transformation Account (HCTA) support.
New		420,300	420,300	An increase to fund comprehensive medical exams for IowaCare enrollees from the HCTA.
Total Medical Examinations	\$ 136,500	\$ 556,800	\$ 420,300	
Insurance Cost Subsidy				
IowaCare (401_HHS_004)				
Restoration	\$ 150,000	\$ 150,000	\$ 0	Maintains current level of HCTA support.
New		1,350,000	1,350,000	An increase to fund the Insurance Cost Subsidy Program in IowaCare from the HCTA.
Total Insurance Cost Subsidy	\$ 150,000	\$ 1,500,000	\$ 1,350,000	
Health Care Premium Implementation				
IowaCare (401_HHS_004)				
Restoration	\$ 50,000	\$ 50,000	\$ 0	Maintains current level of HCTA support.
New		350,000	350,000	An increase to implement the IowaCare premium from the HCTA.
Total Health Care Premium Implementation	\$ 50,000	\$ 400,000	\$ 350,000	
Medical Information Hotline				
IowaCare (401_HHS_004)				
Restoration	\$ 150,000	\$ 150,000	\$ 0	Maintains current level of HCTA support.
Electronic Medical Records				
IowaCare (401_HHS_004)				
Restoration	\$ 100,000	\$ 100,000	\$ 0	Maintains current level of HCTA support.
New		1,900,000	1,900,000	An increase to develop electronic medical records from the HCTA.
Total Electronic Medical Records	\$ 100,000	\$ 2,000,000	\$ 1,900,000	
Health Partnership Activities				
IowaCare (401_HHS_004)				
Restoration	\$ 550,000	\$ 550,000	\$ 0	Maintains current level of HCTA support.

**Non-General Fund
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	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Audits, Performance Evaluations, Studies				
IowaCare (401_HHS_004)				
Restoration	\$ 100,000	\$ 100,000	\$ 0	Maintains current level of HCTA support.
IowaCare Administration				
IowaCare (401_HHS_004)				
Restoration	\$ 910,000	\$ 910,000	\$ 0	Maintains current level of HCTA support.
New		-565,148	-565,148	A decrease from the HCTA that may not reflect the actual department request.
Total IowaCare Administration	\$ 910,000	\$ 344,852	\$ -565,148	
Acuity Based ICF-MR Case Mix				
IowaCare (401_HHS_004)				
New		\$ 150,000	\$ 150,000	New funding to facilitate the transition to acuity based ICF-MR case mix from the HCTA.
Provider Incentive Payment Program				
IowaCare (401_HHS_004)				
New		\$ 50,000	\$ 50,000	New funding to develop a Provider Payment Incentive Program from the HCTA.
Pharmaceutical Settlement Account				
Medical Contracts Supplement				
Restoration	\$ 85,000	\$ 85,000	\$ 0	Maintains current level of Pharmaceutical Settlement Account Support.
Child and Family Services				
Child Welfare and Juvenile Justice Community Services (401_HHS_009)				
Restoration	\$ 4,257,623	\$ 4,257,623	\$ 0	Maintains current level of HITT support.
New		-495,946	-495,946	A decrease to reflect transfers of funds from Child and Family Services to Medicaid and State Supplementary Assistance in previous years.
Total Child and Family Services	\$ 4,257,623	\$ 3,944,058	\$ -495,946	
Cherokee MHI				
IowaCare (401_HHS_004)				
Restoration	\$ 9,098,425	\$ 9,098,425	\$ 0	Maintains current level of IowaCare support.

**Non-General Fund
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	Non-Gen. Fund Estimated FY 2006	Non-Gen. Fund Governor's Rec. FY 2007	Non-Gen. Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Clarinda MHI				
IowaCare (401_HHS_004) Restoration	\$ 1,977,305	\$ 1,977,305	\$ 0	Maintains current level of IowaCare support.
Independence MHI				
IowaCare (401_HHS_004) Restoration	\$ 9,045,894	\$ 9,045,894	\$ 0	Maintains current level of IowaCare support.
Mount Pleasant MHI				
IowaCare (401_HHS_004) Restoration	\$ 5,752,587	\$ 5,752,587	\$ 0	Maintains current level of IowaCare support.
Total FTE positions	<u>0.00</u>	<u>6.20</u>	<u>6.20</u>	Increase of 6.20 FTE positions.
MH/DD Community Services				
MH/DD Community Services (401_HHS_015) Restoration	\$ 146,750	\$ 146,750	\$ 0	Maintains current level of HITT support.
General Administration				
Medical Assistance and Medical Contracts (401_HHS_003) Restoration	\$ 274,000	\$ 274,000	\$ 0	Maintains current level of HITT support.
Total Department of Human Services	<u>\$ 235,266,367</u>	<u>\$ 261,708,763</u>	<u>\$ 26,442,396</u>	
Total FTE Positions	<u>0.00</u>	<u>6.20</u>	<u>6.20</u>	
Grand Totals				
Total Restoration		\$ 270,470,622	\$ 0	
Total New Recommendations		\$ 26,682,919	\$ 26,682,919	
Total HHS Appropriations Subcommittee	<u>\$ 270,470,622</u>	<u>\$ 297,153,541</u>	<u>\$ 26,682,919</u>	
Total Restored FTEs		13.25	13.25	
Total New FTE Positions		6.20	6.20	
Total FTEs	<u>13.25</u>	<u>19.45</u>	<u>19.45</u>	Total increase of 19.45 FTE positions.

* The FTE numbers in this spreadsheet may not include all non-appropriated FTE positions.

SUBCOMMITTEE BUDGET ISSUES

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

➤ ***FY 2006 Supplemental Appropriations – The Governor is recommending the following FY 2006 supplemental appropriations relating to the Health and Human Services Appropriations Subcommittee:***

- ◆ ***Medicaid – A General Fund supplemental appropriation of \$13.5 million and a Healthy Iowan Tobacco Trust Fund supplemental appropriation of \$31.5 million.***
- ◆ ***Clarinda Mental Health Institute – A General Fund supplemental appropriation of \$250,000.***
- ◆ ***Veterans Disability Fund – A General Fund supplemental appropriation of \$2.0 million.***

➤ **Medicaid Match for the Case Management Program for the Frail Elderly** – The Program is administered by the Department of Elder Affairs (DEA) through the local Area Agencies on Aging and provides assessments, individual care plans, and on-going monitoring and assessment of the delivery of services for seniors. It is estimated that 70.0% of the seniors served by the Program are eligible for services under the Medicaid Home and Community-Based Service Waiver; however, in previous years, this has not been a service covered by Medicaid under the Waiver. The 2005 General Assembly passed HF 841 (IowaCare Medicaid Reform Act), which added case management as a covered Medicaid service if the State match was provided by the Department of Elder Affairs.



The Department of Human Services (DHS) has submitted a State Plan Amendment to the federal Centers for Medicare and Medicaid (CMS) to include case management as a covered Medicaid service. The DEA currently spends an estimated \$1.5 million in State funds on the Case Management Program for the Frail Elderly that could be used as available match to draw down additional federal Medicaid funds for this service. The DEA has reported concerns regarding their ability to offer the State funds as match, as well as concerns about additional administrative responsibilities and costs if the Program becomes a covered Medicaid service. The General Assembly may wish to examine the DEA's ability to offer this service as a covered Medicaid service and consider alternatives for the administration of the Program. ***The Governor is recommending an increase of \$3.0 million (216.7%) and 1.0 FTE position from the General Fund for Case Management for FY 2007.***

➤ **Shelter Care** – In February 2005, the DHS presented a proposal to the General Assembly to ensure shelter care availability across the State and to stabilize the shelter care infrastructure. As a result, the DHS issued a Request for Proposal (RFP) in spring 2005 to contract and pay for 246 beds on a guaranteed basis (whether the beds were used or not) and to contract for up to 94 additional beds that would be paid for only when used. The goal was to balance the providers' need for predictability and

stability with the State's need to respond to the variation in demand and to provide children with shelter care as close a possible to home.

In October 2005, the Administrative Rules Review Committee discussed that language contained in HF 825 (FY 2006 Health and Human Services Appropriations Act) regarding the RFP intended that the contracted number of guaranteed beds was to be 273. The DHS re-issued the RFP for 273 guaranteed beds, which will cost an estimated \$7.4 million, or the full amount allocated by the General Assembly for shelter care. Under this contract, the DHS cannot contract for additional beds that would be paid for only when used unless the shelter care allocation is exceeded.



The General Assembly may wish to review the Statewide shelter care bed daily census and re-examine the original shelter care proposal in order to give consideration to maximizing the use of these funds within the child welfare budget and ensure flexibility in terms of both demand and geographic access.

- ▶ **Health Board Licensure Fees** – Under the Department of Public Health (DPH), there are four licensure boards, including Dental, Medical, Nursing, and Pharmacy, and the Bureau of Professional Licensure that oversees 19 Boards, such as those for nursing home administrators, social workers, cosmetologists, and others. The Boards are required to set fees at a level that will cover expenditures pursuant to Section 147.80, Code of Iowa.

As the Boards generate fees, most of the revenues are deposited into the General Fund with the exception of amounts retained to cover rent costs and any additional amounts that are permitted to be retained in the annual Health and Human Services Appropriations Act. In turn, a General Fund appropriation is made to the DPH for Public Protection and an allocation is provided to each Board to support respective activities. A percentage of each Boards' revenues is retained in the General Fund. The Boards do not have separate line-item appropriations, and this budget practice has been in place since FY 1999.



With the current budget practice, the budget issues experienced by the State in recent years have impacted the Boards by increasing disparity between the revenues generated by the Boards and the amounts received through appropriations. Each time the Public Protection appropriation was reduced, the Boards retained less of a percentage of the revenues generated. None of the Boards receive back 100.0% of the fees they deposit into the General Fund and there is also disparity between the percentages each Board receives back.

In recent years, there have been discussions about permitting the Boards to set up revolving funds that would allow them to retain 100.0% of revenues. The General Assembly may wish to consider the impact to the General Fund if this occurs. In total, the estimated impact to the General Fund would be \$1.2 million.

- **Mental Health Funding Inflation** – The General Assembly is scheduled to consider a mental health allowed growth factor for FY 2008. The 2004 General Assembly enacted a modification of the FY 2005 allowed growth factor with the FY 2005 distribution based on the balances of the individual 99 county Mental Retardation and Developmental Disabilities Services Funds and other factors. The General Assembly may wish to review the distribution of the FY 2007 allowed growth amounts and the expected balances of the county fund balances when determining the growth factor for FY 2008. In HF 882 (FY 2006 Standing Appropriations Act), \$2.4 million of the FY 2007 increase of \$7.3 million is contingent upon enactment of a cost share program with counties for services to adults with brain injury. Such legislation did not pass during the 2005 Session. ***The Governor is recommending a 4.0% allowed growth increase for FY 2008, which is an increase of \$9,998,798 compared to the enacted FY 2007 appropriation.***
- **Commission on Veterans Affairs** – For FY 2004, the General Assembly provided an increase of \$100,000 and 2.0 FTE positions to allow the Commission to assist additional veterans in applying for federal benefits. The Commission reported that increased access to federal benefits would decrease the need for veterans to access Medicaid services both by increasing the income of veterans and allowing them to access services available through the Veterans Administration. The Commission expended less than \$10,000 of the funds for this purpose. For FY 2005, the General Assembly provided \$100,000 to be contracted with Retired Senior Volunteer Programs (RSVPs) for increasing the number of veterans applying for pensions. The Commission received \$50,000 of the \$100,000 and only three RSVPs received a combined total of \$50,000. For FY 2006, the Commission received \$75,000 and the RSVPs received \$50,000, and the Commission on Volunteer Services within the Department of Economic Development (DED) coordinated the effort. The FY 2007 Budget Offer for the Commission of Veterans Affairs does not change the amount of funds available for this allocation split. The FY 2007 Budget Offer for the Commission does include an additional \$149,000 for 2.0 FTE positions to provide additional assistance to veterans to gain access to additional benefits. ***The Governor is not recommending additional staffing.***
- **Veterans Cemetery** – A site has been recommended by the Governor to the National Cemetery Administration for the Iowa Veterans Cemetery near Van Meter. The estimated \$7.0 million cost will be provided by the federal Administration, with the \$500,000 allocated from the Iowa Veterans Trust Fund for this purpose to be used as seed money, with the expenditure reimbursed by the federal Administration. With the Cemetery comes annual maintenance and administration costs. For FY 2006, the Department of Administrative Services is the lead Iowa agency for the planning, with an estimated September 2006 (FY 2007) groundbreaking planned. For FY 2007, the Department of Veteran Affairs has requested \$80,000 and 1.0 FTE position for the initial effort. ***The Governor is not recommending additional staffing.***



- ▶ **Mental Health Redesign** – The Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury Commission has made recommendations relating to:
 - ◆ Make services consumer and family driven by requiring that persons with disabilities receive individualized services.
 - ◆ Improve service quality and increase positive results for consumers by requiring that persons with disabilities receive results-focused services; providing financial incentives to counties that improve consumer results; and directing the Commission, DHS and DPH to develop strategies to increase access to qualified mental health professionals.
 - ◆ Reduce system disparities by establishing minimum eligibility for publicly funded disability services at 150.0% of the Federal Poverty Level, and setting uniform resource guidelines; and by providing persons with disability access to services based on their county of residence.

- ▶ **Medical Assistance (Medicaid) Program** – There are several issues facing the Medicaid Program, including:
 - ◆ The Medicaid Program has an estimated shortfall of between \$30.0 and \$45.0 million for FY 2006 and an estimated need of between \$90.0 and \$130.0 million for FY 2007. When the FY 2006 appropriation was enacted it was expected that a supplemental would be required. The FY 2007 estimate includes the estimated FY 2006 supplemental amount, but does not include the estimated Senior Living Trust Fund (SLTF) shortfall.
 - ◆ Of the total FY 2006 Medicaid budget, \$100.0 million (14.2%) is funded from a one-time balance in the SLTF. The balance could be depleted at the end of FY 2007, with an estimated shortfall of \$17.0 million.
 - ◆ ***The Governor is recommending increasing the cigarette tax by \$0.80 per pack starting in April of 2006. This would generate an estimated \$31.5 million in FY 2006. The Governor is recommending that the entire \$31.5 million increase be used to partially fund the FY 2006 Medicaid supplemental appropriation. The tobacco tax increase would generate an estimated \$129.9 million in FY 2007. The Governor recommends that the revenue be transferred into the Healthy Iowans Tobacco Trust (HITT) Fund from the General Fund. He also recommends that \$20.0 million in additional money be appropriated to Medical Assistance from the HITT and \$73.4 million be transferred to the Senior Living Trust Fund from the HITT.***
 - ◆ In the 2005 Legislative Session, \$6.0 million was appropriated to eliminate Medicaid Waiver waiting lists. This amount was determined to be adequate as of January 2005, but as more people are determined to be eligible for Waiver services, these lists may continue to grow beyond the current funding capacity. ***The Governor is recommending continuing baseline funding of \$6.0 million.***
 - ◆ The Medicare Part D drug benefit will have a significant effect on the Medicaid budget. Each year, Iowa is responsible for a “clawback” payment to the federal government. This payment is intended to replace what the



State would have spent on drugs for dual-eligibles without Medicare Part D. Another potential State expense will be the “woodwork” effect; people may apply for the new Medicare Part D benefit and as a result be found to be eligible for other programs. Increased eligibility will increase State costs.

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed two **Issue Reviews** relating to the Health and Human Services Appropriations Subcommittee during the 2005 Interim that will soon be available on the LSA web site:

- Shelter Care
- Community Mental Health Services Block Grant Expenditures

Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA web site. Presentations relating to the Health and Human Services Appropriations Subcommittee include:

- Childhood Lead Poisoning
- Community Empowerment
- Healthy Opportunities for Parents to Experience Success - Healthy Families Iowa (HOPES-HFI)
- Iowa Veterans Home
- IowaCare and Medicaid Reform
- Maternal and Child Health Services
- Medicaid Overview

- [Medicaid Waivers](#)
- [Mental Health Services](#)
- [Senior Living Trust Fund](#)
- [State Children's Health Insurance Program](#)

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JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE MEMBERS

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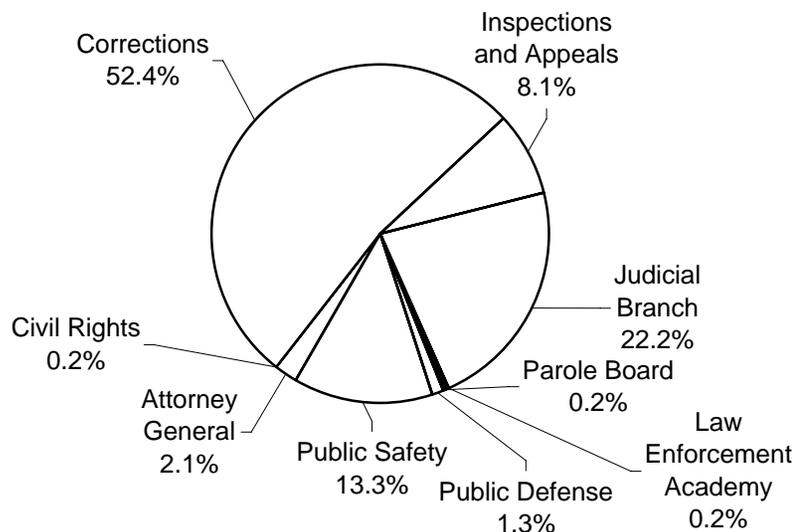
LEGISLATIVE SERVICES AGENCY

Fiscal Services Division
Fiscal Services Division
Legal Services Division

Beth Lenstra (Ext. 16301)
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JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

Justice System
FY 2007 General Fund Governor's Recommendations



Justice System
FY 2007 General Fund
Governor's Recommendations

Attorney General	\$ 12,421,430
Civil Rights	985,753
Corrections	307,373,964
Inspections and Appeals	47,456,045
Judicial Branch	130,175,734
Law Enforcement Academy	1,172,389
Parole Board	1,227,848
Public Defense	7,406,879
Public Safety	77,909,887
	<u><u>\$ 586,129,929</u></u>

The following spreadsheet lists the FY 2007 Governor's recommendations by budget offer, which includes the FY 2006 restoration amount and the new FY 2007 Governor's recommendations. The restoration amount is 100.0% of the FY 2006 appropriation, including salary adjustment. Elected officials (with the exception of the Governor's Office) and the Judicial Branch are not participants in the offer process.

Appropriation Name

Budget Offer Name and Number: In this example, three separate budget offers comprise one appropriation. Within each budget offer is the restored amount, new amount, and total offer amount for the appropriation. Some budget offers do not contain restoration money.

Department of Public Safety

Narcotics Enforcement

**We Think So That Law Enforcement Can Act
(595_JUS_011)**
Restoration

\$ 4,896,396 \$ 4,896,396 \$ 0

Maintains the current level of funding for Narcotics Enforcement and 75.00 FTE positions.

**It's a Matter of Supply and Demand
(595_JUS_003)**
New

116,025 116,025

An increase for Narcotics Enforcement fuel and depreciation expenses. Fuel is currently budgeted at \$1.00 per gallon. The recommendation increases this amount to approximately \$1.70 per gallon (net of taxes).

**We Think So That Law Enforcement Can Act
(595_JUS_011)**
New

336,777 336,777

An increase to annualize the costs of the Fusion Center of the Intelligence Bureau created in HF 811 (FY 2006 Justice System Appropriations Act) with nine months of funding. This is a joint offer with the Homeland Security and Emergency Management Division.

Total New Recommendations

Total New Recommendations

\$ 452,802 \$ 452,802

**Total Division of Narcotics Enforcement
Total FTE Positions**

\$ 4,896,396 \$ 5,349,198 \$ 452,802
75.00 75.00 0.00

EXAMPLE

Total Estimated FY 2006
Appropriation with
Salary Adjustment

Total FY 2007
Governor's
Recommendations

Total FY 2007
Governor's Rec. vs.
Est. FY 2006

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
Department of Justice				
Office of the Attorney General				
Restoration	\$ 8,329,413	\$ 8,329,413	\$ 0	Maintains current level of funding and 217.50 FTE positions.
New		100,000	100,000	An increase to fill an Area Prosecution Division Assistant Attorney General 3 position. Attorneys in the Division prosecute crimes across the State at the request of county attorneys when there is a lack of resources or when a conflict of interest exists. This Division also litigates the civil commitment of sexually violent predators. Due to a lack of funding, the Office has not filled two vacant area prosecutor positions. This request will permit one of the positions to be filled.
Total New Recommendations		<u>\$ 100,000</u>	<u>\$ 100,000</u>	
Total Office of the Attorney General	<u>\$ 8,329,413</u>	<u>\$ 8,429,413</u>	<u>\$ 100,000</u>	
Total FTE Positions	<u>217.50</u>	<u>217.50</u>	<u>0.00</u>	
Victim Assistance Grants				
Restoration	\$ 5,000	\$ 5,000	\$ 0	Maintains current funding level for 81 service providers around the State.
New		200,000	200,000	An increase for service providers.
Total New Recommendations		<u>\$ 200,000</u>	<u>\$ 200,000</u>	
Total Victim Assistance Grants	<u>\$ 5,000</u>	<u>\$ 205,000</u>	<u>\$ 200,000</u>	
Legal Services Poverty Grants				
Restoration	\$ 900,000	\$ 900,000	\$ 0	Maintains current funding level for the contract with Iowa Legal Aid for civil legal services for low-income Iowans.
Office of the Consumer Advocate				
Restoration	\$ 2,887,017	\$ 2,887,017	\$ 0	Maintains current level of funding and 27.00 FTE positions for participation in rate and energy efficiency proceedings.
Total Department of Justice	<u>\$ 12,121,430</u>	<u>\$ 12,421,430</u>	<u>\$ 300,000</u>	
Total FTE Positions	<u>264.50</u>	<u>264.50</u>	<u>0.00</u>	Includes 20.00 FTE positions funded from the Victim Compensation Fund.

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Civil Rights Commission				
Civil Rights Commission				
Civil Rights Enforcement, Training, Education, and Outreach (167_JUS_001)				
Restoration	\$ 985,753	\$ 985,753	\$ 0	Maintains current funding level to comply with Chapter 216, <u>Code of Iowa</u> . The Commission eliminated 2.10 FTE positions at the current funding level. These are authorized, vacant, unfunded positions.
Total Civil Rights Commission	\$ 985,753	\$ 985,753	\$ 0	
Total FTE Positions	28.00	25.90	0.00	Total decrease of 2.10 FTE positions.

Department of Corrections

Institutions				
Maintain Current Level of Service (238_JUS_001)				
Restoration	\$ 219,752,027	\$ 219,752,027	\$ 0	Maintains current funding level to comply with State and federal mandates, and special programs. Also, there is a non-General Fund appropriation of \$1,497,285 from the Healthy Iowans Tobacco Trust (HITT) Fund for the Clinical Care Unit at Fort Madison. The amount requested for restoration does not include \$310,000 from the HITT for the Value-Based Treatment Program at the Newton Correctional Facility.
New		305,000	305,000	An increase to allow the Department of Corrections (DOC) to continue purchasing all necessary services from the Department of Administrative Services (DAS). This offer includes all nine Institutions.
New		2,168,623	2,168,623	An increase for food, fuel, and pharmacy cost increases. This offer includes all nine Institutions. The Governor is also recommending a FY 2006 supplemental appropriation of \$1,186,500 due to increased costs of natural gas.
New		250,000	250,000	An increase to allow the Department of Corrections (DOC) to expand the Sex Offender Treatment Program at the Mount Pleasant Correctional Facility by adding 4.00 FTE positions (two Correctional Officers and two Correctional Counselors) plus support costs.

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
New		1,066,050	1,066,050	An increase to staff five guard towers at the Iowa State Penitentiary at Fort Madison around the clock, with the exception of Tower 2, which will provide dawn to dusk coverage. This amount annualizes the Governor's recommendation of \$1,333,025 for an FY 2006 supplemental appropriation.
New		152,025	152,025	An increase to permit the Anamosa State Penitentiary to connect to the City of Anamosa's water system.
Total Offer		<u>\$ 3,941,698</u>	<u>\$ 3,941,698</u>	
Offender Re-entry Process (238_JUS_003)				
New		149,575	149,575	An increase to add a Social Worker 4 position at each of the following Institutions: the Newton Correctional Facility, the North Central Correctional Facility at Rockwell City, and the Iowa Correctional Institution for Women at Mitchellville. The offender re-entry process is transition planning from prison reception through community supervision.
New		238,395	238,395	An increase to add 4.00 FTE positions (Social Worker 4, Psychology Assistant, and 2.00 Correctional Counselors) at the Iowa Medical Classification Center at Oakdale. This funding permits all offender assessments to be centralized at Oakdale.
Total Offer		<u>\$ 387,970</u>	<u>\$ 387,970</u>	
Mental Health Transition to the Community (238_JUS_004)				
New		412,265	412,265	An increase to provide 13.00 FTE positions and associated support costs to the Clinical Care Unit at the Iowa State Penitentiary at Fort Madison. The Governor is recommending an additional \$310,000 from the Healthy Iowans Tobacco Trust (HITT) Fund for this purpose. The total recommended increase is \$722,265 for this offer. This offer provides the staffing level recommended by the National Institute of Corrections (NIC).
Total Offer		<u>\$ 412,265</u>	<u>\$ 412,265</u>	

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
Manage High Risk Caseloads (238_JUS_005)				
New		190,185	190,185	An increase to replace the loss of a federal grant that funded the Substance Abuse Therapeutic Community Treatment Program at the Iowa Correctional Institution for Women at Mitchellville. The offer maintains an existing program and 3.00 Correctional Counselors.
Oakdale Expansion - Staff (238_JUS_007)				
New		5,113,412	5,113,412	An increase to provide the personnel and support costs necessary to hire staff for the new 178-bed Special Needs Medical and Mental Health Behavioral Unit at the Iowa Medical Classification Center at Oakdale. Staff would be hired in March 2007, and receive training before offenders are scheduled to arrive in June 2007. The facility was built pursuant to a federal court order. The Governor is recommending the one-time equipment costs be funded from the Rebuild Iowa Infrastructure Fund (\$332,000) and the Restricted Capitals Fund (\$3,044,519) for a total of \$3,366,519.
Total New Recommendations		<u>\$ 10,045,530</u>	<u>\$ 10,045,530</u>	
Total New FTE Positions		<u>73.81</u>	<u>73.81</u>	
Total Institutions	<u>\$ 219,752,027</u>	<u>\$ 229,797,557</u>	<u>\$ 10,045,530</u>	
Total FTE Positions	<u>2,964.06</u>	<u>3,037.87</u>	<u>73.81</u>	Total of 73.81 new FTE positions.
Administration Central Office				
Maintain Current Level of Service (238_JUS_001)				
Restoration	\$ 2,939,637	\$ 2,939,637	\$ 0	Maintains current funding level.
New		85,317	85,317	An increase to allow the Department of Corrections (DOC) to continue purchasing all necessary services from the Department of Administrative Services (DAS).
New		139,712	139,712	An increase to fund rent costs of the Jesse Parker Building.
New		765,090	765,090	An increase to fund existing, filled positions in Central Office. This amount annualizes the Governor's recommended FY 2006 supplemental appropriation of \$625,000.
New		82,590	82,590	An increase to fund an Administrative Law Judge to hold hearings for contested sex offender risk assessments as required by an Iowa Supreme Court ruling.
Total Offer		<u>\$ 1,072,709</u>	<u>\$ 1,072,709</u>	

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
Offender Re-entry Process (238_JUS_003)				
New		62,391	62,391	An increase to add a Parole/Probation Officer 3 position for transition planning from prison reception through community supervision.
Total New Recommendations		<u>\$ 1,135,100</u>	<u>\$ 1,135,100</u>	
Total New FTE Positions		<u>2.00</u>	<u>2.00</u>	
Total Central Office	<u>\$ 2,939,637</u>	<u>\$ 4,074,737</u>	<u>\$ 1,135,100</u>	
Total FTE Positions	37.18	39.18	2.00	Total of 2.00 new FTE positions.
Iowa Corrections Offender Network (ICON)				
Maintain Current Level of Service (238_JUS_001)				
Restoration	\$ 427,700	\$ 427,700	\$ 0	Maintains current funding level.
County Confinement				
Maintain Current Level of Service (238_JUS_001)				
Restoration	\$ 674,954	\$ 799,954	\$ 125,000	An increase to annualize the Governor's recommended FY 2006 supplemental appropriation of \$125,000.
Federal Prisoners/Contractual				
Maintain Current Level of Service (238_JUS_001)				
Restoration	\$ 241,293	\$ 241,293	\$ 0	Maintains current funding level.
Corrections Education				
Maintain Current Level of Service (238_JUS_001)				
Restoration	\$ 1,058,358	\$ 1,058,358	\$ 0	Maintains current funding level.
Mental Health/Substance Abuse Treatment - DOC				
Maintain Current Level of Service (238_JUS_001)				
Restoration	\$ 25,000	\$ 25,000	\$ 0	Maintains current funding level.
Total Administration	<u>\$ 5,366,942</u>	<u>\$ 6,627,042</u>	<u>\$ 1,260,100</u>	
Total Administration FTE Positions	37.18	39.18	2.00	Total of 2.00 new FTE positions.

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
Community-Based Corrections (CBC)				
Maintain Current Level of Service (238_JUS_001)				
Restoration	\$ 67,789,968	\$ 67,789,968	\$ 0	Maintains current funding level to comply with State and federal mandates, and special programs. Also, there is a non-General Fund appropriation of \$1,644,00 from the Healthy Iowans Tobacco Trust Fund. This offer includes all eight CBC District Departments.
New		41,825	41,825	An increase to allow the CBC District Departments to continue purchasing all necessary services from the Department of Administrative Services (DAS). This offer includes all eight CBC District Departments.
New		178,923	178,923	An increase for food, fuel, and pharmacy cost increases. This offer includes all eight CBC District Departments.
New		122,000	122,000	An increase to fund rent costs of the Seventh CBC District Department.
New		2,054,957	2,054,957	An increase to allow the CBC District Departments to supervise, electronically monitor, and treat up to 500 convicted sex offenders living in Iowa communities. Includes staffing costs for 21.00 FTE positions (15 Parole/Probation Officer 3 and six Residential Officers).
Total Offer		<u>\$ 2,397,705</u>	<u>\$ 2,397,705</u>	
Offender Re-entry Process (238_JUS_003)				
New		499,978	499,978	An increase to add a Parole/Probation Officer 3 in each of the eight CBC District Departments. The offender re-entry process is transition planning from prison reception through community supervision.
Mental Health Transition to the Community (238_JUS_004)				
New		129,482	129,482	An increase to partially replace the loss of a federal grant in the First and Sixth CBC District Departments. The recommendation includes 1.00 FTE position (Parole/Probation Officer 3) in the First CBC District Department and 1.00 FTE position (Parole/Probation Officer 3) in the Sixth CBC District Department.
Manage High Risk Caseloads (238_JUS_005)				
New		132,232	132,232	An increase to replace the loss of a federal grant for a Drug Court in the Seventh CBC District Department. Staffing includes 1.75 FTE positions (0.35 FTE position for a Secretary and 1.40 FTE positions for Parole/Probation Officer 3).
Total New Recommendations - CBC Dist. Depts.		<u>\$ 3,159,397</u>	<u>\$ 3,159,397</u>	
Total New FTE Positions		<u>23.90</u>	<u>23.90</u>	

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Total CBC District Departments	\$ 67,789,968	\$ 70,949,365	\$ 3,159,397	
Total FTE Positions	1,114.31	1,138.21	23.90	Total of 23.90 new FTE positions.
Total Department of Corrections	\$ 292,908,937	\$ 307,373,964	\$ 14,465,027	
Total FTE Positions	4,115.55	4,215.26	99.71	Total of 99.71 new FTE positions.
Department of Inspections and Appeals				
Office of the State Public Defender				
Legal representation to eligible clients in criminal, juvenile, and appellate court, and in certain civil commitment cases (428_JUS_001)				
Restoration	\$ 19,172,795	\$ 19,172,795	\$ 0	Restores current funding level to maintain 202.00 FTE positions.
New		620,168	620,168	An increase to ensure the maximum number of cases are handled in the public defender system. This offer will allow for an estimated 71,000 cases to be handled by the State Public Defender's Office.
Total Office of the State Public Defender	\$ 19,172,795	\$ 19,792,963	\$ 620,168	
Total FTE Positions	202.00	202.00	0.00	
Indigent Defense Program				
Restoration	\$ 21,163,082	\$ 21,163,082	\$ 0	Maintains current appropriated level to pay attorney fees and other costs associated with indigent defense.
New		4,000,000	4,000,000	An increase to fund indigent defense services at a level adequate to meet anticipated expenditures. This amount annualizes the Governor's recommendation of \$4,000,000 for an FY 2006 supplemental appropriation.
New		2,500,000	2,500,000	An increase to raise the rates paid to private court-appointed counsel by \$5.00 per hour. A statutory change is required.
Total Indigent Defense Program	\$ 21,163,082	\$ 27,663,082	\$ 6,500,000	
Total Department of Inspections and Appeals	\$ 40,335,877	\$ 47,456,045	\$ 7,120,168	
Total FTE Positions	202.00	202.00	0.00	

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Iowa Law Enforcement Academy				
Iowa Law Enforcement Academy				
ILEA Offer 1 (467_JUS_001)				
Restoration	\$ 1,134,189	\$ 1,134,189	\$ 0	The Governor is recommending to notwithstanding Section 80B.11B, <u>Code of Iowa</u> , to allow the Academy to charge more than one-half the cost of providing the basic training course. In FY 2006, this language was in HF 811 (FY 2006 Justice System Appropriations Act) and ILEA charged 60.0% of tuition for costs of the Academy (\$3,210 of \$5,350). In addition, an appropriation transfer of \$41,019 was required in FY 2005 due to lower than expected attendance and reimbursements.
New		38,200	38,200	An increase for increased costs for fuel, utilities, DAS fees, and Auditor fees.
Total Law Enforcement Academy	\$ 1,134,189	\$ 1,172,389	\$ 38,200	
Total FTE Positions	30.05	30.05	0.00	
Judicial Branch				
Judicial Branch Operations				
Restoration	\$ 123,237,410	\$ 123,237,410	\$ 0	Maintains current level of funding.
New		650,532	650,532	House File 619 (Sex Offender Act) required juvenile court use of electronic monitoring on any juvenile whose victim was a minor and who was placed on the Sex Offender Registry. The Act also required DNA testing and a sex offender risk assessment to be conducted. This request also includes an increase of 4.00 FTE positions.
New		277,721	277,721	An increase of 4.00 FTE positions for technology. Two positions will provide support for computer applications used by judges, one position will be the project manager of the electronic data management system, and one position will provide hardware support for the Central Iowa area.
New		412,470	412,470	An increase of 5.50 FTE positions for 2.00 District Associate Judges, 2.00 Court Reporters, and 1.50 for two part-time Court Attendants for Linn and Polk counties due to increased caseloads.
New		150,000	150,000	An increase for additional education and training for all staff.
New		172,000	172,000	An increase for the replacement of furniture and equipment as needed in offices around the State. The increase also funds new furniture and equipment in counties that are providing the Judicial Branch with additional and remodeled space.
Total New Recommendations		\$ 1,662,723	\$ 1,662,723	
Total New FTE Positions		9.50	9.50	

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Total Judicial Branch Operations	\$ 123,237,410	\$ 124,900,133	\$ 1,662,723	
Total FTE Positions	1,958.15	1,971.65	13.50	Total of 13.50 new FTE positions.
Youth Enrichment Pilot Project				
Restoration	\$ 100,000	0	0	There was no recommendation to continue this funding.
Judicial Retirement				
Restoration	\$ 2,039,664	\$ 5,275,601	\$ 3,235,937	An increase of \$3,235,937 places the employer's share of the retirement contribution at the statutory requirement of 23.7%.
Total Judicial Branch	\$ 125,377,074	\$ 130,175,734	\$ 4,798,660	
Total FTE Positions	1,958.15	1,971.65	13.50	Total of 13.50 new FTE positions.
Board of Parole				
Board of Parole				
The case review of 8,700 incarcerated offenders for release consideration to work release or parole (547_JUS_001)				
Restoration	\$ 1,151,678	\$ 1,151,678	\$ 0	Maintains current funding level.
New		5,282	5,282	An increase to continue purchasing all necessary services from the Department of Administrative Services (DAS).
New		70,888	70,888	An increase to fund the rent for the Jesse Parker Building space.
Total New Requests		\$ 76,170	\$ 76,170	
Total Board of Parole	\$ 1,151,678	\$ 1,227,848	\$ 76,170	
Total FTE Positions	17.50	17.50	0.00	
Department of Public Defense				
Department of Public Defense, Military Division				
IA National Guard Military Readiness and Defense (582_JUS_001)				
Restoration	\$ 5,315,459	\$ 5,315,459	\$ 0	Maintains current operations for the Military Division.
New		409,086	409,086	An increase to fund increased costs of fuel and utilities.
Total Military Division	\$ 5,315,459	\$ 5,724,545	\$ 409,086	
Total FTE Positions	316.55	316.55	0.00	

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
Civil Air Patrol				
IA National Guard Military Readiness and Defense (582_JUS_001)				
Restoration	\$ 100,000	\$ 100,000	\$ 0	Maintains ongoing training and education for the Civil Air Patrol.
Homeland Security & Emergency Management Division				
Homeland Security and Emergency Management Division (583_JUS_001)				
Restoration	\$ 1,253,414	\$ 1,253,414	\$ 0	Maintains current funding level and 24.75 FTE positions for the Division to provide continued homeland security and emergency management activities.
New		615	615	An increase to cover anticipated DAS utility fee increases.
Total Offer	\$ 1,253,414	\$ 1,254,029	\$ 615	
We Think So That Law Enforcement Can Act (595_JUS_011)				
New		328,305	328,305	An increase to fund a portion of the Fusion Center and 2.00 additional FTE positions. This is a joint offer with the Department of Public Safety.
Total New Requests		\$ 328,920	\$ 328,920	
Total Homeland Security and Emergency Management Division	\$ 1,253,414	\$ 1,582,334	\$ 328,920	
Total FTE Positions	24.75	26.75	2.00	
Total Department of Public Defense	\$ 6,668,873	\$ 7,406,879	\$ 738,006	
Total FTE Positions	341.30	343.30	2.00	

Department of Public Safety

Administration

Supporting All Iowa Law Enforcement (595_JUS_001)

Restoration	\$ 3,191,874	\$ 3,191,874	\$ 0	Maintains current level of funding for the Administration Division and 38.00 FTE positions.
New		464,146	464,146	An increase to reimburse DAS for services provided for the Department. This amount annualizes the Governor's recommendation of \$400,00 for an FY 2006 supplemental appropriation.

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
Total Administration	\$ 3,191,874	\$ 3,656,020	\$ 464,146	
Total FTE Positions	38.00	38.00	0.00	
Division of Criminal Investigation				
Criminal Sciences Supporting Iowans (595_JUS_002)				
Restoration	\$ 15,261,477	\$ 15,261,477	\$ 0	Maintains current level of funding for the Criminal Investigation Division and 227.50 FTE positions.
New		1,932,070	1,932,070	An increase of 29.00 FTE positions to staff the four new gaming establishments authorized in May 2005. The increase will be offset by increased gaming revenue deposited into the General Fund. This amount annualizes the Governor's recommendation of \$1.0 million for an FY 2006 supplemental appropriation.
New		652,236	652,236	An increase to fund the DNA database and 3.00 FTE positions with General Fund money. In FY 2006, \$600,000 in one-time Microsoft money was appropriated to fund this recommendation.
New		197,000	197,000	An increase for fuel and depreciation expenses. Fuel is currently budgeted at \$1.00 per gallon. The recommendation increases this amount to approximately \$1.70 per gallon (net of taxes).
New		401,604	401,604	An increase of 7.00 FTE to replace gaming enforcement positions eliminated due to budget reductions in FY 2002. The increase will be offset by increased gaming revenue deposited into the General Fund.
New		229,488	229,488	An increase of 4.00 FTE positions for additional gaming enforcement officers authorized in HF 641 (Gaming Act). The increase will be offset by increased gaming revenue deposited into the General Fund.
Total New Recommendations		\$ 3,412,398	\$ 3,412,398	
Total New FTE Positions		40.00	40.00	
Total Division of Criminal Investigation	\$ 15,261,477	\$ 18,673,875	\$ 3,412,398	
Total FTE Positions	230.50	270.50	40.00	Total increase of 40.00 new FTE positions.
DCI - Crime Lab Equipment/Training Fund				
Criminal Sciences Supporting Iowans (595_JUS_002)				
Restoration	\$ 342,000	\$ 342,000	\$ 0	Maintains current level of funding for the DCI - Crime Lab Equipment/Training Fund.
Undercover Funds				
It's a Matter of Supply and Demand (595_JUS_003)				
Restoration	\$ 123,343	\$ 123,343	\$ 0	Maintains current level of funding for undercover funds for the Division of Narcotics Enforcement.

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
Narcotics Enforcement				
We Think So That Law Enforcement Can Act (595_JUS_011)				
Restoration	\$ 4,896,396	\$ 4,896,396	\$ 0	Maintains current level of funding for Narcotics Enforcement and 75.00 FTE positions.
It's a Matter of Supply and Demand (595_JUS_003)				
New		116,025	116,025	An increase for Narcotics Enforcement fuel and depreciation expenses. Fuel is currently budgeted at \$1.00 per gallon. The recommendation increases this amount to approximately \$1.70 per gallon (net of taxes).
We Think So That Law Enforcement Can Act (595_JUS_011)				
New		336,777	336,777	An increase to annualize the costs of the Fusion Center of the Intelligence Bureau created in HF 811 (FY 2006 Justice System Appropriations Act) with nine months of funding. This is a joint offer with the Homeland Security and Emergency Management Division.
Total New Recommendations		<u>\$ 452,802</u>	<u>\$ 452,802</u>	
Total Division of Narcotics Enforcement	<u>\$ 4,896,396</u>	<u>\$ 5,349,198</u>	<u>\$ 452,802</u>	
Total FTE Positions	<u>75.00</u>	<u>75.00</u>	<u>0.00</u>	
Fire Marshal				
Ensuring the Life Safety Of Iowans (595_JUS_004)				
Restoration	\$ 2,321,122	\$ 2,321,122	\$ 0	Maintains the current level of funding for the Fire Marshal and 42.00 FTE positions.
New		100,000	100,000	House File 811 (FY 2006 Justice System Appropriations Act) appropriated \$175,000 to the Fire Marshal's Office (a \$100,000 supplemental in FY 2005 to be expended in FY 2006 and \$75,000 in FY 2006) for 3.00 additional Fire Inspectors.
New		92,125	92,125	An increase for Fire Marshal fuel and depreciation expenses. Fuel is currently budgeted at \$1.00 per gallon. The recommendation increases this amount to approximately \$1.70 per gallon (net of taxes).
Total New Recommendations		<u>\$ 192,125</u>	<u>\$ 192,125</u>	
Total Fire Marshal's Office	<u>\$ 2,321,122</u>	<u>\$ 2,513,247</u>	<u>\$ 192,125</u>	
Total FTE Positions	<u>41.00</u>	<u>41.00</u>	<u>0.00</u>	

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	<u>General Fund Estimated FY 2006</u>	<u>General Fund Governor's Rec. FY 2007</u>	<u>General Fund Governor's Rec. vs. Est. FY 06</u>	<u>Description of Changes</u>
Iowa State Patrol				
What Brown Does For You (595_JUS_005)				
Restoration	\$ 43,735,918	\$ 43,735,918	\$ 0	Maintains the current level of funding for the Iowa State Patrol and 531.00 FTE positions.
Running On Empty (595_JUS_012)				
New		1,449,700	1,449,700	An increase to provide \$600,000 for fuel expenses and \$849,700 for depreciation expenses to purchase approximately 39 cars. Fuel is currently budgeted at \$1.00 per gallon. The recommendation increases this amount to approximately \$1.70 per gallon (net of taxes).
Total Iowa State Patrol	<u>\$ 43,735,918</u>	<u>\$ 45,185,618</u>	<u>\$ 1,449,700</u>	
Total FTE Positions	<u>531.00</u>	<u>531.00</u>	<u>0.00</u>	
DPS/State Peace Officers Council (SPOC) Sick Leave Payout				
What Brown Does For You (595_JUS_005)				
Restoration	\$ 316,179	\$ 316,179	\$ 0	Maintains the current level of funding for the SPOC Sick Leave Payout Fund.
New		375,000	375,000	An increase for increased costs of health insurance premiums.
Total DPS/SPOC Sick Leave Payout	<u>\$ 316,179</u>	<u>\$ 691,179</u>	<u>\$ 375,000</u>	
Capitol Building Security				
Ensuring the Life Safety of Iowans (595_JUS_004)				
Restoration	\$ 775,000	\$ 0	\$ -775,000	The Governor did not recommend funding for Capitol Building Security.
Fire Fighter Training				
Ensuring the Life Safety of Iowans (595_JUS_004)				
Restoration	\$ 699,587	\$ 699,587	\$ 0	Maintains the current level of assistance for local volunteer fire departments and firefighters.
Fire Service Training Bureau				
Ensuring the Life Safety of Iowans (595_JUS_004)				
Restoration	\$ 675,820	\$ 675,820	\$ 0	Maintains the current level of funding for the Fire Service Training Bureau and 10.00 FTE positions.
Total Department of Public Safety	<u>\$ 72,338,716</u>	<u>\$ 77,909,887</u>	<u>\$ 5,571,171</u>	
Total FTE Positions	<u>915.50</u>	<u>964.50</u>	<u>49.00</u>	Total increase of 49.00 new FTE positions.

**General Fund
FY 2007 Governor's Recommendations
Justice System Appropriations Subcommittee**

	General Fund Estimated FY 2006	General Fund Governor's Rec. FY 2007	General Fund Governor's Rec. vs. Est. FY 06	Description of Changes
Grand Totals				
Total Restoration	\$ 553,022,527	\$ 555,508,464	\$ 2,485,937	
Total New Recommendations		\$ 30,621,465	\$ 30,621,465	
Total Justice System Appropriation Subcommittee	<u>\$ 553,022,527</u>	<u>\$ 586,129,929</u>	<u>\$ 33,107,402</u>	
Total Restored FTEs	7,997.55	7,997.55	7,997.55	
Total New FTE Positions		173.16	173.16	
Total FTEs	<u>7,997.55</u>	<u>8,170.71</u>	<u>173.16</u>	Total increase of 173.16 new FTE positions.

* The FTE numbers in this spreadsheet may not include all non-appropriated FTE positions.
The FTE numbers include those assigned to the Iowa Communications Network.

SUBCOMMITTEE BUDGET ISSUES

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

Department of Justice

▶ **Victim Compensation Fund** – Receipts to the Victim Compensation Fund include a portion of the criminal surcharge, restitution, certain inmate wages, federal funds, and a portion of the Operating While Intoxicated (OWI) fines. The Fund pays certain out-of-pocket expenses of crime victims and their families, as defined in Chapter 915, Code of Iowa. The Fund also covers expenses related to:

- ◆ Administrative costs of the Crime Victim Assistance Division, including the Victim Services Grant Program.
- ◆ Sexual Abuse Examination Program. These costs increased by \$399,000 (66.50%) in FY 2005 due to increasing the reimbursement rate for facility use and examiner fees for collections of evidence in sexual abuse cases.
- ◆ Services and support to victims of domestic abuse and sexual assault.
- ◆ Two victim/witness coordinators in the Area Prosecutions Division of the Office of the Attorney General.
- ◆ Training for victim service providers is limited to no more than \$100,000 annually.

Based on actuarial studies in other states, at least \$5.2 million should be held in reserve so the Fund remains actuarially sound. This amount provides a six-month reserve for victim claims and operations in case of a catastrophic event, such as the Oklahoma City bombing. The FY 2005 ending balance was \$3.8 million.

The Department is maintaining a three-month reserve in FY 2006, so that funds may be transferred to Victim Assistance Grants. House File 811 (FY 2006 Justice System Appropriations Act) requires \$2,450,000 to be transferred from the Victim Compensation Fund to the Victim Assistance Grants Program, which awards funds to service providers for victims of rape, sexual assault, and domestic abuse.

The Department is proposing new benefits and an increase in the payment limits of current benefits for direct payments to crime victims and their families. The estimated cost increase is \$611,000 annually, of which 60.0% (\$367,000) will be reimbursed by the federal government. However, the federal payment may not be received until FY 2007, which may cause cash flow problems.

It is unlikely the Victim Compensation Fund will be able to support the FY 2006 level of funding for Victim Services Grants, direct payments to victims, and sexual abuse examinations in future fiscal years unless other revenue sources are tapped or expenditures are reduced. Various revenue streams are unstable. The federal Victim of Crime Act (VOCA) Fund is experiencing increased claims and declining revenues. The number of employers employing inmates in the private sector has decreased

substantially in recent years. The amount of restitution paid by criminal offenders is driven primarily by their employment status. If the economy weakens, this funding stream will decrease. Federal receipts vary from year to year. The Subcommittee may want to review alternatives for either increasing receipts or decreasing expenditures for the Victim Compensation Fund. **The Governor is recommending an additional \$200,000 for Victim Assistance Grants.**

Department of Corrections (DOC)

- ▶ **Prison Population Growth** – The Iowa prison population is currently 8,700 inmates, which is 120.2% of current design capacity. The Criminal and Juvenile Justice Planning Division of the Department of Human Rights projects the population will reach 10,329 inmates by FY 2015, if current sentencing policies and laws remain in place. If the inmate population reaches 10,329, three new 800-bed prisons will need to be built at an estimated cost of \$50.0 million for each prison. Each prison will incur annual operating costs of approximately \$28.0 million, when operated at full capacity. If three new prisons are built and the population reaches 10,329 inmates, the prison system will be operating at 105.3% of design capacity. The Subcommittee may want to examine alternatives to building new prisons. **The Governor is recommending an increase of \$5.1 million to open the 178-bed Special Needs Unit at the Iowa Medical Classification Center at Oakdale. This amount represents three months of staff costs and inmates are scheduled to be housed there beginning June 2007. The Governor is recommending \$3.4 million in one-time equipment costs be funded from the Rebuild Iowa Infrastructure Fund (RIIF) and Restricted Capitals Fund.** 
- ▶ **Mental Health** – Currently, approximately 20.0% of offenders in prison have a mental health condition. The Department is working with the University of Iowa School of Medicine and the Iowa Consortium of Mental Health Board to improve services to a growing number of mentally ill inmates. The Department is constructing a 170-bed Special Needs Unit at the Iowa Medical Classification Center at Oakdale to comply with a federal court order relating to mentally ill inmates. The facility is expected to open in FY 2007. The Department is requesting \$12.2 million to equip, operate, and staff the facility for six months in FY 2007. The Department is also requesting \$1.5 million to provide mental health services to offenders in the community and at the Clinical Care Unit at Fort Madison. The Subcommittee may want to review this issue with the Department. **The Governor is recommending a total of \$852,000 for mental health services at the Iowa State Penitentiary at Fort Madison and the First and Sixth Community-Based Corrections (CBC) District Departments. Of this amount, \$542,000 is from the General Fund and \$310,000 is from the Healthy Iowans Tobacco Trust.**
- ▶ **Prison Education** – The General Fund appropriation for inmate education peaked in FY 2001 at \$3.3 million. The FY 2006 General Fund appropriation is \$1.1 million, which is a decrease of \$2.2 million (67.87%) compared to FY 2001. Since FY 2001, the Department of Corrections (DOC) has relied on other funding sources, such as carryover funding from the previous year's appropriation, Institution Canteen receipts, and the Telephone Rebate Fund, to provide adult basic education, high school equivalent, and vocational courses through the community college system. The Department is requesting \$2.8 million from the General Fund in FY 2007. This is an 

increase of \$1.8 million (165.4%) compared to the FY 2006 appropriation, and a decrease of \$0.5 million (15.2%) compared to the FY 2001 level. Literacy is a significant problem that limits employment for the inmate population, and the Department has focused educational resources on literacy for the past several years. Research suggests inmate education increases employability of released inmates and reduces recidivism. Vocational education is provided primarily in conjunction with Prison Industries. The Subcommittee may want to examine the effectiveness of funding streams for prison education.

- ▶ **Sex Offender Supervision** – House File 619 (Sex Offender Act) relates to the supervision and treatment of sex offenders. The DOC is requesting an additional \$1.3 million to supervise, treat, and electronically monitor convicted sex offenders living in the community and the Mount Pleasant Correctional Facility. The Subcommittee may want to review the supervision and treatment requirements contained within HF 619. ***The Governor is recommending an increase of \$2.4 million for treatment, supervision, and electronic monitoring of sex offenders. The recommendation includes funds for real-time response to Global Positioning System (GPS) bracelets.***

- ▶ **Prison Security** – Two inmates escaped from the maximum-security section of the Iowa State Penitentiary at Fort Madison in November 2005. The Board of Corrections is studying the need for replacing the maximum-security prison, which is the oldest operating prison west of the Mississippi River. The National Institute of Corrections has been requested to provide assistance in conducting a security audit of the entire prison system. The Subcommittee may want to review the results of these studies with the DOC. ***The Governor is recommending an FY 2006 supplemental appropriation of \$1.3 million to staff the perimeter towers at the Iowa State Penitentiary at Fort Madison. The Governor is recommending an increase of \$1.1 million to staff the towers in FY 2007. The Governor is recommending \$500,000 from the Restricted Capitals Fund for planning a new maximum–security prison.***

- ▶ **Central Office Staff** – The Department received an FY 2005 supplemental appropriation of \$414,000 to fund existing filled positions in Central Office. The Department did not request the funds in FY 2006. ***The Governor is recommending an FY 2006 supplemental appropriation of \$625,000 for the Central Office to fund existing staff. The Governor is recommending an increase of \$765,000 in FY 2007 for this purpose.***

- ▶ **County Confinement Account** – This appropriation reimburses the counties for holding parole, work release and Operating While Intoxicated (OWI) offenders pending the outcome of revocation proceedings. ***The Governor is recommending an FY 2006 supplemental appropriation of \$125,000, and an increase of \$125,000 in FY 2007.***

- ▶ **Operating Budgets** – The Institutions and CBC District Departments have experienced cost increases for food, fuel, and pharmacy. ***The Governor is recommending a FY 2006 supplemental appropriation of \$1.2 million for these cost increases. The Governor is recommending an increase of \$2.3 million in FY 2007.***

Judicial Branch



- ▶ **Judicial Retirement** – The Judicial Retirement Fund contribution rate is set at 23.7% in Section 602.9104(4)(b), Code of Iowa. According to the most recent actuarial report, the Judicial Retirement Fund is 77.0% funded and the annual required contribution as a percentage of pay is 22.3%. The judge's contribution rate is set by statute and was increased from 4.0% to 5.0% as of July 1, 2000. There are currently 197 active members participating in the Judicial Retirement Fund. There are 10 inactive vested members, 102 retirees and Senior Judges, and 40 surviving spouses. House File 807 (FY 2006 Judicial Branch Appropriations Act) notwithstanding the Code of Iowa to lower the employer contribution rate to the Judicial Retirement Fund from 23.7% to 9.2%. The FY 2005 General Fund appropriation to the Judicial Retirement Fund was \$2.0 million. For FY 2006, covered payroll is estimated at \$22.3 million. If the Judicial Retirement Fund is funded at the statutory requirement of 23.7%, the appropriation would be \$5.3 million. The Judicial Branch is requesting an increase of \$3.2 million as part of their FY 2007 request to fund the difference between current funding and the statutory requirement.

- ▶ **Judicial Budget** – The Judicial Branch received \$118.4 million in HF 807 (FY 2006 Judicial Branch Appropriations Act) for operations and an increase of 15.0 FTE positions for magistrates. House File 826 (Speed Limit Act) allowed the Judicial Branch to retain \$7.0 million in revenue prior to deposit into the General Fund for the following:
 - ◆ \$3.2 million to restore educational conferences and eliminate the eight unpaid leave and court closure dates.
 - ◆ \$1.0 million to fund all currently authorized positions.
 - ◆ \$336,000 to fund on-going operations, including utilities and maintenance.
 - ◆ \$1.8 million to fund 28.0 additional FTE positions.
 - ◆ \$32,000 to fund increased DAS service fees.
 - ◆ \$600,000 to fund furniture, equipment, and remodeling projects.

For FY 2007, the Judicial Branch is requesting \$124.9 million in General Fund money for operations and \$5.3 million for Judicial Retirement. The following is a listing of the individual decision packages:

- ◆ \$123.2 million in restoration for operations and support of 1,958.15 FTE positions.
- ◆ \$651,000 to support juvenile court electronic monitoring required in HF 619 (Sex Offender Act).
- ◆ \$278,000 and 4.0 FTE positions for technology staff.

- ◆ \$412,000 for two District Associate Judges, two court reporters, and two part-time court attendants for Linn and Polk counties.
- ◆ \$150,000 and 5.50 FTE positions for additional education and training of all staff.
- ◆ \$172,000 for the replacement of furniture and equipment as needed in offices around the State.
- ◆ \$5.3 million for Judicial Retirement at a State contribution rate of 23.7%.

Department of Public Defense

- ▶ **Department of Public Defense, Homebuyer Program** – *The Governor is recommending an FY 2006 General Fund supplemental appropriation of \$1.0 million to assist with down payments and closing costs for current/former Iowa National Guard, Iowa-base reserves, and active duty personnel that are Iowa residents and are purchasing a home in Iowa.*



Department of Public Safety

- ▶ **Department of Public Safety FY 2006 Supplemental Appropriations** – *The Governor is recommending an FY 2006 supplemental appropriation of \$1.0 million for 19 Gaming Enforcement Officers and eight Special Agents due to the gaming expansion legislation from the 2005 Legislative Session. The increase will be offset by increased gaming revenue deposited into the General Fund. The Governor is also recommending an FY 2006 supplemental appropriation of \$400,000 for increased billings from the Department of Administrative Services (DAS).*



- ▶ **Iowa State Patrol Vehicle Depreciation** – As of December 1, there were 413 authorized, uniformed FTE positions for the Iowa State Patrol. In one year's time, a patrol vehicle averages 30,000 miles. To maintain mileage under 100,000 miles, one-third of the fleet or approximately 33.0% of the vehicles in the fleet should be replaced each fiscal year. For FY 2006, the Patrol received \$785,000 in one-time Microsoft funds which purchased 36 cars in addition to the \$2.0 million the Department budgets in the Vehicle Depreciation Fund. For FY 2006, the Patrol was able to order and will be receiving 175 patrol cars. In order to maintain the current one-third replacement schedule for the State Patrol, approximately 136 vehicles will need to be ordered. For FY 2007, the Department will be able to purchase approximately 91 cars based on \$22,000 per vehicle. ***The Governor is recommending \$849,700 for depreciation expenses, which will purchase approximately 39 vehicles.***

- ▶ **Department of Public Safety Fuel Budget** – The Department of Public Safety currently budgets fuel at \$1.00 (not including the \$0.32 per gallon in State and federal taxes). The Department has used vacancy factor funds to pay for increased fuel costs over the last few years; however, as the Department of Public Safety employs additional FTE positions, the availability of the vacancy factor funds is diminishing. In FY 2005, the Department used approximately 994,000 gallons of fuel. In comparison to other State agencies, the Department of Transportation is budgeting gas for FY 2007 at \$1.77 per gallon for diesel fuel and \$1.66 per gallon for E-10 (not including the \$0.32 per gallon in State and federal taxes). The Department of Agriculture is budgeting \$1.63 (not including the \$0.32 per gallon in State and federal taxes). ***The Governor is recommending \$1.70 per gallon or \$1.0 million in increased fuel funding for the Department of Public Safety.***

- ▶ **Department of Public Safety Technology Projects** – ***The Governor is recommending \$943,000 in RIIF money to fund three technology projects in the Department of Public Safety. The projects are as follows:***
 - ◆ ***An increase of \$200,000 for the Iowa On-line Warrants and Articles (IOWA) System switch to allow 24/7 back up in the event there is a main switch failure. The back up switch will also allow for the transfer of the IOWA System from the Hoover Building to the new DPS building in FY 2007.***
 - ◆ ***An increase of \$305,000 for the one-time purchase of two software programs for the Sex Offender Registry. Of this amount, \$195,000 is for the purchase of a browser-based software program to allow the electronic submission of sex offender information by county sheriffs and \$110,000 is for the purchase of an electronic validation software program to allow for the annual electronic validation of approximately 500 sex offender records a month.***
 - ◆ ***An increase of \$438,000 to provide for the replacement of the Storage Area Network (SANS) hardware housing the Law Enforcement Intelligence Network, for training of staff for Oracle, Cisco, and other software programs, for the purchase of replacement desktops, laptops, and servers, and for the creation of redundancy systems required by the Continuity of Operations (CooP) and Continuity of Government (CoG) to prevent the loss of law enforcement data communications.***

- ▶ **Capitol Security** – In FY 2006, the Department of Public Safety received an appropriation of \$800,000 in HF 875 (Infrastructure Appropriations Act) which was reduced by \$25,000 in HF 882 (Standing Appropriations Act). The Department requested \$775,000 in FY 2007 from the General Fund for Capitol Security. ***The Governor did not recommend this request.***

Iowa Law Enforcement Academy

- ▶ **Law Enforcement Academy Class Sizes and Appropriations** –In FY 2006, notwithstanding language (Section 80B.11B(2), Code of Iowa) was included in HF 811 (FY 2006 Justice System Appropriations Act) which allowed ILEA to charge more than 50.0% of the cost of tuition to help offset a potential revenue shortfall in their operating budget from a decrease in attendees to the Basic Academy. The General Fund



appropriation to the Academy for FY 2006 was \$1,134,189. The amount requested for FY 2007 is \$1,172,389. The total cost to attend the Academy in FY 2006 is \$5,350. Tuition for FY 2006 will be 60.0% of the cost to attend or \$3,210 per person. An appropriation transfer of \$41,019 was required by the Iowa Law Enforcement Academy (ILEA) due to lower than expected attendance/reimbursements at the Basic level law enforcement training academy in FY 2005. The Academy is requesting to continue the notwithstanding language which grants the Academy the ability to charge more than 50.0% of the cost of tuition to offset potential revenue shortfalls in FY 2007. ***The Governor recommended notwithstanding language to allow the Academy to charge more than one-half the cost to attend the Academy.***

Public Defender and Indigent Defense Program

- ▶ **Caseloads** – The Office of the State Public Defender expended \$43.4 million in total funds during FY 2005, an increase of \$3.3 million (8.4%) compared to FY 2004. Costs for this constitutionally mandated program have been steadily increasing due to the increase in cases and claims. Since FY 1995, the average annual increase in spending has been 9.3%. From FY 1995 to FY 2005, the number of attorney claims for reimbursement from the Indigent Defense Fund has increased 149.7%, while the number of cases handled by the Office of the State Public Defender increased 82.2%. The Subcommittee may want to examine the adequacy of staffing and funding. ***The Governor is recommending an FY 2006 supplemental appropriation of \$4.0 million to fund projected expenditures. The Governor is recommending an increase of \$4.0 million to annualize the supplemental appropriation in FY 2007. The Governor is also recommending an increase of \$2.5 million to provide a \$5.00 per hour rate increase to private court-appointed attorneys.***

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed three **Issue Reviews** during the 2005 legislative interim related to:

- [Judicial Salaries](#)
- [Enhanced 911 System](#)
- [Electronic Monitoring of Sex Offenders](#)

Topic Presentations

The LSA maintains and updates **Topic Presentations** that are available on the LSA web site. Presentations relating to the Justice System Subcommittee include:

- [Justice System Appropriations Subcommittee](#)
- [Community-Based Corrections](#)
- [Crime Victim Assistance Division of the Department of Justice](#)
- [Iowa Law Enforcement Academy](#)
- [Iowa Prison System](#)
- [Legal Representation of Indigent Defendants](#)
- [Homeland Security and the Emergency Management Division](#)

➤ [Iowa Court System](#)

➤ [Methamphetamine Use in Iowa](#)

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TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE MEMBERS

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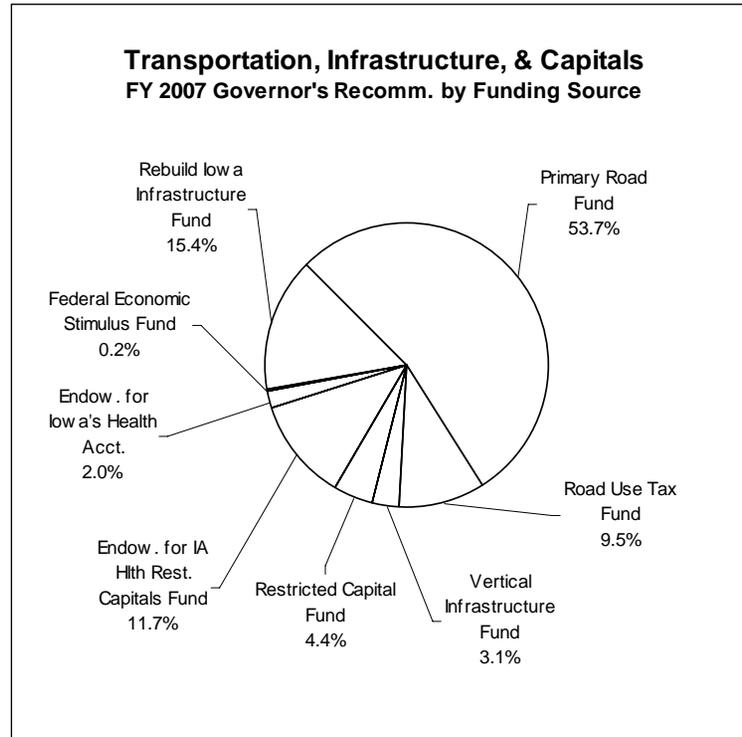
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TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE



**Transportation, Infrastructure, & Capitals
FY 2007 Governor's Recommendations by Funding Source**

Primary Road Fund	\$ 259,484,814
Rebuild Iowa Infrastructure Fund	74,277,033
Endowment for Iowa's Health Restricted Capitals Fund	56,372,333
Road Use Tax Fund	45,740,861
Restricted Capital Fund	21,655,885
Vertical Infrastructure Fund	15,000,000
Endowment for Iowa's Health Account	10,000,000
Federal Economic Stimulus Fund	1,000,000
Total	<u>\$ 483,530,926</u>

The following spreadsheet lists the FY 2007 Governor's recommendations by budget offer, which includes the FY 2006 restoration amount and the new FY 2007 Governor's recommendations. The restoration amount is 100.0% of the FY 2006 appropriation, including salary adjustment. Elected officials (with the exception of the Governor's Office) and the Judicial Branch are not participants in the offer process.

Appropriation Name

Budget Offer Name and Number: In this example, three separate budget offers comprise one appropriation. Within each budget offer is the restored amount, new amount, and total offer amount for the appropriation. Some budget offers do not contain restoration money.

Department of Transportation

Operations

Highway Management (645_TRA_001)

Restoration	\$ 33,685,262	\$ 33,685,262	\$ 0	Maintains current level of funding.
New		327,250	327,250	An increase to fund an e-forms maintenance contract, increased equipment depreciation, and employee training.
Total Offer	\$ 33,685,262	\$ 34,012,512	\$ 327,250	

Motor Vehicle Management (645_TRA_002)

Restoration	\$ 5,548,160	\$ 5,548,160	\$ 0	Maintains current level of funding.
New		53,900	53,900	An increase to fund an e-forms maintenance contract, increased equipment depreciation, and employee training.
Total Offer	\$ 5,548,160	\$ 5,602,060	\$ 53,900	

Modal Programs Management (645_TRA_003)

Restoration	\$ 396,297	\$ 396,297	\$ 0	Maintains current level of funding.
New		3,850	3,850	An increase to fund an e-forms maintenance contract, increased equipment depreciation, and employee training.
Total Offer	\$ 396,297	\$ 400,147	\$ 3,850	

Total New Recommendations
Total New FTE Positions

Total New Recommendations

\$ 385,000	\$ 385,000
0.00	0.00

Total Operations
Total FTE Positions

\$ 39,629,719	\$ 40,014,719	\$ 385,000
269.00	269.00	0.00

EXAMPLE

Total Estimated FY 2006 Appropriation with Salary Adjustment

Total FY 2007 Governor's Recommendations

Total FY 2007 Governor's Rec. vs. Est. FY 2006

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
Department of Administrative Services				
Statewide Maintenance				
General Services Enterprise (GSE) Statewide Major Maintenance (005_TRA_009)				
Capital	\$ 8,915,091	\$ 10,000,000 ¹	VIF	For major repairs and improvements to State facilities throughout the State that are under the purview of the Department of Administrative Services (DAS). These funds were previously appropriated in HF 875 (FY 2006 Infrastructure Appropriations Act).
Routine Maintenance				
GSE/Statewide Routine Maintenance (005_TRA_010)				
Capital	2,000,000	2,800,500	VIF	To provide routine, recurring, and preventive maintenance for State-owned facilities throughout the State for all agencies under the purview of the DAS.
Capitol Interior				
GSE/Capitol Interior and Exterior Restoration Continuation (005_TRA_012)				
Capital	4,500,000	6,830,000	RC2	For design and construction funding for continuing restoration of the rotunda and east projection of the Capitol including removal of the final remaining mezzanine; relocation of the cafeteria; infill of the rotunda opening between ground and first floors and continuing safety and accessibility improvements; landscaping adjacent to the building; and restoration of the east steps, sidewalks, and drives.
Wallace Building				
GSE/Wallace Building Renovation or Replacement Planning (005_TRA_014)				
Capital	625,000	500,000	RC2	Provide initial programming and design for renovation or replacement of the Wallace Building, including planning for relocation of the occupants, associated lease costs and demolition of the building.
Leases/Assistance				
GSE/Capitol Complex Relocation and Leasing Expenses (005_TRA_015)				
Capital	1,824,000	1,824,500	VIF	To provide moving, temporary leasing, and other expenses related to renovation of buildings on the Capitol Complex.
Repairs to Parking Lots and Sidewalks				
GSE/Repairs to Parking Lots on the Capitol Complex (005_TRA_017)				
Capital	0	1,545,000	RC2	For planning, design, and repairs to parking lots on the Capitol Complex.

¹ Indicates appropriations that have been enacted in prior legislative sessions.

Fund Reference

RIIF = Rebuild Iowa Infrastructure Fund

RCF = Restricted Capital Fund

VIF = Vertical Infrastructure Fund

ENDW = Endowment for Iowa's Health Account

FES = Federal Economic Stimulus Funds

RC2 = Endowment for Iowa's Health Restricted Capitals Fund

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
West Capitol Terrace				
West Capitol Terrace Restoration/Removal Parking Lot 8 (005_TRA_019)				
Capital	0	2,300,000	RC2	For removal of the parking lot west of the Capitol Building and replacement with an ADA compliant walkway between East 7th and Finkbine, including landscaping to create a major public green space at the west entrance to the Capitol Complex.
Pooled Technology				
Information Technology Enterprise (ITE)/Pooled Technology (005_TRA_023)				
New - Technology Improvements	\$ 3,802,000	\$ 3,884,940	RIIF	To fund technology improvements for State agencies.
Capitol Complex Electrical Distribution System Upgrade				
GSE/Capitol Complex Electrical Distribution System Upgrade (005_TRA_026)				
Capital	1,843,878	3,468,800	RCF	Provide for continued repair, replacement, and upgrades to the primary electrical distribution system for the Capitol Complex, including replacement and relocation of transformers in the Capitol Building, full generation for the Capitol Complex, and specific generation improvements for Public Health and Information Technology.
Records Center Remodel (005_TRA_033)				
GSE/FY2007 Renovation of Records and Property Center (005_TRA_033)				
Capital	4,700,000	2,200,000	RC2	To complete the renovation of the Records and Property Building. These funds were previously appropriated from the RIIF in HF 875 (FY 2006 Infrastructure Appropriations Act). The Governor is recommending changing the funding source for this appropriation to the Endowment for Iowa's Health Restricted Capitals Fund (RC2). The Department has been appropriated a total of \$18.3 million since FY 2003 for renovation of the Building which will house the Department of Public Safety. The Building is expected to be completed in FY 2007.
Terrace Hill Maintenance				
Terrace Hill Carpet Replacement (005_TRA_039)				
Capital	\$ 571,000	\$ 55,000	VIF	Provides 50.0% funding for the replacement of carpet in public spaces of Terrace Hill. The remaining 50.0% is to be funded by the Terrace Hill Society.
Terrace Hill Plaster Restoration (005_TRA_043)				
Capital	0	20,000	VIF	Provides construction funding for plaster cornice repair in the music room.
Total Terrace Hill Maintenance	\$ 571,000	\$ 75,000		

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
Woodward Resource Center Wastewater Treatment Plant				
Woodward Resource Center Wastewater Treatment Plant (005_TRA_040)				
Capital	0	2,443,000	RC2	To replace the 70-year-old wastewater treatment plant at the Woodward State Resource Center. The current plant is not in compliance with health and safety standards and has received citations from the Department of Natural Resources.
DHS - Toledo Renovation				
DHS/IJH Power House and Associated Equipment (005_TRA_042)				
Capital	1,161,045	1,521,045	RC2	To replace the existing powerhouse and all associated equipment. These funds were previously appropriated from the RIIF in HF 875 (FY 2006 Infrastructure Appropriations Act). The Governor is recommending changing the funding source for this appropriation to the Endowment for Iowa's Health Restricted Capitals Fund (RC2). The Department was appropriated a total of \$2.7 million (\$1.2 million for FY 2006 and \$1.5 million for FY 2007) for the project.
Fort Madison Prison Planning				
Capital	0	500,000	RC2	To begin the planning process for the construction of a maximum security prison.
Civil Commitment Unit for Sexual Offenders				
Capital	2,050,000	0		No funding recommended for FY 2007.
Total Department of Administrative Services	\$ 31,992,014	\$ 39,892,785		
Department for the Blind				
Blind Building Renovation FY07				
Blind Building Renovation (133_TRA_001)				
Capital	\$ 0	\$ 4,000,000	RC2	For renovation of the facility housing the Department for the Blind located at 524 4th Street in Des Moines.
Department of Cultural Affairs Capitals				
Battle Flags				
Connecting Generations – State Historical Society of Iowa (259_EDU_001)				
Restoration	\$ 220,000	\$ 220,000	RIIF	For the stabilization of the Iowa Battle Flag collection.

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
Historic Preservation				
Connecting Generations – State Historical Society of Iowa (259_EDU_001)				
Capital	500,000	800,000	RIIF	For continued funding of the Historical Preservation Grant Program.
Great Places				
Iowa Great Places (259_ECO_001)				
Capital	0	1,000,000	RC2	For continued funding of the Iowa Great Places initiative to enhance the cultural development of Iowa communities.
Total Department of Cultural Affairs Capitals	\$ 720,000	\$ 2,020,000		
Department of Corrections Capitals				
Iowa State Penitentiary (ISP) Electrical Lease				
DOC Capitals #1 ISP Electrical Lease (255_TRA_001)				
Restoration	\$ 333,168	\$ 333,168	RIIF	Funding for the sixth year of a seven-year lease for electrical improvements to the Iowa State Penitentiary.
Anamosa Dietary - RIIF				
DOC Capitals #2 Anamosa State Penitentiary (ASP) Food Service (255_TRA_002)				
Restoration	1,540,000	1,840,000	RC2	For continued funding of the improvements to the kitchen facilities at the Anamosa Correctional Facility. These funds were previously appropriated from the RIIF in HF 875 (FY 2006 Infrastructure Appropriations Act). The Governor is recommending changing the funding source for this appropriation to the Endowment for Iowa's Health Restricted Capital Fund (RC2). The Department was appropriated a total of \$3.4 million over two fiscal years to complete the project.
Fort Dodge CBC Residential Facility - RIIF				
DOC Capitals #3 Fort Dodge Residential Facility (255_TRA_003)				
Restoration	50,000	1,400,000	RC2	For continued funding of the new community-based correctional facility in Fort Dodge. These funds were previously appropriated from the RIIF in HF 875 (FY 2006 Infrastructure Appropriations Act). The Governor is recommending changing the funding source for this appropriation to the Endowment for Iowa's Health Restricted Capitals Fund (RC2). The Department was appropriated a total of \$3.9 million over three fiscal years to complete the project. The appropriations include: \$50,000 in FY 2006, \$1.4 million in FY 2007, and \$2.5 million in FY 2008.

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
DOC-Davenport CBC Facility				
DOC Capitals #4 Davenport Residential Center & District Office (255_TRA_004)				
Restoration	3,750,000	3,750,000	RC2	For continued funding for the relocation and expansion of the Davenport Residential Facility. These funds were previously appropriated from the RIIF in SF 2298 (FY 2005 Omnibus Appropriations Act). The Governor is recommending changing the funding source for this appropriation to the Endowment for Iowa's Health Restricted Capital Fund (RC2). The Department was appropriated a total of \$10.5 million over three fiscal years to complete the project. The appropriations include: \$3.0 million in FY 2005, \$3.8 million in FY 2006, and \$3.8 million in FY 2007.
Training Center/CBC VII Rent				
DOC Capitals #5 Davenport Rent Carryforward (255_TRA_005)				
Restoration	122,000	0		For the lease of the Community-Based Corrections facility in Davenport and the DOC Training facility in West Des Moines. The Governor is recommending these costs be funded from the General Fund through the Justice Systems Appropriations Subcommittee.
DOC/Parole Board - Jesse Parker Bldg Rent - RIIF				
DOC Capitals #6 Jesse Parker Building Rent (255_TRA_006)				
Capital	105,300	0		For maintenance-related costs to be assessed by the DAS associated with the relocation of the Department of Corrections to the Jesse Parker Building. The Governor is recommending these costs be funded from the General Fund through the Justice Systems Appropriations Subcommittee.
Oakdale Expansion				
DOC One Times (255_TRA_008)				
Capital	0	3,044,519	RCF	For one-time costs associated with making the new addition to the Iowa Medical Classification Center operational in FY 2007.
DOC Oakdale One Times				
DOC One Times (255_TRA_008)				
Capital	0	332,000	RIIF	For one-time equipment costs associated with making the new addition to the Iowa Medical Classification Center operational in FY 2007.
DOC Offender Management System (ICON)				
DOC Capitals #1 ISP Electrical Lease (238_TRA_001)				
Capital	0	500,000	RIIF	For enhancements to the Department of Corrections' Offender Management System (ICON) to expand the system's ability to share data with all criminal justice agencies in Iowa.
Oakdale Bed Expansion				
Capital	11,700,000	0		No funding recommended for FY 2007.
Total Department of Corrections Capitals	\$ 17,600,468	\$ 11,199,687		

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
Department of Education Capitals				
ICN Part III Leases & Maintenance Network				
ICN Part III Leases (282_TRA_001)				
Capital	\$ 2,727,000	\$ 2,727,000	RIIF	To provide continued funding for the cost of leases and maintenance associated with operating Part III sites on the Iowa Communications Network (ICN).
Community College Infrastructure				
Community College Infrastructure (282_TRA_002)				
Restoration	2,000,000	2,000,000 ¹	RIIF	Provides funding for community colleges to address health, life, and fire safety infrastructure needs. These funds were previously appropriated in HF 882 (FY 2006 Standing Appropriations Act). House File 882 appropriated \$2.0 million per year for four years beginning in FY 2006 for infrastructure improvements at community colleges.
IPTV Capitals - Transmitters				
Replacement of Analog Transmitters (285_TRA_001)				
Capital	\$ 2,000,000	\$ 1,425,000	RC2	For the purchase and installation of three transmitters to replace analog transmitters that are 25 years old or older.
IPTV Capitals - Power Supply				
Uninterruptible Power Supply (UPS) (285_TRA_002)				
Capital	0	315,000	RIIF	For the purchase of a facility-wide uninterruptible power supply to protect digital equipment.
Digital TV Conversion				
2004 Iowa Acts Appropriation for Digital Television Conversion (285_TRA_003)				
Restoration	8,000,000	2,300,000 ¹	RIIF	For conversion of Iowa Public Television's transmitter sites from analog to digital. These funds were previously appropriated in SF 2298 (FY 2005 Omnibus Appropriations Act). The Department was appropriated a total of \$18.3 million over three fiscal years to complete the conversion to digital transmission in accordance with Federal Communication Commission (FCC) requirements. The appropriations include: \$8.0 million in FY 2005, \$8.0 million in FY 2006, and \$2.3 million in FY 2007.
Enrich Iowa				
Libraries Enrich Iowa (282_EDU_012)				
	900,000	0		No funding recommended for FY 2007.
Iowa Learning Technologies				
Capital	500,000	0		No funding recommended for FY 2007.
Total Department of Education Capitals	\$ 16,127,000	\$ 8,767,000		

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006		Governor's Rec. FY 2007		Fund Source	Project Descriptions
Iowa Telecommunications & Technology Commission						
Iowa Communications Network (ICN)						
ICN Equipment Replacement (336_TRA_001)						
Capital	\$ 1,704,719	\$	1,997,500	RCF	To replace and upgrade equipment for the ICN.	
Department of Human Rights						
Infrastructure for Integrating Justice Data Systems						
Infrastructure for Integrating Justice Data Systems (379_TRA_001)						
Capital	\$ 0	\$	2,645,066	RCF	For the purchase of hardware and software associated with the Criminal Justice Information System to improve the electronic exchange of information between law enforcement agencies.	
Iowa Finance Authority						
Transitional Housing-RIIF						
Transitional Housing Revolving Loan (270_HHS_004)						
	\$ 1,400,000	\$	0	RIIF	No funding recommended for FY 2007.	
Water Quality Grants						
Water Quality Improvements (543_ANR_014)						
Capital	0		5,000,000	RIIF	The funds will be used to provide grants to small communities to upgrade water treatment facilities. Communities will be able to use the grant money to supplement and leverage additional funding from the State Revolving Loan Fund. The recommendation is part of a larger initiative which includes watershed protection projects, lake restoration and preservation projects, and grants to small communities to upgrade waste treatment facilities. The Governor is recommending a total of \$20.0 million for this initiative which includes: \$5.0 million from the RIIF to the Iowa Finance Authority; \$10.0 million from the Endowment for Iowa Health Account to the State Treasurer; and \$5.0 million from the RIIF to the Department of Natural Resources.	
Total Iowa Finance Authority	\$ 1,400,000	\$	5,000,000			
Department of Economic Development Capitals						
Community & Tourism Grant Appropriation						
Development of Major Community Attractions (269_ECO_005)						
Capital	\$ 5,000,000	\$	12,000,000	RIIF	Under current law, the Community Attraction and Tourism Program receives annual appropriations of \$5.0 million from the RIIF and \$7.0 million from the General Fund. The Governor is recommending funding the Program entirely from the RIIF. These funds provide grants for major community attraction and tourism projects.	

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
Tobacco DED ACE Infrastructure				
Job Training for New and Existing Employees (269_ECO_003)				
Capital	1,500,000	4,000,000	RCF	To fund capital projects associated with the Accelerated Career Education Program at community colleges authorized under Chapter 260G, <u>Code of Iowa</u> .
VIF- ACE Infrastructure				
Capital	4,000,000	0		No funding recommended for FY 2007.
Novel Protein Facility				
Capital	0	1,000,000	FES	The Governor is recommending Federal Economic Stimulus funds to be used to provide grants for the development of Novel Protein facilities.
Federal Enterprise Zone Matching Funds				
Capital	500,000	0		No funding recommended for FY 2007.
Ferryboat Study				
Capital	60,000	0		No funding recommended for FY 2007.
Total Dept. of Economic Development Capitals	\$ 11,060,000	\$ 17,000,000		
Department of Human Services Capitals				
Residential Treatment Facility				
Capital	250,000	0		No funding recommended for FY 2007.
Davenport Family Resource Center				
Capital	250,000	0		No funding recommended for FY 2007.
Total Department of Human Services Capitals	\$ 500,000	\$ 0		
Law Enforcement Academy				
ILEA - RIIF Funds				
Dorm Updates/Student computer center (467_TRA_001)				
Capital	\$ 0	\$ 75,000	RIIF	For improvements at the Iowa Law Enforcement Academy facility.
Department of Natural Resources (DNR) Capitals				
Iowa's Special Areas				
Iowa's Special Areas - Public Private Partnerships (543_TRA_001)				
New	\$ 0	\$ 1,500,000	RIIF	To begin a program that would use State funds to leverage private dollars to allow for the acquisition or permanent protection of natural areas in the State.

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
State Park Infrastructure Renovations				
State Park Infrastructure Renovations (543_TRA_002)				
New	0	1,000,000	RC2	For infrastructure-related improvements to Iowa's State parks including: electrical system upgrades, campground renovation, water and sanitary system upgrades, replacement of shower buildings and restrooms, and replacement of a park office/maintenance building.
Water Quality Projects				
Water Quality Improvements (543_ANR_014)				
Capital	0	5,000,000	RIIF	The funds will be used to restore and preserve lakes that do not have an impaired watershed. Improvement projects include: lake dredging, shoreline stabilization, and acquisition of easements for habitat development. The recommendation is part of a larger initiative which includes watershed protection projects, lake restoration and preservation projects, and grants to small communities to upgrade waste treatment facilities. The Governor is recommending a total of \$20.0 million for this initiative which includes: \$5.0 million from the RIIF to the Iowa Finance Authority; \$10.0 million from the Endowment for Iowa Health Account to the State Treasurer; and \$5.0 million from the RIIF to the Department of Natural Resources.
Lake Cornelia Improvements				
Capital	429,000	0		No funding recommended for FY 2007.
Destination State Park Construction				
Capital	3,000,000	0		No funding recommended for FY 2007.
Lewis and Clark Rural Water System				
Capital	2,500,000	0		No funding recommended for FY 2007.
Mid-America Port Commission				
Capital	80,000	0		No funding recommended for FY 2007.
Waubonsie State Park				
Capital	1,500,000	0		No funding recommended for FY 2007.
Fort Atkinson Restoration				
Capital	500,000	0		No funding recommended for FY 2007.
Total Department of Natural Resources Capitals	\$ 8,009,000	\$ 7,500,000		
Parole Board				
Parole Board - RIIF				
Parole Board/Offer 1 (547_TRA_001)				
New	\$ 0	\$ 75,000	RIIF	For computer upgrades to make the Parole Board's computer system compatible with the Department of Corrections' system.

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
Department of Public Defense Capitals				
Facility Maintenance				
Iowa National Guard Infrastructure Major Maintenance (584_TRA_001)				
Capital	\$ 1,269,000	\$ 300,000	VIF	For maintenance and renovation projects at National Guard facilities.
Armory Maintenance				
Iowa National Guard Infrastructure Major Maintenance (584_TRA_001)				
Capital	0	1,200,000	RCF	For maintenance and renovation projects at National Guard facilities.
Camp Dodge Armed Forces Readiness Center Addition/Alter				
Camp Dodge Armed Forces Readiness Center (584_TRA_003)				
Capital	0	100,000	RIIF	For required State costs associated with a \$40.8 million federal base realignment project at Camp Dodge. The federal funds are for a Camp Dodge Readiness Center that is 100.0% federally funded as a result of the Base Realignment and Closure Program.
DPD-Iowa City Readiness Center				
Iowa City Armed Forces Readiness Center (Phase III) (584_TRA_004)				
Capital	0	1,444,288	RC2	To complete the State funding for construction of the Iowa City Readiness Center. The funds will be matched with \$11.4 million in federal funds.
Camp Dodge Water Treatment Facility Upgrade				
Camp Dodge Water System Upgrade (Phase II) (584_TRA_005)				
Capital	1,939,800	750,000	RC2	To fund the remaining cost of the water system improvements at Camp Dodge. The funds will be matched with \$1.4 million in federal funds.
Waterloo Aviation Readiness Center/Addition/Alteration				
Waterloo Aviation Army Addition/Alteration (Phase I) (584_TRA_006)				
Capital	0	1,635,000	RC2	To construct an addition to the National Guard Aviation Readiness Center in Waterloo. The funds will be matched with \$1.6 million in federal funds.
Spencer Readiness Center Addition/Alteration				
Spencer Army Addition/Alteration (584_TRA_007)				
Capital	0	689,000	RC2	To construct an addition to the National Guard Readiness Center in Spencer. The funds will be matched with \$795,000 in federal funds.
Technology Projects				
Public Defense Technology Projects (584_TRA_009)				
Capital	0	75,000	RIIF	To fund technology improvements of the Department.
Fort Dodge Readiness Center				
Capital	608,000	0		No funding recommended for FY 2007.
Total Department of Public Defense	\$ 3,816,800	\$ 6,193,288		

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
Department of Public Safety (DPS) Capitals				
DPS-AFIS Lease Purchase				
Iowa Automated Fingerprint Identification System (596_TRA_001)				
Capital	\$ 550,000	\$ 550,000	RIIF	For a lease purchase payment associated with the purchase of a new Automated Fingerprint Information System.
DPS Mason City Post 8				
ISP Patrol Post 8 Replacement (596_TRA_002)				
Capital	0	2,400,000	RC2	For construction of a new patrol post to replace the existing facility located near Mason City that was constructed in 1964.
DPS-Fire Service Training Bureau - Training Centers				
Fire Service Regional Training Facilities (596_TRA_003)				
Capital	800,000	3,000,000	RCF	For construction of a State Fire Service Training facility, regional fire service training centers, and purchase of mobile fire service training units.
Technology Projects				
DPS Technology Projects (596_TRA_004)				
Capital	0	943,000	RIIF	To fund technology improvements of the Department.
Fire Equipment Revolving Loan Fund				
Capital	500,000	0		No funding recommended for FY 2007.
Dubuque Fire Training Facility				
Capital	100,000	0		No funding recommended for FY 2007.
Total Department of Public Safety Capitals	\$ 1,950,000	\$ 6,893,000		

Regents Capitals

Fire Safety and Deferred Maintenance at All Institutions - RIIF

Regents Capitals (616_TRA_006)

Capital	\$ 6,250,000	\$ 10,000,000	RC2	For major repairs and improvements to Board of Regents institutions throughout the State to correct fire and environmental safety issues as well as deferred maintenance items.
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Tuition Replacement

Board of Regents (BOR) Universities (615_EDU_001)

Capital	10,329,981	9,680,321	RIIF	The Tuition Replacement appropriation replaces tuition fees that are used to pay the debt service on academic revenue bonds authorized in prior fiscal years.
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Biosciences (RIIF)

Board of Regents (BOR) Economic Development (615_ECO_003)

Capital	0	10,000,000	RIIF	The funds will be used to implement recommendations included in the Battelle Report to strengthen Iowa's bioscience industry.
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**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	Estimated FY 2006	Governor's Rec. FY 2007	Fund Source	Project Descriptions
Biosciences (Endowment)				
Board of Regents (BOR) Economic Development (615_ECO_003)				
Capital	0	10,000,000	ENDW	The funds will be used to implement recommendations included in the Battelle Report to strengthen Iowa's bioscience industry.
Special School Maintenance				
Capital	500,000	0		No funding recommended for FY 2007.
UNI - Playground Safety Program				
Capital	500,000	0		No funding recommended for FY 2007.
Total Regents Capitals	\$ 17,579,981	\$ 39,680,321		
Department of Revenue				
SAVE Appropriation				
SAVE Appropriation (625_ADM_010)				
Capital	\$ 10,000,000	\$ 10,000,000 ¹	RIIF	This is a standing appropriation for the Secure an Advance Vision for Iowa Education (SAVE) Fund. The funds are used for school infrastructure purposes.
State Fair Authority				
Capital Improvements				
Capital	\$ 750,000	\$ 1,000,000	RC2	For infrastructure-related improvements to the Iowa State Fairgrounds.
Department of Transportation Capitals				
General Aviation Airports				
Modal Programs Management (645_TRA_003)				
Capital	\$ 750,000	\$ 750,000	RIIF	For infrastructure improvements at general aviation airports.
Recreational Trails				
Modal Programs Management (645_TRA_003)				
Capital	1,000,000	1,000,000	RIIF	For continued funding of the Recreational Trails Program.
Commercial Air Service Airports				
Modal Programs Management (645_TRA_003)				
Capital	1,500,000	1,000,000	RIIF	For vertical infrastructure improvements at Iowa's commercial service airports.
Aviation Improvement Program				
Capital	564,792	0		No funding recommended for FY 2007.
Rail Assistance				
Capital	35,959	0		No funding recommended for FY 2007.
Total Department of Transportation Capitals	\$ 3,850,751	\$ 2,750,000		

**FY 2007 Infrastructure and Capitals Governor's Recommendations and Funding Sources
Transportation, Infrastructure, and Capitals Appropriations Subcommittee**

	<u>Estimated FY 2006</u>	<u>Governor's Rec. FY 2007</u>	<u>Fund Source</u>	<u>Project Descriptions</u>
Treasurer of State				
Prison Infrastructure Bonds				
Capital	\$ 5,422,390	\$ 5,416,604	RIIF	For the FY 2007 debt service payments on prison infrastructure bonds.
County Fair Improvements				
Capital	1,060,000	0		No funding recommended for FY 2007.
Total Treasurer of State	\$ 6,482,390	\$ 5,416,604		
Veterans Affairs Capitals				
Veterans Affairs Capitals Request				
Capital Projects (672_TRA_006)				
Capital	\$ 0	\$ 6,200,000	RC2	For renovation and additions to facilities at the Veterans Home.
Total Appropriations Previously Enacted		\$ 24,300,000		
Total New Appropriation Requests		154,005,251		
GRAND TOTAL	\$ 133,543,123	\$ 178,305,251		

¹ Indicates appropriations that have been enacted in prior legislative sessions.

Fund Reference

- RIIF = Rebuild Iowa Infrastructure Fund
- RCF = Restricted Capital Fund
- VIF = Vertical Infrastructure Fund
- ENDW = Endowment for Iowa's Health Account
- FES = Federal Economic Stimulus Funds
- RC2 = Endowment for Iowa's Health Restricted Capitals Fund

SUBCOMMITTEE BUDGET ISSUES

The Transportation, Infrastructure, and Capitals Subcommittee may wish to examine the following issues:

► Department of Transportation

- ◆ **Economic Impact of Recent Hurricanes:** When the DOT compiled the annual five-year forecast for the Road Use Tax Fund, the Five-Year Highway Program, and the FY 2007 budget, it was prior to the unanticipated economic impact caused by the recent hurricanes. Fuel costs were based on June 28, 2005, fuel prices, which were \$1.77 per gallon for diesel fuel and \$1.66 for E-10 (10.0% ethanol-blended gasoline and 90.0% gasoline). A temporary increase in fuel prices was anticipated; however, the continued increase, along with increases in the cost of construction materials, was not expected. Increased fuel prices affect the amount of fuel purchased, resulting in less fuel tax revenues deposited into the Road Use Tax Fund, thereby reducing the State, city, and county share of the Road Use Tax Fund. In addition, DOT operations are affected by increased fuel prices in three ways: the fuel used in operating vehicles and heating buildings; the use of salt, rock, and sand, which are transportation-dependent; and the use of petroleum-based products, such as herbicides, oils, hydraulic fluids, and various patching and sealing materials. The DOT is requesting an additional \$2.8 million within the Highway appropriation for fuel for FY 2007 from the Primary Road Fund. 
- ◆ **Workers' Compensation:** Workers' compensation costs have increased annually since FY 2004. In calendar year 2004, the Department of Administrative Services (DAS) asked the consulting firm of Deloitte & Touche to conduct an actuarial review to recommend a new methodology for calculating premiums. As a result of the new methodology, the DOT experienced an increase in workers' compensation premiums in FY 2004 and FY 2005. Due to the increase in premiums, the Department was appropriated an additional 20.6% and 20.7% for workers' compensation for FY 2005 and FY 2006 respectively, to cover the added expenses in FY 2004 and FY 2005. For FY 2007, the new methodology is no longer a factor; however, the DAS estimates an increase of 7.2% for the DOT for workers' compensation premiums in FY 2007. The Department is requesting a total of \$3.1 million for FY 2007 from the Primary Road Fund and Road Use Tax Fund, which is an increase of 10.0% compared to FY 2006. The 10.0% assumes increased medical costs and inflation.
- ◆ **County Treasurer Support:** The Department is requesting a 62.8% net increase (a total request of \$2.1 million) from the Road Use Tax Fund for FY 2007 for county treasurer support when issuing vehicle registrations and titles and drivers' licenses. The net increase includes:
 - \$13,000 for an increase in communication costs.

- \$560,000 for a one-time cost increase for application support and knowledge transfer from the developer to Information Technology staff for the vehicle registration and titling system, the new drivers' license system, and for legislative changes requiring revisions to the business logic in both systems.
- \$250,000 for an increase to continue enhancements in the vehicle registration and titling system as identified by customer groups (auto dealers, treasurers, financial institutions).
- A decrease of \$27,000 for audit costs of the county issuance of drivers' license study. House File 2433 (County Treasurer Licensing Act), enacted during the 2004 Legislative Session, requires the State Auditor, in consultation with the DOT and the Iowa County Treasurers Association, to conduct a study on the fiscal impact of the county issuance of drivers' licenses. The State Auditor is to report the findings to the General Assembly by January 1, 2006, and repeat the study every four years thereafter. The findings and recommendations are to be considered by the General Assembly in adjusting the amount of fees retained by county treasurers for the issuance of drivers' licenses and nonoperator identification cards. The Department requested \$27,000 for FY 2006 for the first study that is currently underway, and is not requesting funds for FY 2007 since the next study will not be completed again for four more years.

In addition to this annual appropriation, county treasurers receive an annual standing appropriation from the Road Use Tax Fund of \$650,000 for the purpose of providing county treasurers with automation and telecommunications equipment and support for issuing vehicle registrations and titles and drivers' licenses. County treasurers also retain \$7.00 per driver's license issued, 4.0% of the fees collected from vehicle registrations, and \$2.50 per title issuance.

- ◆ **International Registration Plan/Fuel Tax Administration System:** The Department is requesting \$1.0 million for FY 2007 to develop a unified, customer-based International Registration Plan (IRP) and International Fuel Tax Administration System. The new System will be integrated with the existing Vehicle Registration and Titling System, and will enable the industry to apply, pay and receive all credentials electronically, provide real-time web-based status checking for customers, and reduce operating costs by eliminating the need to capture redundant data in several systems. The total cost of the new System is \$2.0 million; the Department plans to request the remaining \$1.0 million for FY 2008.
- ◆ **Vehicle Data Warehouse:** The Department is requesting \$500,000 for FY 2007 to develop a data warehouse for vehicle and driver information that can be queried by individuals that request such data. The new system will eliminate the need for Information Technology staff to write special programs.

► Infrastructure and Capitals

- ◆ **Wallace Building:** In FY 2004, the General Assembly appropriated \$230,000 to the DAS to fund a study of the Wallace Building, to provide recommendations as to whether the Building should be renovated or demolished and a new building constructed. The Department hired the construction consultant, AMEC



E&C Services, Inc. to complete the study. The report was completed in December 2004 and the recommendations presented to the General Assembly in January 2005. The report recommends renovation as opposed to demolition and construction of a new building. The DAS presented cost estimates for building renovation and various options for new construction to the Legislative Fiscal Committee in September 2005. The cost for renovation is estimated at \$51.1 million, which includes: design and renovation, building furnishings, employee relocation, temporary lease space, and building operation and maintenance. The design would take approximately 12 months to complete followed by 18 months for renovation.

The DAS provided estimates for four new construction alternatives that ranged in cost from \$57.4 to \$92.2 million. The difference of the alternatives is related to the size and location of a new building. The design and construction of a new building is projected to take four years, with the majority of the construction costs incurred in FY 2008 through FY 2010. ***The Governor is recommending \$500,000 for planning costs associated with the Wallace Building project.***

- ✦ **Refunding of Tobacco Bonds:** The Tobacco Settlement Authority (TSA) authorized refunding \$830.0 million of Tobacco Settlement Asset-Backed Bonds. The refunding generated \$150.6 million in net proceeds that will be available to the General Assembly for appropriation. Of the total net proceeds, \$50.1 million are taxable and \$100.5 million are tax-exempt. The taxable bond proceeds will be deposited into the Endowment for Iowa's Health Account and can be appropriated by the General Assembly without restriction. The tax-exempt bond proceeds will be deposited into a new fund entitled the "Endowment for Iowa's Health Restricted Capital Fund". The tax-exempt bond proceeds are required to be expended on depreciable assets. In addition, the tax-exempt bond proceeds in the Restricted Capital Fund and the Endowment for Iowa's Health Restricted Capitals Fund may no longer be used to fund the debt service on the refinanced portion of the Prison Infrastructure Bonds or the Regents Academic Revenue Bonds. This debt service will need to be funded from an alternative source beginning in FY 2007. ***The Governor is recommending the debt service be funded from the Rebuild Iowa Infrastructure Fund, which includes: \$5.4 million for the Prison Infrastructure Bonds and \$9.7 million for the Board of Regents Academic Revenue Bonds (tuition replacement).***



ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed two **Issue Reviews** relating to Transportation, Infrastructure, and Capitals during the 2005 Interim that will be available on the LSA web site:

- [Ethanol and Biodiesel Fuels: Tax Incentives and Infrastructure Programs](#)
- [Wallace State Office Building](#)

Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA web site. Presentations relating to the Transportation, Infrastructure, and Capitals Subcommittee include:

- [Road Use Tax Fund](#)
- [The Revitalize Iowa's Sound Economy \(RISE\) Program](#)
- [Transfer of Jurisdiction Fund](#)
- [Rebuild Iowa Infrastructure Fund \(RIIF\)](#)
- [Restricted Capital Account of the Tobacco Settlement Trust Fund](#)

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Summary Data General Fund

APPENDIX A

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Administration and Regulation	\$ 81,010,475	\$ 85,432,822	\$ 88,162,996	\$ 165,448,489	\$ 80,015,667	93.7%
Ag. and Natural Resources	34,940,463	36,750,180	41,961,800	37,600,180	850,000	2.3%
Economic Development	29,931,965	30,418,327	47,671,460	34,091,777	3,673,450	12.1%
Education	893,087,731	931,181,421	1,053,127,624	1,018,266,005	87,084,584	9.4%
Health and Human Services	859,054,622	1,027,912,809	1,249,055,201	1,108,808,034	80,895,225	7.9%
Justice System	521,453,086	553,022,527	603,819,335	586,129,929	33,107,402	6.0%
Trans., Infra., and Capitals	100,751	0	3,000,000	0	0	
Unassigned Standing	<u>2,186,624,914</u>	<u>2,274,982,165</u>	<u>2,389,596,226</u>	<u>2,355,908,323</u>	<u>80,926,158</u>	3.6%
Grand Total	<u>\$ 4,606,204,006</u>	<u>\$ 4,939,700,251</u>	<u>\$ 5,476,394,643</u>	<u>\$ 5,306,252,737</u>	<u>\$ 366,552,486</u>	7.4%

Column Explanations:

- (1) Actual FY 2005 - The FY 2005 appropriations.
- (2) Estimated FY 2006 - The FY 2006 legislative action adjusted by salary adjustment.
- (3) Dept. Request FY 2007 - The amount of funding State agencies are requesting for FY 2007.
- (4) Gov. Rec. FY 2007 - The amount of funding being recommended by the Governor for FY 2007.
- (5) Gov. Rec. vs. Est. FY 2006 - Column 4 minus Column 2.
- (6) Percent Change - The percent of change between the FY 2007 Governor's Recommendations and Estimated FY 2006.

Administration and Regulation

General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
<u>Administrative Services, Dept. of</u>						
Admin. Serv. General Office	\$ 5,248,434	\$ 5,048,824	\$ 6,746,593	\$ 6,178,993	\$ 1,130,169	22.4%
Utilities	2,576,000	3,080,865	3,420,865	3,420,865	340,000	11.0%
Distribution Account	1,032,852	-71,714	0	0	71,714	-100.0%
DAS - Revolving Fund	1,889,610	0	0	0	0	
Financial Administration	0	200,000	200,000	200,000	0	0.0%
Total Administrative Services, Dept. of	\$ 10,746,896	\$ 8,257,975	\$ 10,367,458	\$ 9,799,858	\$ 1,541,883	18.7%
<u>Auditor of State</u>						
Auditor of State - Gen. Office	\$ 1,172,208	\$ 1,207,341	\$ 1,264,700	\$ 1,207,341	\$ 0	0.0%
<u>Ethics and Campaign Disclosure</u>						
Ethics and Campaign Disclosure	\$ 433,245	\$ 487,023	\$ 497,056	\$ 497,056	\$ 10,033	2.1%
<u>Commerce, Department of</u>						
Alcoholic Beverages	\$ 1,883,441	\$ 1,930,962	\$ 1,930,962	\$ 1,930,962	\$ 0	0.0%
Banking Division	6,364,545	7,059,508	7,222,008	7,222,008	162,500	2.3%
Credit Union Division	1,382,568	1,455,874	1,455,874	1,455,874	0	0.0%
Insurance Division	3,870,891	4,517,481	4,517,481	4,517,481	0	0.0%
Professional Licensing	782,671	863,462	863,462	793,462	-70,000	-8.1%
Utilities Division	6,898,108	7,230,820	7,230,820	7,230,820	0	0.0%
Total Commerce, Department of	\$ 21,182,225	\$ 23,058,107	\$ 23,220,607	\$ 23,150,607	\$ 92,500	0.4%
<u>Governor</u>						
General Office	\$ 1,569,857	\$ 1,823,111	\$ 1,823,111	\$ 1,911,168	\$ 88,057	4.8%
Terrace Hill Quarters	343,149	378,633	378,633	401,309	22,676	6.0%
Admin. Rules Coordinator	136,458	150,013	150,013	150,013	0	0.0%

Administration and Regulation

General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
<u>Governor (cont.)</u>						
Natl Governors Association	164,393	64,393	77,500	80,600	16,207	25.2%
State-Federal Relations	111,236	115,748	115,748	115,748	0	0.0%
Total Governor	\$ 2,325,093	\$ 2,531,898	\$ 2,545,005	\$ 2,658,838	\$ 126,940	5.0%
<u>Gov. Office of Drug Control Policy</u>						
Drug Policy Coordinator	\$ 263,195	\$ 307,730	\$ 453,283	\$ 307,730	\$ 0	0.0%
<u>Human Rights, Department of</u>						
Administration	\$ 312,660	\$ 317,028	\$ 317,028	\$ 387,028	\$ 70,000	22.1%
Deaf Services	362,710	374,367	374,367	374,367	0	0.0%
Asian & Pacific Islanders		6,000	86,000	86,000	80,000	1333.3%
Persons with Disabilities	184,971	193,531	268,531	193,531	0	0.0%
Division of Latino Affairs	166,718	170,749	170,749	170,749	0	0.0%
Status of Women	329,530	335,501	452,501	335,501	0	0.0%
Status of African Americans	118,296	121,655	485,000	171,655	50,000	41.1%
Criminal & Juvenile Justice	403,774	827,398	2,698,026	1,098,026	270,628	32.7%
Total Human Rights, Department of	\$ 1,878,659	\$ 2,346,229	\$ 4,852,202	\$ 2,816,857	\$ 470,628	20.1%
<u>Inspections & Appeals, Dept. of</u>						
<u>Inspections and Appeals</u>						
Administration Division	\$ 1,661,342	\$ 1,577,318	\$ 1,636,251	\$ 2,091,251	\$ 513,933	32.6%
Administrative Hearings Div.	614,114	634,647	634,647	634,647	0	0.0%
Investigations Division	1,407,295	1,484,421	1,491,003	1,491,003	6,582	0.4%
Health Facilities Div.	2,276,836	2,419,742	2,419,742	2,339,742	-80,000	-3.3%
Employment Appeal Board	52,869	54,600	54,600	54,600	0	0.0%
Child Advocacy Board	1,962,059	2,068,667	2,479,770	2,068,667	0	0.0%
Total Inspections and Appeals	7,974,515	8,239,395	8,716,013	8,679,910	440,515	5.3%

Administration and Regulation

General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
<u>Inspections & Appeals, Dept. of (cont.)</u>						
Racing Commission						
Pari-Mutuel Regulation	2,208,807	2,617,511	2,657,394	2,657,394	39,883	1.5%
Excursion Boat Gambling Reg.	1,863,403	2,491,949	3,199,440	3,199,440	707,491	28.4%
Pari-Mutuel Investigations	217,161	0	0	0	0	
Total Racing Commission	4,289,371	5,109,460	5,856,834	5,856,834	747,374	14.6%
Total Inspections & Appeals, Dept. of	\$ 12,263,887	\$ 13,348,855	\$ 14,572,847	\$ 14,536,744	\$ 1,187,889	8.9%
<u>Management, Department of</u>						
DOM General Office	\$ 2,164,904	\$ 2,244,335	\$ 2,338,832	\$ 2,338,832	\$ 94,497	4.2%
Salary Adjustment	0	154,135	0	39,632,095	39,477,960	25612.6%
Enterprise Resource Planning	57,435	57,435	119,435	119,435	62,000	107.9%
Salary Model Administrator	123,598	127,936	127,936	127,936	0	0.0%
Local Govt. Innovation Fund	0	0	0	1,000,000	1,000,000	
Performance Audits	0	216,000	216,000	216,000	0	0.0%
Inst. for Tomorrow's Workforce	0	150,000	0	0	-150,000	-100.0%
LEAN/Process Improvement	0	0	315,000	222,000	222,000	
Property Tax Credit Fund	0	0	0	39,894,525	39,894,525	
Total Management, Department of	\$ 2,345,937	\$ 2,949,841	\$ 3,117,203	\$ 83,550,823	\$ 80,600,982	2732.4%
<u>Revenue, Dept. of</u>						
Compliance	\$ 25,205,162	\$ 27,001,429	\$ 23,597,516	\$ 23,247,516	\$ -3,753,913	-13.9%
Collection Costs and Fees	27,462	27,462	27,462	27,462	0	0.0%
Total Revenue, Dept. of	\$ 25,232,624	\$ 27,028,891	\$ 23,624,978	\$ 23,274,978	\$ -3,753,913	-13.9%
<u>Secretary of State</u>						
Administration and Elections	\$ 660,233	\$ 707,942	\$ 707,942	\$ 707,942	\$ 0	0.0%

Administration and Regulation

General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Secretary of State (cont.)						
Business Services	1,684,012	2,003,091	2,003,091	2,003,091	0	0.0%
LLC Biennial Reporting	0	275,000	0	0	-275,000	-100.0%
Total Secretary of State	\$ 2,344,245	\$ 2,986,033	\$ 2,711,033	\$ 2,711,033	\$ -275,000	-9.2%
Treasurer of State						
Treasurer - General Office	\$ 822,261	\$ 922,899	\$ 936,624	\$ 936,624	\$ 13,725	1.5%
Total Administration and Regulation	\$ 81,010,475	\$ 85,432,822	\$ 88,162,996	\$ 165,448,489	\$ 80,015,667	93.7%

Ag. and Natural Resources

General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Ag. & Land Stewardship						
Administrative Division	\$ 17,263,319	\$ 17,837,900	\$ 21,249,520	\$ 18,187,900	\$ 350,000	2.0%
Missouri River Authority	9,535	9,535	9,535	9,535	0	0.0%
Regulatory Dairy Products	632,170	643,166	643,166	643,166	0	0.0%
Avian Influenza	50,000	50,000	50,000	50,000	0	0.0%
Soil Commissioners Expense	0	200,000	250,000	200,000	0	0.0%
Chronic Wasting Disease	0	100,000	100,000	100,000	0	0.0%
Sr. Farmers Market Program	0	77,000	77,000	77,000	0	0.0%
Apiary Program	0	40,000	40,000	40,000	0	0.0%
Total Ag. & Land Stewardship	\$ 17,955,024	\$ 18,957,601	\$ 22,419,221	\$ 19,307,601	\$ 350,000	1.8%
Natural Resources, Department of						
DNR Operations	\$ 16,968,439	\$ 17,792,579	\$ 19,542,579	\$ 18,292,579	\$ 500,000	2.8%
Help Us Stop Hunger	17,000				0	
Total Natural Resources, Department of	\$ 16,985,439	\$ 17,792,579	\$ 19,542,579	\$ 18,292,579	\$ 500,000	2.8%
Total Ag. and Natural Resources	\$ 34,940,463	\$ 36,750,180	\$ 41,961,800	\$ 37,600,180	\$ 850,000	2.3%

Economic Development General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Economic Development, Dept. of</u>						
General Administration	\$ 1,956,332	\$ 1,875,845	\$ 1,990,845	\$ 1,990,845	\$ 115,000	6.1%
Business Development	6,084,500	6,215,394	6,215,394	6,215,394	0	0.0%
Endow Iowa Grants	0	50,000	50,000	50,000	0	0.0%
World Food Prize	285,000	285,000	285,000	285,000	0	0.0%
School to Career Refund	27,786	0	0	0	0	
Community Development	5,505,725	5,654,173	5,654,173	5,154,173	-500,000	-8.8%
Bioscience Alliance	0	0	16,425,000	2,309,252	2,309,252	
IA Comm. on Volunteer Ser.	0	0	188,133	174,198	174,198	
IA Comm on Vol. Ser.-Promise	0	0	250,000	125,000	125,000	
LEAN Manufacturing	0	0	0	250,000	250,000	
Nat'l Special Olympics	500,000	0	0	0	0	
Total Economic Development, Dept. of	\$ 14,359,343	\$ 14,080,412	\$ 31,058,545	\$ 16,553,862	\$ 2,473,450	17.6%
<u>Iowa Finance Authority</u>						
Entrepreneurs w/Disability	\$ 0	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	0.0%
State Housing Trust Fund	\$ 0	0	0	1,000,000	1,000,000	
Total Iowa Finance Authority	\$ 0	\$ 200,000	\$ 200,000	\$ 1,200,000	\$ 1,000,000	500.0%
<u>Iowa Workforce Development</u>						
General Office Operations	\$ 5,151,919	\$ 5,278,800	\$ 5,278,800	\$ 5,478,800	\$ 200,000	3.8%
Skill Credentials Initiative	0	0	200,000	0	0	
Workforce Dev. Field Offices	6,525,000	6,856,655	6,856,655	6,856,655	0	0.0%
Tier 2 Reporting	0	0	75,000	0	0	
Total Iowa Workforce Development	\$ 11,676,919	\$ 12,135,455	\$ 12,410,455	\$ 12,335,455	\$ 200,000	1.6%
<u>Public Employment Relations Board</u>						
General Office	\$ 923,850	\$ 1,030,607	\$ 1,030,607	\$ 1,030,607	\$ 0	0.0%

Economic Development General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Regents, Board of						
ISU - Economic Development	\$ 2,363,557	\$ 2,363,557	\$ 2,363,557	\$ 2,363,557	\$ 0	0.0%
SUI - Economic Development	247,005	247,005	247,005	247,005	0	0.0%
UNI - Economic Development	361,291	361,291	361,291	361,291	0	0.0%
Total Regents, Board of	<u>\$ 2,971,853</u>	<u>\$ 2,971,853</u>	<u>\$ 2,971,853</u>	<u>\$ 2,971,853</u>	<u>\$ 0</u>	<u>0.0%</u>
Total Economic Development	<u><u>\$ 29,931,965</u></u>	<u><u>\$ 30,418,327</u></u>	<u><u>\$ 47,671,460</u></u>	<u><u>\$ 34,091,777</u></u>	<u><u>\$ 3,673,450</u></u>	<u><u>12.1%</u></u>

Education General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Blind, Iowa Commission for the</u>						
Department for the Blind	\$ 1,591,275	\$ 1,954,105	\$ 2,074,410	\$ 1,954,105	\$ 0	0.0%
<u>College Aid Commission</u>						
Operations & Loan Program						
Scholarship and Grant Admin	\$ 349,494	\$ 364,640	\$ 370,464	\$ 364,640	\$ 0	0.0%
Student Aid Prg. (IA Grants)	1,029,784	1,029,784	1,029,784	1,029,784	0	0.0%
Osteopathic Forgivable Loans	50,000	50,000	100,000	50,000	0	0.0%
Osteopathic University Prime	346,451	346,451	346,451	346,451	0	0.0%
National Guard Loan Program	2,900,000	3,725,000	3,800,000	3,800,000	75,000	2.0%
Teacher Shortage Forgive. Loan	460,472	285,000	285,000	285,000	0	0.0%
Washington DC Internships	0	0	76,400	76,400	76,400	
Total Operations & Loan Program	<u>5,136,201</u>	<u>5,800,875</u>	<u>6,008,099</u>	<u>5,952,275</u>	<u>151,400</u>	2.6%
Standing Grant & Loan Program						
College Work - Study Program	0	140,000	300,000	140,000	0	0.0%
Tuition Grant Stdg - Nonprofit	47,157,515	49,673,575	52,653,990	52,653,990	2,980,415	6.0%
Scholarship Program Standing	465,175	0	0	0	0	
Voc Tech Grant - Standing	2,533,115	2,533,115	3,533,115	2,533,115	0	0.0%
Total Standing Grant & Loan Program	<u>50,155,805</u>	<u>52,346,690</u>	<u>56,487,105</u>	<u>55,327,105</u>	<u>2,980,415</u>	5.7%
Total College Aid Commission	<u>\$ 55,292,006</u>	<u>\$ 58,147,565</u>	<u>\$ 62,495,204</u>	<u>\$ 61,279,380</u>	<u>\$ 3,131,815</u>	5.4%
<u>Cultural Affairs, Dept. of</u>						
Cultural Affairs - Admin.	\$ 235,636	\$ 240,195	\$ 240,195	\$ 240,195	\$ 0	0.0%
Cultural Grants	299,240	299,240	380,000	299,240	0	0.0%
State Historical Society	3,040,920	3,239,269	3,461,254	3,425,037	185,768	5.7%
Historical Sites	526,459	534,676	534,676	534,676	0	0.0%
Iowa Arts Council	1,157,486	1,181,329	1,357,402	1,181,329	0	0.0%
Governors' Papers	0	75,000	75,000	75,000	0	0.0%

Education General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Cultural Affairs, Dept. of (cont.)</u>						
Great Places	100,000	200,000	3,000,000	500,000	300,000	150.0%
Nonprofit Music Grants	0	25,000	25,000	25,000	0	0.0%
Total Cultural Affairs, Dept. of	\$ 5,359,741	\$ 5,794,709	\$ 9,073,527	\$ 6,280,477	\$ 485,768	8.4%
<u>Education, Department of</u>						
Administration						
Dept. of Ed. Administration	\$ 5,419,542	\$ 5,418,607	\$ 6,423,076	\$ 5,762,147	\$ 343,540	6.3%
Vocational Ed. Admin.	514,828	530,429	530,429	530,429	0	0.0%
Vocational Rehabilitation	4,340,050	4,779,655	5,116,174	4,779,655	0	0.0%
Independent Living	54,150	54,421	54,421	54,421	0	0.0%
State Library	1,378,555	1,420,694	1,845,694	1,620,694	200,000	14.1%
Library Service Areas	1,376,558	1,376,558	2,000,000	1,376,558	0	0.0%
Iowa Public Television	6,596,394	7,596,113	8,635,107	7,966,744	370,631	4.9%
IPTV - Regional Councils	1,600,806	1,240,478	1,272,285	1,240,478	0	0.0%
Total Administration	21,280,883	22,416,955	25,877,186	23,331,126	914,171	4.1%
Grants & State Aid						
High School Reform	0	0	762,970	270,000	270,000	
Sharing & Teacher Shortage	0	0	8,800,000	0	0	
Enrich Iowa Libraries	1,698,432	1,698,432	2,013,432	2,913,432	1,215,000	71.5%
Vocational Educ Secondary	2,936,904	2,936,904	2,936,904	2,936,904	0	0.0%
School Food Service	2,509,683	2,509,683	2,509,683	2,509,683	0	0.0%
Empowerment Bd - Early Child.	13,381,594	23,781,594	23,056,594	23,156,594	-625,000	-2.6%
Nonpublic Textbooks	590,458	614,058	614,058	624,058	10,000	1.6%
Student Achievement	45,283,894	69,593,894	85,168,903	99,593,894	30,000,000	43.1%
Jobs For America's Grads	400,000	400,000	500,000	600,000	200,000	50.0%
Career Pathways	0	0	1,950,000	0	0	

Education

General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Education, Department of (cont.)						
Grants & State Aid (cont.)						
Achievement Gap	500,000	0	0	0	0	
Voluntary Preschool Access	0	0	12,781,250	15,000,000	15,000,000	
Total Grants & State Aid	67,300,965	101,534,565	141,093,794	147,604,565	46,070,000	45.4%
Community College						
MAS - General Aid	139,779,244	149,579,244	160,829,244	155,562,414	5,983,170	4.0%
Total Education, Department of	\$ 228,361,092	\$ 273,530,764	\$ 327,800,224	\$ 326,498,105	\$ 52,967,341	19.4%
Regents, Board of						
Regents, Board of						
Regents Board Office	\$ 1,167,137	\$ 1,167,137	\$ 0	\$ 0	\$ -1,167,137	-100.0%
Tuition Replacement	13,009,474	13,975,431	0	0	-13,975,431	-100.0%
Southwest Iowa Resource Center	105,956	105,956	0	0	-105,956	-100.0%
Tri State Graduate Center	77,941	77,941	0	0	-77,941	-100.0%
Quad Cities Graduate Center	157,144	157,144	0	0	-157,144	-100.0%
Regents Universities	0	0	611,482,911	582,052,590	582,052,590	
Regents Special Schools	0	0	14,305,786	14,305,786	14,305,786	
Midwest Higher Ed. Compact	0	90,000	0	0	-90,000	-100.0%
Special Purpose for Ed.	0	0	25,895,562	25,895,562	25,895,562	
Total Regents, Board of	14,517,652	15,573,609	651,684,259	622,253,938	606,680,329	3895.6%
University of Iowa						
Univ. of Iowa: Gen. University	220,131,572	226,306,403	0	0	-226,306,403	-100.0%
Indigent Patient Program: UIHC	27,284,584	0	0	0	0	
Psychiatric Hospital	7,043,056	7,043,056	0	0	-7,043,056	-100.0%
Center Dis. & Dev. (Hosp-Sch)	6,363,265	6,363,265	0	0	-6,363,265	-100.0%
Oakdale Campus	2,657,335	2,657,335	0	0	-2,657,335	-100.0%

Education

General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Regents, Board of (cont.)						
University of Iowa (cont.)						
University Hygienic Laboratory	3,849,461	3,849,461	0	0	-3,849,461	-100.0%
Family Practice Program	2,075,948	2,075,948	0	0	-2,075,948	-100.0%
SCHS - Hemophilia, Cancer	649,066	649,066	0	0	-649,066	-100.0%
State of Iowa Cancer Registry	178,739	178,739	0	0	-178,739	-100.0%
SUI Substance Abuse Consortium	64,871	64,871	0	0	-64,871	-100.0%
Biocatalysis	881,384	881,384	0	0	-881,384	-100.0%
Primary Health Care	759,875	759,875	0	0	-759,875	-100.0%
Iowa Birth Defects Registry	44,636	44,636	0	0	-44,636	-100.0%
Total University of Iowa	271,983,792	250,874,039	0	0	-250,874,039	-100.0%
Iowa State University						
Iowa State: Gen. University	173,269,729	177,328,346	0	0	-177,328,346	-100.0%
ISU Ag. & Home Ec. Exp. Sta.	31,019,520	32,117,925	0	0	-32,117,925	-100.0%
ISU Cooperative Extension	19,738,432	20,569,125	0	0	-20,569,125	-100.0%
ISU Leopold Center	464,319	464,319	0	0	-464,319	-100.0%
Livestock Disease Research	220,708	220,708	0	0	-220,708	-100.0%
Total Iowa State University	224,712,708	230,700,423	0	0	-230,700,423	-100.0%
Univ. of Northern Iowa						
University of Northern Iowa	77,831,821	80,638,563	0	0	-80,638,563	-100.0%
Recycling & Reuse Center	211,858	211,858	0	0	-211,858	-100.0%
Total Univ. of Northern Iowa	78,043,679	80,850,421	0	0	-80,850,421	-100.0%
Special Schools						
Iowa School for the Deaf	8,470,471	8,810,471	0	0	-8,810,471	-100.0%

Education

General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Regents, Board of (cont.)						
Special Schools (cont.)						
Braille & Sight Saving School	4,740,295	4,930,295	0	0	-4,930,295	-100.0%
Tuition and Transportation	15,020	15,020	0	0	-15,020	-100.0%
Total Special Schools	<u>13,225,786</u>	<u>13,755,786</u>	<u>0</u>	<u>0</u>	<u>-13,755,786</u>	<u>-100.0%</u>
Total Regents, Board of	<u>\$ 602,483,617</u>	<u>\$ 591,754,278</u>	<u>\$ 651,684,259</u>	<u>\$ 622,253,938</u>	<u>\$ 30,499,660</u>	<u>5.2%</u>
Total Education	<u><u>\$ 893,087,731</u></u>	<u><u>\$ 931,181,421</u></u>	<u><u>\$ 1,053,127,624</u></u>	<u><u>\$ 1,018,266,005</u></u>	<u><u>\$ 87,084,584</u></u>	<u><u>9.4%</u></u>

Health and Human Services

General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
<u>Elder Affairs, Department of</u>						
Aging Programs	\$ 2,730,522	\$ 2,828,543	\$ 2,815,375	\$ 5,653,477	\$ 2,824,934	99.9%
<u>Health, Department of Public</u>						
Addictive Disorders	\$ 1,267,111	\$ 1,761,036	\$ 1,761,036	\$ 5,761,036	\$ 4,000,000	227.1%
Adult Wellness	304,067	304,067	0	0	-304,067	-100.0%
Child and Adolescent Wellness	915,803	916,280	3,187,014	2,341,264	1,424,984	155.5%
Chronic Conditions	845,863	1,279,671	1,961,840	1,442,840	163,169	12.8%
Community Capacity	1,267,359	1,354,083	1,418,662	1,418,662	64,579	4.8%
Elderly Wellness	9,233,985	9,233,985	9,233,985	9,233,985	0	0.0%
Environmental Hazards	251,808	353,133	423,821	423,821	70,688	20.0%
Infectious Diseases	1,079,703	1,100,230	1,100,230	1,100,230	0	0.0%
Injuries	1,379,358	1,329,258	0	0	-1,329,258	-100.0%
Public Protection	6,622,719	7,147,106	7,811,265	7,811,265	664,159	9.3%
Resource Management	976,087	1,095,862	1,049,229	1,016,420	-79,442	-7.2%
Hearing Impaired Licensure	60,390	0	0	0	0	
Uninsured Prescrip. Drug Access	10,000	0	0	0	0	
PKU Assistance	0	100,000	0	0	-100,000	-100.0%
Total Health, Department of Public	\$ 24,214,253	\$ 25,974,711	\$ 27,947,082	\$ 30,549,523	\$ 4,574,812	17.6%
<u>Human Services, Department of</u>						
Economic Assistance						
Family Investment Program	\$ 39,077,222	\$ 40,461,923	\$ 43,671,080	\$ 41,854,109	\$ 1,392,186	3.4%
Child Support Recoveries	7,773,099	8,214,690	9,070,829	8,214,690	0	0.0%
Total Economic Assistance	46,850,321	48,676,613	52,741,909	50,068,799	1,392,186	2.9%
Medical Services						
Medical Assistance - GF Trans	422,810,068	560,850,253	725,910,501	611,903,273	51,053,020	9.1%
Health Insurance Premium Pmt.	615,213	634,162	634,162	634,162	0	0.0%

Health and Human Services

General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Human Services, Department of (cont.)						
Medical Services (cont.)						
Medical Contracts	10,725,035	14,711,985	15,211,985	14,711,985	0	0.0%
State Children's Health Ins.	12,118,275	16,568,275	22,939,384	19,703,685	3,135,410	18.9%
State Supplementary Assistance	19,273,135	19,810,335	19,810,335	19,010,335	-800,000	-4.0%
County Hospitals	200,000	0	0	0	0	
Total Medical Services	465,741,726	612,575,010	784,506,367	665,963,440	53,388,430	8.7%
Child and Family Services						
Child Care Services	5,050,752	15,800,752	29,265,230	25,717,949	9,917,197	62.8%
Toledo Juvenile Home	6,091,283	6,667,121	7,060,792	6,667,400	279	0.0%
Eldora Training School	9,622,692	10,546,241	10,638,488	10,583,148	36,907	0.3%
Child and Family Services	97,457,784	75,200,000	82,162,405	77,411,361	2,211,361	2.9%
Adoption Subsidy	0	32,250,000	33,237,285	33,446,063	1,196,063	3.7%
Family Support Subsidy	1,936,434	1,936,434	2,368,455	1,936,434	0	0.0%
Preparation for Adult Living	0	0	1,134,773	1,138,682	1,138,682	
Total Child and Family Services	120,158,945	142,400,548	165,867,428	156,901,037	14,500,489	10.2%
MH/MR/DD/BI						
Conners Training	42,623	42,623	42,623	42,623	0	0.0%
Cherokee MHI	13,011,389	4,852,942	5,087,039	4,893,698	40,756	0.8%
Clarinda MHI	7,479,591	5,669,983	6,263,463	5,929,344	259,361	4.6%
Independence MHI	17,299,891	8,929,177	9,260,473	9,006,899	77,722	0.9%
Mt. Pleasant MHI	6,091,181	591,855	976,351	596,333	4,478	0.8%
Glenwood Resource Center	9,683,925	16,316,040	14,873,377	14,506,583	-1,809,457	-11.1%
Woodward Resource Center	5,615,615	8,203,796	8,802,292	8,590,761	386,965	4.7%
MI/MR State Cases	11,264,619	10,864,619	11,013,320	11,013,320	148,701	1.4%
MH/DD Community Services	17,757,890	17,757,890	18,107,890	17,757,890	0	0.0%
Personal Assistance	205,748	0	0	0	0	

Health and Human Services General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Human Services, Department of (cont.)						
MH/MR/DD/BI (cont.)						
Sexual Predator Civil Commit.	3,621,338	4,025,704	4,864,657	4,750,704	725,000	18.0%
MH/DD Growth Factor	23,738,749	28,507,362	35,788,041	35,788,041	7,280,679	25.5%
Total MH/MR/DD/BI	115,812,559	105,761,991	115,079,526	112,876,196	7,114,205	6.7%
Managing and Delivering Services						
Field Operations	53,519,372	56,829,276	66,084,648	58,755,700	1,926,424	3.4%
General Administration	13,312,196	13,978,386	14,203,878	14,028,679	50,293	0.4%
Volunteers	109,568	109,568	109,568	109,568	0	0.0%
Total Managing and Delivering Services	66,941,136	70,917,230	80,398,094	72,893,947	1,976,717	2.8%
Total Human Services, Department of	\$ 815,504,687	\$ 980,331,392	\$ 1,198,593,324	\$ 1,058,703,419	\$ 78,372,027	8.0%
Veterans Affairs, Comm. of						
Veterans Affairs, Comm. of	\$ 295,717	\$ 332,114	\$ 561,654	\$ 332,114	\$ 0	0.0%
Iowa Veterans Home	16,309,443	18,446,049	19,137,766	13,569,501	-4,876,548	-26.4%
Total Veterans Affairs, Comm. of	\$ 16,605,160	\$ 18,778,163	\$ 19,699,420	\$ 13,901,615	\$ -4,876,548	-26.0%
Total Health and Human Services	\$ 859,054,622	\$ 1,027,912,809	\$ 1,249,055,201	\$ 1,108,808,034	\$ 80,895,225	7.9%

Justice System

General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Justice, Department of</u>						
General Office A.G.	\$ 7,774,280	\$ 8,329,413	\$ 8,479,413	\$ 8,429,413	\$ 100,000	1.29
Consumer Advocate	2,960,442	2,887,017	2,887,017	2,887,017	0	0.09
Victim Assistance Grants	5,000	5,000	205,000	205,000	200,000	4000.09
Legal Services Poverty Grants	0	900,000	900,000	900,000	0	0.09
Total Justice, Department of	\$ 10,739,723	\$ 12,121,430	\$ 12,471,430	\$ 12,421,430	\$ 300,000	2.59
<u>Civil Rights Commission</u>						
Civil Rights Commission	\$ 944,088	\$ 985,753	\$ 1,076,452	\$ 985,753	\$ 0	0.09
<u>Corrections, Department of</u>						
Corrections Institutions						
Ft. Madison Inst.	\$ 38,170,426	\$ 40,489,555	\$ 41,667,569	\$ 42,423,619	\$ 1,934,064	4.89
Anamosa Inst.	27,015,049	28,317,716	28,903,747	28,903,747	586,031	2.19
Oakdale Inst.	23,724,725	26,155,941	40,895,041	31,800,457	5,644,516	21.69
Newton Inst.	24,631,729	25,875,721	26,150,267	26,150,267	274,546	1.19
Mt. Pleasant Inst.	22,560,276	24,499,564	24,929,418	24,929,418	429,854	1.89
Rockwell City Inst.	7,797,776	8,426,532	8,604,680	8,604,680	178,148	2.19
Clarinda Inst.	22,590,992	23,988,327	24,301,412	24,251,587	263,260	1.19
Mitchellville Inst.	13,248,001	14,478,140	15,024,802	14,974,976	496,836	3.49
Ft. Dodge Inst.	25,984,774	27,520,531	27,758,806	27,758,806	238,275	0.99
Total Corrections Institutions	205,723,748	219,752,027	238,235,742	229,797,557	10,045,530	4.69
Corrections Central Office						
County Confinement	674,954	674,954	674,954	799,954	125,000	18.59
Federal Prisoners/Contractual	241,293	241,293	241,293	241,293	0	0.09
Central Office Corrections	3,244,124	2,939,637	4,008,599	4,074,737	1,135,100	38.69
Corrections Education	1,008,358	1,058,358	2,808,358	1,058,358	0	0.09

Justice System

General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
<u>Corrections, Department of (cont.)</u>						
Corrections Central Office (cont.)						
Iowa Corr. Offender Network	427,700	427,700	1,177,700	427,700	0	0.0%
Mental Health/Sub. Abuse	0	25,000	25,000	25,000	0	0.0%
Total Corrections Central Office	5,596,429	5,366,942	8,935,904	6,627,042	1,260,100	23.5%
CBC Districts						
CBC District I	10,165,157	11,043,105	11,817,952	11,313,520	270,415	2.4%
CBC District II	7,820,474	8,741,865	9,263,235	8,931,030	189,165	2.2%
CBC District III	4,677,869	5,111,348	5,361,110	5,292,569	181,221	3.5%
CBC District IV	4,276,113	4,677,524	4,885,602	4,817,061	139,537	3.0%
CBC District V	13,132,111	14,922,909	16,389,535	16,352,504	1,429,595	9.6%
CBC District VI	10,127,564	10,935,021	11,621,987	11,225,427	290,406	2.7%
CBC District VII	5,713,009	6,148,378	6,680,833	6,608,910	460,532	7.5%
CBC District VIII	5,618,451	6,209,818	6,704,276	6,408,344	198,526	3.2%
Total CBC Districts	61,530,748	67,789,968	72,724,530	70,949,365	3,159,397	4.7%
Total Corrections, Department of	\$ 272,850,925	\$ 292,908,937	\$ 319,896,176	\$ 307,373,964	\$ 14,465,027	4.9%
<u>Inspections & Appeals, Dept. of</u>						
Public Defender	\$ 18,444,964	\$ 19,172,795	\$ 19,792,963	\$ 19,792,963	\$ 620,168	3.2%
Indigent Defense Appropriation	22,251,339	21,163,082	24,200,000	27,663,082	6,500,000	30.7%
Total Inspections & Appeals, Dept. of	\$ 40,696,303	\$ 40,335,877	\$ 43,992,963	\$ 47,456,045	\$ 7,120,168	17.7%
<u>Judicial Branch</u>						
Judicial Branch	\$ 118,084,282	\$ 123,237,410	\$ 124,900,133	\$ 124,900,133	\$ 1,662,723	1.3%
Judicial Retirement	2,039,664	2,039,664	5,275,601	5,275,601	3,235,937	158.7%
Youth Enrichment Pilot Project	0	100,000	0	0	-100,000	-100.0%
Total Judicial Branch	\$ 120,123,946	\$ 125,377,074	\$ 130,175,734	\$ 130,175,734	\$ 4,798,660	3.8%

Justice System

General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Law Enforcement Academy						
Operations	\$ 1,075,138	\$ 1,134,189	\$ 1,324,777	\$ 1,172,389	\$ 38,200	3.4%
Parole, Board of						
Parole Board	\$ 1,072,560	\$ 1,151,678	\$ 1,156,960	\$ 1,227,848	\$ 76,170	6.6%
Public Defense, Department of						
Public Defense, Dept. of						
Military Division	\$ 5,130,040	\$ 5,315,459	\$ 7,139,545	\$ 5,724,545	\$ 409,086	7.7%
Civil Air Patrol	0	100,000	100,000	100,000	0	0.0%
Total Public Defense, Dept. of	5,130,040	5,415,459	7,239,545	5,824,545	409,086	7.6%
Emergency Management Division						
Homeland Sec. & Emer. Mgmt Div.	1,172,230	1,253,414	1,898,935	1,582,334	328,920	26.2%
Total Public Defense, Department of	\$ 6,302,269	\$ 6,668,873	\$ 9,138,480	\$ 7,406,879	\$ 738,006	11.1%
Public Safety, Department of						
Public Safety Administration	\$ 3,073,274	\$ 3,191,874	\$ 4,796,348	\$ 3,656,020	\$ 464,146	14.5%
Investigation, DCI	14,208,510	15,261,477	20,091,959	18,673,875	3,412,398	22.4%
Narcotics Enforcement	3,930,089	4,896,396	5,496,885	5,349,198	452,802	9.2%
Undercover Funds	123,343	123,343	123,343	123,343	0	0.0%
Fire Marshal	2,281,998	2,321,122	2,716,134	2,513,247	192,125	8.3%
Fire Service	638,021	675,820	803,370	675,820	0	0.0%
Iowa State Patrol	42,517,133	43,735,918	47,907,558	45,185,618	1,449,700	3.3%
DPS/SPOC Sick Leave Payout	316,179	316,179	691,179	691,179	375,000	118.6%
Fire Fighter Training	559,587	699,587	699,587	699,587	0	0.0%
Capitol Building Security	0	775,000	775,000	0	-775,000	-100.0%
DCI Crime Lab	0	342,000	485,000	342,000	0	0.0%
Total Public Safety, Department of	\$ 67,648,134	\$ 72,338,716	\$ 84,586,363	\$ 77,909,887	\$ 5,571,171	7.7%
Total Justice System	\$ 521,453,086	\$ 553,022,527	\$ 603,819,335	\$ 586,129,929	\$ 33,107,402	6.0%

Trans., Infra., and Capitals General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Transportation, Department of</u>						
Aviation Assistance	\$ 64,792	\$ 0	\$ 1,000,000	\$ 0	\$ 0	
Rail Assistance	35,959	0	2,000,000	0	0	
<u>Total Transportation, Department of</u>	<u>\$ 100,751</u>	<u>\$ 0</u>	<u>\$ 3,000,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	
<u>Total Trans., Infra., and Capitals</u>	<u>\$ 100,751</u>	<u>\$ 0</u>	<u>\$ 3,000,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	

Unassigned Standings

General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
<u>Administrative Services, Dept. of</u>						
Federal Cash Management	\$ 81,245	\$ 436,250	\$ 436,250	\$ 436,250	\$ 0	0.0%
Unemployment Comp. - State	408,513	538,750	538,750	538,750	0	0.0%
Mun. Fire & Police Retirement	2,745,784	2,745,784	2,745,784	2,745,784	0	0.0%
Total Administrative Services, Dept. of	\$ 3,235,542	\$ 3,720,784	\$ 3,720,784	\$ 3,720,784	\$ 0	0.0%
<u>Corrections, Department of</u>						
State Cases	\$ 0	\$ 66,370	\$ 66,370	\$ 66,370	\$ 0	0.0%
<u>Economic Development, Dept. of</u>						
<u>Economic Development, Dept. of</u>						
Grow Iowa Values	\$ 0	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 0	0.0%
Comm. Attraction & Tourism	0	7,000,000	7,000,000	0	-7,000,000	-100.0%
Total Economic Development, Dept. of	\$ 0	\$ 57,000,000	\$ 57,000,000	\$ 50,000,000	\$ -7,000,000	-12.3%
<u>Education, Department of</u>						
School Foundation Aid	\$ 1,881,273,764	\$ 1,963,927,555	\$ 2,073,000,000	\$ 2,048,201,297	\$ 84,273,742	4.3%
Instructional Support	14,428,247	14,428,271	14,798,227	14,798,227	369,956	2.6%
Child Development	11,271,000	11,271,000	11,271,000	11,271,000	0	0.0%
Transportation - Nonpublic	7,955,541	8,273,763	8,273,763	8,363,763	90,000	1.1%
Educational Excellence	55,469,053	55,469,053	55,469,053	55,469,053	0	0.0%
Early Intervention Block Grant	29,250,000	29,250,000	29,250,000	29,250,000	0	0.0%
Total Education, Department of	\$ 1,999,647,605	\$ 2,082,619,642	\$ 2,192,062,043	\$ 2,167,353,340	\$ 84,733,698	4.1%
<u>Executive Council</u>						
Court Costs	\$ 220,362	\$ 73,125	\$ 73,125	\$ 73,125	\$ 0	0.0%
Public Improvements	629	48,750	48,750	48,750	0	0.0%

Unassigned Standings

General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Executive Council (cont.)</u>						
Performance of Duty	2,179,397	1,462,500	1,462,500	1,462,500	0	0.0%
Drainage Assessment	43,903	24,375	24,375	24,375	0	0.0%
Total Executive Council	\$ 2,444,292	\$ 1,608,750	\$ 1,608,750	\$ 1,608,750	\$ 0	0.0%
<u>Legislative Branch</u>						
Legislature	\$ 26,564,258	\$ 27,559,632	\$ 32,480,938	\$ 32,476,738	\$ 4,917,106	17.8%
<u>Governor</u>						
Interstate Extradition Expense	\$ 0	\$ 3,710	\$ 3,710	\$ 3,710	\$ 0	0.0%
Presidential Electors	581	0	0	0	0	
Governor-Elect Expenses	0	0	0	100,000	100,000	
Total Governor	\$ 581	\$ 3,710	\$ 3,710	\$ 103,710	\$ 100,000	2695.4%
<u>Health, Department of Public</u>						
Birth Defects Registry	\$ 107,809	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	0.0%
<u>Human Services, Department of</u>						
Commission of Inquiry	\$ 1,706	\$ 1,706	\$ 1,706	\$ 1,706	\$ 0	0.0%
Non-Resident Transfer Mentally	82	82	82	82	0	0.0%
Non-Resident Commitment	174,704	174,704	174,704	174,704	0	0.0%
MH Property Tax Relief	95,000,000	95,000,000	95,000,000	95,000,000	0	0.0%
Child Abuse Prevention	218,884	240,000	240,000	240,000	0	0.0%
Total Human Services, Department of	\$ 95,395,376	\$ 95,416,492	\$ 95,416,492	\$ 95,416,492	\$ 0	0.0%
<u>Management, Department of</u>						
Special Olympics Fund	\$ 30,000	\$ 50,000	\$ 50,000	\$ 0	\$ -50,000	-100.0%
Indian Settlement Officer	25,000	25,000	25,000	0	-25,000	-100.0%

Unassigned Standings

General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Management, Department of (cont.)</u>						
Appeal Board	11,604,499	4,387,500	4,387,500	4,387,500	0	0.0%
Cash Reserve Fund Goal	45,500,000	0	0	0	0	
Total Management, Department of	\$ 57,159,499	\$ 4,462,500	\$ 4,462,500	\$ 4,387,500	\$ -75,000	-1.7%
<u>Public Defense, Department of</u>						
Compensation & Expense	\$ 290,947	\$ 421,639	\$ 421,639	\$ 421,639	\$ 0	0.0%
<u>Revenue, Dept. of</u>						
Printing Cigarette Stamps	\$ 107,304	\$ 107,304	\$ 128,000	\$ 128,000	\$ 20,696	19.3%
Livestock Producers Credit	1,770,342	1,770,342	2,000,000	0	-1,770,342	-100.0%
Collection Agencies Reimburse	-125,332	0	0	0	0	
Tobacco Enforcement	25,000	25,000	25,000	25,000	0	0.0%
Total Revenue, Dept. of	\$ 1,777,314	\$ 1,902,646	\$ 2,153,000	\$ 153,000	\$ -1,749,646	-92.0%
<u>Secretary of State</u>						
Constitutional Amendments	\$ 1,689	\$ 0	\$ 0	\$ 0	\$ 0	
Total Unassigned Standing	\$ 2,186,624,914	\$ 2,274,982,165	\$ 2,389,596,226	\$ 2,355,908,323	\$ 80,926,158	3.6%

Summary Data

Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Administration and Regulation	\$ 25,756,332	\$ 22,579,812	\$ 25,708,798	\$ 75,533,798	\$ 52,953,986	234.5%
Ag. and Natural Resources	71,182,114	72,813,873	85,808,873	72,883,873	70,000	0.1%
Economic Development	147,200,999	56,231,000	61,896,000	59,031,000	2,800,000	5.0%
Education	2,283,250	2,283,250	2,211,250	2,153,250	-130,000	-5.7%
Health and Human Services	264,973,035	270,470,622	240,301,653	297,153,541	26,682,919	9.9%
Justice System	2,217,285	3,191,285	2,831,285	3,141,285	-50,000	-1.6%
Trans., Infra., and Capitals	429,888,927	435,840,911	601,181,140	483,530,926	47,690,015	10.9%
Unassigned Standing	260,693,371	275,920,695	305,441,671	343,189,584	67,268,889	24.4%
Grand Total	<u>\$ 1,204,195,313</u>	<u>\$ 1,139,331,448</u>	<u>\$ 1,325,380,670</u>	<u>\$ 1,336,617,257</u>	<u>\$ 197,285,809</u>	17.3%

Column Explanations:

- (1) Actual FY 2005 - The FY 2005 appropriations.
- (2) Estimated FY 2006 - The FY 2006 legislative action adjusted by salary adjustment.
- (3) Dept. Request FY 2007 - The amount of funding State agencies are requesting for FY 2007.
- (4) Gov. Rec. FY 2007 - The amount of funding being recommended by the Governor for FY 2007.
- (5) Gov. Rec. vs. Est. FY 2006 - Column 4 minus Column 2.
- (6) Percent Change - The percent of change between the FY 2007 Governor's Recommendations and Estimated FY 2006.

Administration and Regulation

Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
<u>Administrative Services, Dept. of</u>						
Ready-To-Work Program	\$ 89,416	\$ 0	\$ 0	\$ 0	\$ 0	
Road Use Tax Approp.	84,951	0	0	0	0	
Primary Road Approp.	491,752	0	0	0	0	
Total Administrative Services, Dept. of	\$ 666,119	\$ 0	\$ 0	\$ 0	\$ 0	
<u>Commerce, Department of</u>						
Insurance Division						
Reinsurance Program	\$ 0	\$ 0	\$ 0	\$ 30,000,000	\$ 30,000,000	
Professional Licensing & Reg.						
Real Estate Trust Act. Auditor	62,317	62,317	62,317	62,317	0	0.0'
Total Commerce, Department of	\$ 62,317	\$ 62,317	\$ 62,317	\$ 30,062,317	\$ 30,000,000	
<u>Inspections & Appeals, Dept. of</u>						
DIA - Use Tax Appropriation	\$ 1,424,042	\$ 1,482,436	\$ 1,482,436	\$ 1,482,436	\$ 0	0.0'
Health Facilities Div.- SLTF	800,000	758,474	1,000,724	825,724	67,250	8.9'
Total Inspections & Appeals, Dept. of	\$ 2,224,042	\$ 2,240,910	\$ 2,483,160	\$ 2,308,160	\$ 67,250	3.0'
<u>Management, Department of</u>						
Road Use Tax Salary Adjustment	\$ 1,542,010	\$ 386,895	\$ 0	\$ 3,000,000	\$ 2,613,105	675.4'
Primary Road Salary Adjustment	715,438	2,765,937	0	12,000,000	9,234,063	333.8'
DOM RUTF	56,000	56,000	56,000	56,000	0	0.0'
Total Management, Department of	\$ 2,313,448	\$ 3,208,832	\$ 56,000	\$ 15,056,000	\$ 11,847,168	369.2'
<u>IPERS Administration</u>						
IPERS Administration	\$ 9,158,475	\$ 10,815,084	\$ 16,756,131	\$ 16,756,131	\$ 5,941,047	54.9'

Administration and Regulation

Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Revenue, Dept. of						
MVFT - Administration	\$ 1,215,068	\$ 1,252,669	\$ 1,258,042	\$ 1,258,042	\$ 5,373	0.4'
Lottery						
Lottery Operations	\$ 10,116,863	\$ 0	\$ 0	\$ 0	\$ 0	
Treasurer of State						
Watershed Protection	\$ 0	\$ 0	\$ 0	\$ 10,000,000	\$ 10,000,000	
Watershed Improvements	0	5,000,000	5,000,000	0	-5,000,000	-100.0'
I-3 Expenses - RUTF	0	0	93,148	93,148	93,148	
Total Treasurer of State	<u>\$ 0</u>	<u>\$ 5,000,000</u>	<u>\$ 5,093,148</u>	<u>\$ 10,093,148</u>	<u>\$ 5,093,148</u>	101.9'
Total Administration and Regulation	<u><u>\$ 25,756,332</u></u>	<u><u>\$ 22,579,812</u></u>	<u><u>\$ 25,708,798</u></u>	<u><u>\$ 75,533,798</u></u>	<u><u>\$ 52,953,986</u></u>	234.5'

Ag. and Natural Resources

Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Ag. & Land Stewardship						
Environment First Fund						
Cons. Res Enhance (CREP)-EFF	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	\$ 1,500,000	\$ 0	0.0%
Watershed Protection Prog-EFF	2,700,000	2,700,000	5,400,000	2,700,000	0	0.0%
Farm Demonstration Prog.-EFF	850,000	850,000	1,600,000	850,000	0	0.0%
Agri. Drainage Wells-EFF	500,000	500,000	2,500,000	500,000	0	0.0%
Soil Cons. Cost Share-EFF	5,500,000	5,500,000	8,500,000	5,500,000	0	0.0%
Cons. Reserve Prog (CRP)-EFF	2,000,000	2,000,000	2,000,000	2,000,000	0	0.0%
Loess Hills Cons. Auth.-EFF	600,000	600,000	600,000	600,000	0	0.0%
So. IA Cons. Authority - EFF	300,000	300,000	300,000	300,000	0	0.0%
Total Environment First Fund	13,950,000	13,950,000	23,900,000	13,950,000	0	0.0%
Agriculture & Land Stewardship						
Native Horse & Dog Program	305,516	305,516	305,516	305,516	0	0.0%
Open Feedlots Research Project	0	100,000	100,000	100,000	0	0.0%
Total Agriculture & Land Stewardship	305,516	405,516	405,516	405,516	0	0.0%
Total Ag. & Land Stewardship	\$ 14,255,516	\$ 14,355,516	\$ 24,305,516	\$ 14,355,516	\$ 0	0.0%
Natural Resources, Department of						
Fish & Wildlife Approp	\$ 31,220,766	\$ 32,477,525	\$ 34,322,525	\$ 34,322,525	\$ 1,845,000	5.7%
Snowmobile Fees To F&G Fund	100,000	100,000	0	0	-100,000	-100.0%
Boat Registration Fees To F&G	1,400,000	1,400,000	0	0	-1,400,000	-100.0%
Volun. & Keepers of Land-EFF	100,000	100,000	100,000	100,000	0	0.0%
Marine Fuel Tax Projects-EFF	2,300,000	2,300,000	2,700,000	2,500,000	200,000	8.7%
Park Operations & Main.-EFF	2,000,000	2,000,000	2,000,000	2,000,000	0	0.0%
GIS Info. for Watershed-EFF	195,000	195,000	195,000	195,000	0	0.0%
Water Quality Monitoring-EFF	2,955,000	2,955,000	3,755,000	2,955,000	0	0.0%
Water Quality Protection-EFF	500,000	500,000	500,000	500,000	0	0.0%
Lake Dredging-EFF	1,000,000	1,500,000	2,000,000	500,000	-1,000,000	-66.7%

Ag. and Natural Resources

Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Natural Resources, Department of (cont.)</u>						
REAP Program-EFF	11,000,000	11,000,000	12,000,000	11,800,000	800,000	7.3%
Air Quality Equip.-EFF	500,000		275,000		0	
UST Administration Match	200,000	200,000	200,000	200,000	0	0.0%
GWF-Storage Tanks Study	100,303	100,303	100,303	100,303	0	0.0%
GWF-Household Haz. Waste	447,324	447,324	447,324	447,324	0	0.0%
GWF-Well Testing Admin. 2%	62,461	62,461	62,461	62,461	0	0.0%
GWF- Monitoring	1,686,751	1,686,751	1,686,751	1,686,751	0	0.0%
GWF-Landfill Alternatives	618,993	618,993	618,993	618,993	0	0.0%
GWF-Waste Reduction & Assist.	192,500	192,500	192,500	192,500	0	0.0%
GWF-Solid Waste Authorization	50,000	50,000	50,000	50,000	0	0.0%
GWF-Geographic Info. System	297,500	297,500	297,500	297,500	0	0.0%
Air Quality Monitoring-SWF	0	275,000	0	0	-275,000	-100.0%
Total Natural Resources, Department of	\$ 56,926,598	\$ 58,458,357	\$ 61,503,357	\$ 58,528,357	\$ 70,000	0.1%
Total Ag. and Natural Resources	\$ 71,182,114	\$ 72,813,873	\$ 85,808,873	\$ 72,883,873	\$ 70,000	0.1%

Economic Development

Non General Fund

Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
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Economic Development, Dept. of

Economic Development, Dept. of

RC 2000 - Council of Gov.	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 0	0.0%
RC 2000 - Rural Dev. Prg.	120,000	120,000	120,000	120,000	0	0.0%
Brownfields Redev. Prog-EFF	500,000	500,000	500,000	500,000	0	0.0%
Insurance Division Revenue	100,000	100,000	100,000	100,000	0	0.0%
Workforce Development Fund	4,000,000	4,000,000	4,000,000	4,000,000	0	0.0%
DED Programs-GIVF	0	35,000,000	35,000,000	35,000,000	0	0.0%
Regents Institutions-GIVF	0	5,000,000	5,000,000	5,000,000	0	0.0%
State Parks-GIVF	0	1,000,000	1,000,000	1,000,000	0	0.0%
Cultural Trust Fund-GIVF	0	1,000,000	1,000,000	1,000,000	0	0.0%
Workforce Training-GIVF	0	7,000,000	7,000,000	7,000,000	0	0.0%
Regional Financial Assist.-GIV	0	1,000,000	1,000,000	1,000,000	0	0.0%
Workforce Training	3,106,050	0	0	0	0	
Strategic Marketing	4,659,075	0	0	0	0	
DED Programs	25,469,751	0	0	0	0	
Regents & Private Inst.	4,348,470	0	0	0	0	
Loan Guarantee Fund	3,106,050	0	0	0	0	
Endow Iowa Tax Credits	155,302	0	0	0	0	
Endow Iowa Grants	155,302	0	0	0	0	
Bioscience Alliance Econ. Stimulus	0	0	0	2,800,000	2,800,000	
Total Economic Development, Dept. of	45,870,000	54,870,000	54,870,000	57,670,000	2,800,000	5.1%

Federal Economic Stimulus

Marketing Programs	6,782,949	0	0	0	0	
DED Programs	61,745,652	0	0	0	0	
Targeted State Parks	475,806	0	0	0	0	
Loan/Credit Guarantee	5,728,402	0	0	0	0	
University College Programs	10,058,162	0	0	0	0	
Workforce Training-Comm. Coll.	3,848,668	0	0	0	0	

Economic Development

Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
<u>Economic Development, Dept. of (cont.)</u>						
Federal Economic Stimulus (cont.)						
Workforce Training/Job Reten.	1,000,000	0	0	0	0	
Endow Iowa Grants	155,303	0	0	0	0	
Endow Iowa Grants-GF	155,303	0	0	0	0	
Cash Reserve Fund	10,749,754	0	0	0	0	
Total Federal Economic Stimulus	100,699,999	0	0	0	0	
Total Economic Development, Dept. of	\$ 146,569,999	\$ 54,870,000	\$ 54,870,000	\$ 57,670,000	\$ 2,800,000	5.1%
<u>Iowa Finance Authority</u>						
Rent Subsidy Program-SLTF	\$ 0	\$ 700,000	\$ 1,200,000	\$ 700,000	\$ 0	0.0%
Revolving Loan Programs-SLTF	0	0	3,000,000	0	0	
Home & Community Ser.-SLTF	0	0	2,000,000	0	0	
Tax Exempt Bonds-IFA Fund	0	0	165,000	0	0	
Total Iowa Finance Authority	\$ 0	\$ 700,000	\$ 6,365,000	\$ 700,000	\$ 0	0.0%
<u>Iowa Workforce Development</u>						
P&I Immigration Service Center	\$ 160,000	\$ 0	\$ 0	\$ 0	\$ 0	
Workers' Compensation Fees	0	190,000	190,000	190,000	0	0.0%
P & I Industrial Programs	471,000	471,000	471,000	471,000	0	0.0%
Total Iowa Workforce Development	\$ 631,000	\$ 661,000	\$ 661,000	\$ 661,000	\$ 0	0.0%
Total Economic Development	\$ 147,200,999	\$ 56,231,000	\$ 61,896,000	\$ 59,031,000	\$ 2,800,000	5.0%

Education Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Blind, Iowa Commission for the						
Older Blind Iowans-SLTF	\$ 0	\$ 0	\$ 58,000	\$ 0	\$ 0	
Newsline for the Blind - HITT	130,000	130,000			-130,000	-100.0%
Total Blind, Iowa Commission for the	\$ 130,000	\$ 130,000	\$ 58,000	\$ 0	\$ -130,000	-100.0%
Education, Department of						
Empowerment-HITT	\$ 2,153,250	\$ 2,153,250	\$ 2,153,250	\$ 2,153,250	\$ 0	0.0%
Total Education	\$ 2,283,250	\$ 2,283,250	\$ 2,211,250	\$ 2,153,250	\$ -130,000	-5.7%

Health and Human Services Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Elder Affairs, Department of						
Aging Programs - SLTF	\$ 8,222,118	\$ 8,296,730	\$ 12,920,210	\$ 8,357,253	\$ 60,523	0.7%
Health, Department of Public						
Addictive Disorders-GTF	\$ 1,690,000	\$ 1,690,000	\$ 1,690,000	\$ 1,690,000	\$ 0	0.0%
Gambling Treatment Prog.-GTF	4,210,810	4,310,000	4,310,000	4,310,000	0	0.0%
Emergency Medical Serv.-GTF	0	0	0	180,000	180,000	
Tobacco Use Prev./Control-HITT	5,011,565	5,011,565	0	0	-5,011,565	-100.0%
Smoking Cessation Prog.- HITT	75,000	75,000	0	0	-75,000	-100.0%
Healthy Iowans 2010 - HITT	2,346,960	2,509,960	0	0	-2,509,960	-100.0%
Defibrillator Grant Prog.-HITT	250,000	250,000	0	0	-250,000	-100.0%
Cong. & Inherited Dis. Reg.-HIT	26,000	26,000	0	0	-26,000	-100.0%
Substance Abuse-HITT	11,800,000	11,800,000	0	0	-11,800,000	-100.0%
Sub Abuse Prevention - HITT	0	200,000	0	0	-200,000	-100.0%
Capitol Defibrillation-HITT	0	100,000	0	0	-100,000	-100.0%
AIDS Drug Assist.-HITT	0	275,000	0	0	-275,000	-100.0%
Addiction Free Iowa-HITT	0	0	27,078,162	17,686,565	17,686,565	
Healthy Child. & Families-HITT	0	0	559,000	0	0	
Hlth Promo./Chronic Dis.-HITT	0	0	361,000	361,000	361,000	
Access & Delivery-HITT	0	0	1,657,482	1,157,482	1,157,482	
Healthy Environment-HITT	0	0	365,158	365,158	365,158	
Hlth Protection/Reg.-HITT	0	0	2,396,878	1,337,320	1,337,320	
Tbco Prevention for Kids-HITT	0	400,000	0	0	-400,000	-100.0%
Sub. Abuse Prev. Kids-HITT	0	200,000	0	0	-200,000	-100.0%
PKU Assistance-HITT	0	60,000	0	0	-60,000	-100.0%
Total Health, Department of Public	\$ 25,410,335	\$ 26,907,525	\$ 38,417,680	\$ 27,087,525	\$ 180,000	0.7%

Health and Human Services

Non General Fund

Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
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Human Services, Department of

Medical Services

CHIP Exp. to 200% of FPL-HITT	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	0.0%
Provider Rate/Meth Chgs-HITT	545,630	0	0	182,381	182,381	
LTC Alternative Services-SLTF	101,600,000	69,000,490	21,340,000	75,000,000	5,999,510	8.7%
LTC Alt. Service Costs-SLTF	1,733,406	1,033,406	821,140	821,140	-212,266	-20.5%
LTC Provider Rate-SLTF	29,950,000	29,950,000	29,950,000	29,950,000	0	0.0%
Nurse Facility Grants-SLTF	20,000,000	0	0	0	0	
Phys Et Al Provider Inc-HITT	8,095,718	0	0	0	0	
Dental Provider Inc-HITT	3,814,973	0	0	0	0	
Hospital Provider Inc-HITT	3,035,278	0	0	0	0	
Home Hlth Care Prov Inc-HITT	2,108,279	0	0	0	0	
Critical Access Hospitals-HITT	250,000	0	0	0	0	
Home Hlth & Hab. Day Care-HITT	1,975,496	0	0	0	0	
Respite Care Expansion-HITT	1,137,309	0	0	0	0	
Breast Cancer Treatment-HITT	250,000	0	0	0	0	
Med Assist Supplemental-HITT	14,346,750	35,013,803	35,013,803	55,327,368	20,313,565	58.0%
Medicaid-Hospital Trust Fund	37,500,000	0	0	0	0	
UI Hospital - IowaCare Fund	0	27,284,584	27,284,584	27,284,584	0	0.0%
Broadlawns Hospital IowaCare Fund	0	40,000,000	37,000,000	37,000,000	-3,000,000	-7.5%
Medical Exam.-Expan. - HCTA	0	136,500	556,800	556,800	420,300	307.9%
Medical Information Hotline - HCTA	0	150,000	150,000	150,000	0	0.0%
Insurance Cost Subsidy - HCTA	0	150,000	1,500,000	1,500,000	1,350,000	900.0%
Health Care Premium Impl. - HCTA	0	50,000	400,000	400,000	350,000	700.0%
Electronic Medical Records - HCTA	0	100,000	2,000,000	2,000,000	1,900,000	1900.0%
Health Partnership Activities - HCTA	0	550,000	550,000	550,000	0	0.0%
Audits, Performance Eval. - HCTA	0	100,000	100,000	100,000	0	0.0%
IowaCare Admin. Costs - HCTA	0	910,000	344,852	344,852	-565,148	-62.1%
Acuity Bsd. ICF-MR Case Mix-HCTA	0	0	150,000	150,000	150,000	

Health and Human Services

Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Human Services, Department of (cont.)						
Medical Services (cont.)						
Provider Incentive Payment - HCTA	0	0	50,000	50,000	50,000	
Med. Contracts Supp. - Pharm. Settle.	665,000	85,000	0	85,000	0	0.0%
Health Trans. Care Trans. - HCTA	0	0	1,000,000	0	0	
Total Medical Services	227,207,839	204,713,783	158,411,179	231,652,125	26,938,342	13.2%
Child and Family Services						
RTSS Provider Increase-HITT	3,243,026	0	0	0	0	
Adoption & Shelter Care-HITT	468,967	0	0	0	0	
Child and Family Services-HITT		4,257,623	4,257,623	3,761,677	-495,946	-11.6%
Total Child and Family Services	3,711,993	4,257,623	4,257,623	3,761,677	-495,946	-11.6%
MH/MR/DD/BI						
POS Provider Increase-HITT	146,750	146,750	146,750	146,750	0	0.0%
State Hospital-Cherokee-IACare Fund	0	9,098,425	9,098,425	9,098,425	0	0.0%
State Hospital-Clarinda-IACare Fund	0	1,977,305	1,977,305	1,977,305	0	0.0%
St. Hosp.-Independence-IACare Fund	0	9,045,894	9,045,894	9,045,894	0	0.0%
St. Hosp.-Mt. Pleasant-IACare Fund	0	5,752,587	5,752,587	5,752,587	0	0.0%
Total MH/MR/DD/BI	146,750	26,020,961	26,020,961	26,020,961	0	0.0%
Managing and Delivering Services						
General Administration - HITT	274,000	274,000	274,000	274,000	0	0.0%
Total Human Services, Department of	\$ 231,340,582	\$ 235,266,367	\$ 188,963,763	\$ 261,708,763	\$ 26,442,396	11.2%
Total Health and Human Services	\$ 264,973,035	\$ 270,470,622	\$ 240,301,653	\$ 297,153,541	\$ 26,682,919	9.9%

Justice System

Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
Corrections, Department of						
Corrections Institutions						
Newton Value Based-HITT	\$ 370,000	\$ 310,000	\$ 0	\$ 0	\$ -310,000	-100.0%
Ft. Madison SNU-HITT	1,187,285	1,187,285	1,187,285	1,497,285	310,000	26.1%
Total Corrections Institutions	<u>1,557,285</u>	<u>1,497,285</u>	<u>1,187,285</u>	<u>1,497,285</u>	<u>0</u>	<u>0.0%</u>
CBC Districts						
District I Operations-HITT	0	100,000	100,000	100,000	0	0.0%
District VI Operations-HITT	0	100,000	100,000	100,000	0	0.0%
District VII Operations-HITT	0	100,000	100,000	100,000	0	0.0%
District VIII Operations-HITT	0	100,000	100,000	100,000	0	0.0%
CBC District V - HITT	255,693	355,693	355,693	355,693	0	0.0%
CBC District III - HITT	35,359	200,359	200,359	200,359	0	0.0%
CBC District IV - HITT	191,731	291,731	291,731	291,731	0	0.0%
CBC District II - HITT	127,217	396,217	396,217	396,217	0	0.0%
Total CBC Districts	<u>610,000</u>	<u>1,644,000</u>	<u>1,644,000</u>	<u>1,644,000</u>	<u>0</u>	<u>0.0%</u>
Total Corrections, Department of	<u>\$ 2,167,285</u>	<u>\$ 3,141,285</u>	<u>\$ 2,831,285</u>	<u>\$ 3,141,285</u>	<u>\$ 0</u>	<u>0.0%</u>
Public Safety, Department of						
Fire Marshal School Infra.	\$ 50,000	\$ 50,000	\$ 0	\$ 0	\$ -50,000	-100.0%
Total Justice System	<u>\$ 2,217,285</u>	<u>\$ 3,191,285</u>	<u>\$ 2,831,285</u>	<u>\$ 3,141,285</u>	<u>\$ -50,000</u>	<u>-1.6%</u>

Trans., Infra., and Capitals Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Administrative Services Capitals						
Pooled Technology-RIIF	\$ 1,861,496	\$ 3,802,000	\$ 5,516,940	\$ 3,884,940	\$ 82,940	2.2%
Temp. Lease/Relocation-RIIF	2,271,617	1,824,000	1,824,500	0	-1,824,000	-100.0%
Major Maintenance - RIIF	4,300,000	0	0	0	0	
Capitol Electrical Dist.-RIIF	0	1,843,878	7,202,600	0	-1,843,878	-100.0%
Capitol Rest. Interior-RCF	3,500,000	0	0	0	0	
Capitol Interior Rest.- RCF	0	4,500,000	0	0	-4,500,000	-100.0%
Major Maintenance-RCF	0	3,000,000	0	0	-3,000,000	-100.0%
Major Maintenance-VIF	0	5,623,200	10,000,000	10,000,000	4,376,800	77.8%
Integrated Info. System - RCF	6,049,284	0	0	0	0	
Property Acquisition - RCF	0	0	1,150,000	0	0	
Lab Fac. Routine Maint.-RIIF	355,500	0	0	0	0	
Records & Prop. Renov.-RIIF	5,000,000	4,700,000	2,200,000	0	-4,700,000	-100.0%
Routine Maintenance-RIIF	2,000,000	2,000,000	20,000,000	0	-2,000,000	-100.0%
Complex Utility Tunnel-RIIF	0	0	26,546,000	0	0	
Parking Lots/Sidewalks-RIIF	0	0	1,545,000	0	0	
Site Implement. Planning-RIIF	0	0	100,000	0	0	
West Capitol Terrace-RIIF	0	0	2,300,000	0	0	
Replace Court Ave Bridge-RIIF	0	0	5,665,000	0	0	
East Parking Lot-RIIF	0	0	3,410,000	0	0	
Capitol Interior-RIIF	0	0	16,390,000	0	0	
Wallace Building-RIIF	0	625,000	500,000	0	-625,000	-100.0%
Monument Lighting - RIIF	35,000	0	0	0	0	
Major Maintenance-RIIF	0	291,891	0	0	-291,891	-100.0%
Terrace Hill Maintenance-VIF	0	0	75,000	75,000	75,000	
Capitol Interior-RC2	0	0	0	6,830,000	6,830,000	
DHS-Toledo Renovation-RC2	0	0	0	1,521,045	1,521,045	
Parking/Sidewalk-RC2	0	0	0	1,545,000	1,545,000	
Wallace Building-RC2	0	0	0	500,000	500,000	

Trans., Infra., and Capitals Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Administrative Services Capitals (cont.)</u>						
Cap. Terr./Parking Lot 8-RC2	0	0	0	2,300,000	2,300,000	
Woodward Wastewater Treat-RC2	0	0	0	2,443,000	2,443,000	
Records Center Remodel-RC2	0	0	0	2,200,000	2,200,000	
Ft. Madison Planning-RC2	0	0	0	500,000	500,000	
DGS-Leases/Assistance-VIF	0	0	0	1,824,500	1,824,500	
DGS-Routine Maintenance-VIF	0	0	0	2,800,500	2,800,500	
Cap. Comp. Elect. Dist.-RCF	0	0	0	3,468,800	3,468,800	
DHS CCUSO Restoration - RCF	0	650,000	0	0	-650,000	-100.0%
DHS Toledo Improvements - RIIF	0	0	8,130,668	0	0	
Woodward Wastewater - RIIF	0	0	2,443,000	0	0	
1000 E. Grand Asbestos-RIIF	0	0	15,000,000	0	0	
Carriage House-RIIF	0	0	4,950,000	0	0	
Grimes Bldg Planning-RIIF	0	0	750,000	0	0	
Terrace Hill Maintenance-RIIF	0	571,000	0	0	-571,000	-100.0%
DHS-Toledo Renovation-RIIF	0	1,161,045	1,521,045	0	-1,161,045	-100.0%
DHS-CCUSO Renovation - RIIF	0	1,400,000	0	0	-1,400,000	-100.0%
Total Administrative Services Capitals	\$ 25,372,897	\$ 31,992,014	\$ 137,219,753	\$ 39,892,785	\$ 7,900,771	24.7%
<u>Dept. for the Blind Capitals</u>						
Orientation Center Impr-RIIF	\$ 67,000	\$ 0	\$ 0	\$ 0	\$ 0	
Building Renovation-RIIF	0	0	4,000,000	0	0	
Blind Building Renovation-RC2	0	0	0	4,000,000	4,000,000	
Total Dept. for the Blind Capitals	\$ 67,000	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	
<u>DED Capitals</u>						
ACE Program - RCF	\$ 0	\$ 1,500,000	\$ 1,500,000	\$ 4,000,000	\$ 2,500,000	166.7%
ACE Program - RIIF	5,500,000	0	0	0	0	
Nat'l Special Olympics-RIIF	500,000	0	0	0	0	

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Trans., Infra., and Capitals Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>DED Capitals (cont.)</u>						
Nonprofit Rec. Grants-RIIF	200,000	0	0	0	0	
Lewis & Clark Bicent.-RIIF	50,000	0	0	0	0	
Comm Attract/Tourism-RIIF	12,000,000	5,000,000	5,000,000	12,000,000	7,000,000	140.0%
Federal Enterprise Zone-RIIF	0	500,000	0	0	-500,000	-100.0%
Ferry Boat Study-RIIF	0	60,000	0	0	-60,000	-100.0%
ACE Program-VIF	0	4,000,000	4,000,000	0	-4,000,000	-100.0%
Novel Protein Facility-FES	0	0	0	1,000,000	1,000,000	
Total DED Capitals	\$ 18,250,000	\$ 11,060,000	\$ 10,500,000	\$ 17,000,000	\$ 5,940,000	53.7%
<u>Iowa Finance Authority</u>						
Transitional Housing-RIIF	\$ 0	\$ 1,400,000	\$ 0	\$ 0	\$ -1,400,000	-100.0%
Water Quality Grants-RIIF	0	0	0	5,000,000	5,000,000	
Total Iowa Finance Authority	\$ 0	\$ 1,400,000	\$ 0	\$ 5,000,000	\$ 3,600,000	257.1%
<u>IA Telecommun & Technology Commission</u>						
ICN Equip. Replacement-RCF	\$ 0	\$ 1,704,719	\$ 1,997,500	\$ 1,997,500	\$ 292,781	17.2%
<u>Human Rights, Department of</u>						
Justice Data Systems-RCF	\$ 0	\$ 0	\$ 0	\$ 2,645,066	\$ 2,645,066	
Justice Data Systems-RIIF	0	0	2,645,066	0	0	
Total Human Rights, Department of	\$ 0	\$ 0	\$ 2,645,066	\$ 2,645,066	\$ 2,645,066	
<u>Law Enforcement Academy</u>						
Capital Projects-RIIF	\$ 0	\$ 0	\$ 507,000	\$ 75,000	\$ 75,000	
<u>Parole, Board of</u>						
Parole Board - RIIF	\$ 0	\$ 0	\$ 250,000	\$ 75,000	\$ 75,000	

Trans., Infra., and Capitals Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Revenue, Dept. of						
SAVE Fund-RIF	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 0	0.0%
Transportation, Department of						
Road Use Tax Fund						
Driver's License Equip. Lease	\$ 2,820,000	\$ 2,820,000	\$ 2,820,000	\$ 2,820,000	\$ 0	0.0%
Operations	5,464,582	5,548,160	5,602,060	5,602,060	53,900	1.0%
Administrative Services	581,794	560,122	548,222	548,222	-11,900	-2.1%
Planning	472,637	470,476	470,476	470,476	0	0.0%
Motor Vehicle	31,684,599	32,040,203	32,155,203	32,155,203	115,000	0.4%
Personnel Reimbursement	37,500	0	0	0	0	
DAS Utility Services	0	140,616	140,000	140,000	-616	-0.4%
Unemployment Compensation	17,000	17,000	17,000	17,000	0	0.0%
Worker's Compensation	95,000	114,000	125,480	125,480	11,480	10.1%
Indirect Cost Recoveries	102,000	102,000	102,000	102,000	0	0.0%
Auditor Reimbursement	54,314	55,160	56,420	56,420	1,260	2.3%
MVD - County Treasurers	1,096,000	1,268,000	2,064,000	2,064,000	796,000	62.8%
511 Road/Weather Info. System	100,000	100,000	100,000	100,000	0	0.0%
Mississippi River Pkwy. Comm.	40,000	40,000	40,000	40,000	0	0.0%
North America Hwy Coalition	50,000	50,000	0	0	-50,000	-100.0%
Motor Vehicle Division Bldg.	0	9,350,000	0	0	-9,350,000	-100.0%
Int'l Registration Plan/IFTA	0	0	1,000,000	1,000,000	1,000,000	
Vehicle Data Warehouse	0	0	500,000	500,000	500,000	
Total Road Use Tax Fund	42,615,426	52,675,737	45,740,861	45,740,861	-6,934,876	-13.2%
Primary Road Fund						
Operations	33,886,242	34,081,559	34,412,659	34,412,659	331,100	1.0%
Administrative Services	3,591,903	3,473,167	3,400,067	3,400,067	-73,100	-2.1%
Planning	8,980,115	8,978,251	8,901,251	8,901,251	-77,000	-0.9%
Highways	189,914,084	194,812,346	198,956,346	198,956,346	4,144,000	2.1%

Trans., Infra., and Capitals

Non General Fund

Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
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Transportation, Department of (cont.)

Primary Road Fund (cont.)

Motor Vehicle	1,318,248	1,283,891	1,283,891	1,283,891	0	0.0%
Personnel Reimbursement	712,500	0	0	0	0	
DAS Utility Services	0	863,497	860,000	860,000	-3,497	-0.4%
Unemployment Compensation	328,000	328,000	328,000	328,000	0	0.0%
Worker's Compensation	2,268,000	2,738,000	3,011,520	3,011,520	273,520	10.0%
Hazardous Waste Management	800,000	800,000	800,000	800,000	0	0.0%
Indirect Cost Recoveries	748,000	748,000	748,000	748,000	0	0.0%
Auditor Reimbursement	336,036	338,840	346,580	346,580	7,740	2.3%
Transportation Maps	275,000	275,000	235,000	235,000	-40,000	-14.5%
Field Facility Deferred Maint.	351,500	351,500	351,500	351,500	0	0.0%
Garage Roofing Projects	0	150,000	100,000	100,000	-50,000	-33.3%
DOT Complex Projects	650,000	0	0	0	0	
Equipment Replacement	0	0	2,250,000	2,250,000	2,250,000	
Utility Improvements	0	150,000	400,000	400,000	250,000	166.7%
Fairfield Garage	0	0	2,500,000	2,500,000	2,500,000	
Heating & Cooling Upgrades	0	250,000	100,000	100,000	-150,000	-60.0%
ADA Improvements	0	0	200,000	200,000	200,000	
Ames Complex Pave S. Parking	0	0	200,000	200,000	200,000	
Ames Complex Elevator	0	0	100,000	100,000	100,000	

Total Primary Road Fund

244,159,628	249,622,051	259,484,814	259,484,814	9,862,763	4.0%
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Total Transportation, Department of

\$ 286,775,054	\$ 302,297,788	\$ 305,225,675	\$ 305,225,675	\$ 2,927,887	1.0%
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Treasurer of State

Prison Bond Debt Ser.-RCF	\$ 5,413,324	\$ 5,422,390	\$ 5,422,390	\$ 0	\$ -5,422,390	-100.0%
ICN Debt Service-RCF	13,039,778		0	0	0	
County Fair Improvements-RIIF	1,060,000	0	0	0	0	

Trans., Infra., and Capitals Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Treasurer of State (cont.)						
Prison Bond Debt Ser.-RIIF	0	0	0	5,416,604	5,416,604	
County Fairs Improvements-VIF	0	1,060,000	1,060,000	0	-1,060,000	-100.0%
Total Treasurer of State	\$ 19,513,102	\$ 6,482,390	\$ 6,482,390	\$ 5,416,604	\$ -1,065,786	-16.4%
Corrections Capital						
Ft. Madison-Alliant Engy-RIIF	\$ 333,168	\$ 333,168	\$ 333,168	\$ 333,168	\$ 0	0.0%
Jesse Parker Bldg Rent-RIIF	0	105,300	210,600	0	-105,300	-100.0%
Anamosa Dietary Renov.-RCF	0	600,000	0	0	-600,000	-100.0%
Oakdale Expansion-RCF	11,700,000	11,700,000	0	0	-11,700,000	-100.0%
Davenport CBC - RIIF	3,000,000	3,750,000	3,750,000	0	-3,750,000	-100.0%
Major Maintenance Request-RIIF	0	0	35,657,000	0	0	
DOC/Parole Board - Parker Bldg Rent-RIIF	0	940,000	1,840,000	0	-940,000	-100.0%
DOC Offender Mgmt Sys.-RIIF	0	0	0	500,000	500,000	
Oakdale One-Time-RCF	0	0	0	3,044,519	3,044,519	
DOC Facility Leases-RIIF	0	122,000	122,000	0	-122,000	-100.0%
Oakdale One Time-RIIF	0	0	0	332,000	332,000	
Fort Dodge CBC Facility-RIIF	0	50,000	1,400,000	0	-50,000	-100.0%
Davenport CBC Facility-RC2	0	0	0	3,750,000	3,750,000	
Fort Dodge CBC Facility-RC2	0	0	0	1,400,000	1,400,000	
Anamosa Dietary Renov.-RC2	0	0	0	1,840,000	1,840,000	
Total Corrections Capital	\$ 15,033,168	\$ 17,600,468	\$ 43,312,768	\$ 11,199,687	\$ -6,400,781	-36.4%
Cultural Affairs Capital						
Battle Flag Preservation-RIIF	\$ 100,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 0	0.0%
Historical Preservation-RIIF	500,000	0	0	800,000	800,000	
Historical Site Pres.-VIF	0	500,000	800,000	0	-500,000	-100.0%
Great Places-RC2	0	0	0	1,000,000	1,000,000	
Total Cultural Affairs Capital	\$ 600,000	\$ 720,000	\$ 1,020,000	\$ 2,020,000	\$ 1,300,000	180.6%

Trans., Infra., and Capitals

Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
State Fair Authority Capital						
Capital Improvements-RC2	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	
Capital Improvements-RIIF	250,000	0	0	0	0	
Capital Improvements-RIIF	0	750,000	0	0	-750,000	-100.0%
Total State Fair Authority Capital	\$ 250,000	\$ 750,000	\$ 0	\$ 1,000,000	\$ 250,000	33.3%
Human Services Capital						
Davenport Family Center-RCF	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ -250,000	-100.0%
Health & Safety Impr.-RIIF	0	0	100,000	0	0	
Maintenance-RIIF	0	0	66,800	0	0	
Residential Treatment-RIIF	0	250,000	0	0	-250,000	-100.0%
Total Human Services Capital	\$ 0	\$ 500,000	\$ 166,800	\$ 0	\$ -500,000	-100.0%
Natural Resources Capital						
Lewis & Clark Water Sys.-RCF	\$ 2,450,000	\$ 2,500,000	\$ 0	\$ 0	\$ -2,500,000	-100.0%
Destination State Park-RIIF	500,000	3,000,000	0	0	-3,000,000	-100.0%
Parks Infra .Improv.-RC2	0	0	0	1,000,000	1,000,000	
Lake Rest. & Pres.-RIIF	0	0	0	5,000,000	5,000,000	
Lake Corneila-RIIF	0	429,000	0	0	-429,000	-100.0%
Waubonsie State Park - RIIF	0	1,500,000	0	0	-1,500,000	-100.0%
Ft. Atkinson Restoration-RIIF	0	500,000	0	0	-500,000	-100.0%
Mid-America Port Comm-RIIF	0	80,000	0	0	-80,000	-100.0%
Iowa's Special Areas - RIIF	0	0	1,500,000	1,500,000	1,500,000	
State Park Infra.-RIIF	0	0	2,500,000	0	0	
LiDAR - RIIF	0	0	1,500,000	0	0	
Energy from Waste-RIIF	0	0	1,500,000	0	0	
Regional Office Const.-RIIF	0	0	2,500,000	0	0	
Total Natural Resources Capital	\$ 2,950,000	\$ 8,009,000	\$ 9,500,000	\$ 7,500,000	\$ -509,000	-6.4%

Trans., Infra., and Capitals Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Public Defense Capital						
Facility Maintenance Fund-VIF	\$ 0	\$ 1,269,000	\$ 0	\$ 0	\$ -1,269,000	-100.0%
Armory Maintenance-RIIF	1,269,636	0	1,500,000	0	0	
Ft. Dodge Readiness Ctr.-RIIF	750,000	0	0	0	0	
Iowa City Readiness Ctr.-RIIF	2,150,000	0	1,444,288	0	0	
Boone Armory Addition-RIIF	1,096,000	0	0	0	0	
Waterloo Armory Renov.-RIIF	0	0	1,635,000	0	0	
Spencer Readiness Ctr.-RIIF	0	0	689,000	0	0	
Ottumwa Readiness Ctr.-RIIF	0	0	689,000	0	0	
Camp Dodge Water Treat-RIIF	0	0	750,000	0	0	
National Guard Const.-RIIF	0	0	500,000	0	0	
Iowa City Readiness Cntr-RC2	0	0	0	1,444,288	1,444,288	
W'loo Readiness Cntr-RC2	0	0	0	1,635,000	1,635,000	
Spencer Armory Addition-RC2	0	0	0	689,000	689,000	
Camp Dodge Water Treat-RC2	0	0	0	750,000	750,000	
Ft. Dodge Readiness Ctr.-VIF	0	608,000	0	0	-608,000	-100.0%
Camp Dodge Water Treat-RIIF	0	1,939,800	0	0	-1,939,800	-100.0%
Armory Maintenance-VIF	0	0	0	300,000	300,000	
Armory Maintenance-RCF	0	0	0	1,200,000	1,200,000	
Camp Dodge Readiness Ctr.-RIIF	0	0	100,000	100,000	100,000	
DPD Technology Project-RIIF	0	0	0	75,000	75,000	
Total Public Defense Capital	\$ 5,265,636	\$ 3,816,800	\$ 7,307,288	\$ 6,193,288	\$ 2,376,488	62.3%
Public Safety Capital						
AFIS Lease Purchase-RIIF	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 0	0.0%
Regional Fire Fac.-RIIF	150,000	800,000	12,000,000	0	-800,000	-100.0%
Fire Equip. Loan Fund-RIIF	500,000	500,000	0	0	-500,000	-100.0%
Capitol Bldg Security-RIIF	800,000	0	0	0	0	
Capitol Complex Security-RIIF	300,000	0	0	0	0	

Trans., Infra., and Capitals Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Public Safety Capital (cont.)						
NCIC Control Terminal-RIF	500,000	0	0	0	0	
Mason City Patrol Post-RIF	0	0	2,400,000	0	0	
Technology Projects-RIF	0	0	0	943,000	943,000	
Dubuque Fire Facility-RCF	0	100,000	0	0	-100,000	-100.0%
Fire Training Centers-RCF	0	0	0	3,000,000	3,000,000	
Mason City Patrol Post-RC2	0	0	0	2,400,000	2,400,000	
Total Public Safety Capital	\$ 2,800,000	\$ 1,950,000	\$ 14,950,000	\$ 6,893,000	\$ 4,943,000	253.5%
Regents Capital						
UNI-Playground Safety-RIF	\$ 500,000	\$ 500,000	\$ 0	\$ 0	\$ -500,000	-100.0%
Special School Maint.-RIF	500,000	500,000	0	0	-500,000	-100.0%
Main./Capital Proj.-RIF	0	6,250,000	25,000,000	0	-6,250,000	-100.0%
Tuition Replacement-RCF	10,437,174	10,329,981	0	0	-10,329,981	-100.0%
SUI-Journalism Bldg-RCF	3,575,000	0	0	0	0	
ISU-Classrooms & Aud.-RCF	1,949,100	0	0	0	0	
UNI-Teaching Center Bldg-RCF	9,880,000	0	0	0	0	
Tuition Replacement-RIF	858,764	0	0	9,680,321	9,680,321	
Fire Safety/Deferred Maint-RC2	0	0	0	10,000,000	10,000,000	
Biosciences-ENDW	0	0	0	10,000,000	10,000,000	
Biosciences-RIF	0	0	0	10,000,000	10,000,000	
Total Regents Capital	\$ 27,700,038	\$ 17,579,981	\$ 25,000,000	\$ 39,680,321	\$ 22,100,340	125.7%
Transportation Capitals						
Aviation Improvement Prog-RIF	\$ 500,000	\$ 564,792	\$ 0	\$ 0	\$ -564,792	-100.0%
General Aviation-RIF	581,400	750,000	750,000	750,000	0	0.0%
Commercial Aviation-RIF	1,100,000	0	0	1,000,000	1,000,000	
Commercial Aviation-RCF	0	1,500,000	1,500,000	0	-1,500,000	-100.0%

Trans., Infra., and Capitals Non General Fund

	Actual FY 2005 (1)	Estimated FY 2006 (2)	Dept Request FY 2007 (3)	Gov Rec FY 2007 (4)	Gov. Rec. vs. Est. FY 2006 (5)	Percent Change (6)
Transportation Capitals (cont.)						
Recreational Trails-RIIF	0	1,000,000	2,000,000	1,000,000	0	0.0%
Rail Assistance-RIIF	0	35,959	0	0	-35,959	-100.0%
Total Transportation Capitals	\$ 2,181,400	\$ 3,850,751	\$ 4,250,000	\$ 2,750,000	\$ -1,100,751	-28.6%
Education Capital						
Enrich Iowa Libraries-RIIF	\$ 600,000	\$ 900,000	\$ 900,000	\$ 0	\$ -900,000	-100.0%
ICN Maint. & Leases-RIIF	2,727,000	2,727,000	2,727,000	2,727,000	0	0.0%
IPTV Capitals-RIIF	0	2,000,000	1,740,000	315,000	-1,685,000	-84.3%
Parker Building Remodel-RIIF	303,632	0	0	0	0	
IPTV-HDTV Conversion-RIIF	8,000,000	8,000,000	2,300,000	0	-8,000,000	-100.0%
IPTV Capitals-RCF	0	0	0	2,300,000	2,300,000	
Iowa Learning Tech.-RIIF	0	500,000	0	0	-500,000	-100.0%
Community College Infra.-RIIF	0	2,000,000	2,000,000	2,000,000	0	0.0%
IPTV Capitals-RC2	0	0	0	1,425,000	1,425,000	
Total Education Capital	\$ 11,630,632	\$ 16,127,000	\$ 9,667,000	\$ 8,767,000	\$ -7,360,000	-45.6%
Veterans Affairs Capitals						
Iowa Veterans Cemetery-RIIF	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ 0	
Veterans Affairs Capitals-RC2	0	0	0	6,200,000	6,200,000	
Capital Projects - RIIF	0	0	6,200,000	0	0	
Major Maintenance-RIIF	0	0	979,900	0	0	
Veterans Trust Fund-RIIF	1,000,000	0	0	0	0	
Total Veterans Affairs Capitals	\$ 1,500,000	\$ 0	\$ 7,179,900	\$ 6,200,000	\$ 6,200,000	
Total Trans., Infra., and Capitals	\$ 429,888,927	\$ 435,840,911	\$ 601,181,140	\$ 483,530,926	\$ 47,690,015	10.9%

Unassigned Standings

Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Human Services, Department of</u>						
HITT-Senior Living Trust	\$ 0	\$ 0	\$ 0	\$ 73,400,000	\$ 73,400,000	
<u>Management, Department of</u>						
State Appeal Board Claims	\$ 2,096	\$ 6,735	\$ 0	\$ 0	\$ -6,735	-100.0%
Vertical Infrastructure Fund		15,000,000	15,000,000	15,000,000	0	0.0%
Environment First to GF	35,000,000	35,000,000	35,000,000	35,000,000	0	0.0%
Total Management, Department of	<u>\$ 35,002,096</u>	<u>\$ 50,006,735</u>	<u>\$ 50,000,000</u>	<u>\$ 50,000,000</u>	<u>\$ -6,735</u>	0.0%
<u>Revenue, Dept. of</u>						
Elderly & Dis.Tax Credit-CRF	\$ 19,540,000	\$ 0	\$ 0	\$ 0	\$ 0	
Military Ser. Tax Credit-CRF	2,568,402	0	0	0	0	
Ag. Land Tax Credit - CRF	34,610,183	0	0	0	0	
Homestead Tax Credit - CRF	102,945,379	0	0	0	0	
Ag. Land Tax Credit-PCF	0	34,610,183	39,100,000	34,610,183	0	0.0%
Homestead Tax Credit-PCF	0	102,945,379	131,800,000	99,662,704	-3,282,675	-3.2%
Elderly & Dis.Tax Credit-PCF	0	19,540,000	22,822,675	22,822,675	3,282,675	16.8%
Military Service Tax Credit-PC	0	2,568,402	2,469,000	2,568,402	0	0.0%
Total Revenue, Dept. of	<u>\$ 159,663,964</u>	<u>\$ 159,663,964</u>	<u>\$ 196,191,675</u>	<u>\$ 159,663,964</u>	<u>\$ 0</u>	0.0%
<u>Transportation, Department of</u>						
DL Suspension Services	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0	0.0%
Co. Treas. Equip Standing	650,000	650,000	650,000	650,000	0	0.0%
Total Transportation, Department of	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 875,000</u>	<u>\$ 0</u>	0.0%
<u>Treasurer of State</u>						
Healthy Iowans Tobacco Trust	\$ 57,512,311	\$ 58,374,996	\$ 58,374,996	\$ 59,250,620	\$ 875,624	1.5%

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Unassigned Standings

Non General Fund

	Actual FY 2005 <u>(1)</u>	Estimated FY 2006 <u>(2)</u>	Dept Request FY 2007 <u>(3)</u>	Gov Rec FY 2007 <u>(4)</u>	Gov. Rec. vs. Est. FY 2006 <u>(5)</u>	Percent Change <u>(6)</u>
<u>Natural Resources Capital</u>						
Fish and Game Capital - F & G	\$ 7,640,000	\$ 7,000,000	\$ 0	\$ 0	\$ -7,000,000	-100.0%
Total Unassigned Standing	<u>\$ 260,693,371</u>	<u>\$ 275,920,695</u>	<u>\$ 305,441,671</u>	<u>\$ 343,189,584</u>	<u>\$ 67,268,889</u>	24.4%

APPENDIX B

PROJECTED FY 2007 BUILT-IN AND ANTICIPATED GENERAL FUND EXPENDITURES

(Dollars in Millions)

Incremental Built-in Changes	LSA		
	Estimates	Gov. Rec.	Difference
Revenue - Homestead Tax Credit	\$ 131.8	\$ 25.0 ¹	\$ -106.8
Human Services - Medical Assistance	126.5	51.1 ¹	-75.4
Education - K-12 School Foundation Aid	84.7	84.3	-0.4
Revenue - Agricultural Land Tax Credit	39.1	8.7 ¹	-30.4
Revenue - Elderly and Disabled Credit	22.8	5.7 ¹	-17.1
Treasurer - Endowment for Iowa's Health Account	17.8	0.0	-17.8
Human Services - Mental Health Growth Factor	7.3	7.3	0.0
Human Services - State Children's Health Insurance Program (hawk-i)	5.6	3.1	-2.5
Management - State Appeal Board Claims	3.0	0.0	-3.0
College Aid - College Student Aid Work Study Program	2.7	0.1	-2.6
Revenue - Military Service Tax Credit	2.5	0.6 ¹	-1.9
Public Health - Substance Abuse	2.0	0.0	-2.0
Education - Educational Excellence	1.4	0.0	-1.4
Education - At-Risk Early Childhood Education	1.3	0.0	-1.3
Education - Instructional Support	0.4	0.4	0.0
Revenue - Livestock Producer Tax Credit	0.2	0.0	-0.2
Education - Early Intervention Block Grant	-29.3	0.0	29.3
Subtotal	\$ 419.8	\$ 186.3	\$ -233.5

¹ In addition to the General Fund appropriations, the Governor is recommending appropriations from Non-General Fund sources for these programs.

PROJECTED FY 2007 BUILT-IN AND ANTICIPATED GENERAL FUND EXPENDITURES (CONTINUED)

(Dollars in Millions)

	LSA		Difference
	Estimates	Gov. Rec.	
<u>Incremental Anticipated Expenditure Changes</u>			
Statewide - FY 2007 Collective Bargaining Salary Costs	\$ 81.8	\$ 39.6	\$ -42.2
Corrections - Oakdale Expansion Operating Costs	12.2	5.1 ¹	-7.1
Corrections - Increased Fuel, Food, and Pharmacy Costs	4.3	2.3	-2.0
Inspections and Appeals - Indigent Defense and Public Defender	4.6	4.6	0.0
Judicial Branch - Retirement Fund Contribution	3.2	3.2	0.0
Education - Teacher Quality/Student Achievement Act	2.5	2.5	0.0
Public Safety - Gambling Enforcement Officers	2.2	2.2	0.0
Human Services - Child and Family Services (CFS)	2.2	0.0	-2.2
Human Services - Child Care Assistance	2.0	2.0	0.0
Corrections - Mental Health Funding	1.5	0.5 ¹	-1.0
Public Safety - Fuel Costs	1.0	1.0	0.0
Corrections - Sex Offender Treatment and Supervision	1.3	1.3	0.0
Public Safety - DNA Profiling	0.7	0.7	0.0
Public Safety - Administrative Services Billings	0.5	0.5	0.0
Administrative Services - Annualization of DAS Distribution	0.3	0.3	0.0
Public Safety - Narcotics Enforcement Fusion Database System	0.3	0.3	0.0
Public Safety - State Fire Marshal	0.1	0.1	0.0
Workforce Development - Field Offices	-3.2	0.0	3.2
Subtotal	\$ 117.5	\$ 66.2	\$ -51.3
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 537.3	\$ 252.5	\$ -284.8

¹ In addition to the General Fund appropriations, the Governor is recommending appropriations from non-General Fund sources for these programs.

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases
(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Homestead Tax Credit <i>Standing Unlimited Appropriation</i>	Provides a property tax credit for residential homeowners.	<ul style="list-style-type: none"> • The Homestead Tax Credit was funded from the Property Tax Credit Fund in FY 2006. • Assumes the Credit will be funded from the General Fund in FY 2007 as required by the <u>Code of Iowa</u>. • Estimate based on projected demand by the Department of Revenue. 	\$ 131.8	\$ 25.0	<ul style="list-style-type: none"> • The Governor is recommending a total of \$99.7 million for the Homestead Tax Credit, which is to be appropriated from the Property Tax Credit Fund. However, the Governor is recommending \$40.0 million be appropriated from the General Fund to the Property Tax Credit Fund. The \$25.0 million is the proportion of the General Fund appropriation that would be applied to the Homestead Tax Credit. 	\$ -106.8

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Human Services – Medical Assistance <i>Appropriation</i>	Medical Assistance is a state/federal entitlement program that provides medical services to eligible low-income recipients. To qualify for federal funding, the State must reimburse providers for certain mandatory services. The State has the option to provide coverage of additional services and can elect to expand coverage to optional eligibility groups. Iowa is currently covering most of the optional services and optional eligibility groups for which federal funding is available. The State also has the ability to set the rates it uses to reimburse service providers, within federal guidelines.	<ul style="list-style-type: none"> • Adds \$37.5 million to adjust the FY 2007 budget for the estimated FY 2006 supplemental. (The built-in increase is compared to the FY 2006 appropriation, prior to the supplemental.) • Adds \$26.0 million for 4.0% caseload growth, \$7.7 million for 1.0% medical cost increases, and \$1.9 million for Medicare premium increases. • Adds \$16.7 million to offset shortfalls in the Senior Living Trust Fund. This assumes that the Department of Elder Affairs and Department of Inspections and Appeals are funded at FY 2006 levels and the Fund is fully expended in FY 2007. • Adds \$11.7 million for Medicare Part D woodwork effect. • Adds \$25.0 million for a Federal Medicaid Assistance Percentage (FMAP) decrease of 1.63%. 	\$ 126.5	\$ 51.1	<ul style="list-style-type: none"> • The Governor is recommending \$779.6 million in total funding for Medicaid in FY 2007, which includes: \$611.9 million from the General Fund, \$55.3 million from the Healthy Iowans Tobacco Trust Fund, \$105.8 million from the Senior Living Trust Fund, and \$6.6 million from Property Tax. • The Governor's recommendation is \$57.0 million below the estimated need for Medicaid funding. 	\$ -75.4

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
K-12 School Foundation Aid <i>Standing Unlimited Appropriation</i>	The School Foundation Program establishes limits and controls on local school district spending authority. By formula, the Program determines the amount of State Aid and local property tax used in funding the majority of school district budgets.	Assumes the following: <ul style="list-style-type: none"> • 4.0% allowable growth rate. • Increase in taxable valuations of 2.0%. • Special education weightings increase of 3.5%. • Supplemental weighting for shared pupil/teacher increase of 10.0%. • English as a Second Language weighting increase of 10.0%. • No change for at-risk students' weightings. • Restores the \$11.8 million reduction to the Area Education Agencies. 	\$ 84.7	\$ 84.3	<ul style="list-style-type: none"> • The Governor fully funds the School Aid appropriation. The difference is based on formula differences between the two estimates. 	\$ -0.4

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Agricultural Land Tax Credit <i>Standing Limited Appropriation</i>	Provides a property tax credit to individuals for qualified lands used for agricultural purposes. Includes the Family Farm Tax Credit.	<ul style="list-style-type: none"> • The Agricultural Land Tax Credit was funded from the Property Tax Credit Fund in FY 2006. • Assumes the Credit will be funded from the General Fund in FY 2007 as required by the <u>Code of Iowa</u>. 	\$ 39.1	\$ 8.7	<ul style="list-style-type: none"> • The Governor is recommending a total of \$34.6 million for the Agricultural Land Tax Credit, which is to be appropriated from the Property Tax Credit Fund. The Governor recommends \$40.0 million be appropriated from the General Fund to the Property Tax Credit Fund. The \$8.7 million is the proportion of the General Fund appropriation that would be applied to the Agricultural Land Tax Credit. 	\$ -30.4
Elderly and Disabled Tax Credit <i>Standing Unlimited Appropriation</i>	Provides a property tax credit for low-income elderly or disabled taxpayers.	<ul style="list-style-type: none"> • This appropriation was funded from the Property Tax Credit Fund in FY 2006. • Assumes the Credit will be funded from the General Fund in FY 2007 as required by the <u>Code of Iowa</u>. • Estimate based on historical claims. 	\$ 22.8	\$ 5.7	<ul style="list-style-type: none"> • The Governor is recommending a total of \$22.8 million for the Elderly and Disabled Tax Credit, which is to be appropriated from the Property Tax Credit Fund. However, the Governor is recommending \$40.0 million be appropriated from the General Fund to the Property Tax Credit. The \$5.7 million is the proportion of the General Fund appropriation that would be applied to the Elderly and Disabled Tax Credit. 	\$ -17.1

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Endowment for Iowa's Health Account <i>Standing Limited Appropriation</i>	Senate File 533 (FY 2002 Tobacco Securitization Appropriations Act) established a six-year standing limited appropriation beginning in FY 2002 to the Endowment for Iowa's Health Account. The amounts are as follows: <ul style="list-style-type: none"> • FY 2002 - \$7.2 million • FY 2003 - \$27.1 million • FY 2004 - \$28.3 million • FY 2005 - \$29.8 million • FY 2006 - \$29.6 million • FY 2007 - \$17.8 million 	<ul style="list-style-type: none"> • The appropriations for FY 2002 through FY 2006 were deappropriated. • The standing appropriation for FY 2007 is \$17.8 million. 	\$ 17.8	\$ 0.0	<ul style="list-style-type: none"> • The Governor is recommending the deappropriation of the FY 2007 appropriation to the Endowment for Iowa's Health Account. 	\$ -17.8
Mental Health Growth Factor <i>Appropriation</i>	The Mental Health Growth Factor provides an increase for inflation applied to the sum of the county base expenditures for county Mental Health/Mental Retardation/Developmental Disabilities Services funds and the previous allowable growth appropriation.	<ul style="list-style-type: none"> • The FY 2007 amount was appropriated in HF 882 (FY 2006 Standing Appropriations Act). The increase represents a 3.0% increase in the formula from the base expenditure calculation. Of this amount, 1.0% is contingent on enactment of Brain Injury services provision. 	\$ 7.3	\$ 7.3	<ul style="list-style-type: none"> • The Governor maintains funding at the statutory level. 	\$ 0.0

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Human Services – State Children’s Health Insurance Program <i>Appropriation</i>	The State Children’s Health Insurance Program (CHIP) provides health insurance to low-income uninsured children living in families with incomes below 200.0% of the federal poverty level.	<ul style="list-style-type: none"> • Adds \$1.6 million to replace a one-time balance in the <i>hawk-i</i> Trust Fund. • An increase of \$2.0 million for premium increases. • \$1.8 million for increase in enrollment. • \$229,000 for 1.14% FMAP decrease. • This assumes federal funds are available due to redistribution of federal CHIP funds. Without redistribution, federal funds are short in FY 2007 by an estimated \$28.0 million. 	\$ 5.6	\$ 3.1	<ul style="list-style-type: none"> • The Governor’s recommendation assumes a lower level of need for the Program in FY 2007. 	\$ -2.5

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
State Appeal Board Claims <i>Standing Unlimited Appropriation</i>	<p>The Board is composed of the State Auditor, State Treasurer, and the Director of the Department of Management. (Section 73A.1, <u>Code of Iowa</u>)</p> <p>The Board authorizes claims under:</p> <ul style="list-style-type: none"> • Chapter 25, <u>Code of Iowa</u>, for the payment of bills, fees, refunds, and credits. • Chapter 669, <u>Code of Iowa</u>, State Tort Claims. <p>Payment is made from the appropriation or fund of original certification of the claim, unless the appropriation or fund has reverted. Then the payment is from unobligated State funds.</p>	<ul style="list-style-type: none"> • The increase is based on historical claims paid through the Appeal Board. • From FY 1999 through FY 2003, the State paid an average of \$7.4 million in claims annually. • FY 2004 and FY 2005 were not used in calculating the FY 2007 estimate due to two unusually large lawsuit claims that were paid from the Appeal Board appropriation during these fiscal years. • For FY 2006, \$4.4 million is budgeted for claims, which is under estimated based on the level of historical claims. • The FY 2007 claims are estimated to be \$7.4 million. 	\$ 3.0	\$ 0.0	<ul style="list-style-type: none"> • The Governor's budget maintains the FY 2006 level of funding. 	\$ -3.0
Education – College Student Aid Work Study Program <i>Standing Limited Appropriation</i>	<p>This is a standing limited appropriation set at \$2.8 million in Section 261.85, <u>Code of Iowa</u>. This State funding is provided to colleges and universities to supplement federal work-study funds of approximately \$13.0 million annually. The State funding does not serve as a match for the federal funds.</p>	<ul style="list-style-type: none"> • This Program was appropriated \$140,000 for FY 2006. • The estimate returns the appropriation to the statutory level of \$2.8 million. 	\$ 2.7	\$ 0.1	<ul style="list-style-type: none"> • The Governor maintains funding at the FY 2006 level. 	\$ -2.6

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Military Service Tax Credit <i>Standing Unlimited Appropriation</i>	Provides a property tax credit to replace all or a portion of the tax on property eligible for military service tax exemption. Section 426.1A, <u>Code of Iowa</u> , appropriates an amount necessary to fund the credits.	<ul style="list-style-type: none"> • The Military Service Tax Credit was funded from the Property Tax Credit Fund in FY 2006. • Assumes the Credit will be funded from the General Fund in FY 2007 as required by the <u>Code of Iowa</u>. • Estimate based on projected demand by the Department of Revenue. 	\$ 2.5	\$ 0.6	<ul style="list-style-type: none"> • The Governor is recommending a total of \$2.6 million for the Elderly and Disabled Tax Credit, which is to be appropriated from the Property Tax Credit Fund. However, the Governor is recommending \$40.0 million be appropriated from the General Fund to the Property Tax Credit Fund. The \$2.6 million is the proportion of the General Fund appropriation that would be applied to the Military Service Tax Credit. 	\$ -1.9
Public Health – Substance Abuse <i>Standing Limited Appropriation</i>	Section 123.53(3), <u>Code of Iowa</u> , appropriates \$2.0 million from liquor sales revenue to the Department of Public Health for the Substance Abuse Prevention and Treatment Program.	<ul style="list-style-type: none"> • This provision was enacted in HF 882 (FY 2006 Standing Appropriations Act) and included a FY 2007 effective date. 	\$ 2.0	\$ 0.0	<ul style="list-style-type: none"> • The Governor is notwithstanding this appropriation for FY 2007. 	\$ -2.0
Educational Excellence <i>Standing Limited Appropriation</i>	Provides allocations to local school districts to enhance teacher salaries. Section 294A.25, <u>Code of Iowa</u> , appropriates \$56.9 million for the Program.	<ul style="list-style-type: none"> • The standing appropriation was reduced to \$55.5 million in FY 2006. The appropriation will return to \$56.9 million in FY 2007 unless legislative action is taken to change the amount. 	\$ 1.4	\$ 0.0	<ul style="list-style-type: none"> • The Governor maintains funding at the FY 2006 level. 	\$ -1.4

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Education – At-Risk Early Childhood Education <i>Standing Limited Appropriation</i>	Provides grants to preschool and K-3 programs to enhance at-risk early childhood education. Section 279.51, <u>Code of Iowa</u> , appropriates \$12.6 million for the Program.	<ul style="list-style-type: none"> The standing appropriation was reduced by \$1.3 million for FY 2006. The appropriation will return to \$12.6 million in FY 2007 unless legislative action is taken to change the amount. 	\$ 1.3	\$ 0.0	<ul style="list-style-type: none"> The Governor maintains funding at the FY 2006 level. 	\$ -1.3
Instructional Support <i>Appropriation</i>	Provides additional funding of up to 10.0% of the regular program district cost to be used for general operations. Funding comes from property taxes or a combination of property taxes and income surtax, and from State aid. The State aid has been capped at \$14.8 million. Sections 257.18-20, & 24-27, <u>Code of Iowa</u> , define the Program and its funding.	<ul style="list-style-type: none"> Assumes the appropriation will return to the statutory level. 	\$ 0.4	\$ 0.4	<ul style="list-style-type: none"> The Governor maintains funding at the statutory level. 	\$ 0.0
Livestock Producer Tax Credit <i>Standing Limited Appropriation</i>	Provides funding for an income tax credit earned by Iowa cow-calf operations. Section 422.121, <u>Code of Iowa</u> , limits total credits to \$2.0 million per year.	<ul style="list-style-type: none"> Restores the appropriation to the \$2.0 million annual limit. 	\$ 0.2	\$ 0.0	<ul style="list-style-type: none"> The Governor maintains funding at the FY 2006 level. 	\$ -0.2
Education – Early Intervention Block Grant <i>Standing Limited Appropriation</i>	Provides grants to local school districts to reduce K-3 class size.	<ul style="list-style-type: none"> The standing appropriation had sunset at the end of FY 2004. The Program was funded for one year in FY 2005 and then again in FY 2006. If action is not taken in FY 2007, the Program will not be funded. 	\$ -29.3	\$ 0.0	<ul style="list-style-type: none"> The Governor maintains funding at the FY 2006 level. 	\$ 29.3

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Collective Bargaining Salary Packages <i>Appropriation</i>	<p>Estimated salary increases for negotiated collective bargaining costs. Salary increases are subject to collective bargaining.</p> <p>The collective bargaining cycle was completed for FY 2006 and FY 2007. Since collective bargaining agreements cover two years, there will be no collective bargaining negotiations during the 2006 Legislative Session.</p>	<ul style="list-style-type: none"> • The estimate includes an increase of \$24.8 million for the Board of Regents and \$57.0 million for other State agencies. • The Board of Regents estimate is based on the increased need in FY 2006, compared to FY 2005. • The \$57.0 million for other State agencies includes: <ul style="list-style-type: none"> • \$6.4 million for salaries and benefits associated with merit increases. • \$18.3 million for salaries and benefits related to the increase in pay plans. • \$6.9 million for increased cost of benefits. • \$25.3 million for partial year increases which took place during FY 2006 (salary annualization). 	\$ 81.8	\$ 39.6	<ul style="list-style-type: none"> • The Governor is recommending funding the non-Regents portion of salary increases at approximately 70.0% of the estimated cost. The Governor is not recommending funding for the Board of Regents salary increases in FY 2007. 	\$ -42.2

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Corrections – Iowa Medical Classification Center <i>Appropriation</i>	The Department of Corrections will open a Special Needs Unit at Oakdale consisting of 178 new beds. The Unit is being built to comply with a federal court order related to mental health treatment of inmates.	<ul style="list-style-type: none"> • The \$12.2 million estimate is for operating the Unit for part of a year. Additional appropriations will be requested in FY 2008 to annualize the operating costs. 	\$ 12.2	\$ 5.1	<ul style="list-style-type: none"> • The Governor's recommendation includes total funding of \$8.5 million for the first-year operational costs and one-time cost associated with new Special Needs Unit at Oakdale. The recommendation includes \$5.1 million from the General Fund and \$3.4 million from infrastructure sources. 	\$ -7.1
Corrections – Increased Fuel, Food, and Pharmacy Costs <i>Appropriation</i>	These fixed costs are approximately 51.0% of the support budgets in the prisons and Community-Based Corrections (CBC) District Departments.	<ul style="list-style-type: none"> • Food costs are predicted to increase 2.5% in the next year. • Natural gas cost increases are expected to be at least 40.0% over the next year. • Electrical costs are anticipated to increase by at least 2.7% over the next year. • The average annual increase in pharmacy costs has been about 18.4% over the last 10 years in the prison system. 	\$ 4.3	\$ 2.3	<ul style="list-style-type: none"> • The Governor is recommending a lower level of funding than estimated by the LSA. 	\$ -2.0

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Inspections and Appeals – Indigent Defense and State Public Defender <i>Appropriation</i>	The Indigent Defense Fund and State Public Defender's Office provide legal counsel to indigent adult and juvenile clients to insure their constitutional right to effective legal counsel.	<ul style="list-style-type: none"> • The FY 2007 estimate is based on FY 2005 actual expenditures. • Provides an additional \$620,000 to the State Public Defender's Office to fill all positions. Assumes current authorized FTE positions in the Public Defender's Office will be filled, thereby lowering the overall increase in funds. • Provides an additional \$3.1 million to fund projected claims for the Indigent Defense Fund. • The FY 2006 appropriation is \$360,000 below the amount actually spent in FY 2005. An FY 2006 supplemental appropriation may be necessary. 	\$ 4.6	\$ 4.6	<ul style="list-style-type: none"> • The Governor is recommending funding the anticipated increase. 	\$ 0.0
Judicial Branch – Retirement Fund Contribution <i>Appropriation</i>	The Judicial Retirement System provides retirement benefits to judges. Pursuant to Section 602.9104(4), <u>Code of Iowa</u> , the employer's contribution rate is 23.7% of all covered judges' salaries.	<ul style="list-style-type: none"> • Assumes a 3.0% cost of living increase. • House File 807 (FY 2006 Judicial Branch Appropriations Act) reduced the employer's contribution rate to 9.2% for one year. • This estimate assumes restoration of the statutory contribution rate of 23.7%. 	\$ 3.2	\$ 3.2	<ul style="list-style-type: none"> • The Governor is recommending funding the anticipated increase. 	\$ 0.0

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Teacher Quality/Student Achievement Program <i>Appropriation</i>	Provides funding to school districts to enhance teacher salaries, for a beginning teacher and mentoring program, for an evaluator training program for administrators, and a team-based variable pay pilot program. Provides funding to the Department of Education for the implementation of the Career Development Program, for National Board Certification stipends, and for administration costs of the Program.	<ul style="list-style-type: none"> In FY 2006, \$45.3 million was appropriated from the General Fund for this Program. An estimated \$2.5 million will be needed to fully fund teacher salary increases for FY 2007. 	\$ 2.5	\$ 2.5	• The Governor is recommending funding the anticipated increase.	\$ 0.0
Public Safety – Gambling Enforcement Officers <i>Appropriation</i>	This represents the additional law enforcement officers needed for enforcement of the four new riverboat casinos scheduled to be operational in FY 2006 and FY 2007, including the four additional officers required on boats with a capacity of more than 2,000 patrons.	<ul style="list-style-type: none"> The four new riverboat licenses will require the addition of 29.0 FTE positions that include: 8 special agents, 18 gaming enforcement officers, 2 clerks, and a gaming intelligence analyst. In addition, 4.0 additional FTE positions for gaming enforcement officers are needed to monitor boats with more than 2,000 patrons. 	\$ 2.2	\$ 2.2	• The Governor is recommending funding the anticipated increase.	\$ 0.0
Human Services – Child and Family Services <i>Appropriation</i>	Child protective services, family preservation services; graduated sanction programs for delinquent youth, shelter care, foster care, group care, and adoption services for children.	<ul style="list-style-type: none"> For FY 2006, the General Assembly permitted funds previously appropriated for the Child Welfare Provider Loan Fund and technology and training to be carried forward and used for Child and Family Services programs. 	\$ 2.2	\$ 0.0	• The Governor is not recommending funding the anticipated increase.	\$ -2.2

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Human Services – Child Care Assistance <i>Appropriation</i>	Provides child care provider reimbursement for families that qualify with incomes up to 145.0% of the federal poverty level and 200.0% for children with special needs.	<ul style="list-style-type: none"> The 2005 General Assembly expanded the Program for eligible families from 140.0% to 145.0%, but delayed implementation until Sept. 1, 2005, in order to save \$450,000. The 2005 General Assembly also increased provider reimbursement rates, but delayed implementation until Sept. 1, 2005, in order to save \$1.5 million. 	\$ 2.0	\$ 2.0	• The Governor is recommending funding the anticipated increase.	\$ 0.0
Corrections – Mental Health Funding <i>Appropriation</i>	These costs address the National Institute of Corrections (NIC) report to reduce the likelihood of additional inmate suicides at the Clinical Care Unit at Fort Madison.	<ul style="list-style-type: none"> Includes adding one treatment coordinator position to each of the eight CBC District Departments, plus the Iowa Correctional Institution at Mitchellville and the Fort Dodge Correctional Facility. (\$476,000) Includes backfilling the loss of a federal grant in the First and Sixth CBC District Departments. (\$340,000) Includes funding the NIC recommendations for the Clinical Care Unit. (\$722,000) 	\$ 1.5	\$ 0.5	• The Governor is recommending total funding of \$0.8 million for mental health costs. The recommendation includes \$0.5 million from the General Fund and \$0.3 million from Healthy Iowans Tobacco Trust.	\$ -1.0

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Public Safety – Increased Fuel Costs <i>Appropriation</i>	This budget item represents recent fuel price increases affecting the Department of Public Safety (DPS).	<ul style="list-style-type: none"> In FY 2005, the DPS used approximately 994,000 gallons of fuel. The FY 2006 budget was based on \$1.00 per gallon, which does not include State and federal taxes. This estimate assumes FY 2007 fuel costs of \$1.70 per gallon and assumes the Department will use an estimated 1.0 million gallons of fuel in FY 2007. 	\$ 1.0	\$ 1.0	• The Governor is recommending funding the anticipated increase.	\$ 0.0
Corrections – Sex Offender Treatment and Supervision <i>Appropriation</i>	These costs are the difference between what the Department received in FY 2006 to implement HF 619 (Sex Offender Act) and the estimated cost to implement the Act.	<ul style="list-style-type: none"> Adds funds for electronic monitoring devices to be placed on sex offenders. Adds funds for treatment contracts and staff to supervise sex offenders. 	\$ 1.3	\$ 1.3	• The Governor is recommending funding the anticipated increase.	\$ 0.0
Public Safety – DNA Profiling <i>Appropriation</i>	The Division of Criminal Investigation (DCI) Crime Lab was appropriated \$600,000 and 3.0 FTE positions in one-time Microsoft funds for DNA profiling required under HF 619 (Sex Offender Registry Act).	<ul style="list-style-type: none"> An estimated \$652,000 to replace the one-time funds received in FY 2006 for the new positions. 	\$ 0.7	\$ 0.7	• The Governor is recommending funding the anticipated increase.	\$ 0.0
Public Safety – DAS Billings <i>Appropriation</i>	The DPS did not receive an increase to cover Department of Administrative Services' fees in FY 2006. The Department is working on a one-year solution to cover this shortfall in their FY 2006 budget.	<ul style="list-style-type: none"> The DPS will need \$464,000 for rent and utilities. Of this, \$62,500 is for six months of billings associated with the opening of the Records and Properties Building in January 2007. These costs are charged through the DAS billing process. 	\$ 0.5	\$ 0.5	• The Governor is recommending funding the anticipated increase.	\$ 0.0

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES

Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Administrative Services – Annualization of DAS Distribution <i>Appropriation</i>	In FY 2005, the method by which the Department of Administrative Services (DAS) was funded was changed so that a large portion of funding came from fees charged to other state agencies for services provided by DAS. For FY 2005, the DAS received a General Fund appropriation of \$10.8 million to establish a separate account and the funds were distributed to the individual agencies. For FY 2006, the amounts were built into the agencies base budgets. The agencies use these funds to pay for services provided by the DAS.	<ul style="list-style-type: none"> For FY 2006, the DAS used a carry forward in the Distribution Account of \$300,000. For FY 2007, \$300,000 will need to be added to the departments' base budgets in order to maintain the FY 2006 level of funding. 	\$ 0.3	\$ 0.3	<ul style="list-style-type: none"> The Governor is recommending funding the anticipated increase. 	\$ 0.0
Public Safety – Fusion Database System <i>Appropriation</i>	In FY 2006, DPS received nine months of funding to replace an expiring federal (Law Enforcement Terrorism Prevention Program) grant. The Fusion System is an intelligence and information sharing task force that distributes criminal intelligence information among local and State authorities through the Law Enforcement Intelligence Network (LEIN).	<ul style="list-style-type: none"> The increase is needed to annualize the salaries of 18.0 FTE positions by replacing the remaining three months of expired federal funding with General Fund money in FY 2007. 	\$ 0.3	\$ 0.3	<ul style="list-style-type: none"> The Governor is recommending funding the anticipated increase. 	\$ 0.0
Public Safety – Fire Marshal <i>Appropriation</i>	The DPS received \$100,000 in FY 2005 as a supplemental for 3.0 FTE positions to be spent in FY 2006.	<ul style="list-style-type: none"> An appropriation of \$100,000 is necessary to maintain 1.75 FTE positions for FY 2007. 	\$ 0.1	\$ 0.1	<ul style="list-style-type: none"> The Governor is recommending funding the anticipated increase. 	\$ 0.0

FY 2007 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 07 vs. FY 06 (4)	Gov. Rec. FY 07 vs. FY 06 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
Workforce Development – Field Offices <i>Standing Limited Appropriation</i>	Senate File 2311 (2005 Economic Stimulus Act) provided a standing limited appropriation for Iowa Workforce Development field offices in lieu of an Administrative Contribution Surcharge. The appropriation was \$6.5 million for FY 2005 and FY 2006 and is reduced to \$3.3 million for FY 2007. For FY 2008 and subsequent years, the funding for field offices is intended to come from interest on the Unemployment Insurance Reserve Fund, thus no General Fund appropriation will be required in FY 2008.	<ul style="list-style-type: none"> The reduction is based on a lower appropriation amount established in SF 2311 for FY 2007. 	\$ -3.2	\$ 0.0	<ul style="list-style-type: none"> The Governor is recommending funding at the FY 2006 level. 	\$ 3.2

APPENDIX C

MISCELLANEOUS BALANCE SHEETS

This Appendix contains miscellaneous balance sheets for the following funds:

- [Rebuild Iowa Infrastructure Fund](#)
- [Environment First Fund](#)
- [Vertical Infrastructure Fund](#)
- [Tobacco Settlement Fund – Restricted Capital Fund](#)
- [Endowment for Iowans Health – Restricted Capitals Fund](#)
- [Tobacco Settlement Fund – Endowment for Iowa’s Health Account](#)
- [Healthy Iowans Tobacco Trust Fund](#)
- [Senior Living Trust Fund](#)

Rebuild Iowa Infrastructure Fund

	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Resources			
Balance Forward	\$ 14,801,235	\$ 30,070,952	\$ 12,748,351
Revenue			
Wagering Taxes and Fees	70,398,495	73,854,432	95,774,432
Riverboat Assessment	15,824,261	16,209,000	8,000,000
Table Game License Fees (Racetracks)	13,000,000	0	0
Riverboat License Fees	8,000,000	8,000,000	0
Endowment for Iowa's Health Account Transfer	10,966,960	0	0
Interest	4,579,047	7,100,000	7,100,000
Marine Fuel Tax	2,119,540	2,300,000	2,300,000
Total Resources	\$ 139,689,538	\$ 137,534,384	\$ 125,922,783
Appropriations			
Administrative Services/General Services			
Routine Maintenance	\$ 2,000,000	\$ 2,000,000	\$ 0
Employee Relocation Expenses/Leases	2,271,617	1,824,000	0
Pool Tech/Data Warehouse Projects	1,861,496	3,802,000	3,884,940
Major Maintenance	4,300,000	291,891	0
Records and Property Building Remodel	5,000,000	4,700,000	0
Monument Lighting	35,000	0	0
Wallace Building	0	625,000	0
Lab. Facility - Maintenance/Operation	355,500	0	0
Toledo Juvenile Home Improvements	0	1,161,045	0
Terrace Hill Maintenance	0	571,000	0
CCUSO Renovation - DHS	0	1,400,000	0
Capitol Complex Electrical Distribution	0	1,843,878	0
Blind			
Orientation Center	67,000	0	0
Corrections			
Ft. Madison Electrical System Lease Purchase	333,168	333,168	333,168
Davenport CBC Facility Construction	3,000,000	3,750,000	0
Fort Dodge CBC Residential Facility	0	50,000	0
Anamosa Dietary Renovation	0	940,000	0
Jesse Parker Building Rent	0	105,300	0
Facility Leases	0	122,000	0
DOC ICON			500,000
Oakdale Equipment			332,000
Cultural Affairs			
Historical Preservation Grant Program	500,000	0	800,000
Iowa Battle Flags	100,000	220,000	220,000
Economic Development			
Community Attraction & Tourism Grants	12,000,000	5,000,000	12,000,000
Federal Enterprise Zone Matching Funds	0	500,000	0
Ferryboat Study	0	60,000	0
Lewis & Clark Bicentennial	50,000	0	0
Non-Profit Family Recreation Grant	200,000	0	0
National Special Olympics Games	500,000	0	0
Accelerated Career Education (ACE) Program	5,500,000	0	0
Education			
Enrich Iowa Libraries	600,000	900,000	0
Iowa Learning Technologies	0	500,000	0
Community Colleges Infrastructure	0	2,000,000	2,000,000
ICN Part III Maintenance/Lease Costs	2,727,000	2,727,000	2,727,000
Parker Building Remodel	303,632	0	0
IPTV - Replace Transmitters	0	2,000,000	0
IPTV - High Definition TV Conversion	8,000,000	8,000,000	0
IPTV - Uninterruptible Power Supply			315,000
Human Services			
Residential Treatment Facility	0	250,000	0
Iowa Finance Authority			
IFA Transitional Housing	0	1,400,000	0
Water Quality Grants			5,000,000

Rebuild Iowa Infrastructure Fund

	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Management			
Vertical Infrastructure Fund	0	15,000,000	15,000,000
Environment First Fund	35,000,000	35,000,000	35,000,000
Natural Resources			
Waubonsie State Park	0	1,500,000	0
Fort Atkinson Restoration	0	500,000	0
Mid-America Port Commission	0	80,000	0
Lake Cornelia	0	429,000	0
Destination Park	500,000	3,000,000	0
Water Quality Projects			5,000,000
Iowa's Special Areas (GEMS)			1,500,000
Iowa Law Enforcement Academy			
Capitol Projects	0	0	75,000
Board of Parole			
Capital Projects	0	0	75,000
State Fair			
Fair Improvements	250,000	750,000	0
Public Defense			
Iowa City Readiness Center	2,150,000	0	0
Facility Maintenance	1,269,636	0	0
Boone Armory Addition	1,096,000	0	0
Fort Dodge Readiness Center	750,000	0	0
Camp Dodge Armed Forces Readiness Center			100,000
Technology Projects			75,000
Public Safety			
Capitol Building Security	800,000	0	0
Capitol Complex Security Upgrades	300,000	0	0
AFIS Lease Purchase	550,000	550,000	550,000
Iowa System Grant Match	500,000	0	0
Fire Equipment Revolving Loan Fund	500,000	500,000	0
Regional Fire Training Facilities	150,000	800,000	0
Technology Projects			943,000
Revenue			
Secure an Advance Vision for Education (SAVE)	10,000,000	10,000,000	10,000,000
Transportation			
Aviation Improvement Program	500,000	564,792	0
Commercial Aviation Infrastructure	1,100,000	0	1,000,000
Rail Assistance	0	35,959	0
Recreational Trails	0	1,000,000	1,000,000
General Aviation Airport Grants	581,400	750,000	750,000
Treasurer			
County Fairs Infrastructure	1,060,000	0	0
Prison Infrastructure Fund			5,416,604
Veterans Affairs			
Veterans Trust Fund	1,000,000	0	0
Regents			
Tuition Replacement	858,764	0	9,680,321
Major/Deferred Maintenance	0	6,250,000	0
Special School Maintenance	500,000	500,000	0
UNI - Program for Playground Safety	500,000	500,000	0
Battelle Program			10,000,000
Net Appropriations	\$ 109,620,213	\$ 124,786,033	\$ 124,277,033
Reversions	-1,627	0	0
Ending Balance	\$ 30,070,952	\$ 12,748,351	\$ 1,645,750

Environment First Fund

	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Revenue			
Balance Forward	\$ 10,779	\$ 10,779	\$ 10,513
RIIF Appropriation	35,000,000	35,000,000	35,000,000
Receipts Adjustment	0	-266	0
Total	\$ 35,010,779	\$ 35,010,513	\$ 35,010,513
Appropriations			
Department of Agriculture			
Soil Conservation Cost Share	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000
Watershed Protection Program	2,700,000	2,700,000	2,700,000
Wetland Incentive Program (CREP)	1,500,000	1,500,000	1,500,000
Conservation Reserve Program (CRP)	2,000,000	2,000,000	2,000,000
Farm Demonstration Program	850,000	850,000	850,000
Loess Hills Conservation Authority	600,000	600,000	600,000
Agricultural Drainage Wells	500,000	500,000	500,000
So. Iowa Conservation & Dev. Authority	300,000	300,000	300,000
Total Department of Agriculture	\$ 13,950,000	\$ 13,950,000	\$ 13,950,000
Department of Natural Resources			
REAP Formula Allocation	\$ 11,000,000	\$ 11,000,000	\$ 11,800,000
Marine Fuel Tax Capital Projects	2,300,000	2,300,000	2,500,000
Park Operations	2,000,000	2,000,000	2,000,000
Volunteer Water Quality Initiative	100,000	100,000	100,000
Air Quality Monitoring Equipment	500,000	0	0
Water Quality Protection	500,000	500,000	500,000
Geographic Information System Development	195,000	195,000	195,000
Water Quality Monitoring Stations	2,955,000	2,955,000	2,955,000
Lake Dredging	1,000,000	1,500,000	500,000
Total Department of Natural Resources	\$ 20,550,000	\$ 20,550,000	\$ 20,550,000
Department of Economic Development			
DED - Brownfield Redevelopment Program	\$ 500,000	\$ 500,000	\$ 500,000
Total Appropriations	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
Reversions	\$ 0	\$ 0	\$ 0
Ending Balance	\$ 10,779	\$ 10,513	\$ 10,513

Vertical Infrastructure Fund

	Estimated FY 2006	Gov. Rec. FY 2007
Resources		
RIIF Appropriation	\$ 15,000,000	\$ 15,000,000
Total Available Resources	\$ 15,000,000	\$ 15,000,000
Appropriations		
Dept. of Administrative Services		
Major Maintenance	\$ 5,623,200	10,000,000 ¹
Routnie Maintenance		2,800,500
Capitol Complex Relocation and Leasing Expenses		1,824,500
Terrace Hill Carpet Restoration		55,000
Terrace Hill Plaster Restoration		20,000
Dept. of Cultural Affairs		
Historical Site Preservation Grant	500,000	0
Dept. of Economic Development		
Accelerated Career Ed. (ACE) Prog.	4,000,000	0
Department of Public Defense		
Fort Dodge Readiness Center	608,000	0
Camp Dodge Water Treatment	1,939,800	0
Facility Maintenance	1,269,000	300,000
Treasurer of State		
County Fair improvements	1,060,000	0
Total Appropriations	\$ 15,000,000	\$ 15,000,000
Ending Balance	\$ 0	\$ 0

¹ Appropriated in the 2005 Legislative Session.

**Tobacco Settlement Trust Fund
Restricted Capital Fund**

	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Resources			
Balance Forward	\$ 114,940,721	\$ 55,768,475	\$ 18,411,385
Interest	7,577,704	3,600,000	500,000
Reimbursements	532,277	0	0
TSA Operations & Enforcement Acct Exp.	-491,594	-200,000	0
Total Available Resources	122,559,108	\$ 59,168,475	\$ 18,911,385
Appropriations			
Dept. of Economic Development			
Accelerated Career Education (ACE) Program	\$ 0	\$ 1,500,000	\$ 4,000,000
Advance Research And Commercialization	0	0	-3,268,696
Dept. of Education			
IPTV High Definition Conversion	0	0	2,300,000
Telecommunication and Tech. Commission			
ICN - Equipment Replacement	0	1,704,719	1,997,500
Dept. of Administrative Services			
Major Maintenance	0	3,000,000	0
Capitol Interior Renovation	3,500,000	4,500,000	0
Cap. Complex Electrical Distribution	0	0	3,468,800
DHS - CCUSO Renovation	0	650,000	0
Information Technology Department			
Integrated Information for Iowa System	6,049,284	0	0
Dept. of Human Rights			
CJIS Integration	0	0	2,645,066
Dept. of Natural Resources			
Destination Park	0	-3,000,000	0
Lewis & Clark Rural Water System	2,450,000	2,500,000	0
Dept. of Public Defense			
Armory Maintenance	0	0	1,200,000
Dept. of Public Safety			
Dubuque Fire Training Facility	0	100,000	0
Fire Service Infrastructure			3,000,000
Dept. of Transportation			
Commercial Aviation Infrastructure	0	1,500,000	0
Dept. of Corrections			
Anamosa Kitchen	0	600,000	0
Oakdale Equipment	0	0	3,044,519
Oakdale Bed Expansion	11,700,000	11,700,000	0
Dept. of Human Services			
Family Resource Center - Davenport	0	250,000	0
Board of Regents			
Regents - Tuition Replacement	10,437,174	10,329,981	0
ISU - Classrooms & Auditoriums	1,949,100	0	0
SUI - School of Journalism Building	3,575,000	0	0
UNI - Teaching Center Bldg. (East Gym)	9,880,000	0	0
Treasurer of State			
ICN - Debt Service	13,039,778	0	0
Prison Construction Debt Service	5,413,324	5,422,390	0
Total Appropriations	67,993,660	\$ 40,757,090	\$ 18,387,189
Reversions	-1,203,027	0	0
Ending Balance	\$ 55,768,475	\$ 18,411,385	\$ 524,196

Tobacco Settlement Trust Fund
Endowment for Iowa's Health Restricted Capital Fund (RC2)

	Estimated FY 2006	Gov. Rec. FY 2007
Resources		
Balance Forward	\$ 0	\$ 102,493,926
Tax-Exempt Bond Proceeds ¹	100,493,926	0
Interest	2,000,000	2,000,000
Total Available Resources	\$ 102,493,926	\$ 104,493,926
Appropriations		
Department of Administrative Services		
Records Center Remodeling	\$ 0	\$ 2,200,000
DHS - Toledo Juvenile Home		1,521,045
West Capitol Terrace Restoration		2,300,000
Repairs to Parking Lots at Capitol Complex		1,545,000
Capitol Interior Restoration		6,830,000
Wallace Building Planning		500,000
ISP (Ft. Madison) Planning		500,000
.....		
Department of the Blind		
Building Renovation		4,000,000
.....		
State Fair Board		
Capitals		1,000,000
.....		
Department of Corrections		
Davenport CBC Facility		3,750,000
Ft. Dodge CBC Facility		1,400,000
Anamosa Dietary Renovation		1,840,000
.....		
Department of Cultural Affairs		
Great Places		1,000,000
.....		
Iowa Public Television		
Replacement of Transmitters		1,425,000
.....		
Department of Natural Resources		
Infrastructure Renovations		1,000,000
.....		
Department of Human Resources		
Woodward Resource Center Wastewater Treatment		2,443,000
.....		
Department of Public Defense		
Iowa City Armed Forces Rediness Center		1,444,288
Waterloo Aviation Armory		1,635,000
Spencer Armory		689,000
Camp Dodge Waste Water Treatment Upgrade		750,000
.....		
Department of Public Safety		
Post 8 Replacement		2,400,000
.....		
Board of Regents		
Capitals		10,000,000
.....		
Iowa Veterans Home		
Capitals		6,200,000
Total Appropriations	\$ 0	\$ 56,372,333
 Ending Balance	 \$ 102,493,926	 \$ 48,121,593

¹ Proceeds from this Fund are restricted for depreciable asset expenditures.

Tobacco Settlement Trust Fund Endowment for Iowa's Health Account

	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Resources			
Balance Forward	\$ 27,187,146	\$ 38,301,245	\$ 108,898,823
Wagering Tax Allocation	70,000,000	70,000,000	70,000,000
General Fund Appropriation	29,785,000	29,562,000	17,773,000
Taxable Bond Proceeds	0	50,176,574	0
Litigation Revenue	14,882,965	15,396,000	0
Interest Earned	1,026,482	1,000,000	1,500,000
General Fund Deappropriation	-29,785,000	-29,562,000	-17,773,000
Total	\$ 113,096,593	\$ 174,873,819	\$ 180,398,823
Appropriations/Transfers			
Healthy Iowans Tobacco Trust	\$ 57,512,311	\$ 58,374,996	\$ 59,250,620
Healthy Iowans Tobacco Trust-Wagering Tax	6,316,077	7,600,000	0
Transfer to Rebuild Iowa Infrastructure Fund	10,966,960	0	0
Healthy Iowans Tobacco Trust-Water Protection	0	0	10,000,000
Board of Regents - Battelle Implementation	0	0	10,000,000
Total	\$ 74,795,348	\$ 65,974,996	\$ 79,250,620
Ending Balance	\$ 38,301,245	\$ 108,898,823	\$ 101,148,203

MSA = Master Settlement Agreement

Healthy Iowans Tobacco Trust Fund

	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Resources			
Balance Forward	107,654	681,002	545,027
Transfer from Endowment for Iowa's Health Account	57,512,311	58,374,996	59,250,621
Endowment (Wagering Tax Allocation)	6,316,077	7,600,000	0
Interest Earned	153,781	120,000	120,000
Tobacco Tax from General Fund	0	31,500,000	129,900,000
Miscellaneous	74	0	0
Total Available Resources	\$ 64,089,897	\$ 98,275,998	\$ 189,815,648
Appropriations			
Dept. of Public Health			
Tobacco Use Prevention/Control	\$ 5,011,565	\$ 5,011,565	\$ 0
Substance Abuse Prevention	0	200,000	0
Substance Abuse	11,800,000	11,800,000	0
Substance Abuse Prevention - Boys and Girls Clubs	0	200,000	0
Substance Abuse Prevention - Children	0	400,000	0
Healthy Iowans 2010	2,346,960	2,509,960	0
Smoking Cessation Products	75,000	75,000	0
Defibrillator Grant Program	250,000	250,000	0
Capitol Complex Defibrillator	0	100,000	0
PKU Assistance	0	60,000	0
AIDS Drug Assistance Program	0	275,000	0
Birth Defects Institute	26,000	26,000	0
Addiction Free Iowa	0	0	17,686,565
Health Promotion	0	0	361,000
Improving Access and Delivery	0	0	1,157,482
Healthy Environment	0	0	365,158
Health Protection	0	0	1,337,320
Dept. of Human Services			
Medicaid Supplement (Medical Assistance)	14,346,750	35,013,803	55,013,803
Physician and Other Medical Providers	8,095,718	0	0
Dental Provider	3,814,973	0	0
Hospital Provider	3,035,278	0	0
Home Health Care Provider	2,108,279	0	0
Critical Access Hospitals	250,000	0	0
Home Health and Habilitative Day Care Expansion	1,975,496	0	0
Respite Care Expansion	1,137,309	0	0
CHIP Expansion to 200% of Federal Poverty Level	200,000	200,000	200,000
Breast/Cervical Cancer Treatment	250,000	0	0
Child and Family Services	0	4,257,623	4,257,623
Res. Treatment Support Services Provider	3,243,026	0	0
Adoption, Ind. Living, Shelter Care, and Home Studies Pro.	468,967	0	0
Provider Rate/Methodology Changes	545,630	0	0
Purchase of Service Provider	146,750	146,750	146,750
General Administration	274,000	274,000	274,000
Senior Living Trust Fund	0	0	73,400,000
Medical Assistance Supplemental	0	31,500,000	0

Healthy Iowans Tobacco Trust Fund

	Actual FY 2005	Estimated FY 2006	Gov. Rec. FY 2007
Dept. of Corrections			
CBC District I	0	100,000	100,000
CBC District II	127,217	396,217	396,217
CBC District III	35,359	200,359	200,359
CBC District IV	191,731	291,731	291,731
CBC District V	255,693	355,693	355,693
CBC District VI	0	100,000	100,000
CBC District VII	0	100,000	100,000
CBC District VIII	0	100,000	100,000
Fort Madison Special Needs Unit	1,187,285	1,187,285	1,497,285
Mitchellville Value-Based Program		60,000	
Newton Value Based Program	370,000	310,000	0
Dept. of Education			
Iowa Empowerment Fund	2,153,250	2,153,250	2,153,250
Dept. for the Blind			
Newsline for the Blind	130,000	130,000	0
Dept. of Commerce - Ins. Div.			
Small Business/School Dist. Reinsurance	0	0	30,000,000
Dept. of Management			
Appeal Board Claims - Standing	2,096	6,735	0
Total Appropriations	\$ 63,854,332	\$ 97,790,971	\$ 189,494,236
Reversions	-445,437	-60,000	0
Ending Balance	\$ 681,002	\$ 545,027	\$ 321,412

SENIOR LIVING TRUST FUND

	Actual FY 2005	Estimated FY 2006	Gov's Rec. FY 2007
Revenues			
Beginning Balance	\$ 285,736,450	\$ 152,571,703	\$ 40,951,279
Intergovernmental Transfer	5,453,818	0 ¹	0
Medicaid Transfer	6,881,932	0	0
General Fund Transfer	0	0	2,500,000 ³
Healthy Iowans Tobacco Trust Transfer	0	0	73,400,000
Interest	6,111,150	3,204,006	1,961,803
Total Revenues	\$ 304,183,350	\$ 155,775,709	\$ 118,813,082
Expenditures			
IFA - Rent Subsidy Program	\$ 0	\$ 700,000 ²	\$ 700,000
DHS Grants and Services			
NF Conversion Grants/LTC HCBS Funds	\$ 9,822,856	\$ 0	\$ 0
NF Conversion Grant Carry Forward	0	5,085,330	0
Rent Subsidy Program	686,787	0	0
Medicaid HCBS Elderly Waiver	710,000	710,000	710,000
NF Case Mix Methodology	29,950,000	29,950,000	29,950,000
Medicaid Supplement	101,600,000	69,000,490	75,000,000
DHS Administration & Contracts	0	323,406	111,140
DHS Total	\$ 142,769,643	\$ 105,069,226	\$ 105,771,140
Medicaid Subtotal	\$ 134,260,000	\$ 99,660,490	\$ 105,660,000
DEA Service Delivery			
Senior Living Program	\$ 7,638,917	\$ 7,698,461	\$ 7,772,246
Administration & Contracts	523,657	598,269	585,007
DEA Total	\$ 8,162,574	\$ 8,296,730	\$ 8,357,253
DIA - Asst'd. Living & Adult Day Care Oversight	\$ 679,430	\$ 758,474	\$ 825,724
Total Expenditures	\$ 151,611,647	\$ 114,824,430	\$ 115,654,117
Ending Trust Fund Value	\$ 152,571,703	\$ 40,951,279	\$ 3,158,965

¹ House File 841 (IowaCare Medicaid Reform Act) eliminated Intergovernmental Transfers (IGTs); therefore, no additional revenue will be received from this source.

² This amount was appropriated to the DHS for the same purpose in previous years.

³ The \$2.5 million General Fund transfer is not reflected on the SLTF balance sheet in the Governor's Iowa Budget Report. The transfer is required under current statute.

NF = Nursing Facility

IFA = Iowa Finance Authority

APPENDIX D

SUMMARY OF BUDGET OFFERS

State agencies, with the exception of elected officials and the Judicial Branch, were required to submit FY 2007 budget requests using the new Purchasing Results budget process and submitting requests in the form of budget offers. Please note that Purchasing Results is an Executive Branch initiative; however, the Fiscal Services Division has provided FY 2007 Department requests in the budget offer format. Additional information on Purchasing Results is provided in **Appendix E**.

The Fiscal Services Division obtained documents from the I/3 Budget System and from DOM to compile the information provided in this document. The following offers are listed in numeric order as presented by the Department of Management, but not necessarily in priority order separated into three categories by Subcommittee: Fully Funded Offers, Partially Funded Offers, and Unfunded Offers, based on the Governor's Recommendation.

Administration and Regulation Appropriations Subcommittee

Total of 67 offers made by Selling Team	\$317,647,509
Total of 57 offers recommended by the Governor	\$276,961,030

Fully Funded Offers

- ▶ **EIP - Information Security Office (ISO) / COOP - COG (005_ADM_002)** **\$248,426**
(EIP = Enterprise Infrastructure and Personnel, COOP = Comprehensive Continuity of Operations Plan, COG = Continuation of Government)

This offer provides an increase of 2.00 FTE positions for reducing risk to information technology (IT) systems and services, and improving performance and accountability. ***The Governor is recommending funding for this offer.***

- ▶ **State Accounting Enterprise/Cash Management Improvement Act (005_ADM_004)** **\$436,250**

This offer provides continued funding for compliance with the Cash Management Improvement Act. ***The Governor is recommending funding for this offer.***

- ▶ **State Accounting Enterprise/Unemployment Compensation (005_ADM_005)**

This offer provides continued funding for Unemployment Compensation. ***The Governor is recommending funding for this offer.***

\$538,750
- ▶ **General Services Enterprise/Essential Utility Service for Capitol Complex & Ankeny Labs (005_ADM_006)**

This offer provides an increase in funding for the Capitol Complex and Ankeny Labs utilities. ***The Governor is recommending funding for this offer.***

\$3,420,865
- ▶ **ITE/Technology Governance Board (TGB) Support/Operations (005_ADM_027)**
(ITE = Information Technology Enterprise)

This offer provides an increase in funding for administrative support for the TGB. ***The Governor is recommending funding for this offer.***

\$50,000
- ▶ **State Accounting Enterprise (SAE)/Sick Leave Incentive Program (005_ADM_029)**

This offer provides an increase of 1.00 FTE position for administrative support of a new program that was created during the 2005 Legislative Session, allowing eligible retiring employees to convert sick leave into dollars that pay for health insurance costs. ***The Governor is recommending funding for this offer.***

\$100,000
- ▶ **Alcohol Beverages Licensing/Regulation & Liquor Wholesaling Operations (212_ADM_001)**

This offer provides continued funding for operations for the Alcoholic Beverages Licensing, Regulation, and Wholesaling Operations. ***The Governor is recommending funding for this offer.***

\$1,930,962
- ▶ **Credit Union Division (214_ADM_001)**

This offer provides continued funding for the Credit Union Division. ***The Governor is recommending funding for this offer.***

\$1,455,874
- ▶ **Iowa Insurance Division (216_ADM_001)**

This offer provides continued funding for the Insurance Division. ***The Governor is recommending funding for this offer.***

\$4,517,481

- **Reasonably Priced, Reliable, and Safe Utility Services for Iowa (219_ADM_001)**

This offer provides continued funding for the statutory positions of the Utility Board members and technical, legal, and administrative staff in order to maintain utility regulation. ***The Governor is recommending funding for this offer.***

\$7,230,820
- **Governor and Lt. Governor's Office Budget (350_ADM_001)**

This offer provides continued funding for the Governor and Lt. Governor's Office and an increase to cover increased National Governor's Association fees. ***The Governor is recommending funding for this offer, and is recommending an additional \$213,833.***

\$2,548,715
- **Department of Human Rights (DHR) Administration (379_ADM_711)**

This offer provides continued funding for Central Administration for the Department. ***The Governor is recommending funding for this offer, and is recommending an additional \$70,000.***

\$317,028
- **Asian and Pacific Islanders (379_ADM_731)**

This offer provides continued funding for the Commission on the Status of Iowans of Asian and Pacific Islander Heritage and an increase of 1.00 FTE position for an Asian and Pacific Islanders Division Administrator. ***The Governor is recommending funding for this offer.***

\$86,000
- **Persons with Hearing Loss Access to Programs, Services, Information (379_ADM_741)**

This offer provides continued funding for the Division of Deaf Services. ***The Governor is recommending funding for this offer.***

\$374,367
- **Access Iowa (Persons with Disabilities - DHR) (379_ADM_751)**

This offer provides continued funding for the Division of Deaf Services and Commission on Persons with Disabilities. ***The Governor is recommending funding for this offer.***

\$193,531
- **Latino Affairs (DHR) (379_ADM_761)**

This offer provides continued funding for the Division of Latino Affairs. ***The Governor is recommending funding for this offer.***

\$170,749

- ▶ **Full Participation by Women (379_ADM_771)**

This offer provides continued funding for the Iowa Commission on the Status of Women. ***The Governor is recommending funding for this offer.***

\$335,501
- ▶ **Justice Research, Evaluation, and Decision Support Services (CJJP) (379_ADM_791)**

This offer provides continued funding for the Criminal and Juvenile Justice Planning Advisory Council. ***The Governor is recommending funding for this offer.***

\$763,398
- ▶ **Juvenile Justice Community Planning Services (379_ADM_792)**

This offer provides continued funding for Criminal and Juvenile Justice Planning Advisory Council and provides support staff to the Iowa Juvenile Justice Advisory Council. ***The Governor is recommending funding for this offer.***

\$64,000
- ▶ **Criminal Justice Information System Integration (379_ADM_793)**

This offer provides an increase of 3.00 FTE positions to launch Iowa's Criminal Justice Information Systems Integration Initiative. ***The Governor is recommending funding for this offer.***

\$270,628
- ▶ **Targeted Small Business Certification (427_ADM_001)**

This offer provides continued funding to certify eligible targeted small businesses for participation in loan programs and State and local purchasing opportunities. ***The Governor is recommending funding for this offer.***

\$37,867
- ▶ **Social & Charitable Gambling (427_ADM_002)**

This offer provides continued funding for licensing, auditing, and complaint services for bingo and raffles conducted by charitable organizations, games at fairs, gambling at bars, and social gambling. ***The Governor is recommending funding for this offer.***

\$85,417
- ▶ **Food and Consumer Safety (427_ADM_003)**

This offer provides continued funding for a uniform statewide system to ensure food and consumer safety at a variety of establishments, as well as a small increase for additional fuel and personal mileage costs. ***The Governor is recommending funding for this offer, and is recommending an additional \$375,000.***

\$869,691

- ▶ **Administrative Hearings (427_ADM_004)**

This offer provides continued funding for an administrative due process system for persons appealing adverse actions taken by State agencies. ***The Governor is recommending funding for this offer.***

\$2,261,398
- ▶ **Health Facilities (427_ADM_005)**

This offer provides continued funding for inspection, licensing, and complaint investigation services of nursing homes, facilities serving children, and health providers, including those licensed by the State, Medicaid-certified, and/or Medicare-certified, as well as an increase for costs of space, personnel, workers compensation, and other changes. ***The Governor is recommending funding for this offer.***

\$2,774,412
- ▶ **Investigations (427_ADM_006)**

This offer provides continued funding for investigative and collections services to identify and collect overpayments of public assistance moneys. ***The Governor is recommending funding for this offer.***

\$1,448,734
- ▶ **Audits (427_ADM_007)**

This offer provides continued funding to conduct 500 financial audits of local Department of Human Services offices and nursing homes, identify exceptions, and ensure dollars owed to residents and the State and federal government are paid back, as well as an increase for fuel and personal mileage reimbursement. ***The Governor is recommending funding for this offer.***

\$186,560
- ▶ **Employment Appeal Board (427_ADM_009)**

This offer provides continued funding for support to process and hear various appeals related to State and federal mandates. ***The Governor is recommending funding for this offer.***

\$54,600
- ▶ **Racing and Gaming Commission (429_ADM_001)**

This offer provides continued funding for administration of the pari-mutuel wagering and excursion gambling boat laws, as well as an increase for 8.00 FTE positions for regulation of four new excursion boats and for increased costs of regulation at race tracks and casinos. ***The Governor is recommending funding for this offer.***

\$5,856,834

- ▶ **State and Local Budget and Accountability for Results (532_ADM_001)**

This offer provides continued funding for the Department of Management and increased funding for costs associated with the I/3 System. ***The Governor is recommending funding for this offer.***

\$2,858,203
- ▶ **State Appeal Board (532_ADM_002)**

This offer provides continued funding for claims against the State. Cost estimates are based on pending cases and historical background, but this is a standing unlimited appropriation. ***The Governor is recommending funding for this offer.***

\$4,387,500
- ▶ **Local Government Innovation Fund (532_ADM_006)**

This offer provides for the creation of a Local Government Innovations Fund and an Iowa Center for Governing Excellence. The funds will be used to identify models of collaboration among local governments that might be replicable; overcome barriers to collaboration through technical assistance, outside mediation and facilitation; promote best practices; and encourage innovative and creative models of collaboration. ***The Governor is recommending funding for this offer.***

\$1,000,000
- ▶ **Investment Management (553_ADM_001)**

This offer provides continued funding for the Iowa Public Employee Retirement System Investment Board. ***The Governor is recommending funding for this offer.***

\$745,522
- ▶ **Retirement Services (553_ADM_002)**

This offer provides continued funding for administrative staff to administer payments for retirement services. ***The Governor is recommending funding for this offer.***

\$3,080,132
- ▶ **Members Services (553_ADM_003)**

This offer provides continued funding to provide retirement benefits and services to members. ***The Governor is recommending funding for this offer.***

\$2,644,493
- ▶ **Employee Relations and Data Management (553_ADM_004)**

This offer provides continued funding for on-site compliance reviews, employer training sessions, and collection and maintenance of relevant data. ***The Governor is recommending funding for this offer.***

\$1,115,976

- **Governance, Plan Design, and Financial Control (553_ADM_005)**

This offer provides an increase in funding for DAS Utility and I/3 services, as well as continued funding to meet Generally Accepted Accounting Principles (GAAP). ***The Governor is recommending funding for this offer.***

\$1,891,311
- **Benefits Administration System Modernization (553_ADM_006)**

This offer provides an increase to continue a multi-year project to update the entire computer system. ***The Governor is recommending funding for this offer.***

\$7,278,697
- **Enterprise Collection Services (625_ADM_001)**

This offer finds alternative funding for the Enterprise Collection Services by now collecting fees. ***The Governor is recommending this offer, however there is no funding required.***

\$0
- **Achieving Compliance with Iowa's Tax Laws (625_ADM_002)**

This offer provides continued funding for the Department of Revenue for achieving compliance with Iowa's tax laws. ***The Governor is recommending funding for this offer.***

\$11,992,942
- **Tax Research & Program Analysis (625_ADM_005)**

This offer provides continued funding for analysis of tax receipts and refunds. ***The Governor is recommending funding for this offer.***

\$601,229
- **Iowa Department of Revenue Operations - Internal Services - Central Services (625_ADM_006)**

This offer provides continued funding for the Department of Revenue operations and internal services. ***The Governor is recommending funding for this offer.***

\$2,856,263
- **Creation of Property Assessment Appeal Board (625_ADM_008)**

This offer provides an increase in funding for the creation of a Statewide Property Assessment Appeal Board. ***The Governor is recommending funding for this offer.***

\$277,401

- **Secure an Advanced Vision For Education (SAVE) Appropriation (625_ADM_010)** **\$10,000,000**

This offer provides continued funding for the SAVE Fund to be utilized for school infrastructure. The funding is from the Rebuild Iowa Infrastructure Fund. ***The Governor is recommending funding for this offer.***
- **Printing Cigarette Stamps (625_ADM_011)** **\$128,000**

This offer provides an increase in funding to fully fund the printing of cigarette stamps. ***The Governor is recommending funding for this offer.***
- **Collections Costs and Fees (625_ADM_012)** **\$27,462**

This offer provides continued funding to cover lien fees to County Recorders, Sheriffs' fees, and other related costs of collecting outstanding tax liabilities. ***The Governor is recommending funding for this offer.***
- **Motor Vehicle Fuel Tax-Administration Appropriation Increase (625_ADM_013)** **\$5,373**

This offer provides an increase in funding from Motor Vehicle Fuel Tax revenue to administer the motor vehicle tax laws in the State. ***The Governor is recommending funding for this offer.***
- **Drug Control Efforts to Reduce Substance Abuse in Iowa (642_ADM_001)** **\$307,730**

This offer provides continued funding to coordinate substance abuse prevention, treatment, and drug enforcement efforts statewide and to administer, monitor, and evaluate programs. ***The Governor is recommending funding for this offer.***

Partially Funded Offers

- **Department of Administrative Services (DAS), Central Administration (005_ADM_001)** **\$9,193,951**

This offer provides continued funding for the DAS and has an increase of 8.00 FTE positions for the Integrated Information for Iowa (I/3) System, an increase of 4.65 FTE positions to provide facility maintenance for the Capitol Complex and Ankeny Labs, and an increase of 1.00 FTE position to maintain a retiree health insurance database. ***Of the total offer amount, the Governor is recommending \$8,726,351.***

- ▶ **Iowa Division of Banking & Professional Licensing and Regulation Division (213_ADM_001)**

This offer provides continued funding for the Banking Division, as well as increases to the Bank Bureau for replacement laptop computers to meet Federal Deposit Insurance Corporation (FDIC) guidelines and replacement of a postage machine to meet new postal requirements. ***Of the total offer amount, the Governor is recommending \$8,077,787.***

\$8,147,787
- ▶ **Advocating for Inclusion (379_ADM_781)**

This offer provides continued funding for the Iowa Commission on the Status of African Americans and an increase in funding for 2.00 FTE positions to help promote equality for Iowa's African American citizens. ***Of the total offer amount, the Governor is recommending \$171,655.***

\$250,000
- ▶ **Child Advocacy Board (427_ADM_008)**

This offer provides continued funding for local review board activities, Court-Appointed Special Advocate (CASA), and administration of Child Advocacy Board, as well as an increase of 6.00 FTE positions to expand CASA statewide and provide sufficient funding for administration of the current and expanded CASA Program. ***Of the total offer amount, the Governor is recommending \$2,068,667.***

\$2,479,770
- ▶ **LEAN/Process Improvement (532_ADM_003)**

This offer provides an increase of 2.00 FTE positions, equipment, and professional and scientific services to improve the efficiency of the permitting process. ***Of the total offer amount, the Governor is recommending \$222,000.***

\$315,000
- ▶ **Processing \$6 Billion of Tax Receipts to Fund State Government Services (625_ADM_003)**

This offer provides continued funding for processing tax receipts to fund State government, as well as an increase in funding for a fraud detection system and a one-time investment to create an image scanning system to transfer tax records from the Harvester Building to the Morgan Street Building. ***Of the total offer amount, the Governor is recommending \$5,791,477.***

\$5,916,477
- ▶ **Property Tax Administration (625_ADM_004)**

This offer provides continued funding for Property Tax Administration, as well as an increase in funding for an appraisal manual to be issued to County and City Assessors. ***Of the total offer amount, the Governor is recommending \$1,753,204.***

\$1,978,204

- ▶ **Local Government Tax Credit (625_ADM_007)** **\$198,191,675**

This offer provides an increase in funding to fully fund tax credits, such as renter credits, senior and disabled credits, and others. ***Of the total offer amount, the Governor is recommending \$159,663,964.***

Unfunded Offers

- ▶ **Human Resources Enterprise/State of Iowa Wellness Program (005_ADM_025)** **\$100,000**

This offer provides an increase of 1.00 FTE position for a State Wellness Program to improve the health of State employees. ***The Governor is not recommending funding this offer.***

- ▶ **Cultural Competency (Persons with Disabilities - DHR) (379_ADM_752)** **\$75,000**

This offer provides an increase of 1.00 FTE position for the Persons with Disabilities Cultural Competency Program. ***The Governor is not recommending funding this offer.***

- ▶ **Enhanced Pre-employment Services for Iowans in Transition (379_ADM_772)** **\$93,000**

This offer provides an increase in funding for pre-employment services for Iowans in Transition. ***The Governor is not recommending funding this offer.***

- ▶ **Enhanced Training on Issues of Violence Against Women (379_ADM_773)** **\$24,000**

This offer provides an increase in funding for the Iowa Commission on the Status of Women for training on issues of violence against women. ***The Governor is not recommending funding this offer.***

- ▶ **Cultural Competence (Status of African Americans - DHR) (379_ADM_782)** **\$75,000**

This offer provides an increase in funding to provide a Cultural Competency Program that offers training for departments and communities across the State. ***The Governor is not recommending funding this offer.***

➤ **Summer Enrichment Academy (Status of African Americans - DHR) (379_ADM_783)** **\$160,000**

This offer provides an increase in funding for a Summer Youth Enrichment Academy to alleviate disparities between majority and minority students. ***The Governor is not recommending funding this offer.***

➤ **Iowa Collaboration for Youth Development (CJJP) (379_ADM_796)** **\$1,600,000**

This offer provides an increase of 1.00 FTE position and funding for the Iowa Afterschool for All Initiative. ***The Governor is not recommending funding this offer.***

➤ **Indian Settlement Officer (532_ADM_004)** **\$25,000**

This offer provides continued funding for salary and expenses for the deputy sheriff for Tama County. ***The Governor is not recommending funding this offer.***

➤ **Iowa Special Olympics (532_ADM_005)** **\$50,000**

This offer provides continued funding for organizations administering Special Olympics programs. ***The Governor is not recommending funding this offer.***

➤ **Enhancement I to Drug Control Efforts (642_ADM_003)** **\$83,671**

This offer provides an increase of 0.73 FTE position for a Drug Policy Coordinator. ***The Governor is not recommending funding this offer.***

➤ **Enhancement II to Drug Control Efforts (642_ADM_004)** **\$61,882**

This offer provides an increase of 0.27 FTE position for a Drug Policy Coordinator. ***The Governor is not recommending funding this offer.***

Agriculture and Natural Resources Appropriations Subcommittee

Total of 25 offers made by Selling Team

\$81,045,936

Total of 22 offers recommended by the Governor

\$96,820,936

Fully Funded Offers

➤ [Public Lands and Outdoor Recreation \(542 ANR 001\)](#)

\$8,800,611

This offer provides continued funding and 638.28 FTE positions for the protection and enhancement of Iowa's natural resources and quality outdoor recreation opportunities. Parks, preserves, lakes, rivers, forests and wildlife areas contribute to the health and well-being of Iowa's families, and are economic anchors to our communities across Iowa. ***The Governor is recommending funding for this offer.***

➤ [Watershed Protection and Restoration \(542 ANR 002\)](#)

\$5,199,533

This offer provides continued funding and 204.10 FTE positions for a comprehensive State-wide watershed management approach that facilitates local organizations and private landowners. This offer addresses complex water quality issues and natural resource issues and is critical to the health of Iowa citizens, their quality of life in communities, and the continued growth of the economy. This approach furthers the Department's efforts to protect and restore aquatic life, forested land, wildlife habitats, and endangered species. This approach will increase efforts to ensure waters are fishable and swimmable, reduce the risk of floods, and sustain groundwater resources. ***The Governor is recommending funding for this offer.***

➤ [Health and the Environment \(542 ANR 003\)](#)

\$3,792,435

This offer provides continued funding and 260.25 FTE positions to reduce Iowa's exposure to environmental contaminants and hazards. This offer minimizes the exposure to toxins and unsanitary conditions by providing safe water to drink and clean air to breathe. ***The Governor is recommending funding for this offer.***

➤ [Fish and Wildlife Operations \(542 ANR 004\)](#)

\$32,477,525

This offer provides continued funding from the Fish and Wildlife Trust Fund that is used for operations in the Fisheries, Wildlife, and Law Enforcement Bureaus. ***The Governor is recommending funding for this offer.***

➤ [Groundwater Protection Fund \(542 ANR 005\)](#)

\$3,455,832

This offer provides continued funding from the Groundwater Protection Fund for a variety of programs that includes:

1. \$100,303 for the Underground Storage Tank Program.
2. \$447,324 for the Household Hazardous Waste Program.
3. \$62,461 for administration of the Private Wells Closing Program.
4. \$1,686,751 for the Groundwater Monitoring Program.
5. \$618,993 for the Landfill Alternatives Program.
6. \$192,900 for the Solid Waste Reduction Program.
7. \$50,000 for the Solid Waste Authorization Program.
8. \$297,500 for the Geographic Information System (GIS) Program.

The Governor is recommending funding for this offer.

➤ **Underground Storage Tank Administration Match (542 ANR 006)** **\$200,000**

This offer provides continued funding to the Underground Storage Tank Administration Fund. ***The Governor is recommending funding for this offer.***

➤ **Fish and Wildlife Enhancement Operations Enhancement (542 ANR 011)** **\$1,845,000**

This offer provides new funding from the Fish and Wildlife Trust Fund for the following activities using existing staff:

1. \$1.0 million for increased boat navigation safety and prevention of aquatic invasive species.
2. \$240,000 for the following new programs that would use existing staff: a Shooting Sports Coordinator and a Water Safety/Water Trails Coordinator.
3. \$230,000 for two biologists for the Missouri River Fisheries Project.
4. \$375,000 to cover the increased cost of gasoline.

The Governor is recommending funding for this offer.

➤ [Energy Programs Continuation \(542 ANR 012\)](#) \$100,000

This offer provides new funding from the General Fund for the Energy Bank Program that provides a number of energy services in Iowa. It is estimated that the Energy Bank has saved over \$118.0 million in energy costs for public schools, hospitals, private colleges, private schools, and local governments. Previously, the Program was funded with federal funds from the Oil Overcharge Fund; however, this funding source was depleted. ***The Governor is recommending funding for this offer.***

➤ [Resource Enhancement and Protection \(REAP\) Program \(543 ANR 001\)](#) \$11,000,000

This offer provides continued funding to the REAP Fund from the Environment First Fund. The funding to REAP is distributed by the formula as detailed in the [Code of Iowa](#). The goal of REAP is to protect natural resources and develop outdoor recreation. ***The Governor is recommending funding for this offer.***

➤ [Marine Fuel Tax Capitals \(543 ANR 002\)](#) \$2,300,000

This offer provides continued funding to improve the quality of lakes and boating areas, and to increase the number of safe access points for boats on Iowa's waterbodies. ***The Governor is recommending funding for this offer.***

➤ [Water Quality Monitoring \(543 ANR 004\)](#) \$2,955,000

This offer provides continued funding to measure the success of Iowa's water quality monitoring programs. The funding will be distributed to target the following waterbodies: 40.0% for streams, 40.0% for lakes, and 20.0% for wetlands. ***The Governor is recommending funding for this offer.***

➤ [Geographic Information System \(GIS\) Data for Watershed Managers \(543 ANR 005\)](#) \$195,000

This offer provides continued funding to support the watershed management approach by providing watershed information to landowners, project managers, and other stakeholders. ***The Governor is recommending funding for this offer.***

➤ [Keepers of the Land Volunteer Program \(543 ANR 006\)](#) \$100,000

This offer provides continued funding to coordinate and support the number of volunteers that assist the DNR in cleaning up parks, completing renovation projects, improving trails, monitoring water quality, conducting hunter and safety courses, serving as campground hosts, and teaching children about natural areas. ***The Governor is recommending funding for this offer.***

➤ [Parks Operations and Maintenance \(543 ANR 007\)](#) **\$2,000,000**

This offer provides continued funding to maintain and operate State parks. The funding pays for maintenance of facilities and surrounding grounds, equipment costs, and staff costs to provide maintenance or summer help. ***The Governor is recommending funding for this offer.***

➤ [Water Supply Appropriation \(543 ANR 008\)](#) **\$500,000**

This offer provides continued funding to provide funding for water quality operations. ***The Governor is recommending funding for this offer.***

➤ [Air Quality Livestock Monitoring \(543 ANR 010\)](#) **\$275,000**

This offer provides new funding for air quality monitoring and data analysis of livestock operations. This program is currently being funded by money from stormwater permit fees. ***The Governor is recommending funding for this offer but changes the funding source to the General Fund.***

➤ [Water Quality Improvements \(543 ANR 014\)](#) **\$20,000,000**

This offer invests funds to improve Iowa's water quality. Funding will be used for watershed protection projects, lake restoration and preservation projects, and grants to small communities to upgrade waste treatment facilities. This new recommendation has total funding to the Iowa Finance Authority, however, funds are allocated as:

1. \$10.0 million to fund the Iowa Watershed Improvement Review Board with funding to the Treasurer of State. The Board is responsible for awarding local watershed improvement grants and monitoring the progress of the projects after the grants are awarded.
2. \$5.0 million to restore and preserve lakes that do not have an impaired watershed with funding to the Department of Natural Resources. Improvement projects include lake dredging, shoreline stabilization, and acquisition of easements for habitat development.
3. \$5.0 million for grants to small communities to upgrade water treatment facilities with funding to the Iowa Finance Authority. Communities will be able to use the grant money to supplement and leverage additional funding from the State Revolving Loan Fund.

The Governor is recommending funding for this offer.

Partially Funded Offers

➤ [State Park Operations and Safety \(542 ANR 008\)](#) **\$500,000**

This offer provides new funding from the General Fund and 5.00 FTE positions to add Park Rangers and one Park Technician to various State Parks. This would include:

1. One Park Ranger and one Park Technician at Waubonsie State Park due to the recent land acquisition and expansion.
2. One Park Ranger to assist at Ahquabi State Park and Summerset State Park.
3. One Park Ranger would be added to Brushy Creek State Park and would assist with the additional trails and equestrian activities.
4. One Park Ranger to Honey Creek State Park due to the development of the State Destination Park.
5. Funding for vehicles for the new employees and money to cover the increased cost of gasoline.

Of the total offer amount, the Governor is recommending \$75,000 and 2.00 FTE positions.

➤ [Pollution Prevention Intern Program \(542 ANR 010\)](#) **\$100,000**

This offer provides new funding from the General Fund for the Pollution Prevention Intern Program that matches college students with Iowa companies to develop pollution prevention programs. The interns receive one week of training and then work at a business site for 11 weeks with company employees and a DNR Engineering Advisor. In FY 2005, the DNR turned away 84.0% of the students and 67.0% of the companies that applied. The Program is currently leveraged with federal funding and private contributions. ***Of the total offer amount, the Governor is recommending \$50,000.***

➤ [Lake Restoration \(543 ANR 003\)](#) **\$1,500,000**

This offer provides continued funding to restore deteriorated lake water quality, and improve fishing, swimming, boating, and other water-related recreational activities. Water quality is crucial to public health and local economies. ***Of the total offer amount, the Governor is recommending \$500,000.***

➤ [Resource Enhancement and Protection Enhancement \(543 ANR 011\)](#) \$1,000,000

This offer provides new funding to enhance the programs that are funded by the REAP Fund. The additional funds would be distributed as specified in the REAP formula. ***Of the total offer amount, the Governor is recommending \$800,000.***

➤ [Marine Fuel Tax Capitals Enhancement \(543 ANR 012\)](#) \$400,000

This offer provides new funding to administer safe recreational boating, increase water safety educational programs, and to modify stormwater access points. ***Of the total offer amount, the Governor is recommending \$200,000.***

Unfunded Offers

➤ [Local Watershed Improvement Efforts \(542 ANR 007\)](#) \$800,000

This offer provides new funding from the General Fund and 7.00 FTE positions to develop and enhance the Statewide Watershed Management Plan. The Plan would increase technical assistance to local organizations, project managers, and landowners. This offer also encourages various stakeholders to work cooperatively with private business and other government agencies to reduce stormwater runoff at construction sites, and to increase compliance of other stormwater requirements. The request includes additional field positions that would assist with the development of local watershed improvement plans. There would be 1.00 FTE position that would work in metro areas to increase stormwater compliance and 6.00 FTE positions to provide technical assistance in local watershed development projects. ***The Governor is not recommending funding this offer.***

➤ [Healthy Iowa Lakes and Wetlands Demonstration Projects \(542 ANR 009\)](#) \$250,000

This offer provides new funding from the General Fund for the Healthy Iowa Lakes and Wetlands Demonstration Program. The Department estimates there are 155 shallow lakes and streams that could have cleaner water if sediment and pollution was controlled and the populations of common carp were decreased. The Program will establish three or four demonstration projects across the State that will include an in-depth assessment related to water quality issues. The projects will focus on the best management practices for watersheds, reduction of shoreline erosion, and the development of plans that reduce the density of common carp to maintain acceptable population levels. ***The Governor is not recommending funding this offer.***

➤ [Water Quality Monitoring Enhancement \(543 ANR 009\)](#) \$800,000

This offer provides new funding to enhance the Department's Watershed Management Plan by expanding water quality monitoring on impaired waterbodies in the State. This includes the development of private-public partnerships for development of total maximum daily load (TMDL) calculations, monitoring contaminants that are not listed in the State's water quality standards, developing statistical approaches for water quality monitoring, and surveying fish tissue samples. ***The Governor is not recommending funding this offer.***

► [Lake Restoration Enhancement \(543 ANR 013\)](#)

\$500,000

This offer provides new funding to expand the Lake Restoration Program that will leverage additional funds from the federal and local governments, as well as private entities. ***The Governor is not recommending funding this offer.***

Economic Development Appropriations Subcommittee

Total of 20 offers made by Selling Team	\$118,398,327
Total of 18 offers recommended by the Governor	\$128,592,579

Fully Funded Offers

➤ Business Development and Marketing (269 ECO 001) \$6,990,924

This offer maintains financial and technical assistance to effectively market the State of Iowa globally for both trade and investment opportunities. ***The Governor is recommending funding for this offer.***

➤ Business Financial Assistance (269 ECO 002) \$729,191

This offer maintains financial and technical assistance for Iowa's communities and business prospects. The utilization of the Program funds support entrepreneurial development, infrastructure, expansion/retention, modernization and research and development activity across the State. The offer includes \$500,000 from the Environment First Fund. ***The Governor is recommending funding for this offer.***

➤ Job Training for New and Existing Employees (269 ECO 003) \$5,554,295

This offer maintains financial assistance and staffing for job training programs administered by the Department of Economic Development (DED) in cooperation with Iowa's community colleges, Iowa Department of Education, and Iowa business and industry. The offer includes \$1.5 million appropriation from the tax exempt bond proceeds of the Restricted Capitals Fund (RCF) for community college capital improvements and \$4.0 million from the Workforce Development Fund Account. ***The Governor is recommending funding for this offer, and is recommending an additional \$2,750,000. This includes increases of \$250,000 from the General Fund for the Lean Manufacturing Institute and \$2,500,000 from the Workforce Development Fund Account.***

➤ Iowa Career Consortium (ICC) (269 ECO 004) \$275,709

This offer maintains the Iowa Careers Consortium (ICC), which is a public-private partnership created to meet Iowa's growing need for highly skilled employees. The Consortium includes Iowa businesses, communities, educational institutions, professional associations, the DED and Iowa Workforce Development. ***The Governor is recommending funding for this offer.***

- [Development of Major Community Attractions \(269 ECO 005\)](#)

This offer maintains support of the Vision Iowa Program and the Community Attraction and Tourism (CAT) Program that provide financial incentives to communities for the construction of recreational, cultural, educational or entertainment facilities that enhance the quality of life in Iowa. The offer includes \$5.0 million from the Rebuild Iowa Infrastructure Fund (RIIF). ***The Governor is recommending funding for this offer. The Governor is recommending a reduction of \$7,000,000 in General Fund support and an increase of \$7,000,000 from RIIF.***

\$12,036,197
- [Financing for Housing, Water, Sewer & Community Facilities \(269 ECO 006\)](#)

This offer maintains financial and technical assistance for the “bricks and mortar” portion of affordable housing, water and sewer projects, and community facilities projects in Iowa communities. ***The Governor is recommending funding for this offer.***

\$1,152,461
- [Downtown Resource Development/Main Street \(269 ECO 008\)](#)

This offer maintains assistance to communities in growing and revitalizing their downtown cores. ***The Governor is recommending funding for this offer.***

\$678,159
- [Community Development Assistance \(269 ECO 009\)](#)

This offer maintains assistance to communities and regions to deal with growth and development. ***The Governor is recommending funding for this offer.***

\$1,021,500
- [Grow Iowa Values Fund \(269 ECO 010\)](#)

This offer maintains business assistance and marketing, Regents’ projects related to economic development, State Parks, the Cultural Trust Fund, community college job training, and regional economic development assistance. The offer provides a standing General Fund appropriation to the Grow Iowa Values Fund. Funding is allocated from the Grow Iowa Values Fund. ***The Governor is recommending funding for this offer.***

\$50,000,000

► [State Housing Trust Fund \(270 ECO 001\)](#) \$1,000,000

This is a new offer in which the funding would be used for a matching grant program that would encourage cities, counties, or regions to create and fund Local Housing Trust Funds. The funded projects would include the construction, rehabilitation and preservation of single family and multi-family housing; owner-occupied rehabilitation and repairs and emergency owner repair; repairs and maintenance of nonprofit-owned units; operations and housing supportive services for nonprofit entities; down payment and closing cost assistance for first time homebuyers; funding for emergency shelters and transitional housing; housing for persons with disabilities; neighborhood-wide housing rehabilitation; gap financing for new subdivisions which offer affordable housing to working families; and, funding to provide downtown second-story affordable loft housing as a way to attract and keep young professionals in the community. At least 30 percent of funds would be used to assist extremely low-income households. ***The Governor is recommending funding for this offer.***

► [Entrepreneurs with Disabilities Program \(270 ECO 002\)](#) \$200,000

This offer maintains the Entrepreneurs with Disabilities (EWD) Program that provides technical and financial assistance to help people with disabilities become self-sufficient by establishing or expanding business ventures. The FY 2006 funding was provided for in HF 882 (FY 2006 Standings Appropriation Act). ***The Governor is recommending funding for this offer.***

► [Expanding Iowa's Productive Workforce-Health, Safety and Economic Wellbeing \(309 ECO 001\)](#) \$5,278,800

This offer maintains the current funding level to enhance the health, safety and economic wellbeing of Iowa's workforce through consultation, enforcement and adjudication of State regulations, specifically, regulations relating to workers' compensation laws and occupational safety and health regulations. ***The Governor is recommending funding for this offer, and is recommending an additional \$200,000 for three additional staff and related expenses.***

► [Expanding Iowa's Productive Workforce-Field Office Network \(309 ECO 002\)](#) \$6,856,655

This offer maintains the current funding level (including \$331,655 salary adjustment funding) for a network of rural development offices providing a workforce development system to increase the skills of the Iowa workforce, foster economic growth and the creation of new high skill and high wage jobs through job placement and training services, provide assistance to new Iowans entering Iowa's workforce, assist Iowa businesses in meeting their workforce needs and encourage investment in workers. Senate File 2311 (FY 2005 Economic Stimulus Act) passed during the 2004 Special Session made a FY 2006 appropriation of \$6,525,000 and a FY 2007 appropriation of \$3,262,500. The Offices are also permitted to retain administrative surcharge fees. ***The Governor is recommending funding for this offer.***

➤ [Meeting the Mandates of Chapter 20 \(572 ECO 001\)](#) \$1,030,607

This offer maintains operations of the Public Employment Relations Board's mission to promote harmonious and cooperative relationships between government and its employees without disruption of public services. ***The Governor is recommending funding for this offer.***

➤ [Board of Regents Economic Development \(615 ECO 003\)](#) \$2,971,853

This offer maintains current funding for; Iowa State University for a Small Business Development Centers, Research Park, and the Institute for Physical Research and Technology; the University of Iowa Research Park, Institute for Physical Research, and the Advanced Drug Development Program; the University of Northern Iowa Metal Casting Institute and the Institute for Decision Making. ***The Governor is recommending funding for this offer, and is recommending an additional \$20,000,000, with \$10,000,000 provided by the RIIF and \$10,000,000 provided by the Endowment for Iowa's Health Account to support the biosciences and the commercialization of research.***

Partially Funded Offers

➤ [Iowa Great Places \(259 ECO 001\)](#) \$3,000,000

This offer provides increased funding from the General Fund for the Department of Cultural Affairs to establish 10 new Great Places partnerships and provide \$1,000 incentive stipends to State employees who serve as coaches. ***Of the total offer amount, the Governor is recommending \$1,500,000, with \$500,000 from the General Fund and \$1,000,000 provided by the Endowment for Iowa's Health Account Restricted Capitals Fund.***

➤ [Tourism Promotion \(269 ECO 007\)](#) \$3,756,976

This offer maintains funding for the promotion of tourism. ***Of the total offer amount, the Governor is recommending \$3,256,976.***

➤ [Bioscience Alliance \(269 ECO 011\)](#) \$16,425,000

This offer is an increase from the General Fund to follow the recommendation of the Battelle Plan. The first step of the Plan is the creation of the Biosciences Alliance of Iowa. The Alliance has been formed to steer the development of the emerging biosciences industry. The Alliance has representation from the Iowa Capital Investment Corporation (ICIC), the Iowa Capital Investment Board (ICIB), the University of Northern Iowa, Iowa State University, the University of Iowa, private colleges and universities, community colleges, commodity groups, farm organizations, private and investor owned utilities, business associations, local economic development professionals, venture capital firms, community colleges, and the Board of Regents. ***Of the total offer amount, the Governor is recommending \$5,109,252, with \$2,309,252 from the General Fund and \$2,800,000 from the Federal Economic Stimulus and Jobs Holding Fund.***

Unfunded Offers

➤ [Chapter 16, Code of Iowa, State Income Tax Exempt Bonds \(270 ECO 003\)](#) \$165,000

This offer is an increase for a new income tax exemption for certain Iowa Finance Authority's Single Family and Multifamily Bonds that encourage Iowans to purchase Iowa Finance Authority bonds issued for the single family and multifamily programs. The funding would be used to enlarge the potential pool for sale of Iowa Finance Authority bonds, reduce borrowing costs, and broaden the investor base. Funding would be provided from the Iowa Finance Authority Fund. ***The Governor is not recommending funding this offer.***

➤ [Skill Credentials Initiative \(309 ECO 003\)](#) \$200,000

This offer is an increase to build the foundation for a Statewide system of business and education partnerships to align technical and academic curricula with the skill needs of today's workplaces and to provide students with portable, industry-recognized skill credentials. ***The Governor is not recommending funding this offer.***

➤ [Tier2 Reporting \(309 ECO 004\)](#) \$75,000

This offer is an increase to compile Tier 2 forms. Tier 2 forms list certain chemicals that are stored at businesses in Iowa. The Iowa Division of Emergency Management and Homeland Security, county level Local Emergency Planning Committees (LEPC), and firefighters use this information to make sure that Iowa's counties have adequate plans for responding to uncontrolled chemical releases. ***The Governor is not recommending funding this offer.***

Education Appropriations Subcommittee

Total of 46 offers, including standing appropriations, made by Selling Team

\$3,255,448,198

Total of 36 offers recommended by the Governor

\$3,203,427,916

Fully Funded Offers

➤ Blind General Operations (131 EDU 001)

\$1,954,105

This offer maintains funding for the Department for the Blind operations at the FY 2006 level. ***The Governor is recommending funding for this offer.***

➤ Educator Quality (282 EDU 001)

\$85,168,903

This offer provides increased funding for the Student Achievement and Teacher Quality Program, including:

- An increase in the minimum salaries for beginning and career teachers by \$1,000 and to add one professional development day.
- An increase to establish a Teachers as Trainers Program, providing stipends to approximately 270 teachers who participate in academies focusing on teaching strategies in reading, mathematics, and science.
- An increase for career development, evaluator approval, and content networks.
- An increase to establish a National Board Certification Support Program.
- An increase for the Beginning Teacher Mentoring and Induction Program.
- An increase to establish a mentoring and induction program for new school administrators.

The Governor is recommending funding for this offer and is recommending an additional \$14,424,991 for an across-the-board teacher salary increase.

- [Voluntary Access to Quality Preschool for All 4-Year-Olds \(282 EDU 002\)](#) \$12,781,250
- This offer provides \$12.5 million in direct categorical grants to selected local school districts that have initiated a 4-year-old preschool program. It is estimated the grants will serve 4,000 children in FY 2007. Additional funding will be sought in subsequent years to reach a goal of 90.0% of 4-year-olds participating in preschool by FY 2010. The cost in FY 2010 and subsequent years is estimated to be \$75.0 million, funded primarily through the State's school aid formula. ***The Governor is recommending funding for this offer and is recommending an additional \$2,218,750 to serve 4,800 children.***
- [Iowa Jobs for America's Graduates \(JAG\) \(282 EDU 006\)](#) \$500,000
- This offer provides increase funding to expand the JAG Program to two additional sites and to serve an additional 66 students in grades 9-12. The Program currently serves 1,100 students in grades 11-12. ***The Governor is recommending funding for this offer and is recommending an additional \$100,000 to add four sites and serve an additional 132 students.***
- [Child Nutrition Programs \(282 EDU 007\)](#) \$2,509,683
- This offer maintains the current level of funding for School Food Service, which serves as a match for federal funding. ***The Governor is recommending funding for this offer.***
- [State Aid to Nonpublic Schools \(282 EDU 008\)](#) \$8,887,821
- This offer provides funding for nonpublic school students for transportation and to provide textbooks and related materials. Transportation funding is established as a standing appropriation. Public schools are reimbursed for providing or contracting for school bus services to transport nonpublic students and parents of nonpublic students are reimbursed for transportation they provide. Textbook and materials funding is an annual appropriation. ***The Governor is recommending funding for this offer and is recommending an additional \$100,000 to increase reimbursements.***
- [Vocational Education Secondary \(282 EDU 011\)](#) \$2,936,904
- This offer maintains the current level of funding, which serves as a match for federal funding. ***The Governor is recommending funding for this offer.***

- [Libraries Enrich Iowa \(282 EDU 012\)](#) \$2,913,432
- This offer provides an increase to fund a higher reimbursement rate to local libraries under the Open Access Program. The General Fund amount of this offer is \$2,013,432 and the Other Fund amount of this offer is \$900,000. ***The Governor is recommending funding for this offer but is recommending the entire amount be funded from the General Fund.***
- [Independent Living Services for Iowans with Disabilities \(283 EDU 002\)](#) \$54,421
- This offer maintains the current level of funding. ***The Governor is recommending funding for this offer.***
- [Iowa Tuition Grant \(284 EDU 001\)](#) \$52,653,990
- This offer provides restoration funding of \$49,673,576 and an increase of \$2,980,415 to provide larger tuition grants to students attending private colleges and universities. The requested funding will provide average grants of \$3,172 to 16,600 students. This is an increase of \$87 (2.8%) in the average grant and an increase of 500 (3.10%) in the number of recipients. Maximum grant would remain at \$4,000. ***The Governor is recommending funding for this offer.***
- [Iowa National Guard Educational Assistance Program \(284 EDU 004\)](#) \$3,800,000
- This offer includes an increase of \$75,000 for the educational assistance awards for members of the Iowa National Guard. Approximately 1,200 Guard members receive assistance through this Program. ***The Governor is recommending funding for this offer.***
- [Iowa Grants \(284 EDU 005\)](#) \$1,029,784
- This offer maintains the current level of funding for the Iowa Grant Program. The current funding level provides average grants of \$675 to an estimated 1,525 students. Maximum award is \$1,000. Grants are for students in all three higher education sectors: community colleges; Regents universities; and, independent colleges and universities. ***The Governor is recommending funding for this offer.***
- [Teacher Shortage Forgivable Loans \(284 EDU 007\)](#) \$285,000
- This offer maintains the current level of funding. The State funding is expected to be supplemented with \$981,169 of federal funds for total FY 2007 funding of \$1,266,169. This level of funding provides average awards of \$3,000 for 422 students. ***The Governor is recommending funding for this offer.***

➤ [Physician Recruitment Program \(284 EDU 009\)](#) \$346,451

This offer maintains current level of funding. The State funding is matched by community funds to provide assistance up to \$40,000 per recipient for physician graduates that locate in designated rural areas. ***The Governor is recommending funding for this offer.***

➤ [Internships for lowans in Washington DC \(284 EDU 010\)](#) \$76,400

This offer provides new funding for 64 scholarships of approximately \$1,200 each for Iowa students studying in Washington DC. Internships are coordinated by the Washington Center for Internships and Academic Seminars. During the 2004-2005 academic year, 64 Iowa students from six colleges and universities attended one-semester, college-credit internship programs. ***The Governor is recommending funding for this offer.***

➤ [Lifelong Learning Media \(285 EDU 002\)](#) \$1,594,569

This offer provides increased funding for Iowa Public Television to launch digital multicasting with three distinct genres: 1) Programming for preschool and school-aged children; 2) How-to and lifestyle programming; and 3) Formal adult instructional programming, including college credit, GED, and foreign language courses. ***The Governor is recommending funding for this offer.***

➤ [Board of Regents Special Schools \(615 EDU 002\)](#) \$14,305,786

This offer includes restoration funding of \$13,755,786 and an increase of \$550,000 for increased costs associated with special instruction. These include salaries; safe, suitable, and accessible facilities for special needs students; boarding costs; and support services. ***The Governor is recommending funding for this offer.***

➤ [Board of Regents Special Purpose \(615 EDU 004\)](#) \$25,895,562

This offer maintains the current level of funding for a variety of special purpose appropriations at the Board of Regents universities. ***The Governor is recommending funding for this offer.***

Partially Funded Offers

➤ [Iowa Commission on Volunteer Services – Promise \(269 EDU 013\)](#) \$250,000

This offer includes an increase and the addition of 1.50 FTE positions for a proposal by the Iowa Collaboration for Youth Development (ICYD), that includes State-local partnerships of multiple units of government and public and private agencies that will be enhanced and improved. The collaboration is intended to fulfill the promises that all Iowa youth will be: successful in school; healthy and socially competent; prepared for productive adulthood; and in safe, supportive families, schools and communities. ***Of the total offer amount, the Governor is recommending \$125,000.***

➤ [Connecting Generations – State Historical Society of Iowa \(259 EDU 001\)](#) \$5,331,125

This offer maintains \$4,311,125 at the FY 2006 General Fund level of funding for administration in the Department of Cultural Affairs and for the State Historical Society, the Historic Sites, and archiving the papers of former Governors. It also provides an increase for the State Archives and Records Program and for outreach to schools. The offer also includes a capitals request for \$800,000 from the Vertical Infrastructure Fund for Historic Site Preservation Grants. ***Of the total offer amount, the Governor is recommending \$5,294,908, which funds the entire offer with the exception of \$36,217 for outreach to schools.***

➤ [Iowa Art = Iowa Growth \(259 EDU 002\)](#) \$1,762,402

This offer maintains the FY 2005 level of funding for the Department of Cultural Affairs for Music Grants and increased funding for Cultural Grants, Cultural Enrichment Partnership Grants, the Operational Support Program, Major Project Grants, the Big Yellow School Bus Program, and Mini Grants. The offer also provides new funding for an Arts Partners for Achievement Pilot Program to take arts education into the schools. ***Of the total offer amount, the Governor is recommending \$1,505,569, which maintains the current level of funding.***

➤ [High School Reform \(282 EDU 003\)](#) \$9,562,970

This offer provides funding for the Department of Education for:

- Training and technical assistance in the implementation of the model core curriculum as required by SF 245 (Model Core Curriculum).
- An additional 1.00 FTE position to assist local school districts and Area Education Agencies (AEAs) with school reorganization and shared operational functions.

- Area Education Agency (AEA) facilitation of sharing arrangements between local school districts.
- Incentives to school districts that share administrative functions with other districts.
- Supplementary weighting for each student enrolled in an Advanced Placement (AP) class to fund the cost of the AP exam.
- Tuition reimbursement and other incentives for new teachers in shortage areas.

Of the total offer amount, the Governor is recommending \$270,000 for the implementation of the model core curriculum. He is also proposing addressing the other features of the offer with the creation of the Vanguard School Grants Fund that would receive any unexpected revenues the State collects at the end of the fiscal year. The State Board of Education would use the funds to award five-year grants to school districts for innovative proposals.

► **State Aid to School Districts and Area Education Agencies (282 EDU 004)** **\$2,172,517,280**

This offer provides funding to school districts through a set of appropriations referred to as the unassigned standing appropriations. It includes:

- **State Foundation Aid** – the basic funding for K-12 school districts and area education agencies through the school foundation formula. The request is based on the 4.00% allowable growth rate established during the 2005 Legislative Session and restores area education agency funding of \$11,800,000 that was eliminated in FY 2005 and FY 2006, for a total request of \$2,073,000,000. ***Of the total offer amount, the Governor is recommending \$2,048,201,297 to fund 4.0% allowable growth as currently estimated.***
- **Instructional Support** – additional funding of up to 10.00% of the regular program district costs for general operations. Revenue is provided by property tax or a combination of property tax and income surtax and by a State General Fund appropriation that is capped at \$14,800,000. ***Of the total offer amount, the Governor is recommending \$14,798,227, which is an increase of \$369,956 compared to estimated FY 2006.***
- **Early Intervention Block Grant** – funding to reduce kindergarten through grade three class size and improve students' basic skills with a \$29,250,000 standing appropriation. ***The Governor is recommending full funding of this portion of the offer.***

- **Education Excellence Program** – funding to raise teacher salaries. The Department of Education is requesting an appropriation of \$55,469,053. *The Governor is recommending full funding of this portion of the offer.*

Of the total offer amount, the Governor is recommending \$2,147,718,577.

➤ Department of Education Administration (282 EDU 005) \$6,953,505

This offer provides increased funding for the Department of Education, including:

- 5.00 FTE positions for school regulation, so that one person is assigned to each Area Education Agency (AEA).
- 3.45 FTE positions so that current staff will be paid with State funds and can work on regulatory compliance issues with schools and AEAs.
- 1.00 FTE position for a community college management information system consultant.
- Funding for an unfunded FY 2006 DAS increase, unfunded FY 2006 DAS-ITE storage fees, and additional FY 2007 I/3 utility costs.

Of the total offer amount, the Governor is recommending \$6,292,576, including increased funding for 4.00 FTE positions for school regulation. Two AEA's are in the process of merging, reducing the number of positions needed.

➤ Community Colleges State General Aid (282 EDU 010) \$160,829,244

This offer provides an increase in funding equal to 4.00% growth on 75.00% of community colleges' general expenditures. *Of the total offer amount, the Governor is recommending \$155,562,414, which represents 4.00% increase compared to the estimated FY 2006 appropriation.*

- [Library Service Areas: Making Libraries Better for Iowans \(282 EDU 013\)](#) **\$2,000,000**

This offer provides increased funding for the Library Service Areas to assist libraries in expanding early childhood programming for children and parents. ***Of the total offer amount, the Governor is recommending \$1,376,558, which maintains the current level of funding.***
- [State Library of Iowa: Sustaining a State of Learners \(282 EDU 014\)](#) **\$1,845,694**

This offer provides increased funding for the State Library for library books and journals, specialized software for library data collection, and a new incentive program to encourage sharing and collaboration between libraries beyond the current Open Access and Access Plus Programs. ***Of the total offer amount, the Governor is recommending \$1,620,694, which provides an increase for library books and journals.***
- [Vocational Rehabilitation Services That Lead to Employment \(283 EDU 001\)](#) **\$5,116,174**

This offer provides increased funding to earn available federal funding, provide services for an additional 1,292 persons, and produce an additional 80 successful case closures. ***Of the total offer amount, the Governor is recommending \$4,779,655, which maintains the current level of funding.***
- [Iowa Work-Study Opportunities \(284 EDU 002\)](#) **\$300,000**

This offer provides restoration funding of \$140,000 and an increase of \$160,000 to provide work study awards for college students at all Iowa higher education institutions. These funds supplement approximately \$13.5 million of federal funds received by Iowa schools for this purpose. The requested funding level will provide average awards of \$638 to 470 students. This is a \$2 increase in the average award and an increase of 250 (113.6%) in the number of students assisted. ***Of the total offer amount, the Governor is recommending \$140,000, which maintains the current level of funding.***
- [Iowa Vocational-Technical Tuition Grants \(284 EDU 003\)](#) **\$3,533,115**

This offer provides restoration funding of \$2,533,115 and an increase of \$1,000,000 to provide vocational technical tuition grants to students at Iowa's community colleges and technical schools. The requested funding level will provide average grants of \$538 to 6,569 students. This is a decrease of \$162 (23.1%) in the average grant and an increase of 2,951 (81.6%) in the number of students assisted. ***Of the total offer amount, the Governor is recommending \$2,533,115, which maintains the current level of funding.***

- [Osteopathic Forgivable Loan Program \(284 EDU 008\)](#) \$100,000
- This offer provides restoration funding of \$50,000 and an increase of \$50,000 to provide awards to more students. The requested funding level, in addition to institutional match funds and loan repayment proceeds will provide average loans of \$2,750 to 100 students. ***Of the total offer amount, the Governor is recommending \$50,000, which maintains the current level of funding.***
- [College Student Aid Commission Administration \(284 EDU 011\)](#) \$370,464
- This offer includes an increase of \$5,824 for the administration of the Commission. ***Of the total offer amount, the Governor is recommending \$364,640, which maintains the current level of funding.***
- [Public Service Media \(285 EDU 001\)](#) \$6,388,225
- This offer provides increased funding for Iowa Public Television for DAS increases. ***Of the total offer amount, the Governor is recommending \$6,372,175, which maintains the current level of funding.***
- [Regional Telecommunications Councils \(RTCs\) \(285 EDU 003\)](#) \$1,272,285
- This offer provides an increase to restore funding for the RTCs to the FY 2004 level. ***Of the total offer amount, the Governor is recommending \$1,240,478, which maintains the current level of funding.***
- [Comprehensive Early Care, Health and Education System \(532 EDU 001\)](#) \$45,358,125
- This offer provides \$34,327,594 in funding for early childhood services, including the Community Empowerment Program, the Child Development (Shared Visions) standing appropriation, and several appropriations that will be addressed by the Health and Human Services Appropriations Subcommittee. The offer includes the following:
- Maintains the current level of funding from the General Fund and the Healthy Iowans Tobacco Trust Fund for School Ready Grants, including low-income preschool tuition support.
 - Provides additional funding for 0.50 FTE position in each of the four departments (Education, Human Rights, Economic Development, and Public Health) involved in the State Empowerment Team.

- Transfers professional development funds to the Department of Human Services to better coordinate with the Quality Rating System efforts.
- Provides additional funding to improve the Quality Rating System and restore FY 2006 underfunding of administration, marketing, and training; increase child care provider rates to 2004 market rate survey; expand consultation to child care home providers; and improve the quality of child care homes and centers.
- Provides additional funding for the Access to Baby & Child Dentistry and Assuring Better Child Health & Development II initiatives.
- Provides additional funding for evaluation and coordination of home visitation/parent support programs to identify areas of overlap, redundancy, and fragmentation.
- Maintains the current level of General Fund support for the Child Development standing appropriation that funds the Shared Visions Program.
- This is a joint offer between the Departments of Education, Human Rights, Human Services, Management, and Public Health, of which \$8,402,281 reflects the Department of Human Services' portion of the offer, which would provide for additional staff in Field Operations for quality assurance relating to registered child care homes and licensed child care centers.

Of the total offer amount, the Governor is recommending \$41,910,844, which includes less funding from the General Fund for nurse consultants related to the Quality Rating System and for consultation with child care home providers.

► **Board of Regents Universities (615 EDU 001)**

\$611,482,911

This offer includes restoration funding of \$552,102,930 and an increase of \$59,379,981 for the second year funding of the Board's four-year transformation plan, annualization of FY 2006 one-time funds, and to replace the FY 2006 tobacco funds portion of Tuition Replacement with General Fund money. For FY 2006, the Board implemented a four-year plan to transform the institutions and increase education excellence by increasing overall university resources for strategic needs. New funds will be matched by specifically directed internal reallocations. Funds will be used to increase salaries, establish new faculty positions, and preserve excellence in statewide outreach services. ***Of the total offer amount, the Governor is recommending \$591,732,911. Of this total, \$582,052,590 is recommended from the General Fund and \$9,680,321 from the Rebuild Iowa Infrastructure Fund (RIIF). The General Fund total is an increase of \$29,949,660 compared to estimated FY 2006 and includes \$20,000,000 for the Regents Partnership for Transformation Excellence proposal, \$9,050,000 to annualize one-time funds provided in FY 2006, \$649,660 for Tuition Replacement (debt service on Academic Revenue bonds), and***

\$250,000 to establish a Center of Governing Excellence. The Governor is also recommending \$9,680,321 from the RIIF for Tuition Replacement. The RIIF funding recommendation is located in the Transportation and Infrastructure Subcommittee section.

Unfunded Offers

- **[Blind Older lowans \(131_EDU_002\)](#)** **\$58,000**

This offer provides funding for the Department for the Blind from the Senior Living Trust Fund to expand community-based, small-group training sessions to augment home training in non-visual alternative techniques. ***The Governor is not recommending funding this offer.***
- **[Blind Vocational Rehabilitation \(131_EDU_003\)](#)** **\$52,615**

This offer provides funding for the Department for the Blind to improve the Department's ability to meet the education and technology needs of clients who seek jobs and need help with education costs, assistive technology, and other services to support academic and vocational progress. ***The Governor is not recommending funding this offer.***
- **[Blind Business Enterprises \(131_EDU_004\)](#)** **\$5,325**

This offer provides funding for the Department for the Blind to expand the Business Enterprises Program by improving services and facilities of existing vendors and adding new business sites. ***The Governor is not recommending funding this offer.***
- **[Blind Project Assist \(131_EDU_005\)](#)** **\$40,000**

This offer provides funding for the Department for the Blind to create and distribute training kits for specific software and other assistive technology devices for document development, communications, and personal data management. ***The Governor is not recommending funding this offer.***
- **[Blind In-Home Recording \(131_EDU_006\)](#)** **\$5,325**

This offer provides funding for the Department for the Blind to purchase 50 new digital recording units and train in-home volunteers to use the units to record textbooks, vocational materials, magazines, and other printed materials. ***The Governor is not recommending funding this offer.***

- [Blind Learning Disabilities \(131 EDU 007\)](#) \$17,040
- This offer provides funding for the Department for the Blind to create a repository of electronically enhanced textbooks for students with reading-based learning disabilities, to allow web-based access by all Area Education Agencies and local school districts, and to create a network of resources to transcribe textbooks and other reading materials on demand for learning-disabled students. ***The Governor is not recommending funding this offer.***
- [Connect Students to the Workplace \(282 EDU 009\)](#) \$1,950,000
- This offer provides funding for the Department of Education to develop a statewide work-based learning intermediary network that is web-supported, regionally staffed and managed, and includes a state-level clearinghouse for internships and job shadowing experiences. ***The Governor is not recommending funding this offer.***
- [School Readiness and Children’s Health Awareness \(285 EDU 004\)](#) \$281,997
- This offer provides increased funding for Iowa Public Television for current and expanded Ready to Learn and Healthy Minutes programming. The increase replaces federal funding that will no longer be available and will serve as match for a \$10,000 grant. ***The Governor is not recommending funding this offer.***
- [A Competitive Education for a “Flat World” \(285 EDU 005\)](#) \$210,000
- This offer provides funding for Iowa Public Television to produce a series of programs focusing on the global economy and Iowa's ability to compete within it. ***The Governor is not recommending funding this offer.***
- [Smart Tools for Iowa’s Workforce \(285 EDU 006\)](#) \$160,316
- This offer provides funding for Iowa Public Television for video programming and web sites related to adult literacy and English as a second language, GED preparation, career exploration, and general college coursework. ***The Governor is not recommending funding this offer.***

Health and Human Services Appropriations Subcommittee

Total of 46 offers made by Selling Team

\$1,591,547,313

Total of 18 offers recommended by the Governor

\$1,577,862,989

Fully Funded Offers

➤ [Elder Abuse Awareness \(297 HHS 001\)](#)

\$352,681

This offer funds four elder abuse projects that serve 19 counties. The projects focus on the prevention, intervention, detection, reporting of elder abuse, neglect, and exploitation of seniors through partnerships with the Area Agencies on Aging, the Department of Human Services (DHS), law enforcement, county attorney's, providers, and other community stakeholders. ***The Governor is recommending funding for this offer.***

➤ [Caregivers Retention Project \(297 HHS 002\)](#)

\$129,949

This offer funds a project through a contract with the Iowa Caregivers Association that focuses on providing information to consumers, workers, and providers that have a direct stake in increasing the number of caregivers, as well as statewide access to care for lowans. ***The Governor is recommending funding for this offer.***

➤ [National Family Caregivers Support Program \(297 HHS 003\)](#)

\$65,673

This offer funds the National Family Caregivers Support Program, which provides services to caregivers and care recipients, such as information regarding available services, assistance in gaining access to services, individual counseling and organization of support groups, respite care, supplemental care that complements the care provided by the family caregiver, and limited support services for grandparents or older individuals who are relative caregivers of a child. ***The Governor is recommending funding for this offer.***

➤ [Senior Internship Program \(297 HHS 006\)](#)

\$112,162

This offer funds the Senior Internship Program that supports workforce development for older lowans through training, retraining, and community service. The Program provides job placement for individuals 55 and older, and funds part-time community service jobs at public libraries, parks, and other public non-profit agencies. ***The Governor is recommending funding for this offer.***

- [Healthy Aging \(297 HHS 007\)](#) \$462,558
- This offer funds nutrition programs, such as congregate and home-delivered meals that serve seniors age 65 and older, nutrition education and counseling, and connections to health promotion and disease prevention programs. ***The Governor is recommending funding for this offer.***
- [Case Management Program for the Frail Elderly \(297 HHS 010\)](#) \$4,589,150
- This offer funds the Case Management Program for the Frail Elderly that provides assessments, individual care plans, and on-going monitoring and assessment of the delivery of services for seniors through the local Area Agencies on Aging. ***The Governor is recommending funding for this offer.***
- [Building Healthy Communities in Iowa - Healthy Aging and Long-Term Living \(588 HHS 011\)](#) \$9,294,969
- This offer funds community-based services that contribute to healthy aging, including county public health nursing and home health aide preventive services. The funds are contracted to local board of health or local boards of supervisors in all 99 counties that then assess the needs of their respective counties and determine how the funding can best meet the needs of county residents. ***The Governor is recommending funding for this offer.***
- [Building Healthy Communities in Iowa - Assuring Iowa's Environmental Health \(588 HHS 013\)](#) \$809,308
- This offer funds environmental hazards prevention activities, such as testing for childhood lead poisoning; providing grants to local health departments to test private drinking water wells; and tracking pesticide poisonings, food and waterborne illnesses, and other environment-related conditions, including, but not limited to, West Nile Virus and encephalitis. ***The Governor is recommending funding for this offer.***
- [Building Healthy Communities in Iowa - Defeating Infectious Diseases \(588 HHS 015\)](#) \$1,140,887
- This offer funds prevention activities against infectious diseases through vaccination and education, screening, investigation, and treatment to prevent the spread of disease. These include the collection of immunization histories to ensure children are appropriately immunized; the distribution of vaccines to local health departments; the Center for Acute Disease Epidemiology, that investigates disease reports and distributes findings; and the Prescription Services Program that provides treatment to Iowans with sexually transmitted diseases and tuberculosis at a reduced cost. ***The Governor is recommending funding for this offer.***

- **Medical Assistance and Medical Contracts (401 HHS 003)** **\$856,473,659**
- This offer funds Iowa's Medicaid Program: maintaining current eligibility standards, providing services mandated by Title XIX, freezing provider rates at SFY 2006 levels, and administering the Iowa Medicaid Program. ***The Governor is recommending funding for this offer and is recommending an additional \$28,928,111 for a total of \$885,401,770. However, it was determined that the recommended transfer from HITT to the SLTF of \$73.4 million was also included as an expenditure.***
- **Health Insurance Premium Payment (401 HHS 005)** **\$634,162**
- This offer provides funding for the Health Insurance Premium Payment Program (HIPP). The Program allows the State to pay the cost of enrolling a Medicaid-eligible person in an employer-sponsored group health insurance plan when it is determined to be cost-effective. ***The Governor is recommending funding this offer.***
- **Child Care (401 HHS 007)** **\$24,447,517**
- This offer provides funding for the Child Care Assistance Program, which provides financial assistance for child care for eligible low-income families who are employed or in school. This offer also funds the regulation of child care providers, and the oversight of quality improvement services and activities so that children enter school ready-to-learn. ***The Governor is recommending funding this offer.***
- **Preparation for Adult Living Services (PALS) (401 HHS 010)** **\$3,562,921**
- This offer provides funding designed to ensure that youth in foster care are better prepared for the challenges and opportunities of adulthood by continuing voluntary maintenance and Medicaid coverage for youth aging out of foster care up to their 21st birthday. ***The Governor is recommending funding this offer and an additional \$3,909 from the General Fund for a total of \$3,566,830.***
- **Adoption (401 HHS 011)** **\$35,105,294**
- This offer provides funding for services that secure adoptive families for children under the State's guardianship, including adoptive family recruitment, home studies, placement preparation, and post-placement services, and funds the Adoption Subsidy Program that provides financial and other supports to families that adopt children from foster care. ***The Governor is recommending funding this offer and an additional \$208,778 from the General Fund for a total of \$35,314,072.***
- **Domiciliary Services for Iowa Veterans (671 HHS 004)** **\$1,527,480**
- This offer provides improved services to those 100 veterans currently receiving domiciliary (residential) services at the Iowa Veterans Home. Current services include housing, nursing, medical, mental health, substance abuse support services, social work, and recreation services.

Enhances services will be offered to improve the success rate of veterans who are admitted to the Domiciliary, including day treatment programs, job seeking skills training, and job retention skills training. **The Governor is recommending funding this offer.**

Partially Funded Offers

- ▶ [Iowa Commission on Volunteer Services – RSVP \(269 HHS 012\)](#) \$188,133

This offer funds the Senior Corps, a network of national service programs that provide Americans 55 years and older the opportunity to apply their life experiences to meeting community needs through volunteerism. **Of the total offer amount, the Governor is recommending \$174,198.**

- ▶ [Home and Community Based Services Rent Subsidy Program \(270 HHS 005\)](#) \$1,200,000

This offer funds the Home and Community Based Services Rent Subsidy Program that provides temporary rental assistance for people who receive medically-necessary services through any of the six Medicaid 1915(c) waivers and are at risk for placement in a nursing facility or until the client becomes eligible for a Housing and Urban Development (HUD) housing choice voucher or any other type of public or private rent subsidy. The funding is provided through the Senior Living Trust Fund (SLTF). **Of the total offer amount, the Governor is recommending \$700,000.**

- ▶ [Ombudsman/Resident Advocate Committees \(297 HHS 004\)](#) \$533,533

This offer funds the Long-Term Care Ombudsman and Resident Advocate Committee (RAC) Programs. There are currently five regional ombudsmen that investigate nursing facility complaints across the State. The RAC Program is designed to resolve issues in facilities to the satisfaction of residents at the local level. **Of the total offer amount, the Governor is recommending \$373,533.**

- ▶ [Special Projects \(297 HHS 008\)](#) \$189,082

This offer funds projects that enable the Department of Elder Affairs to leverage additional federal, State, foundation, and private funds for elder programs that are innovative, improve systems, impact policy change, and address quality assurance issues. **Of the total offer amount, the Governor is recommending \$39,082.**

- ▶ [Winning Compliance \(297 HHS 009\)](#) \$1,211,089

This is a joint offer between the Departments of Elder Affairs (\$210,365) and Inspections and Appeals (\$1,000,724) that funds the implementation of a strategy for achieving results in assisted living, adult day services, and elder group homes that maximizes voluntary compliance and differentiates between providers by using rewards. The number above only reflects the Department of Elder Affairs' portion of the offer. **Of the total offer amount, the Governor is recommending \$973,589.**

- [Home and Community-Based Services and Community Supports \(297 HHS 011\)](#) **\$8,694,915**
- This offer funds home and community-based services for seniors that are coordinated by the 13 local Area Agencies on Aging and allow seniors to continue to live independently. Services include, but are not limited to, homemaker, chore, respite, adult day care, transportation, personal care, emergency response systems, and medication management. ***Of the total offer amount, the Governor is recommending \$7,738,077.***
- [Building Healthy Communities in Iowa - Addiction Free Iowa \(588 HHS 001\)](#) **\$35,165,859**
- This offer funds programs in the Department of Human Services (\$35,103,468) and the Department of Corrections (\$62,391) for the prevention and treatment of substance abuse, problem gambling, and tobacco use for Iowans of all ages. These services include the Just Eliminate Lies (JEL) Program, as well as counter marketing, youth development, mentoring programs, Quitline Iowa, education, referrals, crisis counseling, community-based substance abuse treatment and jail-based treatment. ***Of the total offer amount, the Governor is recommending \$29,711,871.***
- [Building Healthy Communities in Iowa - Healthy Children and Families \(588 HHS 005\)](#) **\$3,575,940**
- This offer funds community-based preventive health services for children and families, including assisting families to find a medical and dental home, maternal-child health, reproductive health, oral health, and home visiting services, which are planned and implemented in coordination with Early Childhood partners. ***Of the total offer amount, the Governor is recommending \$2,171,190.***
- [Building Healthy Communities in Iowa - Health Promotion and Chronic Disease Management \(588 HHS 007\)](#) **\$2,593,990**
- This offer funds community-based programs that promote the health of Iowa's newborns, prevent and treat chronic diseases, and encourages healthy behaviors, with an emphasis on the most vulnerable populations, including children, the elderly, minority populations, low-income, and the uninsured. ***Of the total offer amount, the Governor is recommending \$2,074,990.***
- [Building Healthy Communities in Iowa - Improving Access and Delivery \(588 HHS 009\)](#) **\$3,137,128**
- This offer funds access to health services with an emphasis on those with low incomes, those living in rural areas, the uninsured or underinsured, minorities, immigrants, and refugees. ***Of the total offer amount, the Governor is recommending \$2,637,128.***

- [Building Healthy Communities in Iowa - Health Protection and Regulation \(588 HHS 019\)](#) \$10,401,263

This offer funds regulatory programs, in collaboration with local, State, and federal partners, that protect Iowans from life threatening injuries and illness, environmental contaminants, public health hazards, and incompetent or impaired health professionals. Activities funded include the State Medical Examiners Office, Emergency Medical Services (EMS), regulation of environmental contaminants, the Poison Control Center, and the 23 health licensure boards. ***Of the total offer amount, the Governor is recommending \$9,521,705.***
- [Supporting Basic Needs of Low Income Iowans \(401 HHS 001\)](#) \$84,214,729

This offer provides funding for a variety of programs to help low-income Iowans meet basic needs, improve nutrition levels, and achieve economic self-sufficiency while maintaining independence and dignity. ***Of the total offer amount, the Governor is recommending \$80,333,705.***
- [Child Support \(401 HHS 002\)](#) \$9,533,801

This offer provides funding for the Child Support Recovery Unit. The Unit is responsible for securing paternity, obtaining orders of support, and enforcing those orders to ensure that children of parents not living in the same household have their basic needs met. ***Of the total offer amount, the Governor is recommending \$8,677,662.***
- [IowaCare \(401 HHS 004\)](#) \$96,960,447

This offer provides funding for the IowaCare program as initiated by HF 841 in the 2005 General Assembly. The offer also includes various initiatives to improve the health status of IowaCare members. ***Of the total offer amount, the Governor is recommending \$95,960,447.***
- [State Child Health Insurance Program/\(hawk-i\) \(401 HHS 006\)](#) \$23,613,283

This offer provides funding for the State Children's Health Insurance Program (SCHIP). The offer would provide status quo funding for SCHIP, which covers both a Medicaid expansion for children as well as the *Hawk-i* Program. ***Of the total offer amount, the Governor is recommending \$20,377,584.***
- [Juvenile Facilities \(401 HHS 008\)](#) \$17,736,874

This offer provides access to specialized, highly-structured services in residential setting to juveniles who are court ordered to the Eldora Training School and the Iowa Juvenile Home at Toledo either as an adjudicated delinquent or as a Child in Need of Assistance (CINA). ***Of the total offer amount, the Governor is recommending \$17,288,142.***

- [Child Welfare and Juvenile Justice Community Services \(401 HHS 009\)](#) \$113,474,283
- This offer provides funding designed to improve child safety, permanency, and community safety, including reducing repeat maltreatment and foster care re-entry through strategies that build on the child welfare redesign, which includes improving family engagement, tailoring services to individual child and family needs, expanding community partnerships, increasing case worker time with families, enhancing clinical decisions, and addressing disproportionate and disparate outcomes for minority children. ***Of the total offer amount, the Governor is recommending \$106,707,806.***
- [Children with Disabilities \(401 HHS 012\)](#) \$2,368,455
- This offer provides funding for the Family Support Subsidy and Children at Home Programs. The Family Support Subsidy Program provides a monthly cash payment to 378 families with a net income below \$40,000 that have a child with a serious emotional disturbance, mental retardation, developmental disabilities, or brain injury. The Children at Home Program provides services to 600 children in 14 counties with time-limited, as needed, services to families with a net income below \$60,000 that have a child with a disability. ***Of the total offer amount, the Governor is recommending \$1,936,434.***
- [Mental Health Institutes \(401 HHS 013\)](#) \$21,669,110
- This offer provides access to an estimated 2,000 persons needing high-quality in-patient mental health and substance abuse treatment services at the four Mental Health Institutes (MHIs). Funding received from the Health Transformation Account within the IowaCare Program is within another budget offer. ***Of the total offer amount, the Governor is recommending \$20,508,058.***
- [Resource Centers \(401 HHS 014\)](#) \$23,880,985
- This offer provides critical access to quality treatment services for 705 children and adults with mental retardation and other related conditions. The goal of these treatment services is to develop the skills so that these persons can be served in the community. Funding received from the federal government or county governments are not included in the specified amount. ***Of the total offer amount, the Governor is recommending \$23,302,660.***
- [MH/DD Community Services \(401 HHS 015\)](#) \$162,024,121
- This offer relates to services offered by the State or the counties to provide behavioral and developmental care services to persons with mental health and developmental disabilities. These services may include treatment, vocational, and other support services to help consumers remain in their home community as well as congregated-based residential services. The Offer includes the \$95.0 million

appropriation that is typically not included within the Health and Human Services Appropriations Act. ***Of the total offer amount, the Governor is recommending \$161,674,121.***

➤ **Civil Commitment Unit for Sexual Offenders (CCUSO) (401 HHS 016)** **\$4,871,657**

This offer provides access to highly specialized, extended-term treatment services in a secure residential setting that are designed to address the specific treatment needs of civilly committed individuals and provide motivation for behavior change. This includes five treatment phases providing cognitive-behavior therapy and a five level system that provides increased privileges and responsibilities. ***Of the total offer amount, the Governor is recommending \$4,757,704.***

➤ **Veteran’s Awareness Program for Medical and Other Benefits (671 HHS 001)** **\$481,374**

This offer provides the provision of assistance to Iowa’s veterans for benefits they may be eligible for from either the federal government, State government, or additional personal needs allowance when eligible for Medicaid and residing in a nursing facility. Staff also provides assistance to county Veterans Affairs Commissioners and Directors. ***Of the total offer amount, the Governor is recommending \$332,114.***

➤ **Long Term Health Care Services For Veterans (671 HHS 003)** **\$17,610,286**

This offer provides a high quality of long-term nursing and infirmary services to Iowa’s veterans. The Iowa Veterans Home emphasizes individualized treatment plans and maximizes individual’s independence in quality of life. ***Of the total offer amount, the Governor is recommending \$12,042,021.***

Unfunded Offers

➤ **Transitional Housing Revolving Loan (270 HHS 004)** **\$1,400,000**

This offer provides the second in a series of installment investments in a revolving loan fund. The loan program will be used to build transitional housing for families. The targeted tenants are families with one or more parents participating in a substance abuse treatment program. The funding is provided through the Rebuild Iowa Infrastructure Fund (RIIF). ***The Governor is not recommending funding this offer.***

➤ **Home and Community Based Services Revolving Loan Program (270 HHS 006)** **\$2,000,000**

This offer funds the second installment in a Revolving Loan Fund intended to become self-perpetuating. The Fund expands access to affordable community services options for Medicaid-eligible people and those at risk for Medicaid eligibility. Low-interest loans, along with local and private investment, will subsidize development of community-based services. The funding is provided through the Senior Living Trust Fund (SLTF). ***The Governor is not recommending funding this offer.***

- [Senior Living Revolving Loan Program \(270 HHS 007\)](#) **\$3,000,000**
- This offer funds \$500,000 from the Senior Living Trust Fund (SLTF) to provide temporary rental assistance for people that receive medically-necessary services through any of the six Medicaid 1915(c) waivers and are at risk of placement in a nursing facility or are eligible for a Housing and Urban Development (HUD) housing choice voucher or any other type of public or private rent assistance. This offer also funds \$3,000,000 from the SLTF for the second installment of a revolving loan fund that is intended to become self-perpetuating. This fund will help the State control the growth of Medicaid long-term expenditures and provides an accessible and affordable community-based option for Medicaid-eligible consumers that would otherwise be placed in an institution. ***The Governor is not recommending funding this offer.***
- [Substitute Decision Maker \(297 HHS 005\)](#) **\$395,517**
- This offer funds the implementation of an Office of Substitute Decision Maker to provide services for lowans age 18 and older that lack the capacity to make personal care and/or financial management decisions and have no available or appropriate individual to serve as a decision maker. ***The Governor is not recommending funding this offer.***
- [Department of Administrative Services \(DAS\) Utility Billings \(588 HHS 021\)](#) **\$32,809**
- This offer funds an increase for utility service costs that are charged to the Department of Public Health by the DAS, for services that include, but are not limited to, association fees paid for the space occupied by the Department in the Lucas Building, custodial services, mail processing, and grounds activities. ***The Governor is not recommending funding this offer.***
- [Greater Self-Sufficiency for lowans with Disabilities \(401 HHS 019\)](#) **\$600,000**
- This is a joint offer between the Departments of Education and Human Services and the Iowa Vocational Rehabilitation Services Division that benefits lowans with physical or mental disabilities by assisting with job training and employment placement. ***The Governor is not recommending funding this offer.***
- [Cemetery Development \(671 HHS 002\)](#) **\$80,280**
- This offer provides for the initial staff person for the development of the Iowa Veterans Cemetery, to be located in Dallas County. Funding for the Cemetery is to be received from the National Veteran Cemetery Administration in an amount estimated at \$7.0 million. Initial costs are to be expended from the \$500,000 in the Veterans Trust Fund allocated for the Cemetery, with the amount returned to the Fund once reimbursed from the National Veteran Cemetery Administration. ***The Governor is not recommending funding this offer.***

Justice System Appropriations Subcommittee

Total of 29 offers made by Selling Team

\$464,429,074

Total of 18 offers recommended by the Governor

\$447,162,059

Fully Funded Offers

➤ [Maintain current level of service Offer 1 \(238 JUS 001\)](#)

\$302,859,169

This offer provides continued funding to comply with State and federal mandates and special programs. The offer also includes increases for: reimbursements to the Department of Administrative Services (DAS); food, fuel, and pharmacy cost increases; sex offender treatment programs and supervision; connecting the Anamosa State Penitentiary water system to the City of Anamosa's system; and maintaining existing positions in Central Office. The offer amount includes appropriations from the General Fund and the Healthy Iowans Tobacco Trust Fund. ***The Governor is recommending funding for this offer, and is recommending an additional \$484,536.***

➤ [Offender reentry process Offer 3 \(238 JUS 003\)](#)

\$950,339

This offer provides transition planning from prison reception through community supervision. It also includes centralized offender assessments at the Iowa Medical Classification Center at Oakdale for all offenders who enter the prison system. ***The Governor is recommending funding for this offer.***

➤ [Legal representation to eligible clients \(428 JUS 001\)](#)

\$43,992,963

This offer provides an increase to fund projected costs within the indigent defense system. ***The Governor is recommending funding for this offer, and is recommending an additional \$3,463,082.***

➤ [ILEA Offer 1 \(467 JUS 001\)](#)

\$1,172,389

This offer provides continued funding for the Iowa Law Enforcement Academy and an anticipated 40.0% to 50.0% increase in fuel and natural gas costs. ***The Governor is recommending funding for this offer.***

➤ [Maintain current level of service \(547 JUS 001\)](#) \$1,156,960

This offer maintains the existing level of funding, plus provides an increase for DAS reimbursements. ***The Governor is recommending funding for this offer, and is recommending an additional \$70,888.***

➤ [Homeland Security and Emergency Management Division \(583 JUS 001\)](#) \$1,254,029

This offer provides funding to maintain security and emergency management functions in the State of Iowa. The Division distributed \$12.7 million to local communities in FY 2005. ***The Governor is recommending funding for this offer.***

➤ [We Think So That Law Enforcement Can Act \(595 JUS 011\)](#) \$1,602,044

This offer provides continued funding for the Intelligence Bureau and the State Fusion Center as well as an additional three months of funding for the State Fusion Center due to the expiration of a federal grant. This is a joint offer between the Department of Public Safety and the Homeland Security and Emergency Management Division. ***The Governor is recommending funding for this offer, and is recommending an additional \$198,355.***

Partially Funded Offers

➤ [Enforcement, training, education and outreach Offer 1 \(167 JUS 001\)](#) \$1,076,452

This offer provides continued funding to comply with Chapter 216, Code of Iowa. It also includes an increase of \$90,699 to hire 2.00 Civil Rights Specialist positions. ***Of the total offer amount, the Governor is recommending \$985,753.***

➤ [Mental health transition to the community Offer 4 \(238 JUS 004\)](#) \$1,538,734

This offer provides a coordinated Mental Health Transition Program for offenders within the corrections system. It also includes funding to meet the National Institute of Corrections' recommendations for staffing at the Clinical Care Unit at Fort Madison and replaces expired federal funds for mental health treatment programs. ***Of the total offer amount, the Governor is recommending \$851,747 from the General Fund and \$310,000 from the Healthy Iowans Tobacco Trust.***

➤ [Manage high-risk caseloads Offer 5 \(238 JUS 005\)](#) \$2,675,202

This offer provides additional funding for 37.00 FTE positions in Community-Based Corrections (CBC) based on the DOC workload formula. The offer also replaces expired federal grants for the Substance Abuse Therapeutic Community Treatment Program at the Iowa Correctional Institution for Women at Mitchellville and the Drug Court in the Seventh Community-Based Corrections District Department. ***Of the total offer amount, the Governor is recommending \$322,417.***

- [Operate the 178-bed Special Needs Unit Offer 7 \(238 JUS 007\)](#) \$8,831,477
- This offer provides operating funds to open the 178-bed Special Needs Medical and Mental Health Behavioral Unit at the Iowa Medical Classification Center at Oakdale. The facility was built pursuant to a federal court order. ***Of the total offer amount, the Governor is recommending \$5,113,412.***
- [IA National Guard Military Readiness and Defense \(582 JUS 001\)](#) \$6,661,184
- This offer funds the Iowa Department of Public Defense Military Division's Army and Air National Guard that consists of 9,750 members. This offer includes \$421,639 for Compensation and Expense and \$100,000 for the Civil Air Patrol. ***Of the total offer amount, the Governor is recommending \$6,246,184.***
- [Supporting All Iowa Law Enforcement \(595 JUS 001\)](#) \$3,968,623
- This offer provides continued funding for the Administration Division and 1.0 FTE position for an Accounting Tech 2 to assist with travel claims and billings. In addition, this offer integrates criminal justice information systems to provide peace officers, parole/probation officers, judges, and correctional officers with the history of offenders in the court system and institutions as well as potential threats to the general public. ***Of the total offer amount, the Governor is recommending \$3,656,020.***
- [Criminal Sciences Supporting Iowans \(595 JUS 002\)](#) \$19,133,293
- This offer provides continued funding for the Division of Criminal Investigation (DCI), the DCI Crime Lab, as well as an additional 33.0 FTE positions for gaming enforcement personnel. ***Of the total offer amount, the Governor is recommending \$19,015,875.***
- [It's a Matter of Supply and Demand \(595 JUS 003\)](#) \$4,044,941
- This offer provides continued funding for the Division of Narcotics Enforcement and the continuation of funding for undercover funds used by the Division for undercover narcotics enforcement. ***Of the total offer amount, the Governor is recommending \$4,000,447.***
- [Ensuring the Life Safety of Iowans \(595 JUS 004\)](#) \$3,925,642
- This offer provides continued funding for the Fire Marshal's Office, Fire Fighter Training, and the Fire Service Training Bureau. ***Of the total offer amount, the Governor is recommending \$3,888,654.***

➤ [What Brown Does For You \(595 JUS 005\)](#) \$45,415,748

This offer provides continued funding for the Iowa State Patrol, the Governor's Traffic Safety Bureau, the State Police Officers Council (SPOC) Sick Leave Payout Fund, and Capitol Building Security. **Of the total offer amount, the Governor is recommending \$44,427,097.**

➤ [Running on Empty \(595 JUS 012\)](#) \$2,474,833

This offer provides funding for the Iowa State Patrol motor vehicle fleet, including annual fuel costs and to rebuild the Iowa State Patrol Air Wing. **Of the total offer amount, the Governor is recommending \$1,449,700.**

Unfunded Offers

➤ [Maintain basic life care Offer 2 \(238 JUS 002\)](#) \$750,000

This offer provides an increase to encourage information sharing and improve accuracy and timeliness of the information shared across the justice system. **The Governor is not recommending funding this offer.**

➤ [Expand educational opportunities for offenders Offer 6 \(238 JUS 006\)](#) \$1,750,000

This offer provides funding for the DOC to contract with local community colleges to provide additional educational opportunities to offenders within the prison system. **The Governor is not recommending funding this offer.**

➤ [Equip the 178-bed Special Needs Unit Offer 8 \(238 JUS 008\)](#) \$3,376,519

This offer provides the one-time costs associated with opening the 178-bed Special Needs Medical and Mental Health Behavioral Unit at the Iowa Medical Classification Center at Oakdale. **The Governor is not recommending funding this offer from the General Fund. The Governor is recommending \$322,000 from the Rebuild Iowa Infrastructure Fund and \$3,044,519 from the Restricted Capitals Fund for this purpose.**

➤ [ILEA Offer 2 \(467 JUS 002\)](#) \$152,388

This offer provides funding to fill two Instructor positions and one support staff position that are currently approved but vacant. **The Governor is not recommending funding this offer.**

- [Military Service Member Home Buyer Benefit Program \(582 JUS 002\)](#) **\$1,000,000**

This offer funds a matching grant program to assist with down payments and closing costs for current and former Iowa National Guard personnel. During the 2005 Legislative Session, the program was initially funded with \$1,050,000 in unused funds appropriated for the differential pay to State employees that were mobilized after September 11, 2001. ***The Governor is not recommending funding this offer.***
- [Homeland Security Regionalization \(583 JUS 002\)](#) **\$514,956**

This offer provides funding for six Iowa Homeland Security and Emergency Management regional offices with a regional coordinator for each of the offices. ***The Governor is not recommending funding this offer.***
- [Keep'em Alive and Injury Free Until 25 \(595 JUS 006\)](#) **\$1,483,156**

This offer builds upon offer 595_JUS_005 (What Brown Does For You) and will provide 10.0 additional FTE positions for Troopers, 3.0 FTE positions for Trooper Pilots, and 3.0 FTE positions for Communication Center Managers. This offer will also enhance Iowa's Amber Alert Program and law enforcement radio communications. ***The Governor is not recommending funding this offer.***
- [Taking a Megabyte Out of Crime \(595 JUS 007\)](#) **\$827,725**

This offer provides funding for 2.0 FTE positions dedicated to installing and maintaining the in-car computer of the Iowa State Patrol and 1.0 FTE position for an Information Technology Administrator to handle reported outages and problems with the integrated criminal justice information systems. ***The Governor is not recommending funding this offer.***
- [Criminal Investigations for the Iowa Criminal Justice System \(595 JUS 008\)](#) **\$1,443,666**

This offer provides funding for overtime for General Criminalists overtime in the Division of Criminal Investigation and overtime for the Gaming Enforcement Officers. This offer also requests an increase in the appropriation to the DCI Crime Lab Equipment Fund established in HF 123 (Crime Lab Surcharge Act). ***The Governor is not recommending funding this offer.***
- [It's No Game – Iowa Must Play With a Full DEC \(595 JUS 009\)](#) **\$103,193**

This offer provides funding for 1.0 FTE position for a Narcotics Officer to serve a dual role in the Pharmaceutical Diversion Unit and as the State Drug Endangered Children (DEC) Resource Officer. ***The Governor is not recommending funding this offer.***

➤ Enhancing the Life Safety of Iowans (595_JUS_010)

\$293,449

This offer builds upon offer 595_JUS_004 (Ensuring the Life Safety of Iowans) with a request for an additional 3.0 FTE positions for Fire Safety Education in the Fire Marshal's Office and 2.0 FTE positions for Fire Service Coordinators in the Fire Service Training Bureau. ***The Governor is not recommending funding this offer.***

Transportation, Infrastructure, and Capitals Appropriations Subcommittee

Total of 65 offers made by the Selling Team

\$573,153,750

Total of 47 offers recommended by the Governor

\$398,789,001

Fully Funded Offers

➤ **General Services Enterprise (GSE) Statewide Major Maintenance (005_TRA_009)** **\$10,000,000**

For major repairs and improvements to State facilities throughout the State that are under the purview of the Department of Administrative Services (DAS). Includes facility improvements for compliance with the Americans with Disability Act (ADA) requirements. Agencies not under the purview of the DAS, and therefore not eligible to these funds are: the Department of Transportation, Board of Regents, Department of Public Defense, Department of Natural Resources, and the Iowa Public Employees Retirement System (IPERS). ***The Governor is recommending funding for this offer.***

➤ **[GSE/Wallace Building Renovation or Replacement Planning \(005_TRA_014\)](#)** **\$500,000**

Provide initial programming and design for renovation or replacement of the Wallace Building, including planning for relocation of the occupants, associated lease costs, and demolition of the building. ***The Governor is recommending funding for this offer.***

➤ **[GSE/Capitol Complex Relocation and Leasing Expenses \(005_TRA_015\)](#)** **\$1,824,500**

To provide moving, temporary leasing and other expenses related to renovation of buildings on the Capitol Complex. ***The Governor is recommending funding for this offer.***

➤ **[GSE/Repairs to Parking Lots on the Capitol Complex \(005_TRA_017\)](#)** **\$1,545,000**

For planning, design, and repairs to the parking lots 1, 2, 3, 6, 10, 12, 14, and 19 on the Capitol Complex. ***The Governor is recommending funding for this offer.***

➤ [GSE/West Capitol Terrace Restoration/Removal of Parking Lot \(005 TRA 019\)](#) **\$2,300,000**

For removal of the parking lot west of the Capitol Building and replacement with an ADA compliant walkway between East 7th and Finkbine Streets, including landscaping to create a major public green space at the west entrance to the Capitol Complex. This project is consistent with recommendations of the Capitol Complex Master Plan. ***The Governor is recommending funding for this offer.***

➤ [Information Technology Enterprise \(ITE\)/Pooled Technology \(005 TRA 023\)](#) **\$3,884,940**

This offer includes funding for a variety of technology projects that benefit the operation of State government and the delivery of government services to the public. The projects include:

- ◆ A rewrite of the Department of Human Services Overpayment and Recoupment System.
- ◆ Enterprise Data Warehouse lease payment.
- ◆ Enhancements to the Electronic Tax Administration and Collection application.
- ◆ Improvements to the Criminal Justice Information System.
- ◆ To replace a computer system that handles the billing, admission process, and banking for veteran residents.
- ◆ Enhancements to the Department of Corrections' Offender Management System (ICON) to expand the system's ability to share data with all criminal justice agencies in Iowa.
- ◆ For enhancements to the Aging and Disability Resource Connection System in the Department of Elder Affairs.
- ◆ For enhancements to the Seamless Service System in the Department of Elder Affairs.

The Governor is recommending funding for this offer.

➤ [GSE/FY2007 Renovation of Records and Property Center \(005 TRA 033\)](#) **\$2,200,000**

To complete the renovation of the Records and Property Building. These funds were previously appropriated in HF 875 (FY 2006 Infrastructure Appropriations Act). The Department has been appropriated a total of \$18.3 million since FY 2003 for renovation of the Building that will house the Department of Public Safety. The Building is expected to be completed in FY 2007. ***The Governor is recommending funding for this offer.***

- [Terrace Hill Carpet Replacement \(005 TRA 039\)](#)

Provides 50.0% of the funding for replacement of carpet in public spaces of Terrace Hill. The remaining 50.0% is to be funded by the Terrace Hill Society. ***The Governor is recommending funding for this offer.***

\$55,000
- [Woodward Resource Center Wastewater Treatment Plant \(005 TRA 040\)](#)

To replace the 70-year-old wastewater treatment plant at the Woodward Resource Center. The current plant is not in compliance with health and safety standards and has received citations from the Department of Natural Resources. ***The Governor is recommending funding for this offer.***

\$2,443,000
- [DHS/IJH Power House and Associated Equipment \(005 TRA 042\)](#)

To replace the existing powerhouse and all associated equipment. These funds were previously appropriated in HF 875 (FY 2006 Infrastructure Appropriations Act). The Department was appropriated a total of \$2.7 million (\$1.2 million for FY 2006 and \$1.5 million for FY 2007) to for the project. ***The Governor is recommending funding for this offer.***

\$1,521,045
- [Terrace Hill Plaster Restoration \(005 TRA 043\)](#)

Provides construction funding for plaster cornice repair in the music room of Terrace Hill. ***The Governor is recommending funding for this offer.***

\$20,000
- [Blind Building Renovation \(133 TRA 001\)](#)

For renovation of the facility housing the Department for the Blind located at 524 4th Street in Des Moines. ***The Governor is recommending funding for this offer.***

\$4,000,000
- [Department of Corrections \(DOC\)/ICON \(238 TRA 001\)](#)

Funding for an electrical lease for the Department of Corrections. ***The Governor is recommending funding for this offer. The Department did not request funding for this offer.***

\$500,000
- [Department of Corrections \(DOC\) Capitals #1 ISP Electrical Lease \(255 TRA 001\)](#)

Funding for the sixth year of a seven-year lease for electrical improvements to the Iowa State Penitentiary (ISP). ***The Governor is recommending funding for this offer.***

\$333,168

- [DOC Capitals #2 ASP Food Service \(255 TRA 002\)](#)

For continued funding of the improvements to the kitchen facilities at the Anamosa State Penitentiary (ASP). These funds were previously appropriated in HF 875 (FY 2006 Infrastructure Appropriations Act). The Department was appropriated a total of \$3.4 million over two fiscal years to complete the project. ***The Governor is recommending funding for this offer.***

\$1,840,000
- [DOC Capitals #3 Fort Dodge Residential Facility \(255 TRA 003\)](#)

For continued funding for the construction of the new community-based correctional facility in Fort Dodge. These funds were previously appropriated in HF 875 (FY 2006 Infrastructure Appropriations Act). The Department was appropriated a total of \$3.9 million over three fiscal years to complete the project. The appropriations include: \$50,000 in FY 2006, \$1.4 million in FY 2007, and \$2.5 million in FY 2008. ***The Governor is recommending funding for this offer.***

\$1,400,000
- [DOC Capitals #4 Davenport Residential Center and District Office \(255 TRA 004\)](#)

For continued funding for the relocation and expansion of the Davenport Residential Facility. These funds were previously appropriated in SF 2298 (FY 2005 Omnibus Appropriations Act). The Department appropriated a total of \$10.5 million over three fiscal years to complete the project. The appropriations include: \$3.0 million in FY 2005, \$3.8 million in FY 2006, and \$3.8 million in FY 2007. ***The Governor is recommending funding for this offer.***

\$3,750,000
- [DOC One Time Capitals \(255 TRA 008\)](#)

Funding for one-time capital projects. ***The Governor is recommending funding for this offer. The Department did not request funding for this offer.***

\$3,376,519
- [Iowa Communications Network \(ICN\) Part III Leases \(282 TRA 001\)](#)

To provide continued funding for the cost of leases and maintenance associated with operating Part III sites on the ICN. ***The Governor is recommending funding for this offer.***

\$2,727,000
- [Community College Infrastructure \(282 TRA 002\)](#)

Provides funding for community colleges to address health, life, and fire safety infrastructure needs. These funds were previously appropriated in HF 882 (FY 2006 Standing Appropriations Act). House File 882 appropriated \$2.0 million per year for four years beginning in FY 2006 for infrastructure improvements at community colleges. ***The Governor is recommending funding for this offer.***

\$2,000,000

- [Replacement of Analog Transmitters \(285 TRA 001\)](#)

For Iowa Public Television (IPTV) to purchase and install three transmitters to replace analog transmitters that are 25 years old or older and for which replacement parts are no longer being manufactured. ***The Governor is recommending funding for this offer.***

\$1,425,000
- [Uninterruptible Power Supply \(UPS\) \(285 TRA 002\)](#)

For the purchase of a facility-wide uninterruptible power supply to protect digital equipment at IPTV. ***The Governor is recommending funding for this offer.***

\$315,000
- [2004 Iowa Acts Appropriation for Digital Television Conversion \(285 TRA 003\)](#)

For conversion of IPTV's transmitter sites from analog to digital. These funds were previously appropriated in SF 2298 (FY 2005 Omnibus Appropriations Act). The Department was appropriated a total of \$18.3 million over three fiscal years to complete the conversion to digital transmission in accordance with Federal Communication Commission (FCC) requirements. The appropriations include: \$8.0 million in FY 2005, \$8.0 million in FY 2006, and \$2.3 million in FY 2007. ***The Governor is recommending funding for this offer.***

\$2,300,000
- [ICN Equipment Replacement \(336 TRA 001\)](#)

To replace and upgrade equipment for the ICN that is reaching the end of its useful and functional life. In addition, the ICN is required to make a capital investment for the State to remain eligible to receive Universal Service Fund (USF) moneys on behalf of schools and libraries. ***The Governor is recommending funding for this offer.***

\$1,997,500
- [Infrastructure for Integrating Justice Data Systems \(379 TRA 001\)](#)

For the purchase of hardware and software associated with the Criminal Justice Information System to improve the electronic exchange of information between law enforcement agencies. The funds would be appropriated to the Department of Human Rights, Division of Criminal and Juvenile Justice. ***The Governor is recommending funding for this offer.***

\$2,645,066
- [Iowa's Special Areas - Public Private Partnerships \(543 TRA 001\)](#)

For the Department of Natural Resources (DNR) to begin a program that would use State funds to leverage private dollars to allow for the acquisition or permanent protection of natural areas in the State. ***The Governor is recommending funding for this offer.***

\$1,500,000

- [Iowa National Guard Infrastructure Major Maintenance \(584 TRA 001\)](#)

For maintenance and renovation projects at National Guard facilities. The planned improvements include: renovation of restrooms and classrooms, the conversion of three indoor marksmanship ranges to classrooms, and renovations to the Eagle Grove and Newton armories. ***The Governor is recommending funding for this offer.***

\$1,500,000
- [Camp Dodge Armed Forces Readiness Center \(584 TRA 003\)](#)

For required State costs associated with a \$40.8 million federal base realignment project at Camp Dodge. The federal funds are for a Camp Dodge Readiness Center that is 100.0% federally funded as a result of the Base Realignment and Closure Program. The \$100,000 request for State funding relates to changes to the construction criteria for the Readiness Center. ***The Governor is recommending funding for this offer.***

\$100,000
- [Iowa City Armed Forces Readiness Center \(Phase III\) \(584 TRA 004\)](#)

To complete the State funding for construction of the Iowa City Readiness Center. The funds will be matched with \$11.4 million in federal funds. ***The Governor is recommending funding for this offer.***

\$1,444,288
- [Camp Dodge Water System Upgrade \(Phase II\) \(584 TRA 005\)](#)

For the Iowa National Guard to fund the remaining cost of the water system improvements at Camp Dodge. The funds will be matched with \$1.4 million in federal funds. The Department received an appropriation of \$1.9 million for this project in FY 2006, but underestimated the cost. ***The Governor is recommending funding for this offer.***

\$750,000
- [Waterloo Aviation Armory Addition/Alteration \(Phase I\) \(584 TRA 006\)](#)

To construct an addition to the National Guard Aviation Readiness Center in Waterloo. The funds will be matched with \$1.6 million in federal funds. ***The Governor is recommending funding for this offer.***

\$1,635,000
- [Spencer Armory Addition/Alteration \(584 TRA 007\)](#)

To construct an addition to the National Guard Readiness Center in Spencer. The funds will be matched with \$795,000 in federal funds. ***The Governor is recommending funding for this offer.***

\$689,000

- [Public Defense Technology Projects \(584 TRA 009\)](#)

To fund technology projects in the Department of Public Defense. ***The Governor is recommending funding for this offer. The Department did not request funding for this offer.***

\$75,000
- [Iowa Automated Fingerprint Identification System \(596 TRA 001\)](#)

For a lease purchase payment associated with the purchase of a new Automated Fingerprint Information System in the Department of Public Safety. ***The Governor is recommending funding for this offer.***

\$550,000
- [Iowa State Patrol \(ISP\) Patrol Post 8 Replacement \(596 TRA 002\)](#)

For construction of a new patrol post to replace the existing facility located near Mason City that was constructed in 1964. ***The Governor is recommending funding for this offer.***

\$2,400,000
- [Public Defense Technology Projects \(596 TRA 004\)](#)

To fund technology projects in the Department of Public Defense. ***The Governor is recommending funding for this offer. The Department did not request funding for this offer.***

\$943,000
- [Highway Management \(645 TRA 001\)](#)

The DOT is comprised of seven operating divisions, in addition to five budget units that receive appropriations to fund the operating divisions. The Highway Management offer provides funding to the following four budget units: Operations, Administrative Services, Planning, and Highway. In addition, this offer funds various special purpose and capital appropriations that are not part of the operating divisions, but are essential for operation of the Department. Special purpose appropriations specific to this budget offer include Waste Management, Field Facility Deferred Maintenance, Transportation Maps, and the Road/Weather Information System. Capital appropriations specific to this offer include garage roofing projects and utility improvements. ***The Governor is recommending funding for this offer.***

\$253,817,872
- [Motor Vehicle Management \(645 TRA 002\)](#)

The Motor Vehicle Management offer provides funding to the following four budget units: Operations, Administrative Services, Planning, and Motor Vehicle. In addition, this offer funds various special purpose and capital appropriations. Special purpose appropriations specific to this offer include Drivers' License Equipment Lease and County Treasurer Support. Capital projects funded under this offer include Workers' Compensation and Unemployment Compensation, infrastructure projects to comply with the American's with Disabilities Act (ADA), and maintenance and paving projects at the DOT Complex in Ames. The Motor Vehicle Management offer also includes the following two standing appropriations that are appropriated annually: Personal Delivery of Service (\$225,000) and County Treasurer Equipment (\$650,000).

\$48,972,776

Since these standing appropriations have not been included in the DOT's budget requests in the past, the appropriations are not included in the FY 2007 budget request documents provided from the Fiscal Services Division. ***The Governor is recommending funding for this offer.***

➤ **Capital Projects (672 TRA 006)** **\$6,200,000**

For renovation and additions to facilities at the Veterans Home. ***The Governor is recommending funding for this offer.***

Partially Funded Offers

➤ **GSE/Statewide Routine Maintenance (005 TRA 010)** **\$20,000,000**

To provide routine, recurring, and preventive maintenance for State-owned facilities throughout the State for all agencies under the purview of the DAS. The amount requested in this offer complies with a Code of Iowa requirement that State agencies request routine maintenance funding equal to 1.0% of the replacement value of buildings. ***Of the total offer amount, the Governor is recommending \$2,800,500.***

➤ **GSE/Capitol Interior and Exterior Restoration Continuation (005 TRA 012)** **\$16,390,000**

For design and construction funding for continuing restoration of the rotunda and east projection of the Capitol including removal of the final remaining mezzanine, relocation of the cafeteria, infill of the rotunda opening between ground and first floors and continuing safety and accessibility improvements. The funds in this request will also complete landscaping adjacent to the building, and restoration of the east steps, sidewalks, and drives. ***Of the total offer amount, the Governor is recommending \$6,830,000.***

➤ **GSE/Capitol Complex Electrical Distribution System Upgrade (005 TRA 026)** **\$7,202,600**

Provide for continued repair, replacement, and upgrades to the primary electrical distribution system for the Capitol Complex, including replacement and relocation of transformers in the Capitol building, full generation for the Capitol Complex, and specific generation improvements for public health and information technology. ***Of the total offer amount, the Governor is recommending \$3,468,800.***

➤ **Dorm Updates/Student Computer Center (467 TRA 001)** **\$507,000**

This offer includes the following improvements for the Iowa Law Enforcement Academy: the purchase of computers for staff and dormitory rooms, and in-car video computers for law enforcement training; upgrades to the Firearms Training Simulator (FATS) and instructional equipment for scenario-based training; and replacement of mattresses and blankets in the Academy dormitory. ***Of the total offer amount, the Governor is recommending \$75,000.***

- [State Park Infrastructure Renovations \(543 TRA 002\)](#) \$2,500,000

For the DNR to implement infrastructure-related improvements to Iowa's State parks including: electrical system upgrades, campground renovation, water and sanitary system upgrades, replacement of shower buildings and restrooms, and replacement of a park office/maintenance building. ***Of the total offer amount, the Governor is recommending \$1,000,000.***
- [Parole Board Offer 1 \(547 TRA 001\)](#) \$250,000

For computer upgrades to make the Parole Board's computer system compatible with the Department of Corrections' computer system. ***Of the total offer amount, the Governor is recommending \$75,000.***
- [Fire Service Regional Training Facilities \(596 TRA 003\)](#) \$12,000,000

For construction of a State Fire Service Training facility, regional fire service training centers, and purchase of mobile fire service training units. ***Of the total offer amount, the Governor is recommending \$3,000,000.***
- [Modal Programs Management \(645 TRA 003\)](#) \$10,560,027

The Modal Programs Management offer provides funding to the following three budget units: Operations, Administrative Services, and Planning. This offer also funds the Rail and Aviation Assistance grant programs, in addition to various special purpose and capital appropriations, including Workers' Compensation and Unemployment Compensation, infrastructure projects to comply with the American's with Disabilities Act (ADA), and maintenance and paving projects at the DOT Complex in Ames. ***Of the total offer amount, the Governor is recommending \$6,060,027.***

Unfunded Offers

- [GSE/Complex Pedestrian/Utility Tunnel Repairs \(005 TRA 011\)](#) \$26,546,000

For planning, design, and repairs to all of the pedestrian and utility tunnels on the Capitol Complex. This request is part of a five-year plan to address repairs to the tunnel system. ***The Governor is not recommending funding this offer.***
- [GSE/Site Implementation Planning Services – Capitol Complex \(005 TRA 018\)](#) \$100,000

Develop site implementation planning guidelines, standards, and specifications for future improvements for the Capitol Complex to help advance the goals of the Capitol Complex Master Plan. ***The Governor is not recommending funding this offer.***

- [GSE/Replace Court Ave Bridge \(005 TRA 020\)](#)

For design and construction of a bridge spanning Court Avenue south of the Capitol Building and leading to the Judicial Branch site. This bridge would replace a bridge that was removed in 1993 due to safety consideration. ***The Governor is not recommending funding this offer.***

\$5,665,000
- [GSE/Capitol Complex Property Acquisition Services \(005 TRA 021\)](#)

The funds would be used to provide appraisals, environmental assessments, and property acquisition for properties adjacent to the Capitol Complex that may become available for sale. The offer includes funding to acquire the Central Lutheran Church property located to the north of the Complex. ***The Governor is not recommending funding this offer.***

\$1,150,000
- [GSE/East Capitol Parking Lot 13 Restoration \(005 TRA 022\)](#)

For the planning, design, and renovation of the parking lot located to the east of the Capitol Building (lot 13). ***The Governor is not recommending funding this offer.***

\$3,410,000
- [GSE/Planning for the Renovation of the Grimes State Office Building \(005 TRA 031\)](#)

Preliminary planning services in preparation for phased renovation of the Grimes Building including critical health and life safety improvements and full renovation, including tenant improvements and a possible addition to the south. ***The Governor is not recommending funding this offer.***

\$750,000
- [GSE/Restoration of Capitol Complex Carriage House \(005 TRA 032\)](#)

For development of a Capitol Complex visitor center/orientation center by restoring the Carriage House building located at 1025 Des Moines Street, north of the Capitol Building. The Department has applied for a \$3.3 million federal grant through the Department of Transportation that could offset the State cost of this project. ***The Governor is not recommending funding this offer.***

\$4,950,000
- [GSE/Renovation of 1000 E. Grand for Asbestos Abatement \(005 TRA 034\)](#)

For asbestos abatement and related building renovation work and energy efficiency measures, including design services for the entire Iowa Workforce Development Building at 1000 E. Grand. This building was constructed over 30 years ago and contains asbestos fireproofing throughout the Building. Although the asbestos is contained, whenever building maintenance is performed, asbestos cleaning is required to be completed which adds to the cost of the improvements. ***The Governor is not recommending funding this offer.***

\$15,000,000

- [Information Technology Enterprise \(ITE\)/Pooled Technology/Enterprise Infrastructure and Personnel Assessment \(EIP\) Support \(005 TRA 035\)](#) \$1,500,000

This offer requests the funding to develop a Service Oriented Architecture (SOA) for the State's Technology Enterprise, and for the development of an Enterprise Data Center Facility Design Standard. ***The Governor is not recommending funding this offer.***
- [ITE/Depreciation Account \(005 TRA 038\)](#) \$132,000

To establish a Technology Depreciation Fund to allow for the cyclical replacement of computers for smaller State agencies. ***The Governor is not recommending funding this offer.***
- [Iowa Juvenile School Home \(IJH\) New Education and Infirmary Bldg \(005 TRA 041\)](#) \$8,130,668

For construction of a new school and infirmary building at the Iowa Juvenile Home in Toledo; renovation of an existing school building; and for the demolition of an old infirmary building and Wilson Cottage. ***The Governor is not recommending funding this offer.***
- [DOC Capitals #5 Davenport Rent Carry Forward \(255 TRA 005\)](#) \$122,000

For the lease of the Community-Based Corrections facility in Davenport and the DOC Training Facility in West Des Moines. ***The Governor is not recommending funding this offer.***
- [DOC Capitals #6 Jesse Parker Building Rent \(255 TRA 006\)](#) \$210,600

For maintenance-related costs to be assessed by the DAS associated with the relocation of the Department of Corrections to the Jesse Parker Building. ***The Governor is not recommending funding this offer.***
- [DOC Capitals #7 Major Maintenance Projects \(255 TRA 007\)](#) \$35,657,000

For major repair and maintenance projects at all corrections institutions. ***The Governor is not recommending funding this offer.***
- [Department of Human Services Capitals \(401 TRA 018\)](#) \$166,800

For repairs to tunnels and building exteriors at Department of Human Services (DHS) institutions. ***The Governor is not recommending funding this offer.***

- [Statewide Digital Topographic Mapping \(LiDAR\) \(543 TRA 003\)](#)

For the DNR to purchase and disseminate high-resolution digital elevation data to enhance mapping and surveying of Iowa's landscape. ***The Governor is not recommending funding this offer.***

\$1,500,000
- [Renewable Energy from Waste \(543 TRA 004\)](#)

For DNR to fund a demonstration project using methane-based renewable energy to generate electricity. ***The Governor is not recommending funding this offer.***

\$1,500,000
- [Regional Office Construction \(543 TRA 005\)](#)

For the construction of a regional center at Lake Anita State Park to centralize the location of 25 Department of Natural Resources (DNR) employees in southwest Iowa. ***The Governor is not recommending funding this offer.***

\$2,500,000
- [Iowa National Guard Future Construction Investment Funding \(584 TRA 002\)](#)

For completion of construction project designs to submit major construction projects to the federal government for funding. The funds will be matched with an estimated \$500,000 in federal funds. ***The Governor is not recommending funding this offer.***

\$500,000
- [Ottumwa Armory Addition/Alteration \(584 TRA 008\)](#)

To construct an addition to the National Guard Readiness Center in Ottumwa. The funds will be matched with \$795,000 in federal funds. ***The Governor is not recommending funding this offer.***

\$689,000
- [Regents Capitals \(616 TRA 006\)](#)

For major repairs and improvements to Regents institutions throughout the State to correct fire and environmental safety issues as well as deferred maintenance items. ***The Governor is not recommending funding this offer.***

\$25,000,000
- [Major Maintenance Projects \(672 TRA 005\)](#)

For major repairs and improvements to facilities at the Veterans Home that are typically less than \$250,000 per project. ***The Governor is not recommending funding this offer.***

\$979,900

APPENDIX E

FY 2007 PURCHASING RESULTS

State agencies were directed to use a new budgeting process entitled “Purchasing Results” when preparing the FY 2007 budget requests. Under the new process, all State spending is expected to be tied to buying results which are aligned with the seven joint appropriation subcommittees established by the General Assembly.

Requests for Results (RFRs)

The Requests for Results (RFRs) include:

- ▶ The first part of the RFR is a statement of the result and the indicators that will show progress toward that result. For each result, the Department of Management (DOM) has no more than three indicators which encourages a strategic decision on the focus for the result. Offers show how they contribute to accomplishing the result. Any data departments have on the past performance of their offer helps demonstrate the seller’s ability to produce results.
- ▶ The second part of the RFR is a “strategy map” or illustration of the key factors that affect the achievement of the result. These strategy maps outline the most important influences on results and show the priorities among the causal factors that produce that result. To develop these maps, buying teams are asked to make an evidence-based assessment of the most important factors for success in that result area. Evidence includes research, best practices, promising practices, and professional judgment. The point is to use what we know works. Buying teams may review their work with various sellers and other stakeholders during the development of the strategy maps.
- ▶ The third part of the RFR: purchasing strategies. The purchasing strategies are a list of the types of offers buying teams wish to receive – based on the strategy map and other factors. Since there are many causal factors on the map, which ones the buying teams think the state government should pursue is a strategic decision. Buying teams will prefer certain types of offers to others. The buying teams ask these questions on behalf of lowans:
 - ◆ “What are the most important strategies to buy to produce this result?”
 - ◆ “Are we buying these important activities at the best possible price?”

◆ “Could we improve results through more efficient or effective service delivery?”

The following is a list of the buying teams along with the name of the buying team chairperson. Additional information is available by clicking on the Request for Results or the Strategy Map link for each buying team.

➤ Education (Kris Bell)

◆ [Request for Results](#)

◆ [Strategy Map](#)

➤ Health and Human Services (Josh Mandelbaum)

◆ [Request for Results](#)

◆ [Strategy Map](#)

➤ Economic Development (Donna Mueller)

◆ [Request for Results](#)

◆ [Strategy Map](#)

➤ Justice (Steve Falck)

◆ [Request for Results](#)

➤ Agriculture and Natural Resources (John Pederson)

◆ [Request for Results](#)

◆ [Strategy Map](#)

➤ Transportation, Infrastructure, and Capitals (Joel Lunde)

◆ [Request for Results](#)

▶ Administration and Regulation (Mike Tramontina)

✦ [Request for Results & Strategy Map](#)

APPENDIX F

ISSUE REVIEW SERIES

The Fiscal Services Division of the LSA monitors a variety of issues that develop in State agencies as part of the continuing effort to provide legislative oversight. Many issues are reported in the ***Fiscal Update*** newsletter, but some require more detailed review to present sufficient information and some may require legislative action.

The LSA developed an ***Issue Review*** series in 1992 to present selected issues to members of the Fiscal Committee, Oversight Committee, and the General Assembly. Where appropriate, each paper contains a specific issue topic, a brief background on information related to the topic, the current situation, affected agencies, Code of Iowa authority, alternatives the General Assembly may wish to consider, and budgetary impacts.

The following ***Issue Reviews*** were published during the 2005 Legislative Session or Interim and are available from the LSA.

- Aquatic Invasive Species
- Board of Educational Examiners Fee Revenue
- College Savings Plans
- Enhanced 911 System
- Electronic Monitoring of Sex Offenders
- Ethanol and Biodiesel Fuels: Tax Incentives and Infrastructure Programs – to be released January 2006
- Iowa Finance Authority
- Iowa Tax Revenue Reported to the U.S. Census Bureau
- Judicial Salaries
- School Property Taxes
- Shelter Care – to be released January 2006
- Taxpayer Migration - Iowa to Texas and Arizona
- Wallace State Office Building

APPENDIX G

ELECTRONIC PUBLISHING OF INFORMATION

The Fiscal Services Division of the Legislative Services Agency (LSA) provides all standard publications in an electronic format on the Internet at: <http://staffweb.legis.state.ia.us/lfb>. The available information includes:

[Bill Analysis \(NOBA\)](#) – Side-by-side analysis of appropriation bills.

[Budget Analysis](#) – Analysis of department requests and Governor's recommendations for annual budgets.

[Fact Book](#) – Statistical summary information.

[Fiscal Facts](#) – Highlights of the State budget and recent legislative session.

[Fiscal Notes](#) – Analysis of the fiscal impact of proposed legislation.

[Fiscal Report \(Graybook\)](#) – End-of-Session financial report that includes analysis of enacted legislation.

[Fiscal Update](#) – LSA newsletter. Published weekly during Session and bimonthly during Interim.

[Issue Reviews](#) – Short reports on current topics before the Legislature.

[Presentations](#) – Slide presentations explaining various aspects of State government.

[Long-Term Revenue](#) – A spreadsheet showing revenue by category back to FY 1848.

[Monthly Revenue Memo](#) – Fiscal analysis of the prior month's receipts.

[Quarterly Revenue Estimate](#) – The Revenue Estimating Conference (REC) estimate of General Fund revenue.

[State Debt Report](#) – A summary on the debt of State agencies and authorities for the most recent fiscal year available.

[Tracking](#) – Status and amounts of appropriations as bills progress through the appropriations process.

APPENDIX H

GLOSSARY OF BUDGET TERMS

Across-The-Board Reduction: Section 8.31, Code of Iowa, authorizes the Governor to reduce quarterly allotments of appropriations in amounts sufficient to avoid an overdraft or deficit. The Governor, through Executive Order, has the authority to enact across-the-board reductions in order to restrict spending. While the actual appropriation amount will remain unchanged, the reduction in allotments will reduce spending and will increase reversions. The statute specifically exempts the Legislative and the Judicial Branches from across-the-board reductions made by the Governor. The Governor cannot exempt any specific appropriations from across-the-board reductions; the reduction must be applied across-the-board uniformly and prorated between all departments, agencies, and establishments upon the basis of each respective appropriation. Attorney General opinions in 1980 and 1989 stated that the Governor may not make selective mandatory reductions in appropriations through the practice of targeted reversions. Governor Ray issued two of these Orders, Governor Branstad issued four, and Governor Vilsack has issued two.

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

Administrative Rules Review: The process used by Departments to develop rules that implement enacted legislation. The process includes rule approval by various Departments, Boards or Commissions, public hearings, and review by the Administrative Rules Committee.

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

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

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

Budgeting for Results: A form of budgeting driven by goals and performance that ties the appropriation of resources to the expected outcomes or results of a program. A results-oriented performance budget is developed by defining desired program results and determining how many units of the desired outcomes can be achieved with the requested level of

funding. Resources are then allocated based on the expected performance. Progress toward meeting the desired outcome is tracked and analyzed. Department directors are held accountable for progress.

Buying Offer: A seller proposal that is submitted to a Buying Team. The offer includes the services that will be provided, the cost, and the results that will be achieved. Accepted offers become “contracts” that are evaluated after the budget has been approved.

Buying Teams: Persons selected by the Governor to review the buying offers presented by the Departments that participate in the “purchasing results” budgeting system. The Buying Team prioritizes the buying offers and makes recommendations to the Governor and Lt. Governor.

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

Charter Agency: A Department or Division in State government that has signed an agreement with the Governor to decrease General Fund expenditures, increase General Fund revenues, or a combination of both. In exchange for General Fund budget adjustments, Charter Agencies receive some flexibility with current State rules related to budgeting and daily operations. Charter Agencies began in FY 2004 as authorized in SF 453 (Reinvention of Government Act). Charter Agencies for FY 2006 include: the Departments of Corrections, Human Services, Natural Resources, Revenue, the Alcoholic Beverages Division, and the Iowa Veterans Home.

Contract Personnel: Additional workers departments hire from private sector employment organizations using a contractual agreement. The individuals are employees of employment agencies and not the State.

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

Deappropriation: A decrease in the amount of an appropriation for a current fiscal year.

Drilling Platform: The prioritized listing of all buying offers developed by the Buying Teams. The listing is segmented by a line that identifies the prioritized offers that can be purchased with the funds available. Offers above the line are recommended for purchase and offers below the line are not.



Electronic Publishing of Information: A project to provide electronic access to information produced or provided by the Fiscal Services Division of the Legislative Services Agency.

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

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

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

Federal Fiscal Year (FFY): The 12-month financial period used by the federal government for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management. The federal fiscal year runs from October 1 through September 30.

Fiscal Year (FY): The 12-month financial period used by State government for record keeping, budgeting, appropriating, revenue collecting, and other aspects of fiscal management. The State fiscal year runs from July 1 to June 30.

Full-Time Equivalent (FTE) Positions: One full-time equivalent position represents 2,080 working hours, which is the regular number of hours worked by one full-time person in one fiscal year.

General Fund: The Fund with receipts that are not earmarked for dedicated purposes that supports the general functions of State government.

Generally Accepted Accounting Principles (GAAP): A method of accounting approved by the Governmental Accounting Standards Board.

Goal: A broad measurable statement of purpose or intended achievement that sets future direction and requires coordinated action as established by policy makers or program administrators.

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

Integrated Information for Iowa (I/3) Budget System: A real-time, web-based budget system that incorporates traditional budgeting practices with performance measures.

Item Veto: The action by the Governor that voids a section of an appropriations bill.

Legislative Services Agency: The Legislative Branch agency that resulted from the reorganization and combination of the former Legislative Service Bureau, the Legislative Fiscal Bureau, and the Computer Support Bureau as authorized in HF 636 (Legislative Consolidation Act) during the 2003 Legislative Session.

Line-Item: A term used to describe funds requested and/or appropriated on a detailed or itemized basis, such as personal services, travel, equipment, or other items.

Merit Increase: The normal pay increase granted at the time of an employee's review date. Currently, a merit increase is the equivalent of one merit step or approximately 4.5% of an employee's salary.

New/Expanded Programs: Departmental requests that are in addition to the current operations of the department.

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

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

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

Performance Measures: A number or mathematical expression that documents input, output, efficiency, quality, or outcome.

Purchasing Results Budgeting: A budget process developed by the Governor and Lieutenant Governor that was first used for the FY 2006 budget. The process is similar to zero-based budgeting, which identifies budget priorities and emphasizes accountability for results. Also, allows for the development of a long-range strategy that can be adjusted when priorities change.

Request for Results: A statement from a buying team that specifies what results they seek to buy, details the logic as how those results are produced, and outlines their purchasing strategy.

Revenue Estimating Conference (REC): The REC is comprised of the Governor or designee, the Director of the Legislative Services Agency or designee, and a third person agreed to by the other two members. The REC meets quarterly, and the Governor and the Legislature are required to use the REC estimates in preparing the State budget.

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

Revolving Fund: A fiscal entity with a designated revenue source and specific expenditure purpose that has stipulated State agency access as required. All balances in a revolving fund typically remain in the fund at the close of the fiscal year for future expenditures.

Salary Adjustment: Costs for raises, merit step increases, and other expenses associated with the collective bargaining agreement. The cost of the collective bargaining agreement is unknown at the time budgets are submitted and departments do not include these costs in budget requests. An appropriation is made to fund salary adjustment costs in an annual Salary Bill.

Salary Annualization: Costs due to merit step increases, which occur for only part of the first year and require additional funds to be fully funded the second year. For example, if a merit step increase is given halfway through the fiscal year, the first-year cost to the agency is only one-half the amount the department would incur if the step started on the first day of the fiscal year. The department will incur the entire amount in the second year and request the difference between the first and second year amounts in the budget request.

Standing Limited Appropriation: An appropriation of a specific dollar amount established by the Code of Iowa. An example is the Indian Settlement Officer pursuant to Section 331.660, Code of Iowa, which states, "There is appropriated annually from the General Fund of the State to the County of Tama the sum of three-thousand, three-hundred, sixty-five dollars to be used by the County only for the payment . . ."

Standing Unlimited Appropriation: An appropriation of an unspecified dollar amount established by the Code of Iowa. An example is as follows: "There is hereby appropriated out of any funds in the State treasury not otherwise appropriated a sum sufficient to pay for . . ."

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

Temporary Assistance for Needy Families (TANF): The federal block grant created by federal Welfare Reform in FFY 1997, allowing states flexibility in welfare programs and instituting a five-year limitation on to aid dependent families. In Iowa, the TANF block grant provides funding for the Family Investment Program (FIP) and other support programs for FIP recipients.

APPENDIX I

**LEGISLATIVE SERVICES AGENCY
FISCAL SERVICES DIVISION
STAFF LISTING**

Holly M. Lyons, Director
Capitol, Ground Floor
281-5279

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
FISCAL SERVICES DIVISION DIRECTOR	Holly Lyons	281-5279	Capitol – Room G01
DIVISION ADMINISTRATOR	Douglas Wulf	281-3250	Miller – Room 209
APPROPRIATIONS SUBCOMMITTEES			
ADMINISTRATION & REGULATION			
Auditor	Sam Leto	281-6764	Miller – Room 209
Commerce			
Ethics & Campaign Finance Disclosure			
Human Rights			
Iowa Public Employees Retirement System			
Treasurer			
Administrative Services	Jess Benson	281-4613	Miller – Room 209
Management			
Revenue			

STAFF ASSIGNMENTS	STAFF PERSON	PHONE	LOCATION
Governor Governor's Office of Drug Control Policy Inspections and Appeals Lottery Racing and Gaming Secretary of State	Douglas Wulf	281-3250	Miller – Room 209
AGRICULTURE & NATURAL RESOURCES			
Agriculture Natural Resources	Debra Kozel	281-6767	Miller – Room 209
ECONOMIC DEVELOPMENT			
Economic Development Iowa Finance Authority Public Employment Relations Board Workforce Development	Ron Robinson	281-6256	Miller – Room 209
EDUCATION			
Board of Regents College Aid Commission	Mary Shipman	281-4617	Capitol – Room G03
Blind Community Colleges Cultural Affairs Education Iowa Public Television	Robin Madison	281-5270	Miller – Room 209
HUMAN SERVICES			
Child Care Foster Care Juvenile Justice Elder Affairs Public Health Senior Living Trust	Lisa Burk	281-7942	Miller – Room 209

STAFF ASSIGNMENTS**STAFF PERSON****PHONE****LOCATION**

County Based Services
 Field Operations
 General Administration
 Institutions
 Mental Health/Mental Retardation/Developmental
 Disabilities Enhanced Services
 Social Services Block Grant
 Veteran's Affairs
 Veteran's Home
 Child Support Recovery
 Children's Health Insurance Program
 Family Investment Program, Promise Jobs, Food
 Stamps
 Medical Services
 Temporary Assistance for Needy Families (TANF)
 Block Grant

Sue Lerdal

281-7794

Capitol – Room G03

JUSTICE SYSTEM

Iowa Law Enforcement Academy
 Iowa Telecommunications & Technology
 Commission
 Judicial Branch
 Public Defense
 Public Safety
 Civil Rights
 Corrections
 Indigent Defense/Public Defender
 Justice Department
 Parole Board

Jennifer Acton

281-7846

Miller – Room 209

Beth Lenstra

281-6301

Miller – Room 209

STAFF ASSIGNMENTS**STAFF PERSON****PHONE****LOCATION****TRANSPORTATION, INFRASTRUCTURE, &
CAPITALS**Transportation
CapitalsMary Beth Mellick
David Reynolds281-8223
281-6934Miller – Room 209
Miller – Room 209**APPROPRIATIONS COMMITTEES**Sue Lerdal
David Reynolds
Holly Lyons281-7794
281-6934
281-7845Capitol – Room G03
Miller – Room 209
Capitol – Room G01**EDUCATION STANDING COMMITTEES**

School Finance

Dwayne Ferguson

281-6561

Capitol – Room G03

GOVERNMENT OVERSIGHT COMMITTEEDouglas Wulf
Sam Leto281-3250
281-6764Miller – Room 209
Miller – Room 209**LEGISLATIVE FISCAL COMMITTEE**Sue Lerdal
David Reynolds281-7794
281-6934Capitol – Room G03
Miller – Room 209**WAYS AND MEANS STANDING COMMITTEES**

Jeff Robinson

281-4614

Capitol – Room G03

ADMINISTRATIVE STAFFSandra Laust
Charlotte Mosher
Nicole Navara
Megan Thompson281-3566
281-4594
281-6766
281-5279Capitol – Room G01
Capitol – Room G03
Miller – Room 209
Capitol – Room G01