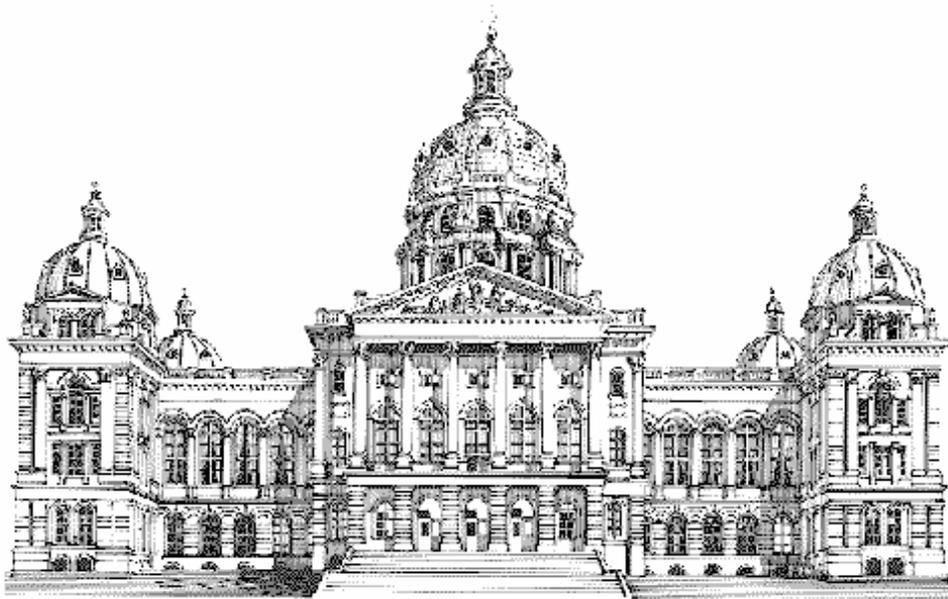


**SUMMARY OF FY 2008 BUDGET
AND
GOVERNOR'S RECOMMENDATIONS**



**FISCAL SERVICES DIVISION
LEGISLATIVE SERVICES AGENCY
JANUARY 2007**

FOREWORD

 The purpose of this document is to provide the General Assembly with information concerning FY 2008 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 2008 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 F**, 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, **Appendix H** 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 or 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 2008 Governor's recommendations are based on information received by the Fiscal Services Division on January 25, 2007.

When the FY 2008 budget requests were submitted in October 2006, former Governor Vilsack required State agencies to use the "Purchasing Results" budgeting process. The Department of Management (DOM) worked in coordination with the Governor's Office and State agencies to complete the "Purchasing Results" budgeting process. Governor Culver did not use the "Purchasing Results" process when making FY 2008 budget decisions. 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:

- Revenues and expenditures are estimated for FY 2007 and FY 2008.
- 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, 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) position limitations.

The following departments and divisions are designated as Charter Agencies:

- ◆ Alcoholic Beverages Division (Department of Commerce)
 - ◆ Department of Corrections
 - ◆ Department of Human Services
 - ◆ Department of Natural Resources
 - ◆ Department of Revenue
 - ◆ Iowa Veteran's Home
- The focus of this summary document is on budget issues contained in the Governor's FY 2008 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 issues or other issues is available upon request. The projected

Document Notes

General Fund balance sheet is on page 11. Balance sheets for 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 2006, estimated FY 2007, the Governor's recommendation for FY 2008, a comparison column between estimated FY 2007 and the Governor's recommendations, and a percentage change column.
- ▶ **Appendix B** is a listing of the projected FY 2008 built-in increases and decreases compared to estimated FY 2007.
- ▶ **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
 - ◆ Technology Reinvestment Fund
 - ◆ Tobacco Settlement Fund – Endowment for Iowan's Health Account
 - ◆ Healthy Iowans Tobacco Trust Fund
 - ◆ Senior Living Trust Fund
 - ◆ Health Care Transformation Account
 - ◆ Iowa Care Account
- ▶ **Appendix D** provides a listing of the Purchasing Results web sites for each buying team.
- ▶ **Appendix E** contains a listing of the **Issue Reviews** completed by the Fiscal Services Division during the 2006 Legislative Session and Interim.
- ▶ **Appendix F** contains an explanation of terms and products found on the Fiscal Services Division web site.
- ▶ **Appendix G** is a glossary of budget terms.
- ▶ **Appendix H** 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

2007 IOWA LEGISLATIVE SESSION TIMETABLE

(If Legislative Rules remain unchanged)

- ▶ **January 8** – First day of Session.
- ▶ **February 16** – Final day for individual bill requests to be submitted to the Legislative Services Agency.
- ▶ **March 9** – Final day for House bills to be reported out of House Committees and Senate bills out of Senate Committees.
- ▶ **March 19 – 23** – House considers only House bills and unfinished business and Senate considers only Senate bills and unfinished business.
- ▶ **March 26 – April 6** – Debate not limited by rule.
- ▶ **April 6** – Final day for Senate bills to be reported out of House Committees and House bills to be reported out of Senate Committees.
- ▶ **April 9 - 13** – House considers only Senate bills and unfinished business and Senate considers only House bills and unfinished business.
- ▶ **April 16** – Amendments need not be filed on the day preceding floor debate.
- ▶ **April 16** – 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 27** – 110th calendar day of Session.

EXPENDITURE LIMITATION ACCOUNTS

Senior Living Trust Fund

- ▶ If the year-end General Fund surplus is equal to or greater than 2.0% of the Adjusted Revenue Estimate used for establishing the current year budget, then, an amount equal to 1.0% of the Adjusted Revenue Estimate is appropriated to the Senior Living Trust Fund (SLTF). This appropriation is made prior to the appropriation to the Cash Reserve Fund. ***Under the Governor's FY 2008 recommendation, the estimated General Fund surplus is 3.3% of the adjusted revenue estimate. As a result, an estimated \$57.5 million would be transferred to the SLTF at the close of FY 2008 and be available for appropriation from the SLTF in FY 2009.***
- ▶ If the surplus is less than 2.0%, the SLTF and the Cash Reserve Fund each get 50.0% of the surplus.
- ▶ The SLTF receives a portion of the surplus until the aggregate of all transfers, appropriations, and reversions to the SLTF, beginning July 1, 2004, equals \$300.0 million. ***Under the Governor's recommendation, it is estimated that \$196.8 million of the \$300.0 million requirement will have been met by the end of FY 2008.***

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 2007 and FY 2008, the maximum balance for the Fund is estimated at \$401.3 million and \$432.9 million respectively. ***Under the Governor's proposal, the Cash Reserve Fund will have reached its required maximum balance for both FY 2007 and FY 2008.***
- ▶ If the Cash Reserve Fund balance is not equal to 7.5% of the Adjusted Revenue Estimate, a General Fund appropriation of up to 1.0% of the Adjusted Revenue Estimate is made to the Fund.
- ▶ The Cash Reserve Fund excess is transferred to the Generally Accepted Accounting Principles (GAAP) Deficit Reduction Account if a GAAP deficit exists; otherwise the excess is transferred to the Economic Emergency Fund.
- ▶ Interest on moneys deposited in the Cash Reserve Fund is credited to the Rebuild Iowa Infrastructure Fund (RIIF).



Expenditure Limitation Accounts

- 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.
 - ✦ 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. An appropriation that reduces the balance below 3.75% must be approved by a 3/5th majority in both Chambers.

Generally Accepted Accounting Principles (GAAP) Deficit Reduction Account

- The GAAP Deficit Reduction 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 Economic Emergency Fund receives the excess revenue from the GAAP Deficit Reduction Account or the Cash Reserve Fund until the Fund reaches 2.5% of the Adjusted Revenue Estimate. For FY 2007 and FY 2008, the maximum balance for the Fund is estimated at \$133.8 million and \$144.3 million respectively. ***Under the Governor's proposal, the Cash Reserve Fund will have reached its required maximum balance for both FY 2007 and FY 2008.***
- Moneys in excess of the maximum balance are to first be transferred to the SLTF until the \$300.0 million transfer limit is reached. Once the \$300.0 million transfer limit to the SLTF is reached, the Economic Emergency Fund excess is deposited into the General Fund and is not subject to the expenditure limitation.
- Economic Emergency Fund interest is credited to the Rebuild Iowa Infrastructure Fund (RIIF).

Expenditure Limitation Accounts

- ▶ 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.
- ▶ Up to \$50.0 million of the Economic Emergency Fund may be automatically appropriated for the purpose of preventing a deficit in the General Fund; however, all of the following conditions must be met:
 - ◆ Either the fourth quarter REC estimate was or actual year-end receipts were 1.5% less than the third quarter REC estimate.
 - ◆ The Governor implemented across-the-board reductions during the fiscal year that were not sufficient to prevent the deficit. This condition does not apply if the Governor could not implement the reductions due to the lateness of the realization of the deficit.
 - ◆ The year-end General Fund balance was negative.
 - ◆ The Governor must notify the Legislative Fiscal Committee and the Legislative Services Agency that a deficit occurred and that across-the-board reductions were insufficient to eliminate the deficit.
- ▶ In the event that an appropriation is made to eliminate a year-end deficit, a standing appropriation from the General Fund is made to the Economic Emergency Fund in the succeeding fiscal year to reimburse the Fund.

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.



Expenditure Limitation Accounts

- 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 illustrate 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

SENIOR LIVING TRUST FUND (SLTF) REQUIREMENT	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Balance Brought Forward	\$ 6.9	\$ 17.5	\$ 92.4
Revenues:			
Gen. Fund Appropriation from Surplus ¹	0.0	49.9	53.5
Medicaid Surplus Transfer	10.6	0.0	0.0
Endowment for Iowa's Health Appropriation	0.0	25.0	0.0
Economic Emergency Fund Excess	0.0	0.0	44.9
Balance Carried Forward	<u>\$ 17.5</u>	<u>\$ 92.4</u>	<u>\$ 190.8</u>
<i>Maximum \$300.0 million</i>			

CASH RESERVE FUND (CRF)	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Balance Brought Forward	\$ 222.3	\$ 374.3	\$ 401.3
Revenues:			
Gen. Fund Appropriation from Surplus	166.2	149.3	87.0
General Fund Approp. (1.0% Requirement) ²	0.0	0.0	0.0
Total Funds Available	<u>388.5</u>	<u>523.6</u>	<u>488.3</u>
Transfers/Appropriations:			
Appropriated for Property Tax Credits	0.0	0.0	0.0
Excess Transferred to EEF	- 14.2	- 122.3	- 55.4
Balance Carried Forward	<u>\$ 374.3</u>	<u>\$ 401.3</u>	<u>\$ 432.9</u>
<i>Maximum 7.5%</i>	\$ 374.3	\$ 401.3	\$ 432.9

IOWA ECONOMIC EMERGENCY FUND (EEF)	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Balance Brought Forward	\$ 3.3	\$ 17.5	\$ 133.8
Estimated Revenues:			
Excess from Cash Reserve	14.2	122.3	55.4
Total Funds Available	<u>17.5</u>	<u>139.8</u>	<u>189.2</u>
Excess Transferred to SLTF	0.0	-6.0	-44.9
Balance Carried Forward	<u>\$ 17.5</u>	<u>\$ 133.8</u>	<u>\$ 144.3</u>
<i>Maximum 2.5%</i>	\$ 124.8	\$ 133.8	\$ 144.3

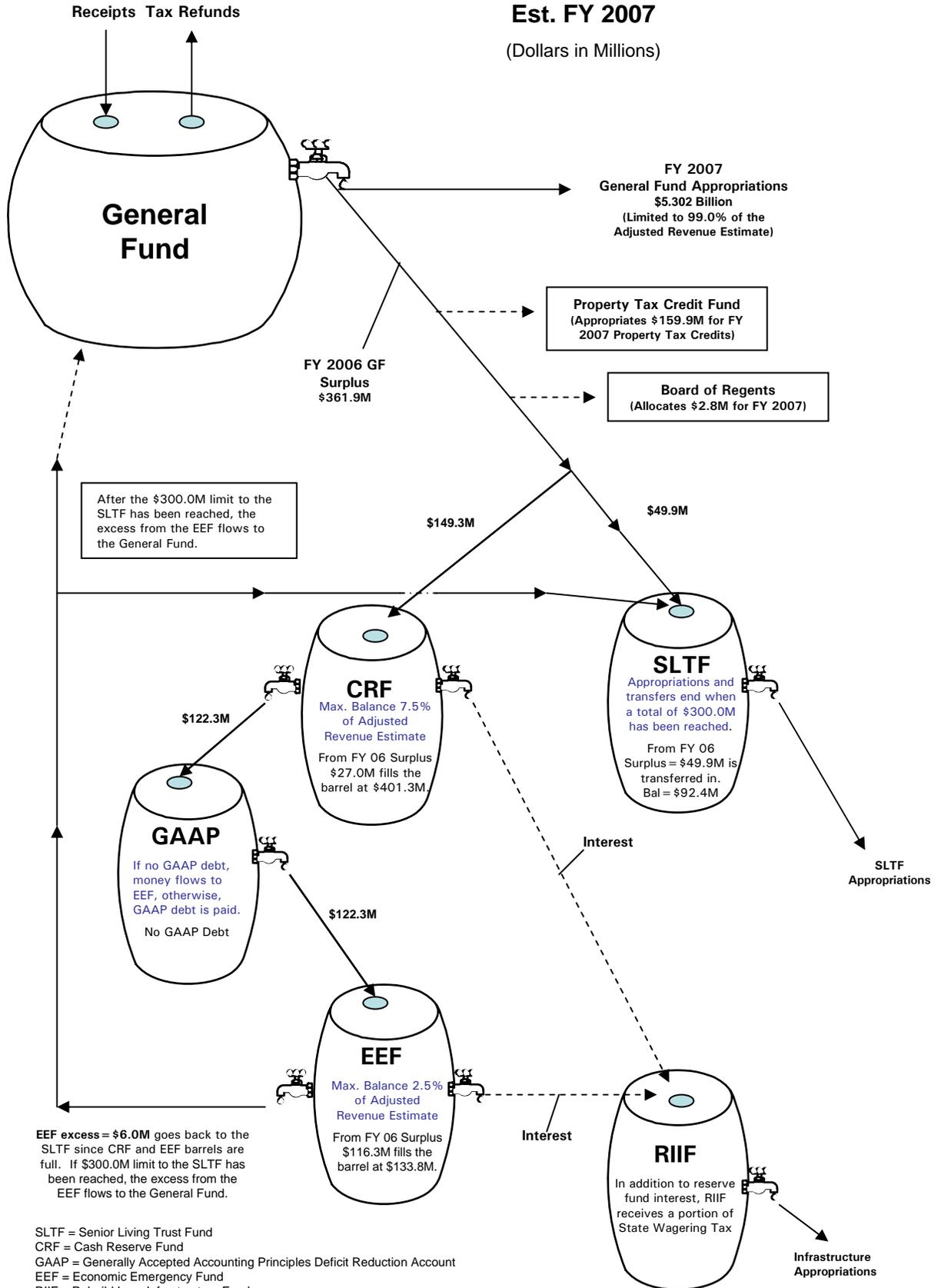
¹ Section 8.57(2), Code of Iowa, requires that if the amount of the surplus is greater than 2.0% of the adjusted revenue estimate, the amount of the appropriation to the Senior Living Trust Fund is 1.0% of the adjusted revenue estimate and the remainder of the surplus is appropriated to the Cash Reserve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

Est. FY 2007

(Dollars in Millions)



SLTF = Senior Living Trust Fund
 CRF = Cash Reserve Fund
 GAAP = Generally Accepted Accounting Principles Deficit Reduction Account
 EEF = Economic Emergency Fund
 RIIF = Rebuild Iowa Infrastructure Fund

FY 2008 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 REC reduces the December estimate at a later meeting held before the end of the Legislative Session (usually held in March or April), the Governor must adjust the budget recommendations to account for the reduction in revenue. In addition, the General Assembly is also required to use the lower estimate for establishing next year's budget.

If the REC increases the estimate above the December figure, the Governor and General Assembly are required use the lower estimate established in December. For FY 2006 and FY 2007, the General Assembly notwithstanding this provision and used the higher estimates set in March 2005 and April 2006 to balance the FY 2006 and FY 2007 budgets.

On December 12, 2006, the REC estimated FY 2008 total State General Fund revenues, prior to transfers, accruals, and refunds, at \$6.270 billion. This reflects growth in revenue of \$214.2 million (3.5%) compared to the December REC estimate for FY 2007.

The December REC also estimated transfers to the General Fund and General Fund tax refunds. Fiscal year 2008 transfers were estimated at \$62.4 million, no change compared to estimated FY 2007. Fiscal year 2008 tax refunds were estimated at \$592.6 million, an increase of \$25.0 million compared to estimated FY 2007.

On a net revenue basis, General Fund FY 2008 revenues, after transfers, refunds, and accrued revenues, were estimated at \$5.752 billion, \$184.2 million (3.3%) above the estimated FY 2007 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 2008, \$24.9 million is estimated to be transferred from the Economic Emergency Fund to the General Fund. The estimate assumes the FY 2007 surplus is not appropriated for FY 2008 expenditures. The expenditure limitation law allows for the expenditure of 100.0% of a new revenue source during the current fiscal year (FY 2007) and expenditure of 95.0% of a new revenue source during the budgeted fiscal year (FY 2008). ***The Governor is recommending revenue law changes projected to result in \$32.3 million in additional General Fund revenue for FY 2007 and \$179.2 million for FY 2008.***

Projected Condition of the General Fund

PROJECTED CONDITION OF THE GENERAL FUND

**STATE OF IOWA
GENERAL FUND BALANCE**
(Dollars in Millions)

	Actual FY 2006	Fiscal Year 2007		Fiscal Year 2008	
		Governor's Recomm.	Current Law	Governor's Recomm.	Current Law
Estimated Funds Available:					
Estimated Receipts	\$ 5,914.6	\$ 6,118.0	\$ 6,118.0	\$ 6,332.2	\$ 6,332.2
Tax Refunds	- 586.2	- 567.6	- 567.6	- 592.6	- 592.6
Accruals	54.0	17.0	17.0	12.0	12.0
Revenue Adjustments (Exh. 1)		32.3		179.2	
Total Funds Available	<u>5,382.4</u>	<u>5,599.7</u>	<u>5,567.4</u>	<u>5,930.8</u>	<u>5,751.6</u>
Expenditure Limitation				5,864.4	5,694.1
Estimated Appropriations and Expenditures:					
Appropriations (Exh. 2)	5,031.7	5,301.5	5,295.5	5,754.4	
Supplemental Appropriations		50.3			
Total Appropriations	<u>5,031.7</u>	<u>5,351.8</u>	<u>5,295.5</u>	<u>5,754.4</u>	<u>0.0</u>
Reversions	- 11.2	- 12.5	- 12.5	- 12.5	
Net Appropriations	<u>5,020.5</u>	<u>5,339.3</u>	<u>5,283.0</u>	<u>5,741.9</u>	<u>0.0</u>
Ending Balance - Surplus	<u>\$ 361.9</u>	<u>\$ 260.4</u>	<u>\$ 284.4</u>	<u>\$ 188.9</u>	<u></u>
Appropriations/Transfers to Other Funds					
Property Tax Credit Fund	\$ 159.9	\$ 119.9	\$ 0.0	\$ 0.0	\$ 0.0
Senior Living Trust Fund	49.9	53.5	53.5	57.5	
Regents Allocation	2.8	0.0	0.0	0.0	
Cash Reserve Fund	149.3	87.0	230.9	131.4	
Total	<u>\$ 361.9</u>	<u>\$ 260.4</u>	<u>\$ 284.4</u>	<u>\$ 188.9</u>	<u>\$ 0.0</u>

Projected Condition of the General Fund

**STATE OF IOWA
GENERAL FUND REVENUE ADJUSTMENTS**

(Dollars in Millions)

Exhibit 1

	<u>FY 2007</u>	<u>FY 2008</u>	
	<u>Governor's Recomm.</u>	<u>Governor's Recomm.</u>	<u>Legislative Action</u>
<i>Revenue Adjustments</i>			
Cigarette and Tobacco Tax Increase	\$ 32.0	\$ 138.4	\$ 0.0
Combined Corporate Reporting		25.0	
Tax Amnesty		16.0	
Additional Department of Revenue Auditors		4.6	
<hr/>			
Increase Earned Income Tax Credit		- 4.3	
Alternative Energy Fuel Vehicle Tax Credit		- 2.0	
Additional DCI Agents for Riverboats	0.2	0.6	
Additional Fire Marshall inspections fees	0.1	0.4	
<hr/>			
Additional Department of Commerce fees		0.1	
Restaurant Inspection fees		0.4	
<i>Total Revenue Adjustments</i>	<u>\$ 32.3</u>	<u>\$ 179.2</u>	<u>\$ 0.0</u>

Projected Condition of the General Fund

**STATE OF IOWA
GENERAL FUND APPROPRIATIONS**
(Dollars in Millions)

Exhibit 2

Appropriations by Subcommittee	Actual FY 2006	Fiscal Year 2007		Fiscal Year 2008	
		Governor's Recomm.	Current Law	Governor's Recomm.	Legislative Action
Administration and Regulation	\$ 89.0	\$ 86.0	\$ 86.0	\$ 93.9	\$ 0.0
Agriculture and Natural Resources	36.8	39.6	39.6	40.1	
Economic Development	36.2	36.9	36.9	38.8	
Education	925.4	1,001.5	1,001.5	1,140.3	
Health and Human Services	1,101.8	1,162.0	1,162.0	1,264.6	
Justice System	561.8	588.1	588.1	629.8	
Transportation and Capitals	0.0	0.0	0.0	1.0	
Other Unassigned Standings	2,280.6	2,387.4	2,387.4	2,545.9	
Supplementals & Deappropriations	0.0	50.3	0.0	0.0	
Total Appropriations	\$ 5,031.6	\$ 5,351.8	\$ 5,301.5	\$ 5,754.4	\$ 0.0

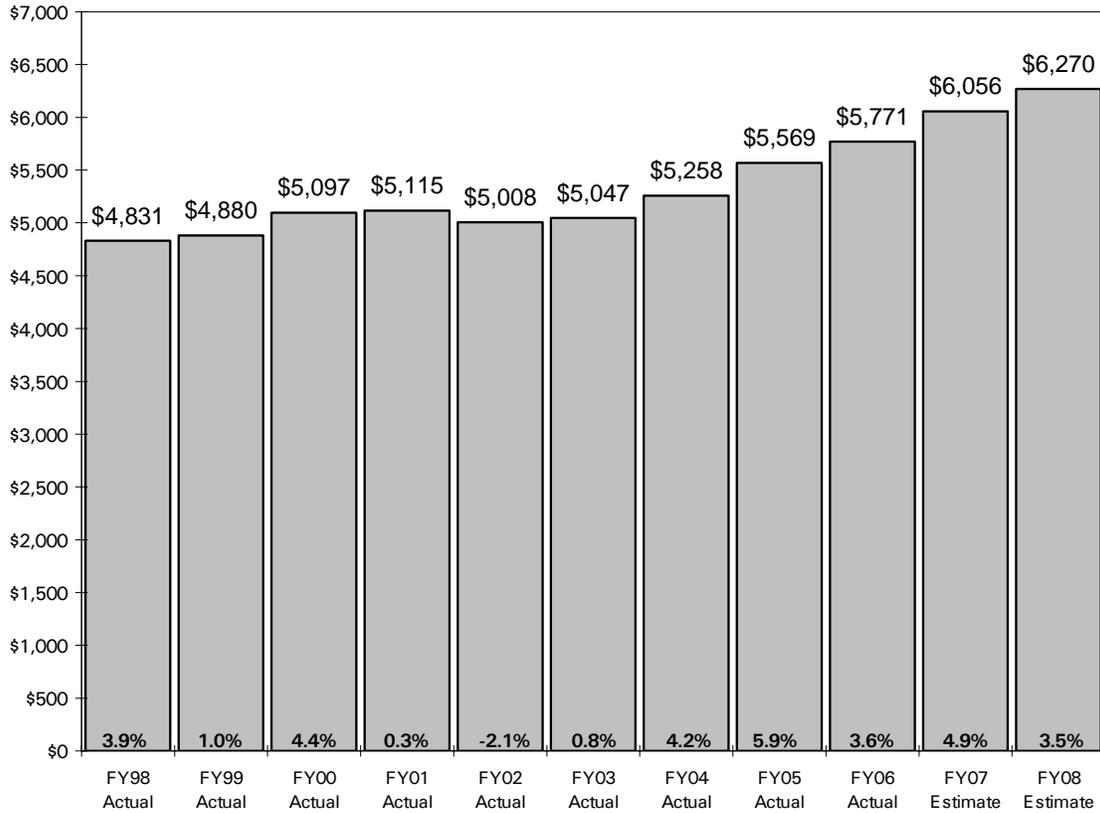
Appropriations Adjustments	Actual FY 2006	Fiscal Year 2007		Fiscal Year 2008	
		Governor's Recomm.	Current Law	Governor's Recomm.	Legislative Action
Appropriations prior to Adjustments	\$ 4,938.6	\$ 5,295.5	\$ 5,295.5	\$ 5,754.4	\$ 0.0
Item Vetoes					
Supplemental Appropriations	87.5	50.3			
Adjustments to Standings	5.5	6.0 *	6.0 *		
Total Appropriations	\$ 5,031.6	\$ 5,351.8	\$ 5,301.5	\$ 5,754.4	\$ 0.0

* Includes \$4.8 million for pandemic flu vaccine already approved by the Executive Council for payment from the Performance of Duty Account and \$1.2 million adjustment to the General Assembly standing appropriation.

General Fund Receipts and Percent of Growth

STATE GENERAL FUND RECEIPTS AND GROWTH PERCENT FY 1998 - FY 2008

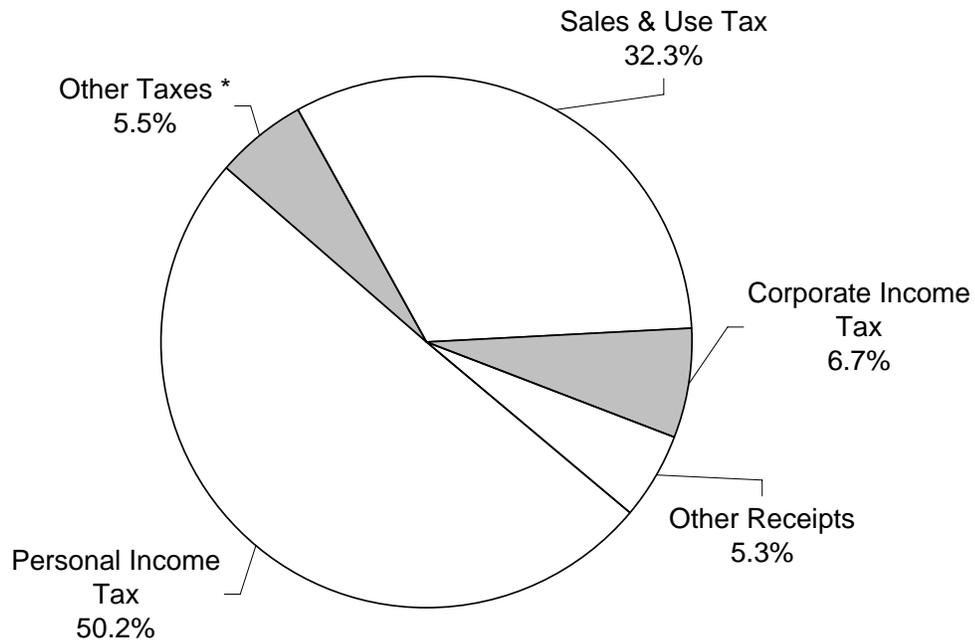
(Dollars in Millions)



Note: The FY 2007 and FY 2008 figures are as estimated by the December 12, 2006, 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 2008 General Fund Receipts Chart

FY 2008 ESTIMATED GROSS GENERAL FUND RECEIPTS



Total Estimated FY 2008 Gross General Fund Receipts: \$6.270 billion

Note: As estimated by the December 12, 2006, Revenue Estimating Conference.

Cash basis total revenues. Does not include transfer revenue (\$62.4 million), increase for net accrued revenue (\$12.0 million), and decrease for tax refunds (\$592.6 million).

Totals may not add due to rounding.

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

General Fund Revenue Projection

FY 2007 AND FY 2008 GENERAL FUND REVENUE PROJECTIONS

(Dollars in Millions)

	FY 2006	% Change FY 2006 vs.	REC FY 2007	% Change FY 2007 Est.	REC FY 2008	% Change FY 2008 Est.
	Actual	FY 2005	Estimate	vs. FY 2006	Estimate	vs. FY 2007
Tax Receipts						
Personal Income Tax	\$2,854.2	2.6%	\$3,027.0	6.1%	\$3,150.3	4.1%
Sales/Use Tax	1,881.1	3.8%	1,931.9	2.7%	2,023.1	4.7%
Corporate Income Tax	348.6	24.1%	433.3	24.3%	420.6	-2.9%
Inheritance Tax	73.1	-6.8%	74.4	1.8%	77.4	4.0%
Insurance Premium Tax	121.4	-7.3%	110.0	-9.4%	115.5	5.0%
Cigarette Tax	89.5	2.4%	89.5	0.0%	90.4	1.0%
Tobacco Tax	9.2	5.7%	9.7	5.4%	10.0	3.1%
Beer Tax	14.2	1.4%	14.5	2.1%	14.6	0.7%
Franchise Tax	35.5	0.3%	33.4	-5.9%	34.4	3.0%
Miscellaneous Tax	0.6	0.0%	1.0	66.7%	1.0	0.0%
Total Tax Receipts	<u>5,427.4</u>	3.8%	<u>5,724.7</u>	5.5%	<u>5,937.3</u>	3.7%
Other Receipts						
Institutional Payments	13.0	2.4%	12.6	-3.1%	12.6	0.0%
Liquor Profits	63.8	8.1%	65.8	3.1%	67.8	3.0%
Interest	17.5	80.4%	23.3	33.1%	23.3	0.0%
Fees	76.2	5.4%	69.1	-9.3%	62.6	-9.4%
Judicial Revenue	63.1	6.6%	64.3	1.9%	67.9	5.6%
Miscellaneous Receipts	49.7	-23.7%	35.8	-28.0%	38.3	7.0%
Racing and Gaming	60.0	0.0%	60.0	0.0%	60.0	0.0%
Total Other Receipts	<u>343.3</u>	1.6%	<u>330.9</u>	-3.6%	<u>332.5</u>	0.5%
Total Taxes & Other Receipts	<u>5,770.7</u>	3.6%	<u>6,055.6</u>	4.9%	<u>6,269.8</u>	3.5%
Transfers						
Lottery	79.6	61.5%	54.0	-32.2%	54.0	0.0%
Other Transfers	64.4	64.7%	8.4	-87.0%	8.4	0.0%
Total Transfers	<u>144.0</u>	62.9%	<u>62.4</u>	-56.7%	<u>62.4</u>	0.0%
Total Receipts & Transfers	<u>5,914.7</u>	4.5%	<u>6,118.0</u>	3.4%	<u>6,332.2</u>	3.5%
Accrued Revenue (net)	54.0		17.0		12.0	
Tax Refunds	-586.2	-15.9%	-567.6	-3.2%	-592.6	4.4%
Net General Fund Receipts	<u>\$5,382.5</u>	9.3%	<u>\$5,567.4</u>	3.4%	<u>\$5,751.6</u>	3.3%

Note: The Revenue Estimating Conference estimated FY 2007 and FY 2008 General Fund revenues on December 12, 2006. 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.

*Comparison of the Governor's FY 2008 Appropriations
from all Sources to Estimated FY 2007*

**COMPARISON OF THE GOVERNOR'S FY 2008
APPROPRIATIONS FROM ALL SOURCES TO
ESTIMATED FY 2007**

(Dollars in Millions)

<u>Fund</u>	<u>Actual FY 2006</u>	<u>Est. FY 2007</u>	<u>Est FY 2007 w/ Suppl.</u>	<u>2008 Governor's Recomm.</u>	<u>2008 Gov. Rec. vs. FY07 w/Supp</u>	<u>% incr over FY 07</u>
General Fund	\$ 5,031.7	\$ 5,301.5	\$ 5,301.5	\$ 5,754.4	\$ 452.9	8.5%
Supplemental			50.3		-50.3	
Reversions	-11.2	-12.5	-12.5	-12.5	0.0	
Total General Fund	<u>\$ 5,020.5</u>	<u>\$ 5,289.0</u>	<u>\$ 5,339.3</u>	<u>\$ 5,741.9</u>	<u>\$ 402.6</u>	7.5%
Non-General Fund						
Primary Road Fund	\$ 258.9	\$ 277.5	\$ 277.5	\$ 269.8	\$ - 7.7	
Road Use Tax Fund	55.2	49.4	49.4	47.7	-1.7	
Iowa Care Account	103.7	93.2	93.2	100.2	7.0	
Health Care Trans. Account	2.1	6.4	6.4	4.6	-1.8	
Property Tax Credit Fund	159.7	159.9	159.9	119.9	-40.0	
Senior Living Trust Fund	109.7	74.8	74.8	74.8	0.0	
Rebuild Iowa Infr. Fund	76.8	82.2	82.2	191.4	109.2	
Healthy Iowans Tbco Trust	66.2	70.6	70.6	70.1	-0.5	
Restricted Capital Fund	59.7	0.0	0.0	0.0	0.0	
Restricted Capitals Fund 2	0.0	103.8	103.8	1.4	-102.4	
Fish & Game Fund	41.2	35.4	35.4	36.4	1.0	
Environment First Fund	35.0	35.0	35.0	35.0	0.0	
Vertical Infrastructure Fund	15.0	15.0	15.0	50.0	35.0	
IPERS	10.8	16.9	16.9	17.1	0.2	
Endw Iowa's Health Account	0.0	38.6	38.6	5.0	-33.6	
Gamblers Treatment Fund	7.6	7.5	7.5	6.0	-1.5	
Other	25.0	24.6	24.6	28.1	3.5	
Total Non-General Fund	<u>\$ 1,026.6</u>	<u>\$ 1,090.8</u>	<u>\$ 1,090.8</u>	<u>\$ 1,057.5</u>	<u>\$ - 33.3</u>	-3.1%
Total Major Funds	<u>\$ 6,047.1</u>	<u>\$ 6,379.8</u>	<u>\$ 6,430.1</u>	<u>\$ 6,799.4</u>	<u>\$ 369.3</u>	5.7%

** Comparison of Governor's planned expenditures for FY 2007 and FY 2008. Does not include any money for FY 2008 Salary Adjustment needs (est. = \$89.1 million).

GOVERNOR'S FY 2007 AND FY 2008 GENERAL FUND RECOMMENDATIONS

FY 2007 and FY 2008 Recommendations - Revenue

The Governor's FY 2007 and FY 2008 General Fund budget recommendation proposes revenue adjustments resulting in an overall revenue increase of \$32.3 million for FY 2007 and \$179.2 million for FY 2008. The revenue changes include:

- ❖ **Cigarette and Tobacco Tax Increase:** \$138.4 million for FY 2008. The Governor is recommending an increase in the cigarette tax rate of \$1.00 per pack and increasing the tobacco tax rate to 88.0%. The current tax rate is 36 cents per pack and the tobacco tax rate is 22.0%. The recommended increase would be effective April 1, 2007. The recommendation includes \$32.0 million in additional revenue for FY 2007.
- ❖ **Combined Corporate Income Tax Reporting:** \$25.0 million. The Governor is recommending requiring closely-related corporations 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.
- ❖ **Tax Amnesty:** \$16.0 million. The Governor is recommending a tax amnesty program to allow taxpayers to pay back-taxes with reduced penalty and interest payments. A Department of Revenue report released in 1987 covering Iowa's most recent tax amnesty program is available at:
http://staffweb.legis.state.ia.us/lfb/docs/ways_means/ways_means.htm
- ❖ **Increased Earned Income Tax Credit:** \$ - 4.3 million. The Governor is recommending increasing Iowa's Earned Income Tax Credit from the present 6.5% of the federal credit amount to 10.0%.
- ❖ **Alternative Fuel Vehicle Tax Credit:** \$ - 2.0 million. The Governor is recommending creating a state alternative fuel vehicle tax credit equal to 20.0% of the credit allowed for federal tax purposes.
- ❖ **Department of Revenue Auditors:** \$4.6 million. The Governor is recommending an appropriation of \$1.3 million dollars to hire additional enforcement officers and staff and to update compliance information systems. With the additional staff it is estimated the Department will collect an additional \$4.6 million that would otherwise not be collected.
- ❖ **Additional DCI Riverboat Agents:** \$600,000. The Governor is recommending additional funding to support growth in the gaming industry by adding 2.0 FTE positions for Special Agents and 5.0 FTE positions for Gaming Enforcement Officers to support the new facility at Burlington and 1.0 FTE for a Gaming Enforcement

Governor's FY 2007 and FY 2008 General Fund Recommendations

Officer for Worth County, which will be offset with receipts to the General Fund. The recommendation also includes \$200,000 in additional revenue for FY 2007 for partial year funding for the Burlington facility.

- ❖ **Additional Fire Marshal Inspection Fees:** \$400,000. The Governor is recommending additional resources and staff for the Fire Marshal's Office, Building Code Bureau to fully implement the requirements in HF 2797 (FY 2007 Standing Appropriations Act) regarding the plan review and inspection of various public buildings. The costs will be offset by fee revenue deposited directly into the General Fund. The recommendation also includes \$100,000 in additional revenue for FY 2007 for 2.0 FTE positions for Construction Design Engineers.
- ❖ **Additional Department of Commerce Fees:** \$100,000. The Governor is recommending an increase of 2.0 FTE positions. The positions are a trust account auditor and a compliance officer in the Professional Licensing Bureau. The costs will be offset by increased fees to be generated by the Bureau in FY 2008.
- ❖ **Additional Restaurant Inspection Fees:** \$400,000. The Governor is recommending an appropriation to the Department of Inspections and Appeals to conduct food inspections in Polk and Jasper counties. The fees are currently being deposited into the General Fund and are not passed on to the Department to complete inspections.

FY 2008 Recommendation – General Fund Appropriations

The Governor's FY 2008 General Fund budget recommendation proposes appropriations totaling \$5.754 billion. This is an increase of \$452.9 million (8.5%) compared to estimated FY 2007. Significant increases include:

Administration and Regulation

- ❖ \$25.0 million for property tax relief for commercial property tax payers.
- ❖ 40.0 million for deposit into the Property Tax Credit Fund. The Governor also recommends transferring \$119.9 million from the estimated FY 2007 General Fund ending balance to pay property tax credits. This will provide a total of \$159.9 million to be appropriated for property tax credits in FY 2008, the same amount as FY 2007.

Education

- ❖ \$5.0 million for an All Iowa Opportunity Scholarships Program to provide scholarships to pay a year's tuition at an Iowa Board of Regents university or up to two years at an Iowa community college. The scholarships will begin for students that are high school juniors during 2007-2008, and provide payments to eligible students during the 2009-2010 academic year. The Governor is also recommending \$25.0 million for FY 2009 for the Program.

Governor's FY 2007 and FY 2008 General Fund Recommendations

- ❖ \$25.0 million to provide an increase for the Board of Regents universities for general inflation and salary increases.
- ❖ \$20.0 million to provides access to quality preschool for all 4-year-old children.
- ❖ \$70.0 million for the Student Achievement/Teacher Quality Program. This includes \$35.0 million over the increase of \$35.0 million previously appropriated in HF 2792 (Additional Education Funding Act).
- ❖ \$12.4 million for an increase in formula-allocated State general aid to community colleges.

Health and Human Services:

- ❖ \$18.6 million for Child Care Assistance.
- ❖ \$60.6 million for the Medical Assistance (Medicaid) Program. The Governor is also recommending an \$8.0 million supplemental appropriation for FY 2007.
- ❖ \$7.6 million for Mental Health and Developmental Disabilities. This includes the adjustment for FY 2008 based upon the final FY 2007 appropriation. The Governor is also recommending an increase of 3.0% for FY 2009 in the formula that calculates the Mental Health Allowed Growth funding. This is an increase of \$7.8 million compared to the adjusted FY 2008 appropriation.

Justice System: \$17.7 million to fully fund the operating costs and provide substance abuse assessments at the Iowa Medical Classification Center at Oakdale. The Governor is also recommending an FY 2007 supplemental appropriation of \$3.4 million to staff the 178-bed Special Needs Unit.

Salary Adjustment: The Governor's FY 2008 recommendation does not include funding for salary adjustment. Negotiations with collective bargaining units are currently underway and should be completed in March.

Governor's FY 2007 and FY 2008 General Fund Recommendations

FY 2007 Recommendation – Supplemental Appropriations – General Fund

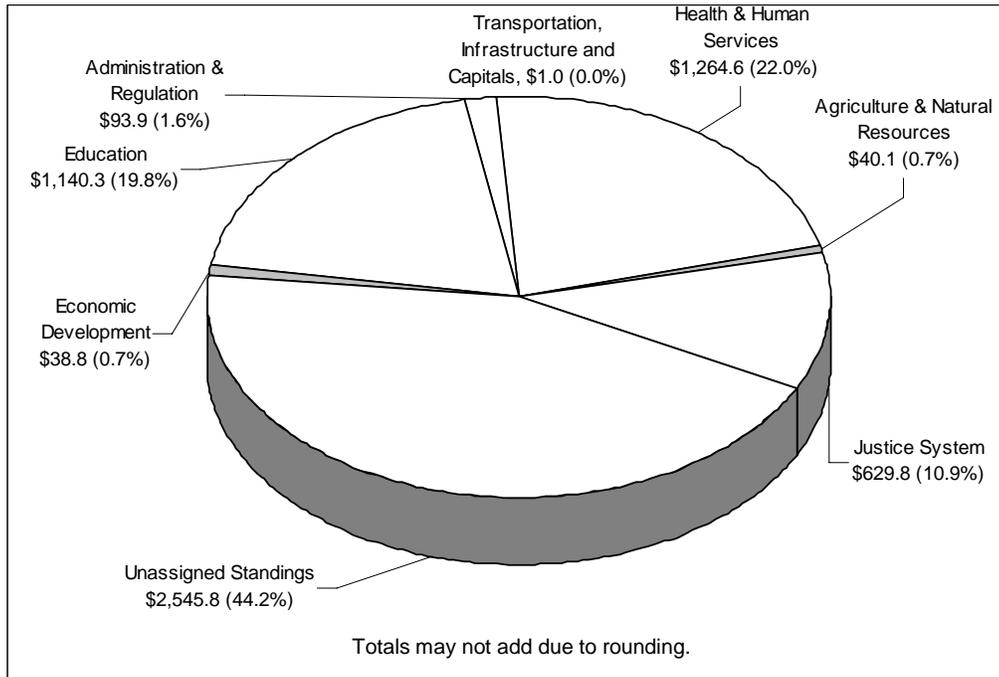
The Governor is recommending FY 2007 General Fund supplemental appropriations totaling \$50.3 million. The supplemental appropriations are listed on the table below.

Department/Line item	Explanation	Governor's FY 2007 Supp Recs
Administrative Services		
Utilities	Reopening Records Building and other utility costs.	\$ 1,200,000
Corrections		
Central Office	Add Director of Security and fully-fund Central Office salaries.	300,000
County Confinement	Reimburse counties for holding alleged violators.	400,000
Anamosa	Pharmacy and utility cost increases.	300,000
Oakdale	Staff the 178-bed Special Needs Unit.	3,420,538
Mount Pleasant	Pharmacy and utility cost increases.	500,000
Clarinda	Pharmacy and utility cost increases.	400,000
Economic Development		
Iowa Power Fund	Create the Iowa Power Fund.	25,000,000
Targeted Small Business	Implement the recommendations of the Governor's Targeted Small Business Task Force.	4,000,000
Human Services		
Medical Assistance	Medicaid estimated supplemental need.	8,000,000
Public Safety		
Division of Criminal Invest.	For coverage at the Burlington gambling facility starting in May and for the DNA all felons database.	466,500
State Patrol	Overtime expenses for the additional security detail for Governor Culver.	150,000
Fire Marshal	For costs of increased scope of projects requiring review by the Building Code Bureau.	100,000
Board of Regents		
Center for Regen. Medicine	Establish the Iowa Center for Regenerative Medicine at the University of Iowa.	2,500,000
Revenue		
Operations	Operation costs for the Property Assessment Appeal Board.	100,000
Veterans Affairs		
Injured Vets Grant Prog.	Provides grants for medical care of up to \$10,000 for veterans injured after 9-11, with maximum of \$2,500 per month.	2,000,000
Vets Homebuyer Program	Provides grants of up to \$5,000 for veterans for home purchase.	1,500,000
Total FY 2007 Supplementals		<u><u>\$ 50,337,038</u></u>

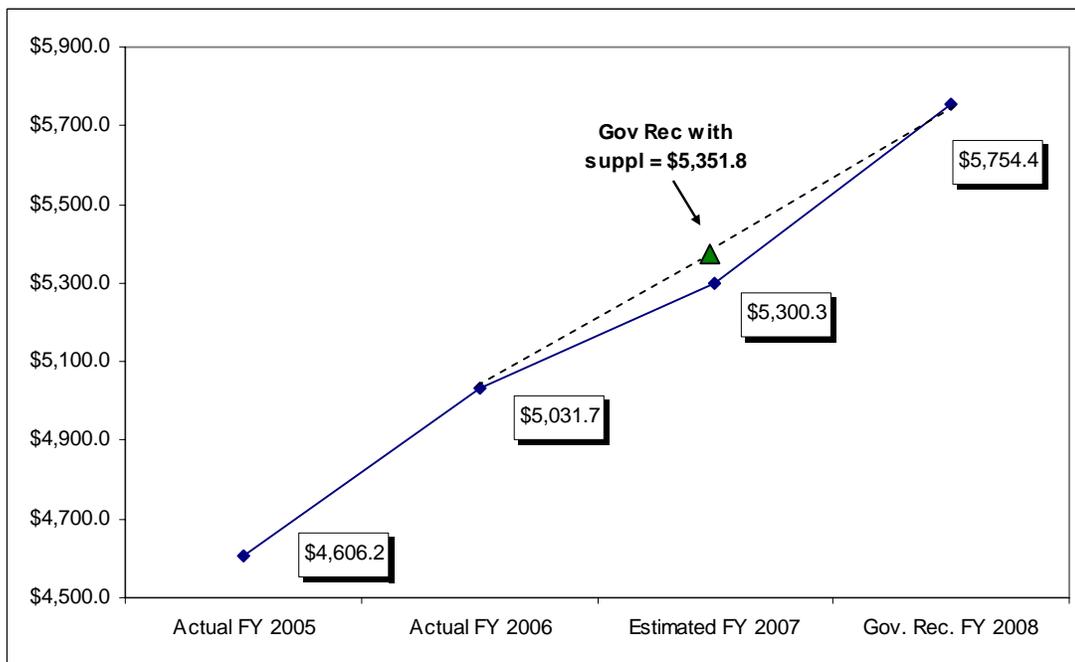
General Fund Governor's Recommendations

FY 2008 GENERAL FUND GOVERNOR'S RECS.

Total FY 2008 Governor's Recommendations: \$5,754.4 million
(Dollars in Millions)



Appropriations for FY 2005 – FY 2007 and Governor's Recs. for FY 2008
(Dollars in Millions)



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 2008, the Legislative Services Agency (LSA) is projecting \$538.6 million in built-in and anticipated increases and decreases. The FY 2008 projection includes \$391.9 million in General Fund built-in changes and \$146.7 million in anticipated increases and decreases.



The Governor's FY 2008 budget includes \$273.6 million in funding that is associated with the FY 2008 estimated built-in and anticipated expenditures. This includes \$222.4 million for the statutory built-in expenditures and \$51.2 million for the anticipated increases. The following table summarizes the projected increases and compares the Governor's funding associated with the increases.

**Table 1
Projected FY 2008 Incremental Built-in General Fund Expenditures**

(Dollars in Millions)

Incremental Built-in Changes	LSA		
	Estimates	Gov. Rec.	Difference
1. Revenue - Homestead Tax Credit	\$ 133.9	\$ 25.7 ¹	\$ -108.2
2. Education - K-12 School Foundation Aid	101.0	95.2	-5.8
3. Human Services - Medical Assistance	67.8	47.7	-20.1
4. Revenue - Agricultural Land Tax Credit	39.1	8.7 ¹	-30.4
5. Education - Teacher Quality/Student Achievement Act	35.0	35.0	0.0
6. Revenue - Elderly and Disabled Credit	19.8	4.9 ¹	-14.9
7. Education - Early Care, Health, Education Programs	5.0	0.0	-5.0
8. Management - State Appeal Board Claims	4.6	0.0	-4.6
9. Human Services - Mental Health Growth Factor	4.4	4.4	0.0
10. Revenue - Military Service Tax Credit	2.8	0.7 ¹	-2.1
11. College Aid - College Student Aid Work Study Program	2.7	0.1	-2.6
12. Public Health - Substance Abuse	2.0	0.0	-2.0
13. Education - Educational Excellence	1.4	0.0	-1.4
14. Education - At-Risk Early Childhood Education	1.3	0.0	-1.3
15. Education - Instructional Support	0.4	0.0	-0.4
16. Education - Early Intervention Block Grant	-29.3	0.0	29.3
Subtotal	\$ 391.9	\$ 222.4	\$ -169.5

Estimated General Fund Expenditure Increases and Decreases

**Table 2
Projected FY 2008 Incremental Anticipated General Fund Expenditures**

(Dollars in Millions)

Incremental Anticipated Expenditure Changes	LSA		Difference
	Estimates	Gov. Rec.	
17. FY 2008 Collective Bargaining Salary Costs	\$ 89.1	\$ 0.0	\$ -89.1
18. Corrections - Oakdale Expansion Operating Costs	17.7	17.7	0.0
19. Human Services - Child Care Assistance	17.2	17.2	0.0
20. Human Services - State Cases	7.0	0.8	-6.2
21. Inspections & Appeals - Indigent Defense & Public Defender	4.3	4.1	-0.2
22. Judicial Branch - Retirement Fund Contribution	4.7	4.7	0.0
23. Human Services - Mental Health Growth Factor	3.2	3.2	0.0
24. Corrections - Increased Fuel, Food, and Pharmacy Costs	1.9	1.9	0.0
25. Corrections - Sex Offender Supervision	1.8	1.8	0.0
26. Human Services - State Resource Centers	1.1	1.1	0.0
27. Human Services - Field Operations	0.8	0.8	0.0
28. Public Safety - Burlington Casino	0.6	0.6	0.0
29. Corrections - Administrative Services Billings	0.6	0.6	0.0
30. Human Services - Civil Commitment Unit for Sexual Offender	0.5	0.5	0.0
31. Corrections - County Confinement	0.4	0.4	0.0
32. Public Safety - Fuel Costs	0.3	0.3	0.0
33. Public Safety - Administrative Services Billings	0.2	0.2	0.0
34. Veterans Affairs - Veterans Cemetery	0.1	0.1	0.0
35. Public Health - Influenza Pandemic Costs	-4.8	-4.8	0.0
Subtotal	\$ 146.7	\$ 51.2	\$ -95.5
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 538.6	\$ 273.6	\$ -265.0

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 2008 budget. **Appendix B includes:**

- Type of appropriation: standing unlimited appropriation, standing limited appropriation, regular appropriation.
- Description of the program or budget unit.
- Factors resulting in the incremental increases or decreases.
- Dollar amount of the incremental increase under current law as projected by the LSA.
- The Governor's recommended funding for the incremental 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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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

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

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

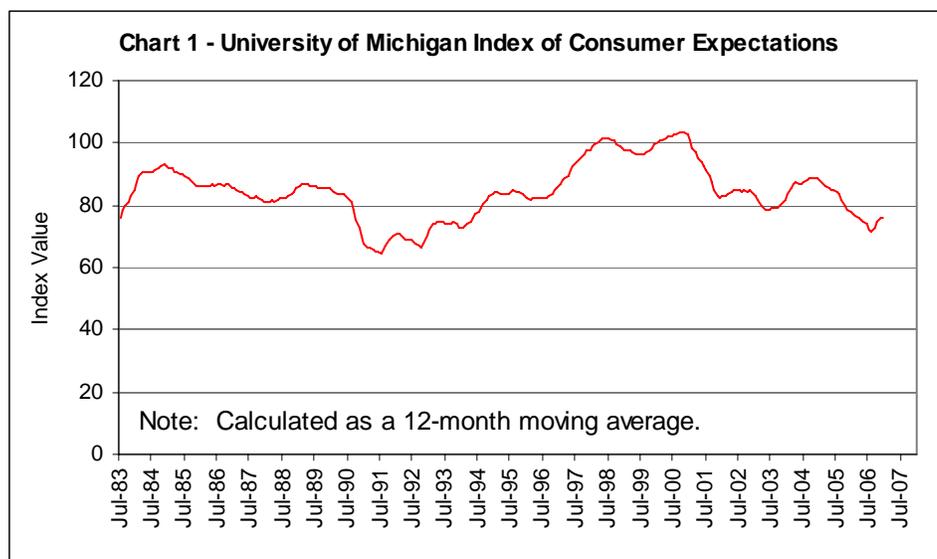
Economic Conditions and General Fund Revenue

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.

The PMI has generally been falling since the first half of calendar year 2004, but remained above the 50.0 level until the November 2006 reading of 49.5, the first below 50.0 since April 2003. A graph depicting the history of the Index is included in the Iowa Economy section.

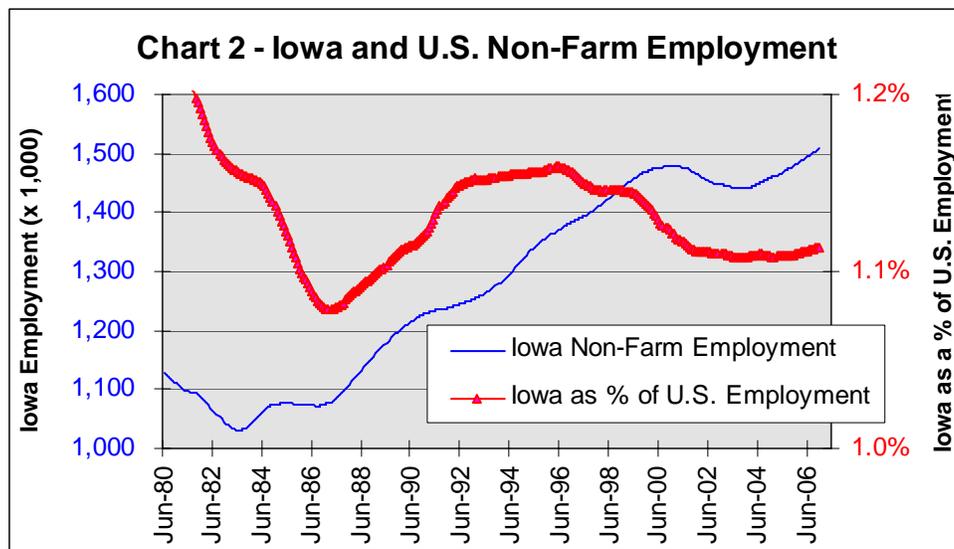
Consumer Confidence – Each month, researchers at the University of Michigan conduct a Survey of Consumers to determine the views and expectation of consumers concerning their sentiment for the present and future direction of the U.S. economy. The survey result is called the Index of Consumer Expectations. 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 the second half of calendar year 2000. The Index generally declined for the next 38 months, reaching a low in March 2003. For December 2006, the 12-month average value was 75.9, having risen modestly from the low-point of August 2006. Consumer confidence as measured by the Index has not been this low since 1994.



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, although Iowa's percent of total U.S. employment began to decline. After the 2000 employment peak, the Iowa economy lost almost 40,000 non-farm jobs before rebounding in late 2003. Through December 2006, Iowa non-farm employment exceeded the 2000 peak by almost 29,000 and the 2003 low-point by 68,000 (calculated on a 12-month moving average). Iowa's share of total U.S. non-farm employment continued to decline throughout the economic downturn of the early 2000's and for much the recovery, indicating that employment gains in Iowa were not as strong as those of the entire nation. Since August 1996, the Iowa/U.S. employment ratio has fallen 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.

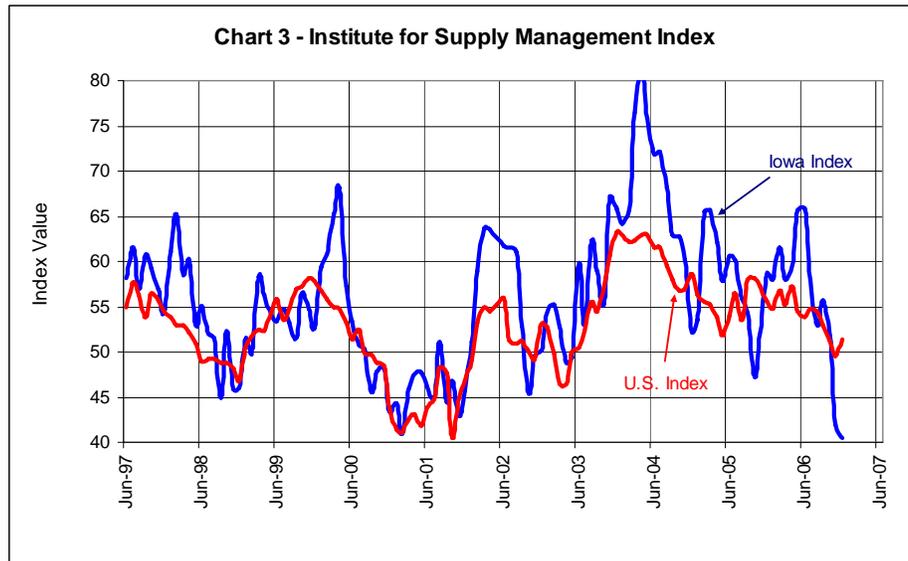


Iowa Purchasing Managers' Index – Creighton University produces a monthly index based on a survey of purchasing managers for businesses within the Mid-American region of the country. The Creighton survey produces index values for the region and for each state in the region. The survey methodology is 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 trends higher than the national index for a majority of the months. 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.
- The Iowa index has fallen sharply since May 2006, and is now below its former record low that occurred during the recession of the early 2000's.

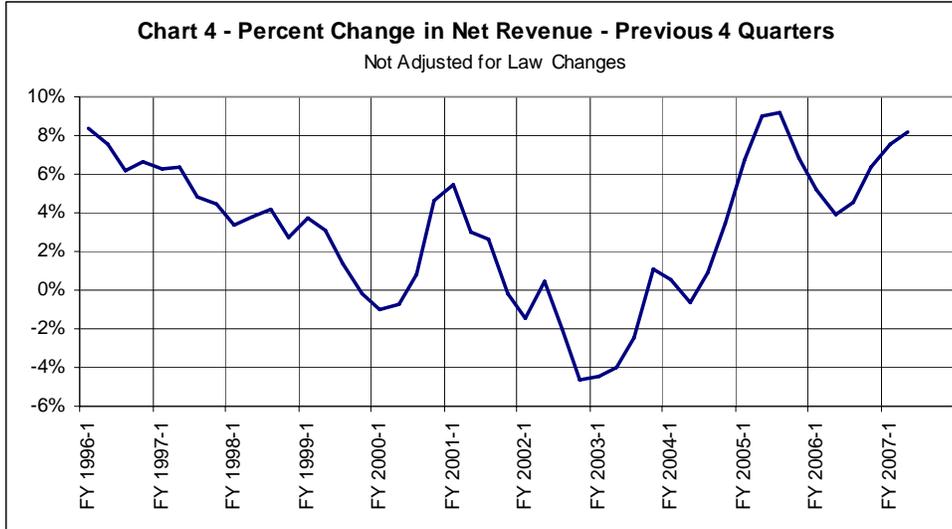


Iowa General Fund Revenues

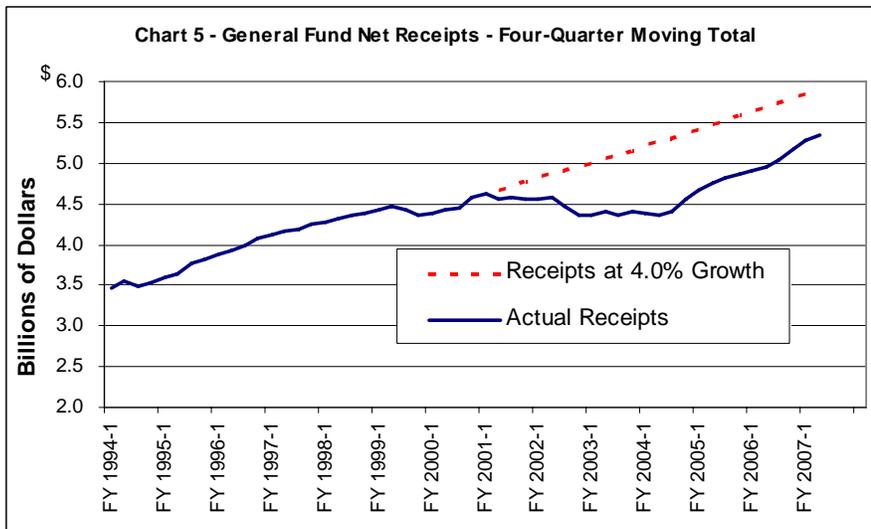
Iowa's income, sales/use, and corporate taxes raise approximately 86.3% of the revenue deposited to the State General Fund each year (FY 2006 data – net fiscal year basis, excluding transfers). The amount of revenue generated by each of these funding sources depends on the level of economic activity 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 (Oct-Dec 2000), when receipt growth fell from a positive annual 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 recent downturn that started after the third quarter of FY 2005 is due in large part to adjustments to Iowa income tax withholding tables, not to economic factors.

Economic Conditions and General Fund Revenue



While economic factors contributed to the revenue growth downturn of the early 2000's, tax reductions and revenue adjustments enacted by the General Assembly 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 24 quarters averaged 2.1%. Had receipt growth averaged 4.0% since the end of FY 2000, net revenues for FY 2006 would have totaled \$5.799 billion, \$620.9 million more the actual net receipts (see **Chart 5**).



In December 2006, the Revenue Estimating Conference (REC) established an FY 2007 net General Fund revenue growth rate (excluding transfers, accrued revenues, and prior to refunds) of 4.9%. After adjusting for the excluded items, estimated growth is 3.4%.

For FY 2008, the REC estimates growth will be positive 3.5% and 3.3% after transfer and other adjustments.

Economic Conditions and General Fund Revenue

In dollar terms, net revenue growth for FY 2007 is estimated at \$184.9 million and \$184.2 million for FY 2008. Due to inclusion of \$85.0 million of Lottery Touchplay and federal inter-governmental transfer revenue in FY 2006 actual receipts, FY 2007 dollar and percentage growth figures appear artificially low.

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SALARIES AND COLLECTIVE BARGAINING

The State is currently in the process of negotiations with unions representing State employees for salaries and benefits for FY 2008 and FY 2009. 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 2008 ESTIMATED INCREASED SALARY EXPENSES (EXCLUDES BOARD OF REGENTS)

- ❖ ***The Governor's FY 2008 recommendation does not include salary adjustment.***
- It is estimated that total salary expenses for all funding sources will increase by \$30.5 million in FY 2008 due to partial year increases that took place during FY 2007 (salary annualization).
- It is estimated that General Fund salary expenses will increase by \$18.8 million in FY 2008 due to partial year increases that took place during FY 2007 (salary annualization).
- It is estimated that a 1.0% across-the-board-adjustment would increase the cost for all funds by \$11.9 million, including \$7.3 million from the General Fund.

The following is a summary of the unions' opening offers and the State's response. The table contains only a summary of the major points. Copies of the opening offers and the State's response are available from the Fiscal Services Division (FSD) of the Legislative Services Agency (LSA) upon request. The FSD will provide an update when the agreements become final.

Salaries and Collective Bargaining

FY 2008 AND FY 2009 COLLECTIVE BARGAINING UNIT AGREEMENTS PROPOSALS

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
American Federation of State, County, and Municipal Employees (AFSCME) – General Government and Community Based Corrections (CBC)	<p>5.0% across-the-board increase effective July 1, 2007.</p> <p>4.5% steps for eligible employees.</p> <p>Makes changes to shift differential pay effective January 1, 2008.</p>	<p>An employee bumped by a returning veteran must be allowed to maintain the same shift hours and days off.</p> <p>Employer matches 50.0% of employee contribution to Deferred Compensation Program up to a State share of \$75 per month (additional \$300 per year) effective July 1, 2007.</p> <p>Increases maximum employer paid life insurance coverage by \$40,000 to \$50,000 effective July 1, 2007.</p> <p>Increases maximum individual supplemental life insurance coverage purchase by \$40,000 to \$80,000 effective July 1, 2007.</p> <p>Increases the sick leave accrual by three days to 15 days with a balance of 751 hours through 1,500 hours. Also increases by three days to nine days with a balance of 1,501 hours or more.</p>	<p>5.0% across-the-board increase effective July 1, 2008.</p> <p>4.5% steps for eligible employees.</p>	<p>Same as FY 2008.</p>

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
American Federation of State, County, and Municipal Employees (AFSCME) – General Government and Community Based Corrections (CBC) (Continued)		<p>Change the sick leave conversion at retirement to permit the continued use of any balance past the age of 65 for the purchase of Medicare supplemental insurance, until the balance is exhausted. Also increase the 60.0% conversion factor (balance of 750 hours or less) to 70.0% and the 80.0% factor (balance of 751 hours to 1,500 hours) to 85.0%.</p> <p>Permit sick leave payouts to go to the purchase of dental, life, and/or Medicare supplemental insurance, and not only health insurance.</p> <p>Increase the maximum accumulated vacation to three times, instead of twice, the annual entitlement.</p> <p>Permit some employees to convert one hour of vacation to three hours of sick leave, subject to a maximum of 40 hours of vacation annually.</p> <p>Add Christmas Eve as a vacation day.</p>		

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
American Federation of State, County, and Municipal Employees (AFSCME) – General Government and Community Based Corrections (CBC) (Continued)		Change the current \$0.22 mileage rate of reimbursement for a personal vehicle, and \$0.29 if a State vehicle is not available, to the floating federal rate. Log onto www.gsa.gov/pov for the current mileage rates \$0.41.		
		Change the current meal rate of reimbursement of \$23.00 per day to the floating federal rate for the designated area.		
		Reduce the health insurance preexisting conditions waiting period by six months to 12 months.		
		Increase lifetime dental sealants for children by \$120 to \$240.		
State Response American Federation of State, County, and Municipal Employees (AFSCME) – General Government and Community Based Corrections (CBC)	1.0% across-the-board increase effective July 1, 2007.	Eliminates the health insurance and dental double spouse State payment option.	1.0% across-the-board increase effective July 1, 2008.	Same as FY 2008.
	Steps for eligible employees to be determined.	Changes the deductibles and co-payments for health insurance and prescription drug plans.	Steps for eligible employees to be determined.	

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
Judicial AFSCME	<p>5.0% across-the-board increase effective July 1, 2007.</p> <p>4.5% steps for eligible employees.</p>	<p>Employer matches 50.0% of employee contribution to Deferred Compensation Program up to a State share of \$75 per month (additional \$300 per year) effective July 7, 2007.</p> <p>Increase employer paid life insurance coverage by \$40,000 to \$50,000 effective July 1, 2007.</p> <p>Increase individual life insurance coverage purchase by \$30,000 to \$80,000 effective July 1, 2007.</p> <p>Reduce the health insurance preexisting conditions waiting period by six months to 12 months.</p> <p>Increase lifetime dental sealants for children by \$120 to \$240.</p> <p>Increase the sick leave accrual to 15 days with a balance of 750 hours through 1,500 hours. Also increases by three days to nine days with a balance of 1,501 hours or more.</p>	<p>5.0% across-the-board increase effective July 1, 2008.</p> <p>4.5% steps for eligible employees.</p>	<p>Same as FY 2008.</p>

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
Judicial AFSCME (Continued)		<p>Changes the sick leave conversion at retirement to permit the continued use of any balance past the age of 65, until the balance is exhausted. Also increases the 60.0% conversion factor to 70.0% and the 80.0% factor to 85.0%.</p> <p>Permits vacation payouts to go to the employee's deferred compensation account.</p>		
State Response Judicial AFSCME	<p>1.0% across-the-board increase effective July 1, 2007.</p> <p>2.0% steps for eligible employees.</p>	<p>Increases the permissible uses of Immediate Family Death Leave.</p>	<p>1.0% across-the-board increase effective July 1, 2008.</p> <p>2.0% steps for eligible employees.</p>	<p>Same as FY 2008.</p>
State Police Officers Council (SPOC)	<p>Adjusts the salary schedule to make the steps in the schedule 4.5%.</p> <p>4.0% across-the-board increase, after the schedule adjustment, effective July 1, 2007.</p> <p>4.5% steps for eligible employees.</p> <p>Increase the regular pay for a Trooper 3 and a Senior Trooper-Pilot by an additional 2.0%.</p>	<p>Changes are made to both grievance procedures and work scheduling.</p> <p>The use of compensatory hours as compensatory time or cash payment for hours 51 through 200 is shifted to the employee's discretion from the employer's.</p> <p>Permits employees to convert two-hours of vacation to one-hour of sick leave, subject to a maximum of 200-hours of vacation annually.</p>	<p>5.0% across-the-board increase effective July 1, 2008.</p> <p>4.5% steps for eligible employees.</p>	<p>Same as FY 2008.</p>

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
State Police Officers Council (SPOC) (Continued)	Permits the employee to select either holiday compensatory time or 150.0% of their hourly rate for work during a holiday. Makes changes to shift differential pay.		The compensation of Troopers 1, 2 and 3, Trooper Pilots and Senior Pilots is to be established by an independent compensation expert. No employees pay will be reduced and pay increases will be effective July 1, 2007.	
State Response State Police Officers Council (SPOC)	1.0% across-the-board increase effective July 1, 2007. Steps for eligible employees to be determined. Eliminates the compounding of premium compensation and makes changes to the calculation of overtime pay for holidays. Makes changes to shift differential pay.	Increases co-payments for prescription drugs. Increases certain health co-payments and deductibles.	1.0% across-the-board increase effective July 1, 2008. Steps for eligible employees to be determined.	Same as FY 2008.
Iowa United Professionals (IUP) and United Electrical Workers (UE)	6.0% across-the-board increase, after the schedule adjustment, effective July 1, 2007. 4.5% steps for eligible employees. Increases pay plan maximums by 6.0% effective July 1, 2007.	Involuntary transfers are to be completed by seniority. Increases the State's contribution for Health Insurance Family Plans, from the current 72.0%, to 85.0%. Increases the vacation accrual rate and adds President's Day as a holiday.	6.0% across-the-board increase, after the schedule adjustment, effective July 1, 2008. 4.5% steps for eligible employees.	Same as FY 2008.

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
Iowa United Professionals (IUP) and United Electrical Workers (UE) (Continued)	<p>Requires bumped and recalled employees to maintain the same rate of pay as before the bump to a lower position or recall.</p> <p>Makes changes in the calculation of overtime pay.</p> <p>Increases the rate for standby pay and makes changes to extra pay for lead workers.</p> <p>Makes changes to the employee performance evaluation reviews.</p>	<p>Employer matches 50.0% of employee's contribution to Deferred Compensation Program up to a State share of \$100 per month (\$1,200 per year) effective July 1, 2007, an increase of \$600 annually.</p> <p>Changes are made to the use of Family Medical Leave Act (FMLA) Leave.</p> <p>Requires the employer to provide safety glasses, including prescription safety glasses, annually for employees required to wear them.</p> <p>Makes changes to the dental plan.</p>		
State Response Iowa United Professionals (IUP) and United Electrical Workers (UE)	<p>1.0% across-the-board increase effective July 1, 2007.</p> <p>Steps for eligible employees to be determined.</p>	<p>Makes multiple cost containment changes to health and dental insurance plans.</p>	<p>1.0% across-the-board increase effective July 1, 2008.</p> <p>Steps for eligible employees to be determined.</p>	<p>Same as FY 2008.</p>

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
Judicial Public Professional and Maintenance Employees (PPME)	6.0% across-the-board increase effective July 1, 2007. Steps for eligible employees. Prohibit the use of furloughs without the consent of the union. Employees shall be given the right to transfer or be recalled before anyone else is hired for a vacancy.	Employer pays 90.0% of family premium for Iowa Select towards the family plan of the employee's choice, up from current 85.0%, effective January 1, 2006. Permits employees to use 80 hours of sick leave for family illness instead of the current 40 hours.	6.0% across-the-board increase effective July 1, 2008. Steps for eligible employees.	Same as FY 2008.
State Response Judicial Public Professional and Maintenance Employees (PPME)	0.0% across-the-board increase effective July 1, 2007. No step increases in FY 2008.	No change to current benefit programs.	0.0% across-the-board increase effective July 1, 2008. No step increases in FY 2009.	Same as FY 2008.
University of Northern Iowa (UNI)– United Faculty	7.5% in FY 2007. \$700 per member for travel per year (approximately \$225,000 increase). Increase compensation for professional development assignments from 50.0% of salary to 75.0%. Increase summer research fellowships from \$5,517 to \$6,517.	Tuition remission for staff, spouse and dependents. Free access to campus wellness center. Creation of a 750 day sick leave bank for faculty use in cases of catastrophic illness.	8.5% in FY 2008.	Same as FY 2008.
State Response UNI – United Faculty	1.0% pay increase in FY 2007. Increase the percentage of the salary increase allocated for merit.	Freeze employer contribution for single and family health coverage.	1.0% pay increase in FY 2008.	Same as FY 2008.

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
Campaign to Organize Graduate Students – University of Iowa (COGS – SUI)	<p>Stipends increased by 4.0%.</p> <p>Full tuition scholarship (currently approximately 50.0%).</p>	<p>Decrease health insurance out of pocket maximums.</p> <p>Increase maximum dental annual benefit from \$1,000 to \$2,000; add coverage for orthodontia.</p> <p>1 for 1 match of employee's contributions to health and dependent care spending accounts up to a maximum of \$500/year.</p>	FY 2009 is not part of the negotiations.	FY 2009 is not part of the negotiations.
State Response COGS – SUI	<p>0.0% increase on stipend.</p> <p>Maintain tuition scholarship at 50.0%.</p>	<p>Increase health insurance co-insurance from 10.0% to 20.0%.</p> <p>Add \$10 office co-pay.</p> <p>Increase deductibles and out of pocket maximums. Add three tier drug plan.</p>	FY 2009 is not part of the negotiations.	FY 2009 is not part of the negotiations.

Salaries and Collective Bargaining

Bargaining Unit	FY 2008		FY 2009	
	Wages	Benefits	Wages	Benefits
Service Employees International Union (SEIU) – University of Iowa and University Of Iowa Hospital and Clinic (SUI/UIHC)	<p>Proposed restructuring the pay plan adding steps for recognition of years of experience; provides a minimum ATB of 6.0% plus retention adjustment of 3.0%.</p> <p>Proposes increases in supplemental pay categories – standby, callback, charge assignments, and adds a new category of preceptor with a \$4 per hour supplemental.</p> <p>Increases shift differential in each year by 50 cents.</p> <p>Proposes all members receive reimbursement for cost of licensure renewal.</p> <p>Proposes increase in the pay grade of Clinical Psychologist from 9 to 14.</p>	<p>Increase employer contribution to health and dental insurance (same increase provided to all nonorganized faculty and P&S staff) effective January 1, 2007.</p> <p>Proposed carryover of unused emergency leave allowance.</p>	Same as FY 2008.	Same as FY 2008.
State Response SEIU – SUI/UIHC	<p>0.0% increase proposed in both years.</p> <p>Proposes restructuring the Staff Nurse I and II classifications into a single classification that would recognize levels of advanced education and certification with additional pay.</p>	<p>Increase employer contribution to health and dental insurance (same increase provided to all nonorganized faculty and P&S staff) effective January 1, 2007.</p>	Same as FY 2008.	Same as FY 2008.

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PUBLIC RETIREMENT SYSTEMS COMMITTEE

The Public Retirement Systems Committee is a 10-member legislative committee that examines and makes 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. There are currently no Committee meetings scheduled.

Retirement Systems

The public retirement systems in Iowa include:

- ▶ **Iowa Public Employees' Retirement System – IPERS:** The membership includes 163,091 active and 78,023 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.
- ▶ **Judicial Retirement System:** The membership includes 197 active and 103 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 618 active and 402 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 3,816 active and 3,531 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 23,202 active members that are University, Board of Regents, and some community college employees.

Public Retirement Systems Committee

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.



Contribution Rates

	Employee Percent		Employer Percent		Total Percent	
	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007
IPERS						
Regular	3.70%	3.70%	5.75%	5.75%	9.45%	9.45%
Sheriffs & Deputies	8.20%	8.37%	8.20%	8.37%	16.40%	16.74%
Protection Occup.	6.16%	6.08%	9.23%	9.12%	15.39%	15.20%
Judicial Retirement (1)	5.00%	2.32%	9.16%	9.16%	14.16%	11.48%
PORS	9.35%	9.35%	17.00%	17.00%	26.35%	26.35%
MFPRSI/411s (2)	9.35%	9.35%	28.21%	27.75%	37.56%	37.56%
TIAA-CREF (3)	5.00%	5.00%	10.00%	27.75%	15.00%	15.00%

(1) For Judicial Retirement, Section 602.9104(4b), Code of Iowa, requires an employer contribution of 23.7%. That section was notwithstanding in HF 2557 (FY 2007 Judicial Branch Appropriations Act). House File 729 (FY 2007 Public Pension Omnibus Act) changed the method for calculating judges’ contributions to a ratio of the State’s actual contribution.

(2) For MFPRSI/411s, the State contributed \$2.7 million in FY 2006.

(3) Annual contributions from individuals within TIAA-CREF with less than five years of service are equal to 3.33% on the first \$4,800 in salary and 5.00% above \$4,800, while the university contributes 6.67% on the first \$4,800 in salary and 10.00% above \$4,800. After five years of service, the individual contributions increase to 5.00% and the corresponding university contribution is 10.00%.

Unfunded Actuarial Liability (UAL)

- ▶ **Iowa Public Employees' Retirement System (IPERS)** – The unfunded actuarial liability was determined to be \$2.5 billion (88.4% funded) at the end of FY 2006 using the Entry Age Normal Cost Method.

Public Retirement Systems Committee

- ▶ **Judicial Retirement System** – The unfunded actuarial liability was determined to be \$37.6 million (70.0% funded) at the end of FY 2006 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 \$79.9 million (77.7% funded) at the end of FY 2006 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 actuarial accrued liability. The actuarial value of plan assets is \$188.9 million less than the present value of all accrued benefits (89.0% funded) at the end of FY 2006.

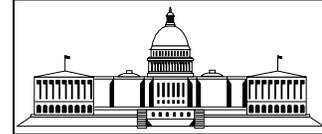
Additional information is available from the LSA upon request or is available on the Committee's web site: www.legis.state.ia.us/asp/Committees/Committee.aspx?id=57.

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TAX AND REVENUE ISSUES

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 most 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. 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 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, Nevada, Ohio, Tennessee, Vermont, Utah, and Wyoming. It is anticipated that other states will become members as this effort moves forward.

Iowa may benefit financially from being a member state if sellers located outside of the state (remote sellers) voluntarily collect tax from their Iowa customers and remit the tax to Iowa.

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 was eliminated on January 1, 2006. The full impact of the phase-out is estimated to be \$90.0 to \$110.0 million per year.

Tax and Revenue Issues

Insurance Premium Tax Phase-Down

Senate File 2318 (Insurance Rate Reduction Act), enacted by the 2002 General Assembly, created a five-year phase-down of the Iowa insurance premium tax. The phase-down reduced the rate from 2.0% to 1.0% of net premiums in 0.25% increments. The rate reduction for health and life insurance companies started in calendar year 2003, while the rate for other insurance started in calendar year 2004. When fully implemented, the reduction is projected to reduce net General Fund revenue by \$76.6 million per year.

Income Tax Reduction for Seniors

Senate File 2408 (Retirement Income Tax Reduction Act), enacted by the 2006 General Assembly, exempts all Social Security retirement income from State income tax through a phase-out mechanism, starting in tax year 2007. The Act also provides an income threshold that allows taxpayers age 65 and older to pay no State income tax. The threshold starts at \$18,000 (single) and \$24,000 (married). In tax year 2009, the threshold is raised to \$24,000/\$32,000. When fully implemented, the two provisions are projected to reduce net General Fund revenue by \$118.1 million per year.

Previously Enacted Tax and Revenue Adjustments

The Iowa General Assembly has enacted tax and revenue measures in recent Sessions with phased-in or future impact dates, including the utility sales tax, insurance premium tax, and senior income tax legislation discussed above. The following **Table** provides a summary of projected revenue impacts associated with recent legislation. The list does not include changes with revenue impacts below \$1.0 million per year. The impacts are calculated as the change from the estimated impact in FY 2006, if any.

Tax and Revenue Issues

Significant Tax and Revenue Changes with Future Impacts			
Changes from FY 2006 Base			
Dollars in Millions			
	FY 2007	FY 2008	FY 2009
Utility Phase-out	\$ -10.5	\$ -10.5	\$ -10.5
Insurance Premium Tax	-11.0	-11.0	-11.0
Small Energy Producer Credits	-2.9	-7.4	-10.0
Senior Income Tax Reduction	-12.0	-34.0	-44.3
Private School Tuition	-2.5	-5.0	-5.0
Telecommunications Sales Tax	-1.2	-2.6	-4.3
Housing Development Credit	-2.8	-2.8	-2.8
New Capital Investment Credit	-1.7	-3.3	-3.3
Withholding Pilot Project Credit	-0.6	-1.2	-1.9
Child Development Credit	-3.0	-3.0	-3.0
Early Childhood Credit	-2.5	-2.5	-2.5
Renewable Fuels Credits	-0.7	-3.4	-8.3
Confinement Sales Tax Exemption	-1.3	-1.3	-1.3
Enterprise Zones	-1.2	-1.2	-1.2
Comp. Health Insurance Changes	0.1	-1.1	-2.7
Iowa Values Fund Credits	-21.5	-21.5	-21.5
	<u>\$ -75.3</u>	<u>\$ -111.8</u>	<u>\$ -133.6</u>
Potential:			
Venture Capital Fund of Funds			
Contingent Credits	<u>\$ 0</u>	<u>\$ -20.0</u>	<u>\$ -20.0</u>

Governor's Tax and Revenue Adjustments

The Governor is recommending increasing the cigarette tax rate and the tobacco tax rate (see next section). The Governor is also recommending several other revenue adjustments that would increase FY 2008 revenue. These include:

- ❖ **Combined Corporate Income Tax Reporting – \$25.0 million.** The Governor is recommending requiring closely-related corporations 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.
- ❖ **Tax Amnesty – \$16.0 million.** The Governor is recommending a tax amnesty program to allow taxpayers to pay back-taxes with reduced penalty and interest payments. A Department of Revenue report released in 1987 covering Iowa's most recent tax amnesty program is available at: http://staffweb.legis.state.ia.us/lfb/docs/ways_means/ways_means.htm

Tax and Revenue Issues

- ❖ **Increased Earned Income Tax Credit - \$ - 4.3 million.** The Governor is recommending increasing Iowa's Earned Income Tax Credit from the present 6.5% of the federal credit amount to 10.0%.
- ❖ **Alternative Fuel Vehicle Tax Credit - \$ - 2.0 million.** The Governor is recommending creating a state alternative fuel vehicle tax credit tax credit equal to 20.0% of the credit allowed for federal tax purposes.
- ❖ **Department of Revenue Auditors - \$4.6 million.** The Governor is recommending an appropriation of \$1.3 million dollars to hire additional enforcement officers and staff and to update compliance information systems. With the additional staff it is estimated the Department will collect an additional \$4.6 million that would otherwise not be collected.
- ❖ **Additional DCI Riverboat Agents - \$600,000.** The Governor is recommending additional funding to support growth in the gaming industry by adding 2.0
- ❖ **FTE positions for Special Agents and 5.0 FTE positions for Gaming Enforcement Officers to support the new facility at Burlington and 1.0 FTE for a Gaming Enforcement Officer for Worth County, which will be offset with receipts to the General Fund.** The recommendation also includes \$200,000 in additional revenue for FY 2007 for partial year funding for the facility at Burlington.
- ❖ **Additional Fire Marshal Inspection Fees - \$400,000.** The Governor is recommending to provide the Fire Marshal's Office, Building Code Bureau with the resources and staff to fulfill the requirements in HF 2797 (FY 2007 Standing Appropriations Act) regarding the plan review and inspection of various public buildings. The costs will be offset by fee revenue deposited directly into the General Fund. The recommendation also includes \$100,000 in additional revenue for FY 2007 for 2.0 FTE positions for Construction Design Engineers.
- ❖ **Additional Department of Commerce Fees - \$100,000.** The Governor is recommending an increase of 2.00 FTE positions. The positions are a trust account auditor and a compliance officer in the Professional Licensing Bureau. The costs will be offset by increased fees to be generated by the Bureau in FY 2008.
- ❖ **Additional Restaurant Inspection Fees - \$400,000.** The Governor is recommending an appropriation to the Department of Inspections and Appeals to conduct food inspections in Polk and Jasper counties. The fees are currently being deposited into the General Fund and are not passed on to the Department to complete inspections.

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CIGARETTE/TOBACCO TAX ISSUES

Cigarette and Tobacco Taxes in Iowa

Iowa’s cigarette tax is currently \$0.36 per package of 20 (1.8 cents per cigarette). For tobacco products other than cigarettes, the current tax rate is 22 percent of the wholesale price of the product. The graphs below show that cigarette tax revenues have hovered around \$90.0 million since FY 1999 and current Revenue Estimating Conference (REC) projections indicate that cigarette tax revenues will remain the same in FY 2007 and FY 2008 (see Figure 1). Revenues from the tobacco tax have increased from \$6.5 million in FY 1999 to \$9.2 million in FY 2006. The REC projections show continued growth in the tobacco tax for both FY 2007 and FY 2008 (see Figure 2).

Figure 1

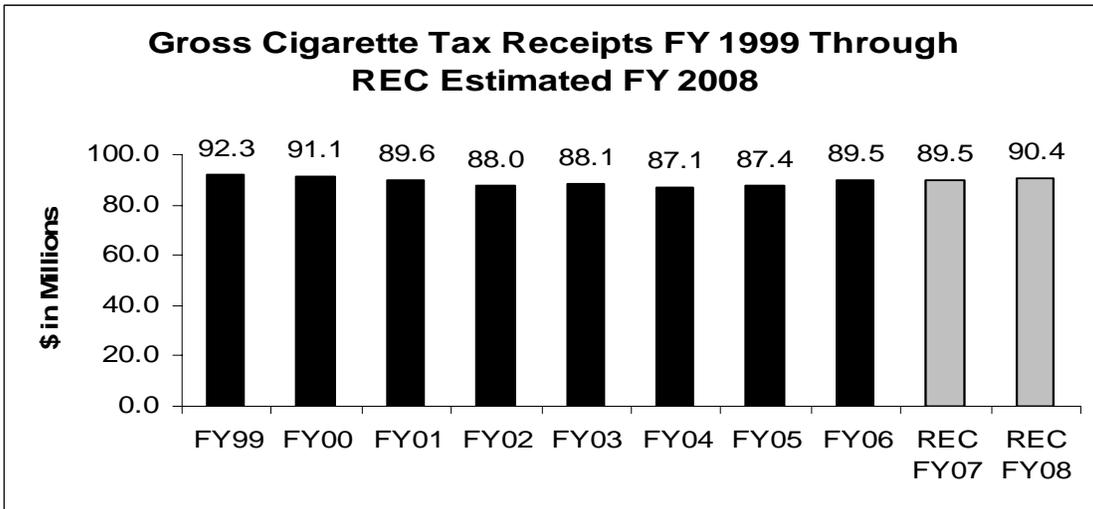
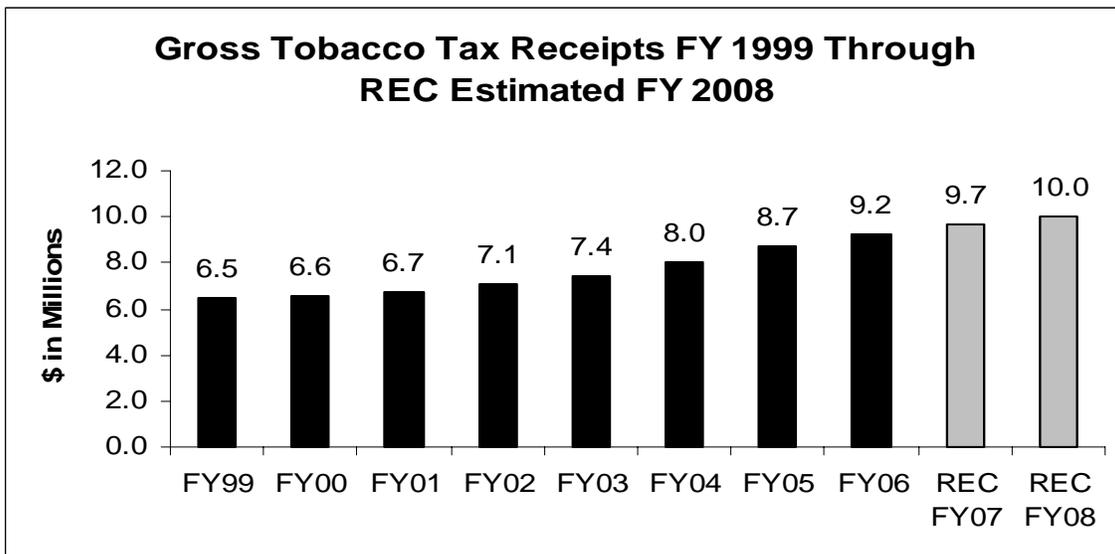


Figure 2



Tax and Revenue Issues

Cigarette Tax

The last increase in the cigarette tax occurred in 1991, when the rate increased from \$0.31 per pack to the current rate. According to the Federation of Tax Administrators, Iowa's cigarette tax rate of \$0.36 per pack ranks 42nd lowest of all states. Of surrounding states, only Missouri (\$0.17) has a lower rate. Below is a listing of the cigarette tax rates of surrounding states.

Cigarette Tax Rates of Iowa and Neighboring States

<u>State</u>	<u>Tax Rate Per Pack</u>
South Dakota*	\$1.53
Minnesota	\$1.49
Illinois	\$0.98
Wisconsin	\$0.77
Nebraska	\$0.64
Iowa	\$0.36
Missouri	\$0.17

*South Dakota's rate increased \$1.00 per pack effective Jan. 1, 2007.

Source: Federation of Tax Administrators

The following table provides estimates based on differing cigarette tax rate increases. The estimated revenue associated with each level should be considered representative examples. Revised estimates will be prepared for any proposed legislation.

Estimated FY 2008 Cigarette Tax Increase

<u>Additional Cigarette Tax Per Pack</u>	<u>Total Tax Per Pack:</u>	<u>Additional Cigarette Tax Revenue (in Millions)</u>	<u>Estimated Total Cigarette Tax Revenue (in Millions)</u>
\$ 0.36	\$ 0.72	\$ 59.5	\$ 149.9
0.50	0.86	80.9	171.3
0.64	1.00	98.6	189.0
0.82	1.18	115.4	205.8
1.00	1.36	125.6	216.0
1.08	1.44	127.6	218.0
1.18	1.54	128.4	218.8
1.36	1.72	124.3	214.7

Tobacco Tax

The tobacco tax rate of 22 percent is imposed on tobacco products other than cigarettes and includes smokeless tobacco, snuff, and cigars. The last increase in the tobacco tax rate also occurred in 1991, when the rate increased from 19 percent.

Cigarette/Tobacco Tax Issues

The following table provides estimates based on differing tobacco tax rate increases. The estimated revenue associated with each level should be considered representative examples. Revised estimates will be prepared for any proposed legislation.

Estimated FY 2008 Tobacco Tax Increase

New Tobacco Tax Rate	Additional Tobacco Tax Revenue (in Millions)	Estimated Total Cigarette Tax Revenue (in Millions)
44%	\$ 6.7	\$ 16.7
53%	8.8	18.8
61%	10.2	20.2
72%	11.1	21.1
83%	10.9	20.9
88%	10.5	20.5
94%	9.6	19.6
105%	7.1	17.1

An issue regarding the tobacco tax rate is implementing the correct tax rate to correspond to the cigarette tax rate. Of the 50 states, 40 (including Iowa) currently have either a percentage tax on the wholesale price or a percentage tax on the manufacturer's price. Other states provide a per unit tax rate on the weight of the product.

Cigarette/Tobacco Tax Increases – Governor's Proposal

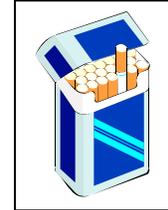
The Governor is recommending an increase in the cigarette tax rate of \$1.00 per pack and increasing the tobacco tax rate to 88 percent. These increases would be effective April 1, 2007. The Governor projects that the tax changes will increase General Fund revenue by:

- ❖ ***FY 2007 - \$32.0 million***
- ❖ ***FY 2008 - \$138.4 million***

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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 securitized 78.0% of the payment stream in 2001. As a result, 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. The State received \$579.5 million in net bond proceeds from the securitization. Of this, \$39.5 million was deposited in the Endowment and \$540.0 million in the Restricted Capitals Fund.

The Endowment for Iowa's Health Account was originally envisioned as a stable funding source for future appropriations related to health care programs. Under current law, the Endowment provides a standing appropriation that started at \$55.0 million in FY 2002 to the Healthy Iowans Tobacco Trust. This appropriation is statutorily increased by 1.5% annually and will total approximately \$60.1 million in FY 2008. The General Assembly appropriates funds from the Healthy Iowans Tobacco Trust for a variety of health-related programs.

The bond proceeds deposited in the Restricted Capitals Fund were federally tax-exempt; therefore, expenditures from the Fund must comply with Internal Revenue Service (IRS) regulations, and are restricted to funding of depreciable assets. The majority of these funds have been appropriated.



In November 2005, the Tobacco Settlement Authority (TSA) restructured the existing debt from the Series 2001 bonds. The refinancing netted a total of \$150.7 million in bond proceeds. Of this, \$50.2 million was deposited in the Endowment and \$100.5 million in the Endowment for Iowa's Health Restricted Capitals Fund. Appendix C provides additional financial information about tobacco-related funds.

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

- ❖ ***The Governor is recommending \$9.1 million be appropriated from the Endowment for Iowa's Health Account to the Healthy Iowa Tobacco Trust (HITT) Fund in FY 2008 to supplement the standing appropriation of \$60.1 million earmarked for the Fund. This will provide enough revenue for the HITT Fund to maintain health-care related appropriations at approximately the FY 2007 level.***

Tobacco Securitization

- ❖ ***The Governor's recommendation maintains a \$5.0 million appropriation for the Watershed Improvement Review Board. This appropriation was enacted during the 2006 Legislative Session in HF 2782 (FY 2007 Infrastructure Appropriations Act).***
- ❖ ***The Governor is recommending the deappropriation of \$3.9 million in appropriations from the Restricted Capital Fund of the Tobacco Settlement Trust Fund, and is recommending \$3.9 million in supplemental appropriations. The appropriation adjustments to the Fund are necessary to insure that the State is in compliance with Internal Revenue Code provisions requiring the proceeds be expended by October of 2007.***

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

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PROPERTY TAX ISSUES

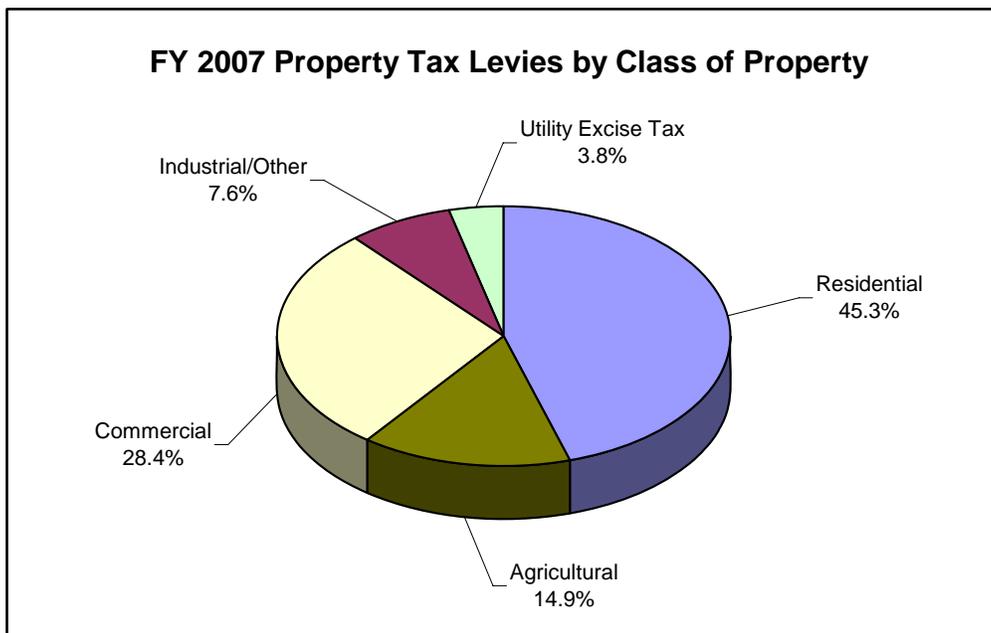
Current Property Tax System

Property taxes provide the primary source of revenues for local governments and approximately one-third of the general operating budgets for the K-12 school districts. The power to authorize local governments to levy property taxes is expressly reserved by the State in the local government Home Rule Amendments to the Iowa Constitution, and local taxing authorities may impose property taxes only as permitted by State statute.

Local assessors classify taxable real property within their jurisdictions into four classes: agricultural, residential (including agricultural dwellings), commercial or industrial. The assessed value of each piece of residential, commercial and industrial property is appraised at its “market value.” Agricultural property is assessed with a productivity formula. A variety of exemptions remove some or all of certain pieces of property from taxation, and “rollbacks” by class of property are applied to determine the taxable value for each piece of property. Each taxing district establishes a levy rate, expressed in dollars per \$1,000 of taxable value, that is applied to the taxable value of property to determine the property taxes paid by the owner. (A detailed legislative guide to Iowa property taxes is available at: <http://www.legis.state.ia.us/Central/Guides/proptax.pdf>.)

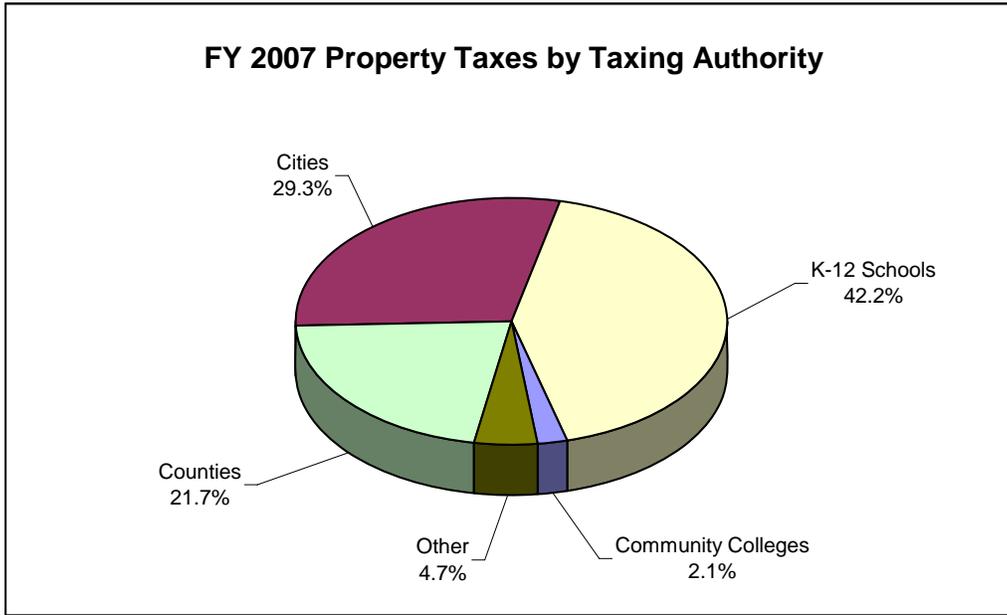
In FY 2007, property taxes total \$3,795.3 million, including a utility excise tax that is levied in lieu of property taxes and property taxes going to economic development activities through tax increment financing (TIF). The following two charts show the distribution of property taxes levied by property class and by taxing authority.

Figure 1



Property Tax Issues

Figure 2



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 3** summarizes the major property tax relief expenditures and projects the cost of each program through FY 2008.

Figure 3
Projected State Funded Property Tax Relief
(Dollars in Millions)

	<u>Actual FY 1997</u>	<u>Actual FY 2002</u>	<u>Actual FY 2003</u>	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Actual FY 2006</u>	<u>Est. FY 2007</u>	<u>Current Law - Est. FY 2008</u>
Machinery & Equipment	\$ 6.9	\$ 15.1	\$ 35.0	\$ 11.0	\$ 0.0	\$ 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	<u>84.8</u>	<u>126.5</u>	<u>132.2</u>	<u>127.2</u>	<u>132.6</u>	<u>138.3</u>	<u>135.6</u>	<u>146.5</u>
Total	<u><u>\$ 169.7</u></u>	<u><u>\$ 236.6</u></u>	<u><u>\$ 262.2</u></u>	<u><u>\$ 233.2</u></u>	<u><u>\$ 227.6</u></u>	<u><u>\$ 233.3</u></u>	<u><u>\$ 230.6</u></u>	<u><u>\$ 241.5</u></u>

Note: The School Foundation includes property tax relief from changes to the Foundation Level and the FY 2007 addition of the Adjusted Additional Levy Property Tax Aid.

Property Tax Issues

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

Machinery and Equipment (M&E)

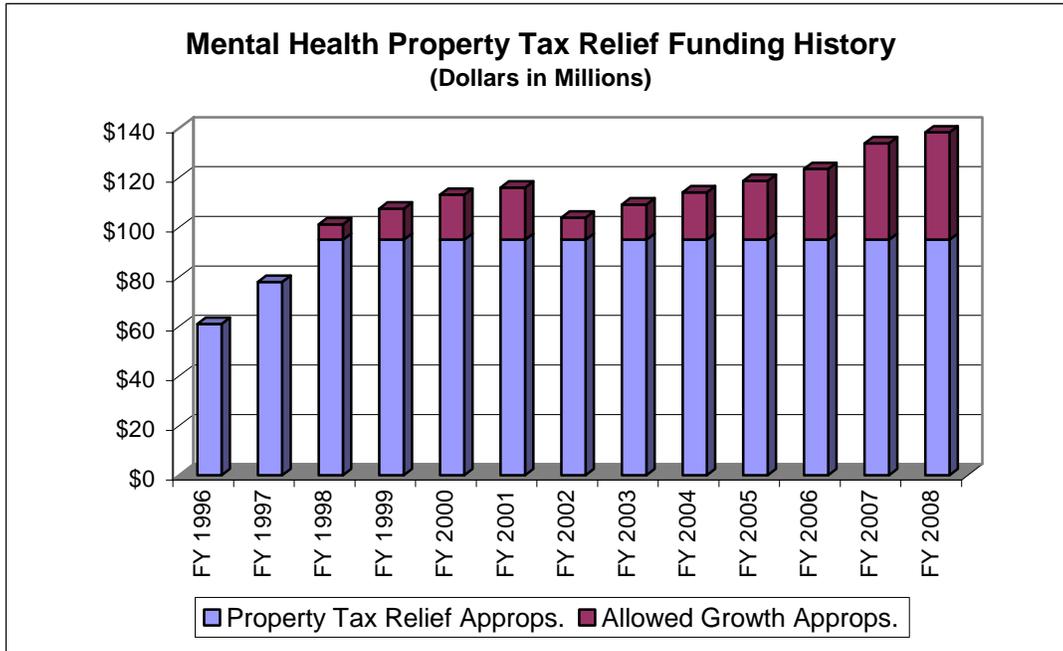
- The property tax on new M&E was repealed during the 1995 Legislative Session in the Property and Income Tax Reduction Act, retroactive to all M&E purchases made since January 1, 1994. The intent of the original legislation was to eliminate the tax on M&E and spur additional commercial and industrial 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 4** details annual appropriations from FY 1996 through FY 2008. 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 4



Note: The FY 2007 appropriations for property tax relief and the county expenditure base are assumed at the FY 1998 rate. House File 2797 (FY 2007 Standings Appropriations Act) appropriated \$43.3 million for FY 2008 growth, which is a rate of 31.738294%. Of the \$43.3 million, \$4.9 million is allocated for services to adults with brain injury through the Department of Public Health. Due to the revision of the FY 2007 allowed growth appropriation during the 2006 Session, the original FY 2008 amount may change during the 2007 Legislative Session. The growth rate for FY 2009 is scheduled to be established during the 2007 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 \$7.0 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 2007, 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.

Property Tax Issues

- One-third based on the county's share of State total taxable property valuation.
- ◆ For FY 2007, the Mental Health Allowed Growth Distribution Formula includes:
 - \$12.0 million based on county population.
 - \$24.5 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 2006 County Services Fund year-end balance to be no more than 25.0% of the FY 2006 county mental health gross expenditures.
 - A reduction of \$7.7 million based on FY 2005 county fund balances.
- ▶ Reductions within the distribution formula have 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 2006 ending balances by December 1, 2006. 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 2006.
 - ◆ 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 2006.
 - ◆ 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 2007, with the possibility that a county may not receive any of the allowable growth appropriation.



Property Tax Issues

- ▶ The General Assembly may wish to consider the following during the 2007 Legislative Session:

- ✦ Due to the revision of the FY 2007 original appropriation enacted in HF 882 (FY 2006 Standings Appropriations Act) by HF 2734 (FY 2007 Health and Human Services Appropriations Act), the original FY 2008 allowed growth appropriation enacted in HF 2797 (FY 2007 Standings Appropriations Act), may need to be amended to include the \$3.1 million added in HF 2734 to reflect the planned 3.0% growth in the formula when HF 2797 was enacted. The FY 2008 allowed growth enacted is an increase of \$4.4 million compared to the final FY 2007 appropriation. This represents a 1.738294% increase. A 3.0% growth in the formula to the FY 2007 final enacted amount for FY 2008 would be an increase of \$7.6 million.

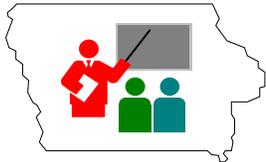
The Governor is recommending \$46.5 million for FY 2008 which is an increase of \$7.6 million compared to FY 2007. This includes the original appropriation increase of \$4.4 million and the additional \$3.1 million (increased by \$0.1 million within the formula) that was added to the original FY 2007 appropriation and not included in the original FY 2008 appropriation. For FY 2009, the Governor recommends an increase in the formula of 3.0%, which is an increase of \$7.8 million compared to the original FY 2008 appropriation.



- ✦ 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 was required to repay the federal Centers for Medicare and Medicaid Services (CMS) for ineligible services identified through an audit of Adult Rehabilitative Options. Counties provided these services through individual providers and paid the nonfederal share in lieu of 100.0% of the cost. The FY 2006 Medicaid supplemental estimate included more than \$6.0 million for this repayment of the federal share. The DHS is transitioning from the Adult Rehabilitative Options to a Medicaid State Plan Amendment for Habilitation under the federal Deficit Reduction Act to start January 2007, and this may have a financial impact to county expenditures.
- ✦ Review proposals for the FY 2008 allowable growth appropriation and other proposed State funding changes.
- ✦ Review the impact of the distribution of the FY 2007 and FY 2008 allowable growth appropriations. A total of \$2.4 million of the FY 2007 appropriation and \$4.9 million of the FY 2008 appropriation was allocated for services to adults with brain injury through the Department of Public Health.

Property Tax Issues

School Foundation Formula

- ▶ During 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 total 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.
- ▶ In FY 2007, the Adjusted Additional Levy Property Tax Aid was added to the School Foundation formula. This Aid buys down the Additional Levy Rate for the districts with the highest rates. The Aid is being phased in over four years beginning at \$6.0 million in FY 2007 and reaching its maximum of \$24.0 million in FY 2010 and subsequent years. In FY 2007, 29 school districts received this Aid, and in FY 2010 when fully phased-in, 82 school districts are projected to receive the Aid.
- ▶ Raising the foundation level could provide future property tax decreases. In FY 2008, increasing the school districts regular program and special education foundation levels by 1.0% would increase State aid and reduce property taxes by \$30.3 million. Increasing the Area Education Agency foundation level by 1.0% would have a \$1.1 million impact. Increasing all three foundation levels to 100.0% would shift an estimated \$400.9 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.

Property Tax Issues

Figure 5 shows the amounts claimed by taxpayers and the amounts paid by the State in FY 2006.

Figure 5
Local Government Property Tax Claims and Payments
(Dollars in Millions)

FY 2006	Amount Claimed	Amount Paid by State	Amount to Fully Fund
Homestead Credits	\$ 130.6	\$ 101.9	\$ 28.7
Agriculture Land Credits	113.1	24.6	88.6
Family Farm Credits	54.9	10.0	44.9
Military Service Tax Exemption	2.5	2.5	0.0
Elderly Credits			
Rent Reimbursement	16.1	16.1	0.0
Property tax	6.4	6.4	0.0
Mobile homes	0.1	0.1	0.0
Special Assessments	0.0	0.0	0.0
Elderly Credit Total	<u>22.7</u>	<u>22.7</u>	<u>0.0</u>
Total	<u><u>\$ 323.8</u></u>	<u><u>\$ 161.6</u></u>	<u><u>\$ 162.2</u></u>

For FY 2007, HF 2797 (FY 2007 Standing Appropriations Act) continued using the Property Tax Credit Fund to appropriate \$159.9 million from the FY 2006 General Fund surplus before it was deposited to the Cash Reserve Fund. The FY 2007 tax credits are paid from the Fund instead of the General Fund as was done in FY 2005 and FY 2006. The amounts are the same as the FY 2006 amounts, except for a \$205,000 increase for the Military Service Tax Credit. The capped appropriations are:

- \$102.9 million for the Homestead Property Tax Credit.
- \$34.6 million for the Agricultural Land and Family Farm Tax Credit.
- \$2.8 million for the Military Service Property Tax Exemption.
- \$19.5 million for the Elderly and Disabled Property Tax Credit.

In FY 2008, without changes to current legislation, these standing appropriations will be funded from the General Fund.

The Governor is recommending a General Fund appropriation of \$40.0 million to the Department of Management and \$119.9 million from the Property Tax Credit Fund which would receive a transfer from the FY 2007 General Fund ending balance. This provides a total of \$159.9 million for property tax credits in FY 2008. The recommendation continues to cap the tax credits as follows:

Property Tax Issues

- ▶ ***\$102.7 million for the Homestead Property Tax Credit. This is a decrease of \$287,000 compared to the FY 2007 appropriation.***
- ▶ ***\$34.6 million for the Agricultural Land and Family Farm Tax Credit. This maintains the current level of funding.***
- ▶ ***\$2.8 million for the Military Service Property Tax Exemption. This is an increase of \$27,000 compared to the FY 2007 appropriation to fully fund the projected claims.***
- ▶ ***\$19.8 million for the Elderly and Disabled Property Tax Credit. This is an increase of \$260,000 compared to the FY 2007 appropriation to fully fund the projected claims.***

Governor's Commercial Property Tax Task Force

The Governor appointed nine members to a Commercial Property Tax Task Force to examine Iowa's property tax system and, in particular, the question of the equity of the relationship between commercial property taxes and that of the tax on residential, agricultural, and utility property.

The Task Force met four times between mid-December 2006 and mid-January 2007. The meetings included an overview of the current property tax system, public comment on issues related to commercial property taxes and potential proposals, and discussion of proposed recommendations made by the task force.

The Task Force recommends the Governor and General Assembly take the following immediate action:

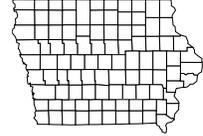
- ▶ Provide commercial property tax relief to the extent possible to commercial property owners by means of a commercial property tax refund reported on income tax forms and paid as a property tax refund.
- ▶ Continue investing resources in accordance with the 2006 legislation which focuses on equalization of the disparities among school districts.
- ▶ Increase the State's share of K-12 education funding from the current 87.5% to 88.5% in Year 1 and to 89.5% in Year 2, with a goal of the State paying 95.0% by 2012. The estimated cost of increasing of increasing the foundation level 1.0 percentage point is approximately \$30.0 million.
- ▶ In conjunction with increasing the equalization formula described in the previous recommendation, in Years 1 and 2, increase the uniform school levy from \$5.40 to \$6.50 or \$7.50, depending on projections generated by Iowa Department of Revenue.

Property Tax Issues

The Governor is recommending \$25.0 million for commercial property tax relief.

In addition to the Task Force's immediate need recommendations, the Task Force is also recommending that property tax issues should continue to be analyzed through a 21st Century Property Tax System Study. The Task Force recommends the report provide for specific recommendations by December 15, 2009.

Property Assessment Equalization



Equalization of property assessments is required by law. The process is used to maintain equity for property assessments between assessor jurisdictions. The Department of Revenue (DR) determines, by jurisdiction, 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 odd-numbered year. Equalization orders are given to local 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 all taxable property in the class.

Figure 6 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 concluded with the DR 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 6
2005 Assessor Revaluation Actions and Equalization Orders

	2005 Assessor <u>Revaluation</u>	2005 <u>Equalization</u>	<u>Total</u> <u>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.

Property Tax Issues

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 7** shows annual rollback adjustments due to the assessment limitation.

Property Tax Issues

Figure 7
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%
2006	100.0000%	45.5596%	100.0000%	100.0000%	100.0000%	100.0000%

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. Property value 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 2007, approximately 6.1% of total taxable property value was diverted through TIF to economic development projects. The diverted tax equaled \$222.7 million, which is an increase of \$30.9 million (16.1%) compared to the FY 2006 amount.

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FEDERAL FUNDING ISSUES

For the past four years, Congress has been faced with budget deficits and a rapidly growing national debt. According to the Bureau of the Treasury, from the end of FFY 2002 to the end of FFY 2006 the national debt has increased from \$6.228 trillion to \$8.507 trillion, an increase of \$2.279 trillion (36.6%). When the 110th Congress began in January 2007, it was faced with decisions to reduce or freeze spending for some domestic programs to provide the resources needed to fund the military effort against terrorism and provide funding for areas hit by hurricanes and other natural disasters. This may result in decreases to some programs that provide Iowa with federal funding.



Current estimates indicate that in State FY 2007 Iowa will receive approximately \$4.461 billion in federal funds. This is an increase of \$152.7 million (3.5%) compared to actual State FY 2006 receipts. More than \$2.416 billion (54.2%) 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:

- \$475.7 million for the Department of Education.
- \$382.2 million for the Board of Regents Institutions.
- \$268.9 million for the Department of Transportation.
- \$466.7 million for the Department of Workforce Development.

For State FY 2008, it is anticipated that Iowa will receive \$4.443 billion in federal funds, a decrease of \$18.1 million (0.4%) compared to estimated State FY 2007 receipts. More than \$2.419 billion (54.4%) of this amount will be received by the DHS. Other departments that will receive significant federal funds include:

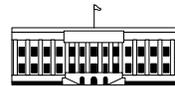
- \$469.8 million for the Department of Education.
- \$382.2 million for the Board of Regents Institutions.
- \$259.3 million for the Department of Transportation.
- \$456.6 million for the Department of Workforce Development.

The estimated State FY 2007 and FY 2008 figures for federal funds are likely to be revised for a number of reasons, including:

Federal Funding Issues

- Some departments take a conservative approach and historically underestimate the amount of federal funds that are likely to be received when planning expenditures, while some have not yet provided the full amount of funds anticipated to be received for FY 2007 and FY 2008.
- 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 110th Congress and the President will have to continue to confront certain major issues that will impact Iowa, including:



- Continued war against terrorism.
- Potential threat of bioterrorism.
- Sluggish economy.
- Devastations left by the hurricanes in the southern U.S. coastal region that will continue to require significant outlays of federal funds and will likely result in some reduction of spending for other programs that benefit states.

The General Assembly may wish to review the following issues:

- State Children's Health Insurance Program (SCHIP) – The DHS estimates that Program expenditures will exceed the federal allotment by \$18.0 million 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 2007 budget. Additionally, FFY 2007 is the last year of SCHIP's authorization and Congress will need to take action in order to continue the Program. For more information on this issue, contact Kerri Johannsen (281-4611).
- Temporary Assistance for Needy Families (TANF) – On February 8, 2006, the TANF Program was reauthorized in the Deficit Reduction Act (DRA) of 2005. The legislation authorized continued baseline funding until 2010 for the welfare reform initiative, which began on October 1, 1997. Iowa will continue to receive \$131.5 million each year. Included in the reauthorization is a provision that changes the reference year for caseload reduction credits from 1995 to 2005. New regulations now require states to count participants on separate state programs in work participation rates.



Federal Funding Issues

Additionally, new regulations limit the amount of education and training that counts as work participation. A State's failure to meet any of the new requirements will result in a financial penalty. 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. In FY 2006, using State and county funds as match for federal funds, Iowa drew down all of the federal funding previously received through IGTs. For more information on this issue, contact Kerri Johannsen (281-4611).
- ▶ Low-Income Home Energy Assistance Program (LIHEAP) – Iowa received \$52.1 million in regular federal LIHEAP funds and \$15.3 million in federal emergency contingency funds for FFY 2006. Additionally, \$2.85 million of State funds were provided for FY 2006 pursuant to HF 2734 (FY 2007 Health and Human Services Appropriation Act). Congress is proposing an appropriation for the LIHEAP of \$1.93 to \$1.98 billion nationwide for FFY 2007. Iowa's FFY 2007 allocation of these proposals would be approximately \$34.3 to \$35.2 million based on the FFY 2006 allocation formula. The Department of Human Rights (DHR), Division of Community Action Agencies, estimates that the additional need for LIHEAP funding will exceed the current federal budget proposals by approximately \$15.0 to \$16.0 million for FFY 2007. The Legislative Council approved an Interim Committee for the 2006 Interim to study issues related to the LIHEAP and Weatherization Programs. The Committee has made recommendations to the 2007 General Assembly in House Study Bill 92 (Low Income Utility Obligation Resolution). The Bill creates an Energy Utility Assessment and Resolution Program for certain persons with low income to help address home energy costs and appropriates \$1.0 million in FY 2008 to implement the Program. 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 Act was enacted August 10, 2004, following 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 various highway programs. The apportionments serve as the basis for the State's annual highway funding. The Department of Transportation estimates Iowa will be allocated a total of \$2.1 billion in highway apportionments over the five-year period of the Act. In addition, Iowa is estimated to receive a total of \$137.0 million in transit apportionments over the same period.

Federal Funding Issues

In regard to highway funding, the apportionments identified in the Act are not necessarily the amount of funding states will be allowed to spend. Similar to the TEA- 21, the new Act establishes an obligation limitation or obligation authority (“spending money”) restricting the amount of highway funds that can be expended on projects for each of the five years. The annual appropriations process determines the final obligation authority for each of the given years.

The obligation authority is specified as a percentage. In prior years, the percentage has typically been around 90.0%, but in recent years, that percentage has decreased. For FFY 2006, Iowa received \$398.3 million for highway spending, based on the obligation authority of 87.0%. For FFY 2007, Iowa was apportioned \$418.0 million. The obligation authority for FFY 2007 is currently unknown; however, the DOT is anticipating 85.0%, which results in an estimated \$355.3 million that Iowa will receive for highway spending in FFY 2007. For more information, contact Mary Beth Mellick (281-8223).

- ▶ REAL ID – The federal REAL ID Act was enacted on May 11, 2005. The Act creates national standards for the issuance of State driver’s licenses and non-operator identification cards, and is to be implemented by May 11, 2008. After that time, federal agencies will no longer accept a driver’s license or identification card that does not meet requirements of the Act.



The National Governors Association, the NCSL, and the American Association of Motor Vehicle Administrators estimate that implementation of REAL ID will cost an estimated \$11.0 billion nationwide over the first five years of implementation. The costs include new verification processes, new driver’s license system requirements, and additional support costs, all totaling an estimated \$1.0 billion in the first year and \$10.0 billion for on-going costs over a five-year period. To date, the federal government has not provided funding for implementation.

The Iowa Department of Transportation estimates that implementation of REAL ID will cost the State \$22.0 million annually for additional staff, increases in transaction time, and additional operating expenses for producing new driver’s licenses and non-operator IDs. For more information on this issue, contact Mary Beth Mellick (281-8223).

- ▶ Iowa Homeland Security – Iowa received approximately \$13.5 million in federal funds as part of the Homeland Security Program in FFY 2006. This includes \$7.5 million for the State Homeland Security Grant Program; \$5.5 million for the Law Enforcement Terrorism Prevention Program; \$258,000 for the Citizens Corps Program; and \$232,000 for the Metropolitan Medical Response System Program. Iowa also received \$2.4 million under the Emergency Management Performance Grant (EMPG) in FFY 2006.



Federal Funding Issues

The Homeland Security and Emergency Management Division is anticipating a continued decrease in the State Homeland Security Grant Program funding for FFY 2007 due to Congress taking a threat and risk-based approach to federal fund allocations that directs more of the funds to major cities with greater target potential. For FFY 2006, the EMPG Program was separated from the Homeland Security Grant Program as a result of State and local feedback to a joint Office of Domestic Preparedness – National Emergency Management Agency (NEMA) survey. The change was made to ensure that the EMPG Program not only supported national priorities but continued to support state and local needs as well. The EMPG Program remains focused on supporting emergency management activities consistent with previous years and also provides support for improving preparedness for a broad range of threats and hazards regardless of whether they are natural or man-made. 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 \$779,000 in federal funding in FFY 2006 due to a shortage of \$211,000 in non-federal match. This was the third 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 2007 and predicts that matching dollars will fall short by \$240,000, leaving the State unable to draw down \$885,000.

As of January 2, 2007, the IVRS has a caseload of 10,772, with 5,104 individuals on three waiting lists. For additional information on this issue, contact Robin Madison (281-5270).

- ▶ The Department of Justice, Crime Victim Assistance Division, was recently awarded \$1.2 million in federal funds to implement the Iowa Victim Information and Notification Everyday (IowaVINE) System. This System was authorized by HF 619 (Sex Offender Supervision and Treatment Act) in 2005. The vendor, Appriss, will provide all the hardware, software, and training necessary to implement IowaVINE. The computers will sweep existing databases every 15 minutes and transfer data to secure servers in Louisville, Kentucky. The Department plans to deploy the computer-based system across Iowa, starting with 112 local jails, the Department of Corrections (DOC), and the Board of Parole.

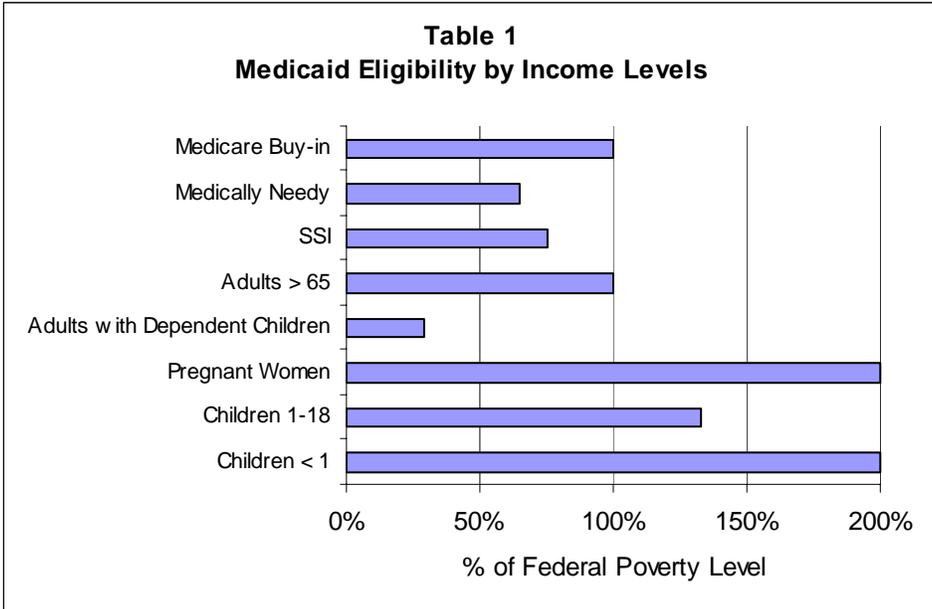
The information and notification available through the IowaVINE System includes the status and location of incarcerated offenders. Crime victims may register through the county attorney or directly with the System. Victims may access the information either by a toll-free number or through the web site. IowaVINE will be integrated into the Criminal Justice Information System (CJIS) currently being developed by the Department of Human Rights, Criminal and Juvenile Justice Planning Division. The CJIS will hold justice system information, such as that of the DOC and the court system in a common warehouse server. The information will be sent to Kentucky via the CJIS. For additional information on this issue, contact Beth Lenstra (281-6301).

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MEDICAL ASSISTANCE PROGRAM (MEDICAID)



Medicaid is funded jointly by State and Federal funds to provide health care services to people with low-income and few resources who are also elderly, blind, disabled, pregnant, children under age 21, or members of families with dependent children. For Federal Fiscal Year (FFY) 2007, the federal matching rate for Iowa is 61.98%. The estimated match rate for FFY 2008 is 61.73%.



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, recipients of Supplemental Security Income (SSI), the Medicare Buy-in Program, and the Medically Needy Program. The income levels are based on the percentage of the Federal Poverty Level (FPL), which is calculated annually by the federal government and varies by the size of the household. The FPL for a family of four is \$20,650 for 2007. ***The Governor is recommending an increase of \$9.3 million to fund an increase in the income disregard for parents of children in Medicaid, resulting in an estimated 6,435 additional parents becoming eligible in FY 2008.***

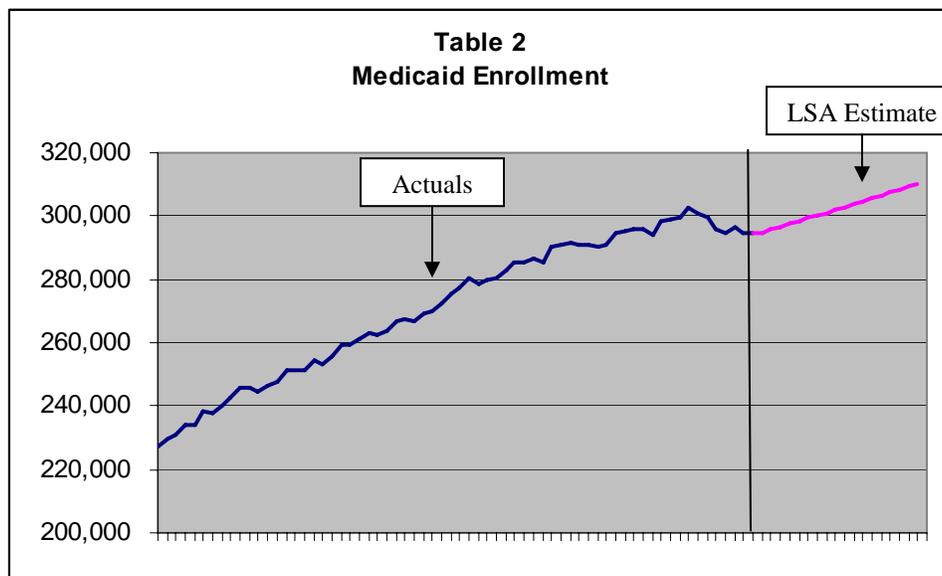
In June 2006, 300,589 Iowans were enrolled in Medicaid. Of this amount, 52.4% were children, 17.9% were adults with dependent children, 20.0% were disabled, and 9.6% were over age 65. Fiscal Year 2006 State expenditures totaled \$712.3 million, which was matched by approximately \$1.6 billion in federal funds, for a total of approximately \$2.3 billion in expenditures. Of the total expenditures, 16.9% was for children, 11.4% was for adults with dependent children, 50.9% was for the disabled, and 20.8% 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

Medical Assistance Program (Medicaid)

disabled account for 29.6% of enrollment but utilize 71.7% of expenditures. **The Governor is recommending an increase of \$4.4 million for increased enrollment of children who are already Medicaid-eligible but not enrolled. This funding would cover an estimated 5,250 additional children in FY 2008.**

State Medicaid Enrollment

Medicaid programs throughout the nation have been experiencing a significant slowing in growth attributed to economic conditions and lower increases in the cost of services than have been seen in the past. **Table 2** shows the enrollment growth in Iowa over the past five years. Average enrollment increased by 6.4% in FY 2004, by 5.8% in FY 2005, and by 3.4% in FY 2006.



Enrollment is projected to continue to increase slowly in FY 2007 and FY 2008. The Fiscal Services Division of the Legislative Services Agency (LSA) estimates Medicaid enrollment will increase by 0.2% in FY 2007 and 2.4% in FY 2008.

State Medicaid Expenditures

The FY 2007 State appropriation of \$759.2 million includes the following fund sources:

- \$652.3 million from the General Fund. **The Governor is recommending an increase of \$60.8 million compared to estimated FY 2007.**
- \$65.0 million from the Senior Living Trust. **The Governor is recommending no change compared to estimated FY 2007.**
- \$35.3 million from the Healthy Iowans Tobacco Trust Fund. **The**



Medical Assistance Program (Medicaid)

Governor is recommending no change compared to FY 2007.

- ▶ \$6.6 million from Property Tax Relief. **The Governor is recommending no change compared to FY 2007.**

Table 3 shows actual State expenditures for Medicaid for FY 2004 through FY 2006, and the appropriation for FY 2007. In addition, **Table 3** includes the LSA estimate for expenditures for FY 2007, including the supplemental need, and estimated expenditures for FY 2008. 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 2004 Actual	\$537.0
FY 2005 Actual	568.5
FY 2006 Actual	732.6
FY 2007 Appropriation	759.2
FY 2007 With Est. Supplemental	768.2
FY 2008 Estimate	808.7
FY 2008 Governor's Recommendation	813.4

Intergovernmental Transfers



Prior to FY 2006, 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 the Medicaid Program.

During FY 2005, the federal Centers for Medicare and Medicaid Services (CMS) required states to negotiate the end of IGTs. The DHS developed a proposal to phase out IGTs that 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 of the \$66.1 million of IGT money. For more information about IowaCare, see the Statewide issue section of this document entitled IowaCare (the next section) or the [Issue Review](#) on the IowaCare Program.

Medicare Part D

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



- ▶ States are required to perform eligibility determinations for the low-income subsidy.

Medical Assistance Program (Medicaid)

A total of 65,783 Iowa Medicare beneficiaries are eligible for the low-income subsidy.

- ▶ States are required to send a “clawback” payment to the federal government for coverage of dual eligibles (recipients eligible for both Medicare and Medicaid). Iowa’s estimated clawback payment for FY 2007 is \$63.3 million. The clawback payment is calculated to off-set savings realized by States from the elimination of dual eligible drug expenditures.

FY 2007 Estimate

Staff from the Department of Management, the 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 2007 and FY 2008 expenditures. At the January 26, 2007, meeting, the group agreed to a FY 2007 range from a surplus of \$2.0 million to a supplemental need of \$20.0 million, with a midpoint of a \$9.0 million supplemental need. ***The Governor is recommending a supplemental appropriation of \$8.0 million for FY 2007.***

FY 2008 Estimate

The three staffs also agreed to the following estimate for Medical Assistance for FY 2008: an increase of between \$29.0 and \$70.0 million with a midpoint of \$49.5 million. This increase is compared to the FY 2007 appropriation (prior to the supplemental). The current FY 2008 estimate assumes:

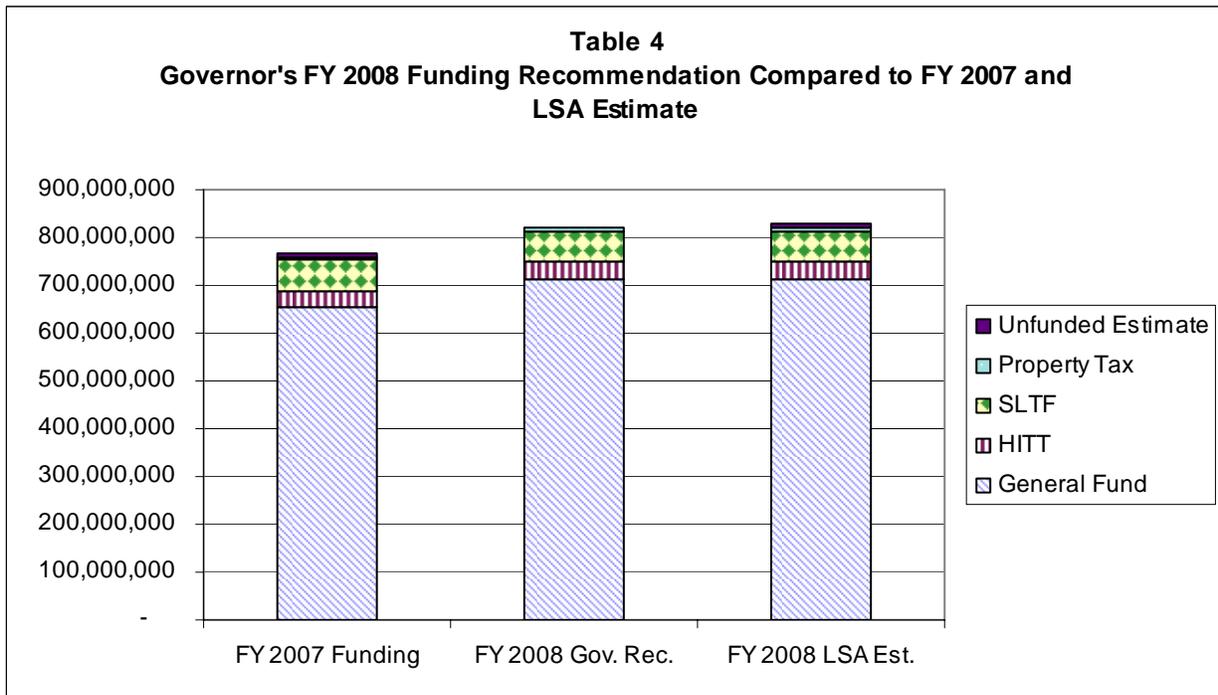


- ▶ An increase of \$9.0 million to adjust FY 2008 for the FY 2007 supplemental need.
- ▶ An increase of \$14.7 million for 1.7% enrollment growth.
- ▶ An increase of \$7.7 million for 1.0% medical inflation.
- ▶ An increase of \$13.0 million for the decreased federal match.
- ▶ An increase of \$2.3 million for the transition from Rehabilitative Treatment Services (RTS) to the Remedial Services Program (RSP).
- ▶ An increase of \$500,000 to replace funds to be carried over in Field Operations for FY 2007.
- ▶ An increase of \$1.3 million to fund enrollment in the Medicaid for Young Adults (MYA) Program.
- ▶ \$10.4 million to rebase nursing facilities.

Medical Assistance Program (Medicaid)

➤ \$1.0 million to fund a federal Payment Error Rate Measurement (PERM) audit.

The Governor is recommending an increase of \$61.1 million for FY 2008 compared to estimated FY 2007. This increase assumes expected inflationary general increases of \$47.7 million. This is \$1.8 million below the estimated midpoint agreed upon by the DHS, DOM, and LSA. This is also \$20.1 million below the LSA estimated FY 2008 built-in need. The Governor is also recommending notwithstanding the requirement that the Department of Human Services rebase nursing facility rates every other year (Sec. 4.3, Chapter 192, 2001 Iowa Acts). This rebase has an estimated cost of \$10.4 million in FY 2008. The Governor's additional policy initiatives within the Medicaid Program carry an estimated cost of \$13.1 million beyond the agreed upon FY 2008 estimate. The Governor's funding recommendation is compared to FY 2007 and the LSA estimated need in Table 4 and Table 5.



Medical Assistance Program (Medicaid)

Table 5
Governor's FY 2008 Recommendation Compared to Estimated FY 2007, Department's FY 2008 Request, and LSA Estimate

	FY 2007 Appropriation	FY 2008 Department Request*	FY 2008 Gov's Recomm.*	Difference: FY 07 vs. Gov's Rec.	LSA Estimate*
General Fund	\$ 652,311,610	\$ 766,960,276	\$ 713,121,893	\$ 60,810,283	\$ 713,121,893
HITT	35,327,368	35,327,368	35,327,368	-	35,327,368
SLTF	65,000,000	65,000,000	65,000,000	-	65,000,000
Transfers	-	-	-	-	-
Property Tax Relief	6,600,000	6,600,000	6,600,000	-	6,600,000
Total Approp./ Request/Recomm.	\$ 759,238,978	\$ 873,887,644	\$ 820,049,261	\$ 60,810,283	\$ 820,049,261
Total Estimated Need	\$ 768,238,978	\$ 829,795,244 **	\$ 821,849,261	\$ 53,610,283	\$ 829,795,244
Unfunded Estimate/Additional General Fund Need	\$ (9,000,000)	\$ 44,092,400	\$ (1,800,000)	\$ 7,200,000	\$ (9,745,983)

*Includes FY 2007 estimated supplemental appropriation.

**LSA estimate

Other Issues

- **Remedial Services Program** - A CMS audit of the Medicaid Adult Rehabilitation Option (ARO) resulted in the State being required to return \$6.2 million in federal matching funds. Additionally, restricting Rehabilitative Treatment Services (RTS) funded by Medicaid to children in the Child Welfare system forced Child Welfare to tailor its services around a medical model of providing care. Starting January 1, 2007, all people receiving ARO and RTS services will be transitioned into the new Remedial Services Program (RSP).



It is anticipated that most children previously eligible for RTS will be eligible for RSP. However, it is likely that many services previously provided under ARO will no longer be approved under Medicaid. This could result in a large fiscal impact for the counties as they provide funding for the non-federal share of ARO in Medicaid. If the counties wish to continue to provide the same services they provided under ARO, they will be responsible for 100.0% of the costs.

The DHS estimates that the cost to the State for the transition from RTS to RSP will be \$7.0 million in FY 2007 and an additional \$3.6 million in FY 2008. However, given that the FY 2007 estimated supplemental need is only \$9.0 million, it is likely that the FY 2007 cost for RSP will be significantly less than estimated. The means that a larger amount of funding for this Program will be shifted into FY 2008. **The Governor is recommending funding for this increase be provided in the FY 2007 Medicaid supplemental appropriation and the FY 2008 Medicaid budget.**

The DHS is in the process of applying for an option under the federal Deficit

Medical Assistance Program (Medicaid)

Reduction Act of 2005 (DRA) that allows provision of waiver-like services. The application is pending. If approved, it would be retroactive to January 1, 2007. The services should be similar to ARO and serve a similar population. The new service has an estimated cost to the State of \$301,000 in FY 2007 and an additional \$1.1 million in FY 2008. **The Governor is recommending funding for this increase be provided in the FY 2007 Medicaid supplemental and the FY 2008 Medicaid budget.**

- ▶ Medical Assistance Projections and Assessment Council – The IowaCare Medicaid Reform Act established the Medical Assistance Projections and Assessment Council (MAPAC) to oversee the implementation of the Act. The Council members include:

- ◆ 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 Subcommittees of the House and Senate.



The Council is to meet at least quarterly and is charged with:

- ◆ Reviewing quarterly reports on design, development, and implementation of the IowaCare Medicaid Reform Act and making annual recommendations for reform.
 - ◆ Reviewing the providers' audited financial statements related to the expansion population on an annual basis.
 - ◆ Reviewing financial performance of the Iowa Medicaid Enterprise (IME) on an annual basis.
 - ◆ Ensuring that the expansion population is managed within funding limitations.
 - ◆ With assistance of the DHS, the Department of Management (DOM) and the LSA, agree to a projection of Medical Assistance expenditures each fiscal year.
- ▶ Iowa Medicaid Enterprise – The DHS formerly contracted with a private entity for the majority of the administrative functions within the Medicaid Program (known as the “fiscal agent”). Historically, this was one contract. Beginning in FY 2006, a new contracting strategy was implemented 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 physical location.

Medical Assistance Program (Medicaid)

- ✦ The new contracts require additional services to members, providers, and the DHS from the contractors and the contracts have significantly more performance requirements.

The Governor is recommending an increase of \$800,000 for medical contracts to improve quality and compliance within the Home and Community-Based (HCBS) Waivers.

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IOWACARE

IowaCare is a limited healthcare program for eligible Iowans that replaced the State Papers Program. It was authorized by the IowaCare Medicaid Reform Act during the 2005 Legislative Session. The federal Centers for Medicaid and Medicare Services (CMS) required Iowa to initiate a phase-out of Intergovernmental Transfers (IGTs), which used federal dollars to match and draw down additional federal Medicaid funding in FY 2006. Loss of all IGTs would have cost Iowa \$66.1 million. The State negotiated with the CMS to use Polk County property taxes and appropriations from the Health Care Transformation Account created as part of the agreement to draw down federal funds and create the Program.

IowaCare Eligibility

IowaCare has the following eligibility criteria:

- Not eligible for Medicaid, *and*;
- Income up to 200.0% of the Federal Poverty Level (FPL): \$19,600 per year for one person, *or*;
- Pregnant woman with income up to 300.0% of FPL with deductions that result in income less than 200.0% of FPL: \$29,400 per year for one person.

As of January 25, 2007, 15,501 people were enrolled in IowaCare. The Department of Human Services (DHS) estimates maximum enrollment of 30,000. Applications are available at DHS county offices.

Providers and Services

The IowaCare Program has three providers: Broadlawns 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
- Dental services
- Limited pharmacy benefits
- Transportation services



IowaCare

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

IowaCare Funding

Each provider receives 12 equal monthly allotments to provide services to IowaCare enrollees. Monthly expenditures for 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 cost of claims at the Federal Medical Assistance Percentage (FMAP): 61.98% for FY 2007 and 61.79% for FY 2008. Funding for FY 2007 includes:

- ▶ \$40.0 million for Broadlawns. ***The Governor is recommending \$37.0 million from the Health Care Transformation Account. This is a decrease of \$3.0 million compared to FY 2007.***
- ▶ \$27.3 million for the UIHC. ***The Governor is recommending a supplemental appropriation of \$10.0 million for FY 2007 and an increase of \$10.0 million in FY 2008.***
- ▶ \$25.8 million for the MHIs. ***The Governor is recommending \$25.8 million. This is no change compared to FY 2007.***



Healthcare Ownership

Through IowaCare, the State is attempting to introduce incentives for greater ownership of healthcare both in terms of responsibilities and decision-making. Higher-income IowaCare enrollees pay a monthly premium. The DHS is also developing premium reduction incentives within IowaCare for losing weight, staying healthy, quitting smoking, and avoiding the emergency room. Finally, IowaCare requires 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 \$77 per month per enrollee but cannot exceed 5.0% 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. During FY 2006, 5,380 people were disenrolled for non-payment of premiums and failure to file a hardship exemption.

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 in nursing facilities. The “rebalancing” would expand 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 funds in the Account are intended to facilitate the State’s transition from the State Papers Program to the IowaCare Program and implement the Health Care Reforms in the IowaCare Medicaid Reform Act over five years. The original federal allocation to the Account was \$35.0 million. The Legislature appropriated \$6.1 million for FY 2006, and \$9.4 million for FY 2007. With 2006 reversions, there will be an estimated \$26.0 million remaining in the account at the end of FY 2007. Examples of items funded from the Account for FY 2007 include electronic medical records, the development of the Insurance Cost Subsidy Program, and a medical information hotline. ***The Governor is recommending \$4.6 million in spending for FY 2008. This is a decrease of \$4.8 million compared to FY 2007.***

For additional information, see the ***Issue Review*** on the [IowaCare Program](#) on the LSA website at: <http://www.legis.state.ia.us/lsadocs/IssReview/2007/IRKRJ001.PDF>.

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SENIOR LIVING TRUST FUND



The Senior Living Trust Fund (SLTF) 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 was always 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 negotiated 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 the IowaCare Medicaid Reform Act, which eliminated Iowa's IGTs and future State revenues from these sources.

FY 2008 Governor's Recommendations

The Governor is recommending a total of \$78.4 million be appropriated from the Senior Living Trust Fund to the Departments of Human Services, Elder Affairs, Inspections and Appeals, and the Iowa Finance Authority for FY 2008 as follows:

- ❖ ***\$65.0 million to the Department of Human Services to supplement the Medical Assistance (Medicaid) Program. This is no change compared to estimated FY 2007.***
- ❖ ***\$8.3 million the Department of Elder Affairs for the Senior Living Program. This is no change compared to estimated FY 2007.***
- ❖ ***\$791,000 to the Department of Inspections and Appeals. This is no change compared to estimated FY 2007.***
- ❖ ***\$700,000 to the Iowa Finance Authority for the Rent Subsidy Program. This is no change compared to estimated FY 2007.***



It is anticipated that the Fund will have an ending balance of \$92.9 million under the Governor's budget proposal for FY 2008 as shown in the table below.

Senior Living Trust Fund

SENIOR LIVING TRUST FUND			
(Dollars in Millions)			
	Actual	Est.	Gov's Rec.
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Revenues			
Beginning of SFY Fund	\$ 152.6	\$ 57.7	\$ 64.4
Intergovernmental Transfer	0.0	0.0	0.0
Medicaid Transfer	10.6	0.0	0.0
General Fund Transfer	0.0	49.9	53.5
Economic Emergency Fund Transfer	0.0	6.0	44.9
Endowment - Taxable Bond	0.0	25.0	0.0
Interest	5.0	4.7	4.9
Total Revenues	<u>\$ 168.2</u>	<u>\$ 143.3</u>	<u>\$ 167.7</u>
Appropriations			
IFA - Rent Subsidy	\$ 0.6	\$ 0.7	\$ 0.7
NF Conversion/LTC Service Grants	1.1	0.0	0.0
DHS - Medicaid	100.9	65.0	65.0
DEA - Senior Living Program	8.2	8.3	8.3
DIA - Asst'd. Living & Adult Day Care	0.8	0.8	0.8
Total Appropriations	<u>\$ 110.4</u>	<u>\$ 74.8</u>	<u>\$ 74.8</u>
NF Conversion Grant Carry Forward	<u>0.0</u>	<u>4.0</u>	<u>0.0</u>
Total Expenditures	<u>110.4</u>	<u>78.8</u>	<u>74.8</u>
Ending Trust Fund Balance	<u>\$ 57.7</u>	<u>\$ 64.4</u>	<u>\$ 92.9</u>

Repayment Provisions

The 2006 General Assembly passed HF 2002 (Senior Living Trust Fund Repayment Act), which increased the amount required to be appropriated, reverted, or transferred to the SLTF from \$118.0 to \$300.0 million.

Section 8.57(2)(a), Code of Iowa, establishes a mechanism to transfer a portion of the General Fund surplus to the SLTF. The process is as follows:

- If the year-end surplus is equal to or greater than 2.0% of the Adjusted Revenue Estimate used for establishing the current year budget, then, an amount equal to 1.0% of the Adjusted Revenue Estimate is appropriated to the SLTF. This appropriation is made prior to the appropriation to the Cash Reserve Fund.
- If the surplus is less than 2.0%, the SLTF and the Cash Reserve Fund each get 50.0% of the surplus.



Senior Living Trust Fund

- The SLTF receives a portion of the surplus until the aggregate of all transfers, appropriations, and reversions to the SLTF, retroactive to FY 2005, equals \$300.0 million.
- Pursuant to Section 8.55, Code of Iowa, the SLTF will also receive excess revenue from the Economic Emergency Fund (EEF) after the balance in the EEF reaches 2.5% of the Adjusted Revenue Estimate. Transfers from the EEF will continue until the \$300.0 million limit is reached.

Repayment Amounts



The table below provides the amounts transferred to the SLTF and applied against the \$300.0 million limit from FY 2005 through estimated FY 2008. ***Under the Governor's budget proposal, \$98.4 million will be transferred to the Fund from the FY 2007 surplus.*** The repayment amount left at the end of FY 2008 would be an estimated \$103.2 million.

Senior Living Trust Fund Repayments

(Dollars in Millions)

Total Repayment Amount:	\$ 300.0
FY05 Transfers:	
Medicaid Surplus Transfer	-6.9
Repayment Amount left at end of FY 2005	\$ 293.1
FY06 Transfers:	
Medicaid Surplus Transfer	-10.6
Repayment Amount left at end of FY 2006	\$ 282.5
FY07 Transfers:	
FY06 Transfer from General Fund Surplus	-49.9
FY06 Transfer from Economic Emergency Surplus Fund	-6.0
FY07 Appropriation from the Endowment for Iowa's Health Account	-25.0
Repayment Amount left at end of FY 2007	\$ 201.6
FY08 Estimated Transfers - Gov's Recommendation:	
FY07 Transfer from General Fund Surplus	-53.5
FY07 Transfer from Economic Emergency Surplus Fund	-44.9
Repayment Amount left at end of FY 2008	\$ 103.2

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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 perform 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. 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 77.8% of the offenders under correctional supervision while they have approximately 27.0% of the total staff. In FY 1990, CBC supervised 80.5% of the offenders, but by FY 2006, the percentage had declined to 77.8%. Between FY 1990 and FY 2006, the prison population increased from 3,842 to 8,659 inmates, an increase of 4,817 (125.4%) inmates. Over the same time period, the CBC population grew from 16,905 to 30,492 offenders, an increase of 13,587 (80.4%).

Governor's General Fund Recommendations

The Governor is recommending an FY 2007 supplemental appropriation of \$5.3 million as follows:

- ❖ ***\$300,000 for Central Office for a Director of Security and to fully fund filled positions in Central Office.***
- ❖ ***\$400,000 to reimburse counties for holding alleged violators on parole, work release, and Operating While Intoxicated (OWI) offenders.***
- ❖ ***\$1.2 million for pharmacy and utility cost increases in the prison system.***
- ❖ ***\$3.4 million to staff the 178-bed Special Needs Unit at the Iowa Medical Classification Center at Oakdale.***

Iowa Corrections System

The Governor is recommending an increase of \$24.5 million for the corrections system in FY 2008 as follows:

- ❖ **An increase of \$1.9 million for food, fuel, and pharmacy cost increases. The Governor's recommendation includes \$1.2 million for an FY 2007 supplemental appropriation for pharmacy and utility cost increases.**
- ❖ **An increase of \$632,000 to reimburse the Department of Administrative Services for a general rate increase.**
- ❖ **An increase of \$1.8 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 \$17.7 million to provide a full year of funding for the 178-bed Special Needs Unit.**
- ❖ **An increase of \$100,000 for Central Office to study the Therapeutic Community initiative.**
- ❖ **An increase of \$900,000 to reduce the salary shortfall in the prison system.**
- ❖ **An increase of \$112,000 to replace expired federal funds for a Drug Court in Waterloo.**
- ❖ **An increase of \$511,327 for Central Office staff for a health and safety compliance officer, to replace expired federal funds (Prison Rape Elimination Act), and to fully fund the Security Director position and salaries.**
- ❖ **An increase of \$400,000 to reimburse counties for holding alleged violators on parole, work release, and Operating While Intoxicated (OWI) offenders.**
- ❖ **An increase of \$333,000 for the lease-purchase payment of the electrical system upgrade at the Iowa State Penitentiary.**
- ❖ **An increase of \$145,000 for the Anamosa State Penitentiary's share of the recent upgrade to the city's water system.**

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 those offenders that 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.



Iowa Corrections System

Facilities – The prison system has nine major prison facilities with a total of 7,240 general population beds and 651 medical and segregation beds. The prisons were operating at 122.1% of designed capacity on January 25, 2007. **Table 1** describes the nine prisons and distribution of the general population beds.

Prison	Current Capacity	Security Type	Population	No. Over Capacity	Emphasis
Ft. Madison	1,081	Max. – 749 Med. – 152 Min. – 180	762 170 130	13 18 -50	General – Male
Anamosa	1,001	Med. – 913 Min. – 88	1,292 67	379 -21	General/Education – Male
Mitchellville	443	Min. – 443	631	188	General – Female
Newton	944	Min. – 182 Med. – 762	331 886	149 124	Pre-Release – Male General
Oakdale	530	Med. – 530	838	308	Reception/Evaluation/ General/Psychiatric
Mt. Pleasant	875	Med. – 875	1,062	187	Substance Abuse/Sex Offender – Male
Ft. Dodge	1,162	Med – 1,162	1,128	-34	General Male/Youthful Offender
Clarinda	975	Med. – 750 Min. – 225	937 130	187 -95	Special Learning – Male
Rockwell City	245	Med. – 245	498	253	General – Male
Total	<u>7,256</u>		<u>8,862</u>	<u>1,606</u>	

Since the beginning of FY 1990, 4,472 prison beds have been added to the system, an increase of 161.6%. Listed below are the facilities that have recently opened or are currently under construction:

- The Iowa Medical and Classification Center (IMCC) East Unit – 25-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.

Iowa Corrections System

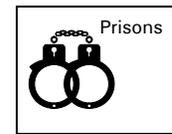
- Special Needs Unit at Oakdale – 178-bed maximum security facility scheduled to open in FY 2007. This facility is being constructed to comply with a federal court order.

Projected Prison Population Growth – On October 17, 2006, there were 8,701 inmates in Iowa's prison system. This is 13 more inmates than one year ago indicating the population has been relatively stable. However, the population increased steadily from July 1, 2005, through March 4, 2006, when a record high prison population was reached, with 8,874 inmates. The population then decreased during the last three months of FY 2006.



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 2016. If current offender behavior and justice system trends remain unchanged, the prison population will be 11,383 inmates by June 30, 2016, an increase of 31.5% over the next 10 years.

Addition of Four New Prisons – The forecast creates capacity issues because, based on the forecast, the prison system will be operating at 153.1% of current designed capacity by the end of FY 2016. According to the DOC, for each increase of 1,000 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 11,383, four 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 \$29.0 million. Total capital costs are estimated to be \$200.0 million and annual operating costs are estimated to be \$116.0 million. If four new prisons are constructed and the population reaches 11,383 inmates, the prison system will be operating at 107.0% of designed 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 1996 (10-year average) has been 5.4%. Since FY 1991, the growth rate has averaged 5.8% (15-year average). Using these average annual rates of growth, the CBC population will be approximately 55,000 offenders by the end of FY 2016, an increase of 24,500 offenders, or 80.3%.

Funding to Maintain Current Level of Services – If the CBC population reaches 55,000 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 same rate as the CBC offender population, by FY 2016, the CBC District Departments will need a budget of approximately \$117.1 million, an increase of \$44.5 million (61.3%) compared to the estimated FY 2007 General Fund appropriation.

Iowa Corrections System

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.



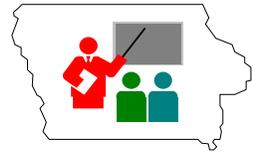
All alternatives will require additional resources for the DOC and/or the CBC District Departments. The alternatives, however, may slow the rate of growth in corrections spending or provide methods of future cost avoidance. The future costs of Iowa's current criminal penalties are greater than the costs 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 balance revenues from State sources and property taxes. In October, a headcount is taken which becomes the basis for the following year's budget. Special education students, English language learners, at-risk students, and shared students and teachers receive a weighting in addition to the regular program enrollment count. A school district's budget is primarily the weighted enrollment multiplied by a cost per pupil. Area Education Agency funding likewise is calculated using a weighted enrollment multiplied by a cost per pupil. The budget grows each year based on a percentage increase to the cost per pupil, called the "allowable growth rate."



The School Foundation Formula has been revised over the years:

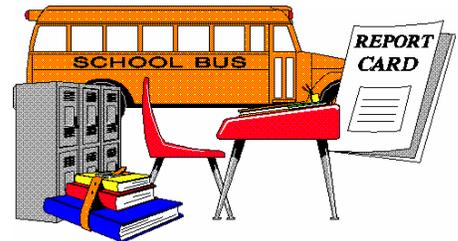
- In 1989, changes were made to equalize per pupil spending, to provide an enrollment cushion (phantom students), to increase property tax relief, and to provide for increased local discretion.
- In 1992, advanced funding for increasing enrollment and the enrollment decline cushion (phantom students) were eliminated. The Governor and General Assembly were required to establish the allowable growth rate each year instead of having it 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 and within 30 days of the submission of the Governor's budget each year.
- In 1999, the General Assembly raised the foundation level for the special education component of the school districts' regular program cost from 79.0% to 87.5% which increased the State's share and decreased the property tax share of the school districts' budgets. 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.
- Over several legislative sessions, adjustments have been made to create or modify supplemental weightings. Weightings were added for elementary school students that qualify for the free and reduced price 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; these reorganization incentives expired at the end of FY 2006.

Iowa School Foundation Formula

- ▶ In 2006, the Adjusted Additional Levy Property Tax Aid was added to the School Foundation formula to buy down the Additional Levy Rate for the districts with the highest rates. The Aid is being phased in over four years, beginning at \$6.0 million in FY 2007 and reaching its maximum of \$24.0 million in FY 2010 and subsequent years.

School Districts General Operating Budget

During the 2007 legislative session, the General Assembly will be setting the allowable growth rate for FY 2009. The School Foundation Formula has two costs per pupil for school districts – a State cost per pupil and a district cost per pupil. When the Formula was established, the average cost per pupil statewide was calculated. This became the minimum, and districts below the State cost per pupil were brought up to that level. School districts above the State cost per pupil were allowed to continue using the higher cost per pupil to establish their budgets but funding above the State cost per pupil was paid from local property taxes. The amount the district cost per pupil could exceed the State cost per pupil was first capped at 110.0% of the State cost per pupil, then lowered to 105.0%. Currently, the highest district cost per pupil is 103.4% of the State cost per pupil, and 178 of the 365 school districts have the minimum State cost per pupil as their district costs. The difference between the district cost per pupil and the State cost per pupil will continue to decrease over time.



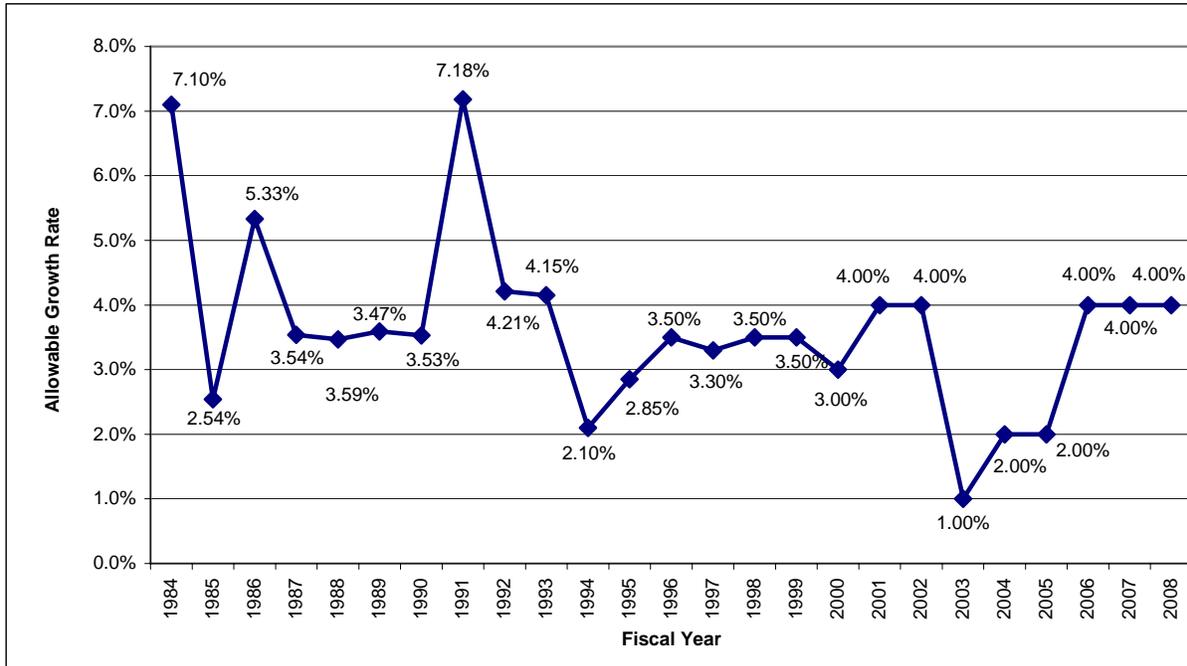
Area Education Agencies (AEA) likewise have a State cost per pupil for special education funding and an AEA cost per pupil for special education, media, and educational services. The AEA special educational services receive a combination of State aid and property tax. Media and educational services are funded from property taxes.

The allowable growth rate determines the growth in the State cost per pupil, the district cost per pupil, and the AEA cost per pupil. The amount of increase is calculated by multiplying last year's State cost per pupil by the allowable growth rate percentage. The resulting amount is added to both the current year's State cost per pupil and district cost per pupil. A similar calculation is performed on AEA costs per pupil. These new costs per pupil then are multiplied by the weighted enrollment, along with some other required adjustments, to come up with the school districts' and Area Education Agencies' budgets. These budgets are commonly referred to as the "combined district cost."

Chart 1 displays the allowable growth rates since FY 1984.

Iowa School Foundation Formula

Chart 1
Allowable Growth Rates



Once the budgets have been determined, the Formula uses the “foundation levels” to determine the split between property taxes and State aid. The foundation level is set at 87.5% for school district regular program and special education budgets and at 79.0% for AEA special educational services budgets.

Three revenue sources fund the school’s general operating budget, or “combined district cost” – the Uniform Levy, State Foundation Aid, and the Additional Levy. The Uniform Levy is a levy of \$5.40 per \$1,000 taxable valuation. The first building block of the school budget is the amount raised when the Uniform Levy is applied to the taxable property values within the school district. Next, State Foundation Aid pays the difference between the amount raised by the Uniform Levy and the foundation level – 87.5% for school districts and 79.0% for AEA special education. State aid will pay a higher proportion of the school budget in property poor districts (those with a low taxable valuation per pupil) and a lower proportion in property rich districts. Finally, the Additional Levy raises the remainder of the budget with property taxes. The Additional Levy rate is set at whatever level is needed to raise the remaining funding and can vary significantly across the school districts. That is, the property poor districts have Additional Levy rates set higher than property rich districts. In addition, school districts have the option to receive funding for Dropout/Dropout Prevention programs and the budget guarantee, and this funding comes from the Additional Levy. **Chart 2** shows the breakdown for these three components for FY 2007. Approximately two thirds of the combined district cost is paid by State Foundation Aid, and one third is paid by the two property taxes.

Iowa School Foundation Formula

Chart 2
FY 2007 Combined District Cost
(Dollars in Millions)

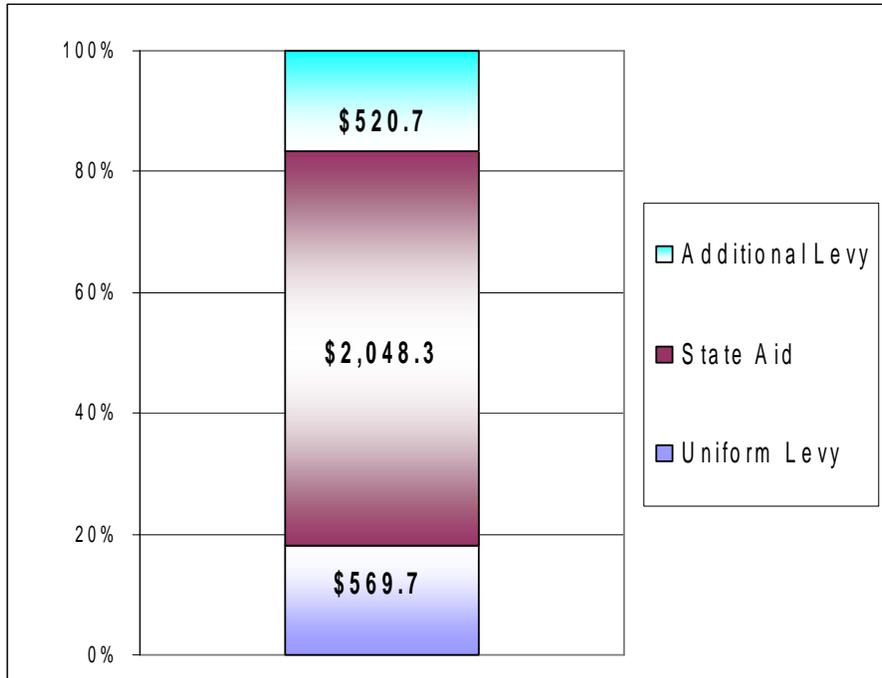
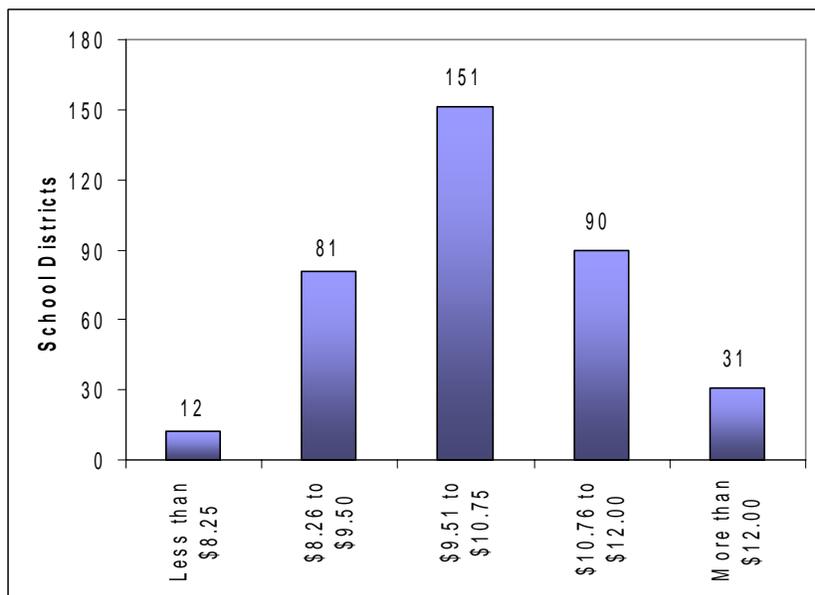


Chart 3 shows the distribution of School Foundation property tax rates (Uniform Levy plus Additional Levy rates). The rate differences are due to Additional Levy rate and attributable to the variation in taxable valuation per pupil within the school districts.

Chart 3
FY 2007 Foundation Property Tax Rates



Iowa School Foundation Formula

Additional Funding Opportunities

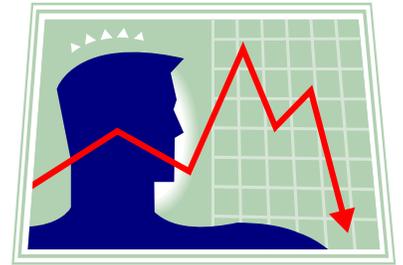
School districts may obtain authority to raise additional property tax revenues from the School Budget Review Committee (SBRC) for drop-out prevention programs, to accommodate unusual increases or decreases in enrollment, to meet additional special education program needs, as well as for a variety of 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, Physical Plant and Equipment Levy, and the Educational and Recreation Levy.

Enrollment Decline

Over the past three decades, the statewide total enrollment has declined at an average annual rate of 0.9%. There are 163,844 (25.3%) fewer students for the FY 2007 budget enrollment than in FY 1973. (Enrollments are based on the previous year's fall headcount; that is, the fall 2005 headcount was the basis for the FY 2007 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 483,105 in FY 2007. This downward trend is expected to continue for the next several years.



Over the same period, the number of school districts has decreased from 452 in FY 1973 to 365 in FY 2007, 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 4**.)

Iowa School Foundation Formula

Chart 4

Budget Enrollment and the Number of School Districts

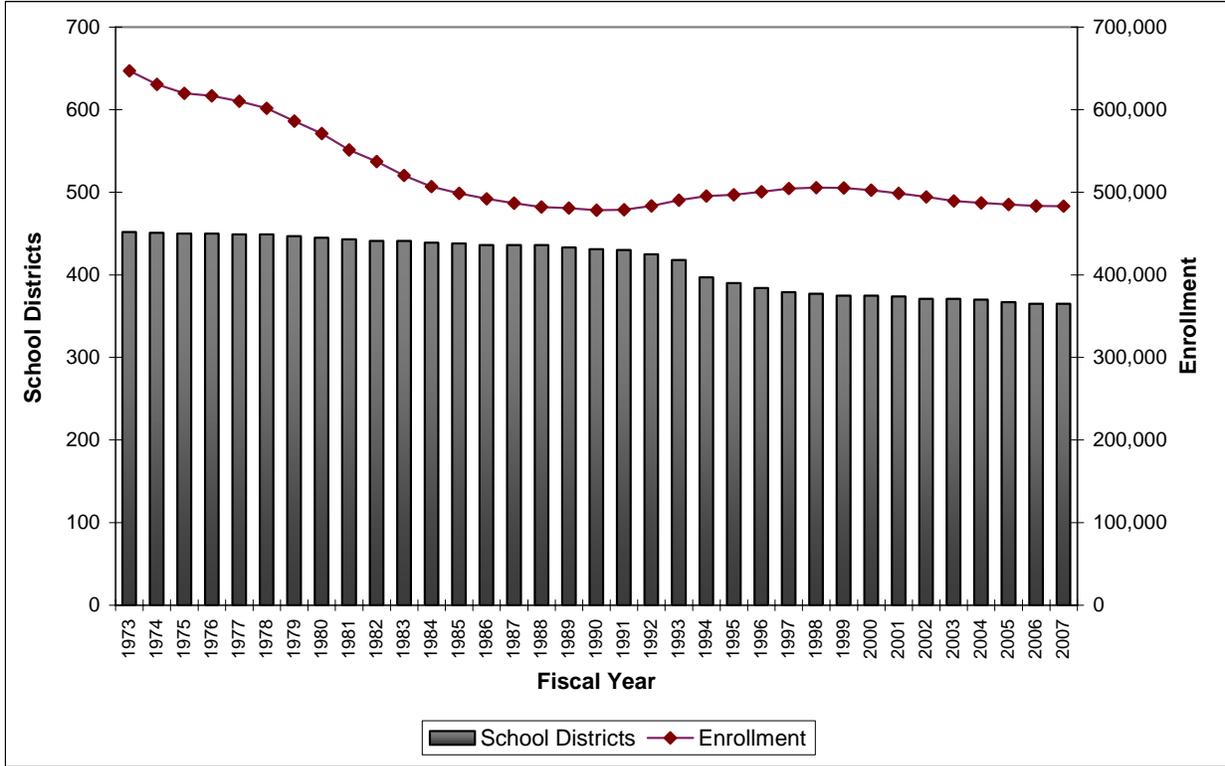


Chart 5 shows the number of school districts by percentage change in enrollment. Between FY 1986 and FY 2007, 301 (73.6%) of the school districts had decreased budget enrollments, while 108 (26.4%) showed increased enrollments. Forty-four school districts merged or dissolved. Pomeroy-Palmer School District decreased by 48.8% from 470 to 241 students. Waukee experienced 380.2% growth, increasing from 943 students to 4,528 students. The most frequent change was a decrease between 10.0% and 24.0%.

Iowa School Foundation Formula

Chart 5

Percentage Change in Budget Enrollment: FY 1986 to FY 2007

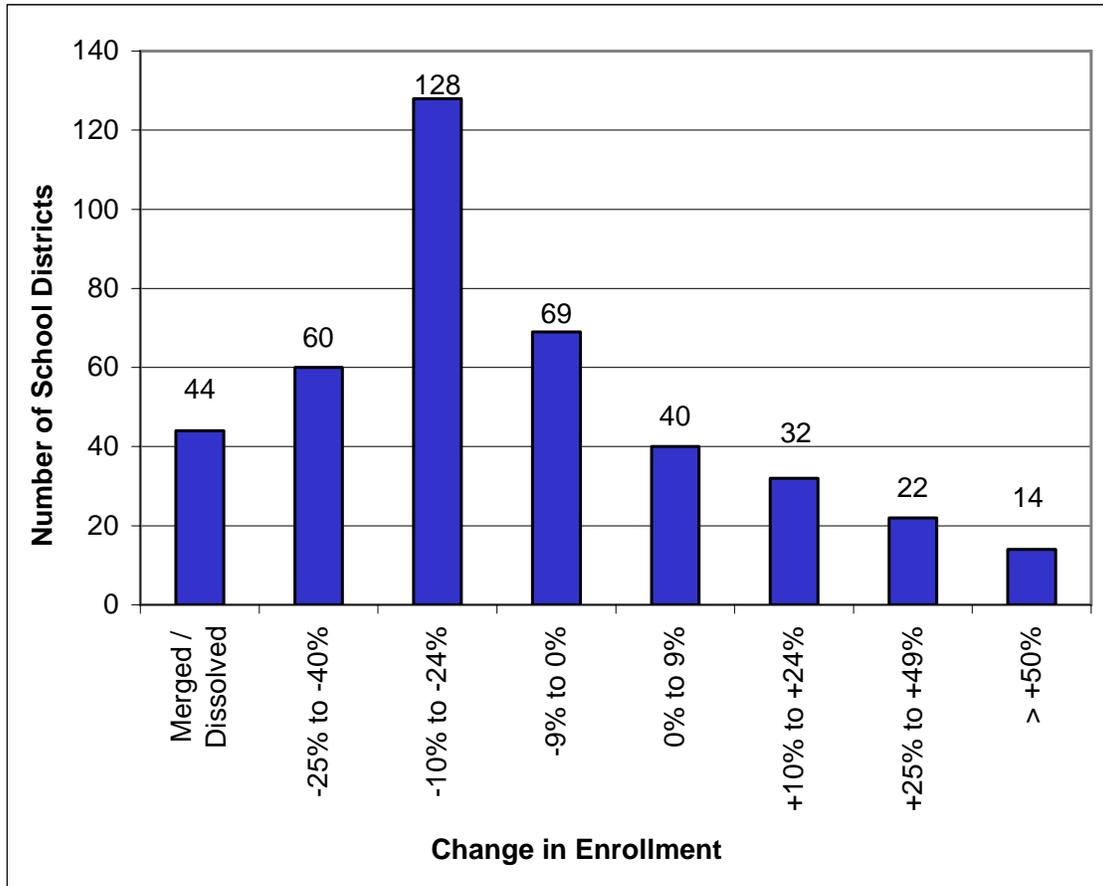
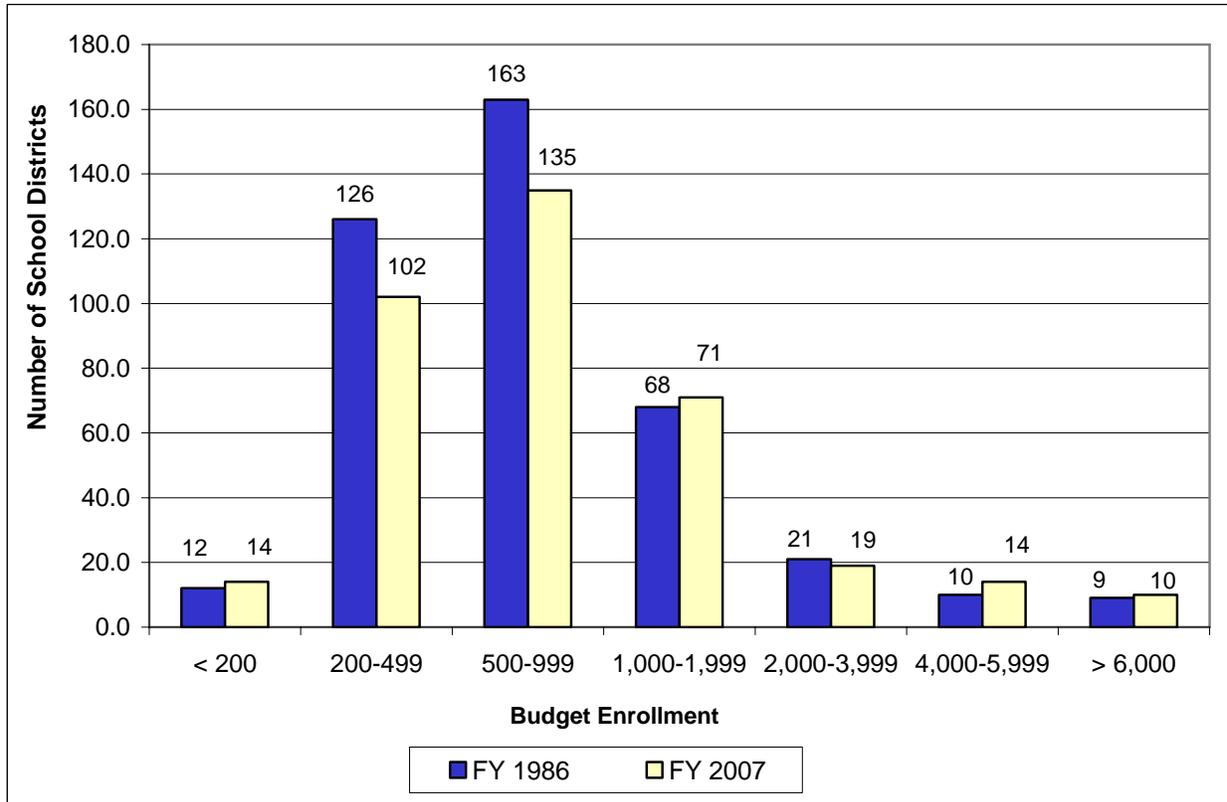


Chart 6 compares the number of school districts by enrollment categories. Between FY 1986 and FY 2007, there was a decline in the number of school districts with fewer than 1,000 students, while the number of school districts with more than 1,000 students increased slightly. Over one-third of Iowa's 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 2007 is Lineville-Clio with a budget enrollment of 86 students, which equates to seven students per grade. The Des Moines School District is the largest, with 31,549 students and an average of 2,427 students per grade.

Iowa School Foundation Formula

Chart 6

Number of School Districts by Budget Enrollment: FY 1986 and FY 2007



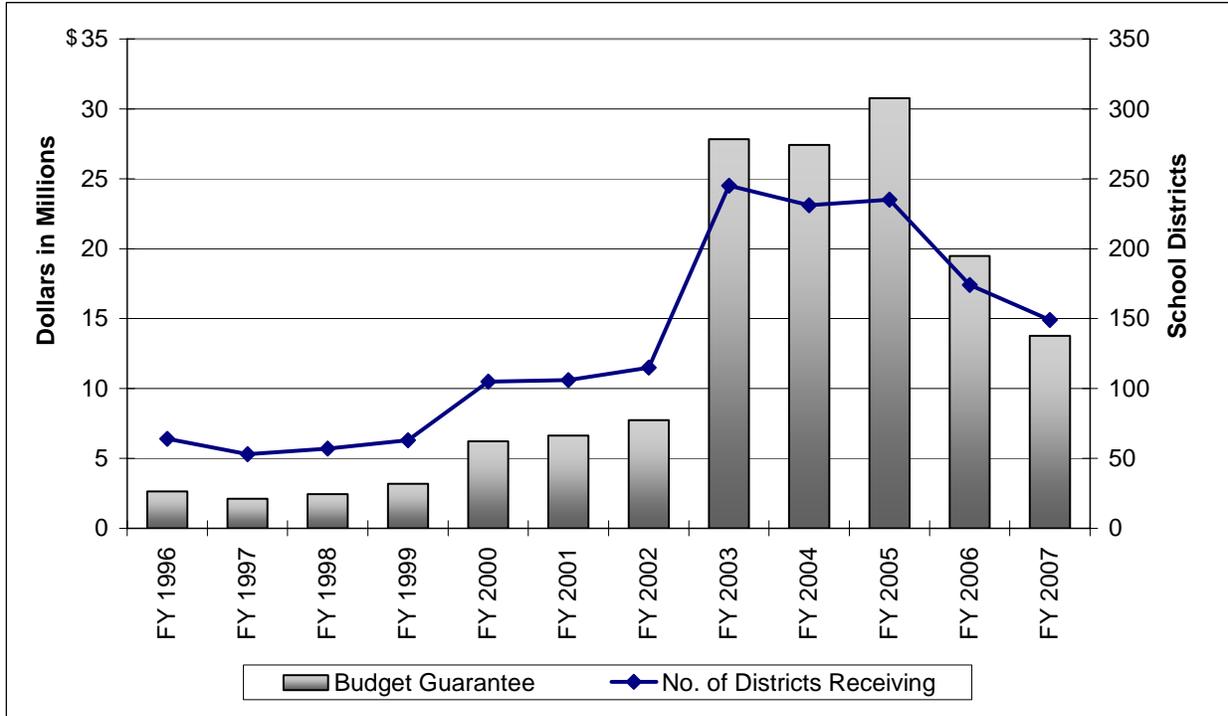
Budget Guarantee

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 7** provides the budget guarantee funding levels since FY 1996. In FY 2007, the budget guarantee provided 149 school districts with funding totaling \$13.8 million, a decrease of 25 school districts and \$5.7 million compared to FY 2006. Compared to FY 2005 when the budget guarantee was at its highest, FY 2007 shows a decrease of \$17.0 million and 80 school districts.

Iowa School Foundation Formula

Chart 7

Budget Guarantee Amounts and Number of Recipients: FY 1996 - FY 2007



The School Reorganization Incentives Act (SF 203) 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. Beginning in FY 2005, school districts with declining enrollments are eligible for one of two options. They 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.
- 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. In FY 2008, the scaled-down proportion is 60.0%.

State Aid for FY 2008

House File 2095 (FY 2008 School Foundation Allowable Growth Rate Act) set the allowable growth rate at 4.0% for FY 2008. Setting the allowable growth rate establishes the spending authority once



Iowa School Foundation Formula

enrollment counts are finalized. For FY 2008, the Legislative Services Agency (LSA) projects that school districts will receive \$2,149.4 million in State Aid (an increase of \$101.0 million compared to FY 2007) and \$1,116.7 million in property tax (an increase of \$26.4 million), for a total foundation budget of \$3,266.1 million (an increase of \$127.4 million). This estimate assumes the \$8.0 million additional reduction to the Area Education Agencies' (AEAs) funding that was made in FY 2007 will be restored and the \$7.5 million statutory reduction will continue in FY 2008.

The Governor is recommending \$2,143.5 million for the FY 2008 State Foundation Aid, an increase of \$95.2 million compared to FY 2007. This includes an increase of \$101.0 for allowable growth and an additional reduction of \$6.0 million for Area Education Agencies (as opposed to the \$8.0 million additional reduction in FY 2007). (The numbers do not sum exactly due to rounding.)

Table 1 shows the School Foundation Formula funding for various FY 2009 allowable growth rates compared to the currently approved FY 2007 and FY 2008 funding. For the FY 2009 estimates, taxable valuations are projected to increase by 1.75%. 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.

The Governor is recommending a 4.0% allowable growth rate for FY 2009. Compared to the Governor's recommendation for FY 2008 and assuming current law and no additional reduction of \$6.0 million for the Area Education Agencies (AEA), this will result in an increase of \$113.8 million in State Foundation Aid. That is, there will be an increase of \$107.8 for allowable growth and \$6.0 million to restore the additional AEA reduction.

Iowa School Foundation Formula

Table 1
Estimated FY 2009 Funding at Various Allowable Growth Rates
Compared to Estimated FY 2008
(Dollars in Millions)

<u>Fiscal Year</u>	<u>Allow. Growth</u>	<u>State Aid</u>	<u>Property Tax</u>	<u>Total Budget</u>	<u>Budget Guarantee</u>	<u>Est. No. of Districts Receiving Budget Guarantee</u>
2007	4.0%	\$ 2,048.3	\$ 1,090.4	\$ 3,138.7	\$ 13.8	149
2008	4.0%	2,149.4	1,116.7	3,266.1	10.4	125
FY 2009 for Different Levels of Allowable Growth						
2009	8.0%	\$ 2,366.5	\$ 1,157.5	\$ 3,524.0	\$ 4.4	72
	7.0%	2,339.0	1,153.5	3,492.5	5.7	90
	6.0%	2,311.5	1,150.5	3,462.1	7.6	109
	5.0%	2,284.6	1,147.5	3,432.1	9.9	122
	4.0%	2,257.1	1,145.5	3,402.7	13.2	145
	3.0%	2,230.2	1,145.2	3,375.4	18.1	177
	2.0%	2,203.3	1,147.0	3,350.3	25.1	211
	1.0%	2,175.8	1,152.7	3,328.5	36.0	239
	0.0%	2,148.3	1,163.4	3,311.7	51.0	273
FY 2009 Change from FY 2008						
2009	8.0%	\$ 217.2	\$ 40.8	\$ 258.0	\$ -6.0	-53
	7.0%	189.7	36.8	226.4	-4.6	-35
	6.0%	162.2	33.8	196.0	-2.8	-16
	5.0%	135.3	30.8	166.1	-0.5	-3
	4.0%	107.8	28.8	136.6	2.8	20
	3.0%	80.9	28.5	109.3	7.8	52
	2.0%	53.9	30.2	84.2	14.7	86
	1.0%	26.4	36.0	62.5	25.6	114
	0.0%	-1.0	46.7	45.7	40.7	148

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 2007 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:

Iowa School Foundation Formula

- ▶ 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 has caused some interest groups to question the equity in school funding. This issue was addressed in the 2006 Legislative Session by providing \$6.0 million of Adjusted Additional Property Tax Levy Aid in FY 2007 for school districts with the highest Additional Levy rates. The Aid will increase to \$12.0 million in FY 2008, \$18.0 million in FY 2009, and reach a maximum of \$24.0 million in FY 2010. After the Aid is fully implemented in FY 2010, the maximum School Foundation rate (Uniform Levy rate plus the Additional Levy rate) is projected to be \$12.96 per \$1,000 taxable value, while the minimum rate is projected to be \$6.92, for a range of \$6.04. The average rate in FY 2010 is projected to be \$10.18 per \$1,000 taxable value.
- ▶ 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 Size – Enrollments continue to decline. Between FY 2000 and FY 2007, 305 (83.6%) of the school districts have seen the number of students decrease. Sixty-one school districts have enrollments that are decreasing at an annual rate of 3.0% or more. Declining enrollment affects school district budgets, funded on a per pupil basis, and may limit the variety of courses that school districts can offer. Likewise, schools with small numbers of students may not have sufficient demand to offer the variety of courses available in larger school districts. This raises questions about student preparedness for post-secondary education.
- ▶ Special Education Costs – School districts are required to provide special education as needed according to the student’s individual educational plan. Students are evaluated and, based on the severity of their disabilities, are assigned one of three levels of additional weighting. If the funding is insufficient, the schools operate at a deficit. School districts that have costs less than the available funding can carry forward up to 10.0% of the special education funding. In FY 2005, 220 school districts had deficits and spent \$31.5 million more than the funding provided by the School Foundation Formula; 145 school districts had surpluses and carried forward \$9.2 million.
- ▶ Transportation Costs – School districts are required to provide transportation to elementary students living more than two miles from school and to high school students living more than three miles from school. The regular program budget is the main funding source for transportation costs. Funding spent on transportation reduces the funds available for other educational activities. In FY 2005, the smallest school districts (less than 250 students) had the greatest reduction in regular

Iowa School Foundation Formula

program per pupil spending (\$304) due to transportation costs, while school districts with 7,500 or more students had the smallest reduction (\$114 per pupil).

Additional Information

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

Issue Reviews

The LSA staff for the Education Standing Committee completed an **Issue Review** during the 2006 interim entitled [Transportation Costs Impact on School Budgets](#).

A second **Issue Review** entitled [Special Education Funding](#) is nearing completion and will be available early in this legislative session.

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EDUCATION ISSUES

Significant Governor's recommended budget increases for education for FY 2008 include:

- ❖ *\$5.0 million for the All Iowa Opportunity Scholarships.*
- ❖ *\$2.1 million for the Tuition Grant Program, including \$1.9 million for non-profit and \$208,000 for for-profit private colleges and universities.*
- ❖ *\$1.7 million to supplement federal funding for Special Education services for children ages birth to three years.*
- ❖ *\$20.0 million for universal voluntary access to four-year-old preschool.*
- ❖ *\$70.0 million for the Student Achievement and Teacher Quality Program.*
- ❖ *\$12.4 million for general aid to community colleges.*
- ❖ *\$25.5 million for the Board of Regents universities and special schools.*

See below or the Education Subcommittee section of this document for additional detail regarding these recommendations.

Universal Voluntary Access to Four-Year-Old Preschool

The Department of Education's proposal for this initiative is included in SSB 1119 (Preschool Access for Four-Year-Olds). Under the proposal, four-year-old children attending school district preschool programs, licensed child care centers, or public or private preschool or prekindergarten programs are eligible. Also, children receiving care from unregistered child care homes, registered child development homes, or other care providers not subject to regulation are eligible to receive instruction through the program from an approved provider.

The program requires a minimum of 10 hours per week of instruction by a licensed teacher employed by a school district. The proposed legislation directs the State Board of Education to define program requirements, such as maximum and minimum teacher-child ratios and class sizes, student learning standards, and collaboration with families, early care providers, and other community partners.

Funding for the program is established through a formula based upon enrollment and is intended to supplement, not supplant, existing resources for preschool programming. The Bill appropriates \$15.0 million in FY 2008, FY 2009, and FY 2010 to phase-in the funding. For FY 2011, the Bill appropriates \$16.2 million.

The Governor is recommending \$20.0 million to fund the first year of a four-year phase-in of universal voluntary access to four-year-old preschool.

Education Issues

Teacher Pay for Performance

House File 2792 (Additional Education Funding Act) allocated \$1.0 million to the Department of Management (DOM) from the FY 2007 Student Achievement and Teacher Quality appropriation to design and implement a Pay for Performance Program. The Act also created a Pay for Performance Commission within the Executive Branch to design and implement a study of teacher and staff compensation with a pay-for-performance component. From the \$1.0 million allocation, \$850,000 was intended for this purpose. A sub-allocation of \$150,000 was directed to the Institute for Tomorrow's Workforce (ITW) to develop a plan to establish a new educational delivery system in Iowa.

The Governor item-vetoed portions of the pay-for-performance language, including language related to the formation and membership of the Commission. He issued Executive Order No. 48, directing the ITW to conduct the study of pay-for-performance incentives and directing the Department of Education to provide technical and administrative assistance. The Governor also appointed the following members to the Pay for Performance Commission (PPC):

- ◆ Steve Waterman, Chairperson – Retired Superintendent, Clarke Community School District
- ◆ Jan Reinicke, Co-Chairperson – Executive Director, Iowa State Education Association
- ◆ Robert Koob – President (retired), University of Northern Iowa, and Co-Chairperson of the Institute for Tomorrow's Workforce
- ◆ Mike Haluska – Superintendent, Jefferson-Scranton Community School District
- ◆ Judy Jeffrey – Director, Department of Education

Requirements in Statute

House File 2792, as item-vetoed and enacted, required the PPC to do the following:

- ◆ Review both public and private sector pay-for-performance incentives.
- ◆ Design a program using both individual and group incentives and use at least half of the funding for individual incentives.
- ◆ Initiate demonstration projects in ten K-12 schools beginning July 1, 2007, and fund demonstration projects in an additional ten schools beginning July 1, 2008.
- ◆ Submit an interim report to the General Assembly and the Governor by January 15, 2007, and subsequent reports annually, with a final report due six months after the completion of the demonstration projects.

The Act included appropriations of \$2.5 million in FY 2008 and \$5.0 million in FY 2009 to fund the demonstration projects.

Education Issues

Contract with the Institute for Tomorrow's Workforce

In July 2006, the DOM, the PPC, and the ITW entered into a 28E Agreement in which the ITW agreed to conduct the study of teacher compensation and pay-for-performance incentives and design a pay-for-performance program as outlined in HF 2792 and Executive Order No. 48. The ITW was required to seek input from and provide monthly updates to the PPC and submit final results and recommendations to the PPC by January 8, 2007.

The 28E Agreement specified that the ITW would receive \$790,000 in four installments through December 15, 2006. The Agreement specified that all parties to the Agreement were subject to the provisions of Chapters 21 and 22, Code of Iowa, regarding open meetings and public records. The Agreement also specified that the ITW and any third-party contractors must meet the requirements of Chapter 8F, Code of Iowa, regarding accountability and financial reporting.

The Pay-for-Performance Study

The ITW issued a Request for Proposals to identify individuals or groups that could assist in both the pay-for-performance study and the educational delivery system study. Eight proposals were submitted. On July 27, 2006, the ITW Board of Directors unanimously voted to hire Learning Point Associates of Naperville, Illinois, to simultaneously conduct both studies. In August, the ITW entered into a contract with Learning Point Associates (LPA), formerly known as North Central Regional Education Laboratory (NCREL). A detailed breakdown of the contract costs is provided in **Table 1**.

Table 1

ITW Contract with Learning Point Associates

	Educational Delivery System Study	Teacher Compensation Study	Total
LPA Services	\$ 88,990	\$ 267,585	\$ 356,575
Subcontracts	5,000	157,000	162,000
Travel	10,200	22,000	32,200
Advisory Workgroups	6,000	8,000	14,000
Public Input/Awareness	2,575	6,475	9,050
Communications/Web Site	4,500	6,000	10,500
Focus Groups	3,575	7,550	11,125
Surveys	4,500	6,500	11,000
Total	<u>\$ 125,340</u>	<u>\$ 481,110</u>	<u>\$ 606,450</u>

Learning Point Associates agreed to be paid in six equal monthly installments through January 31, 2007. The contract specified that both parties were subject to open meetings and public records laws and that LPA agreed to be bound by the provisions of the 28E Agreement with the PPC. The contract specified that the two studies were

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separately funded and the funding was not interchangeable. Learning Point Associates was required to maintain separate and complete records to account for all spending on each study.

Attorney General Opinion Regarding Governor's Vetoes

On October 20, Attorney General Tom Miller issued an opinion that Governor Vilsack's veto of language in HF 2792 related to the pay-for-performance study was unconstitutional because it damaged "the surrounding legislative tissue."

Results of the Pay-for-Performance Study

While the Study was underway, both the ITW and the PPC met monthly. Learning Point Associates established an advisory workgroup that met monthly, as well. Workgroup members represented educators, school board members, education associations, students, legislators, the business community, and higher education.

Public input was gathered through a variety of means in addition to the advisory workgroups. Learning Point Associates subcontracted with Selzer and Company of Des Moines to conduct a telephone survey. The company also subcontracted with Westwind Education Policy of Iowa City to conduct six focus groups and several town hall meetings around the state.

The ITW provided a report on teacher compensation to the PPC in December. The PPC is now responsible for implementing the Act's provisions for ten demonstration projects in FY 2008 and 20 in FY 2009. The Commission is retaining \$60,000 of the FY 2007 funding allocated in HF 2792 to cover meeting and travel costs (\$10,000), the hiring of a consultant to assist in designing and managing the Request for Proposal (RFP) process to establish the demonstration projects (\$15,000), and the hiring of an individual to develop a process for an independent external evaluation of the projects (\$35,000).

The Pay for Performance Commission has provided a final report to the General Assembly with the following recommendations:

1. The PPC, in collaboration with the Department of Education, should continue to construct and implement a process by which Iowa school districts can experiment with the implementation of various enhanced models of teacher compensation, including models aligned to Iowa's existing career ladder and the model contained in the ITW's recommendations.
2. The Legislature should make a series of adjustments to existing law to ensure proper implementation of this pilot project. The Commission believes that unless these statutory corrections are made, the pilot process should not be started. The adjustments include:

Education Issues

- a. Strike the mandate for a percentage of funds to be used for individual teacher pay based on student achievement data. The recommendation cites a lack of needed data.
 - b. Allow for planning grants in FY 2008 that lead to implementation grants during FY 2009 and FY 2010. The recommendation cites the need for time to submit the plans to negotiations and to develop a sense of ownership.
 - c. Align the statute better with existing related statutes on teacher quality and accountability measures.
 - d. Allow the number of pilot projects approved to be flexible to allow for quality projects, given the varying size of school districts and the amount of funding available.
 - e. No statewide plan should be mandated prior to completion and full evaluation of the pilot projects.
 - f. Legislative intent must be expressed to sustain successful plans once the pilot project is completed to avoid further erosion of the morale and trust of teachers.
3. Within the existing funding allocated for these pilot projects, funding must be set aside for the Department of Education to properly administer this pilot program and for an independent external evaluation of the pilot projects.

The reports and other materials are available on the following web sites:

Pay for Performance Commission:

http://www.dom.state.ia.us/pfp_commission/index.html

Institute for Tomorrow's Workforce: <http://www.tomorrowworkforce.org/>

Learning Point Associates (advisory workgroups):

<https://portal.learningpt.org/itw/advisory/default.aspx>

Governor's FY 2008 Budget Recommendations

The Governor is recommending an increase of \$70.0 million in the General Fund appropriation for the Student Achievement and Teacher Quality Program in FY 2008. House File 2792 (Additional Education Funding Act) appropriated \$35.0 million and allocated it to enhance teacher salaries. The Governor is recommending that the additional \$35.0 million also be used to enhance teacher salaries. The Governor's budget recommendations do not address pay-for-performance incentives for teachers.

Education Issues

Transportation Costs

School districts are required to provide transportation to elementary students living more than two miles from school and to high school students living more than three miles from school. The regular program budget is the main funding source for transportation costs. Funding spent on transportation reduces the funds available for other educational activities.

In FY 2005, school districts spent \$99.1 million to transport an average of 232,701 students or 48.2% of the enrolled students. Transportation costs do not affect school districts equally. **Chart 1** shows that some school districts spend less than 2.0% of their regular program budgets on transportation while others spend more than 10.0%.

Chart 1

Transportation Costs as a Percentage of Regular Program Costs – FY 2005

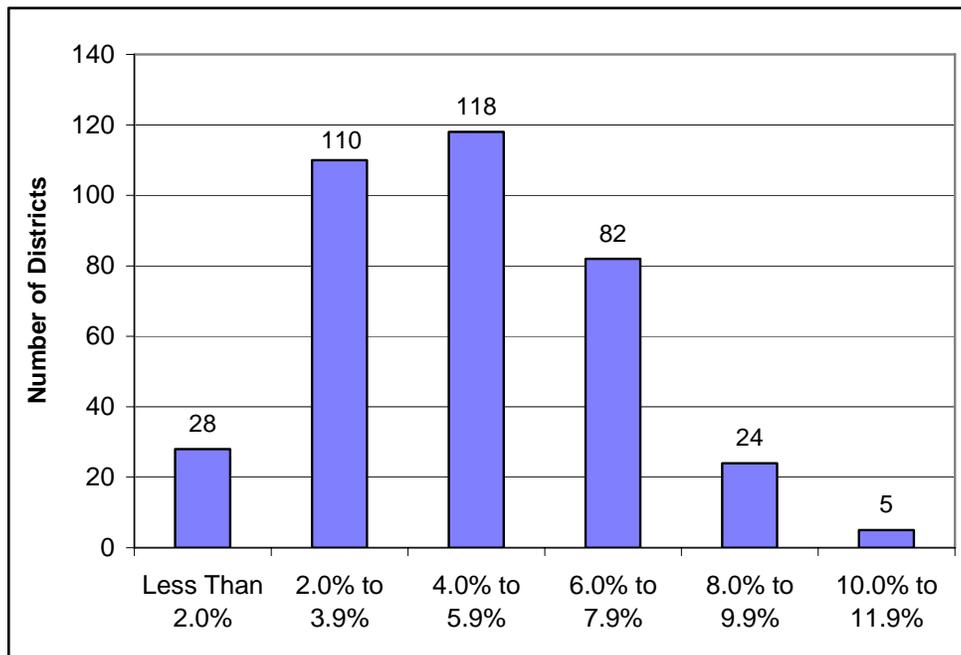
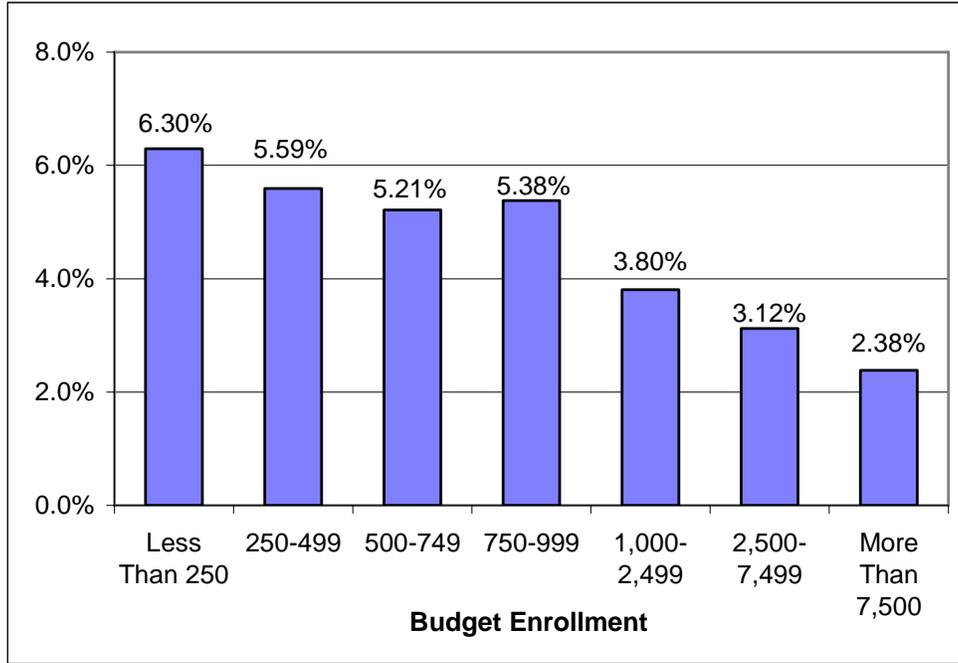


Chart 2 shows that the smallest schools spend more on student transportation. The percentages are the average for the schools of each given size.

Education Issues

Chart 2

Transportation Costs as an Average of the Regular Program Costs by Budget Enrollment – FY 2005

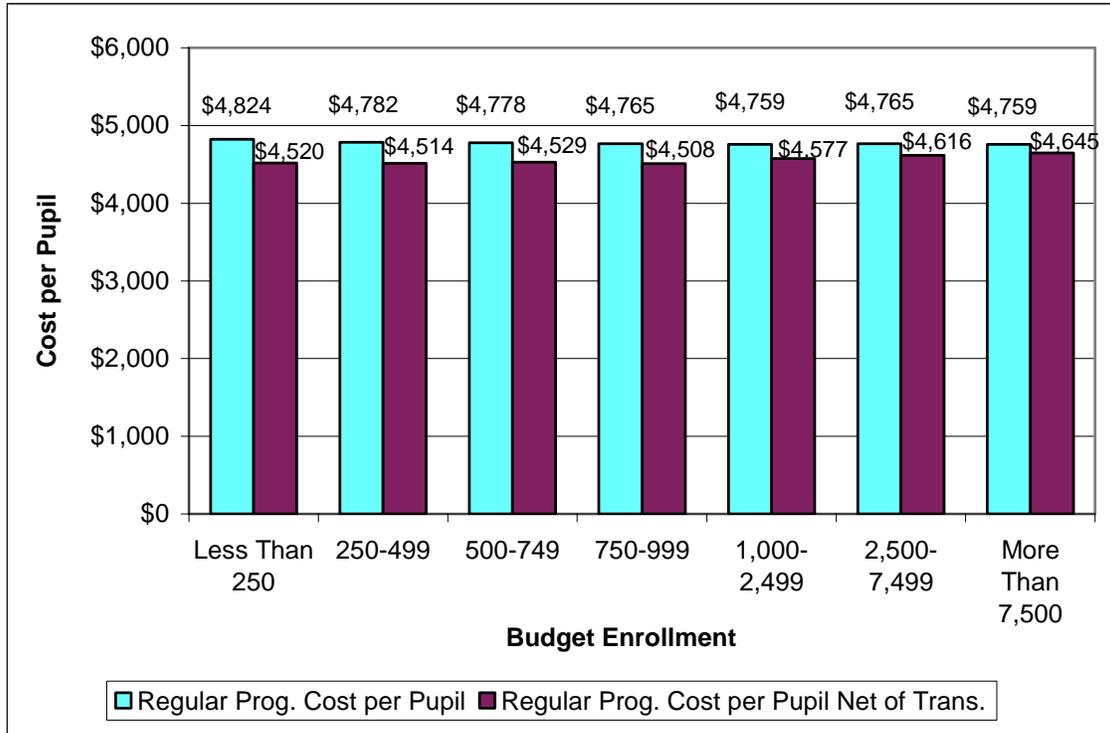


Transportation costs have the greatest impact on the per pupil regular program spending for the smallest schools. **Chart 3** shows the per pupil regular program spending and the comparable amount when transportation costs are netted out.

Education Issues

Chart 3

Regular Program Cost per Pupil by Enrollment – FY 2005



School District Consolidation

School District Consolidation is also an Education Issue. Please see the discussion on enrollment decline under Iowa School Foundation Formula (the previous section).

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ETHANOL AND BIODIESEL PROMOTION

Numerous laws have been enacted in recent years that provide tax and infrastructure incentives with the intent of increasing the sale of “biofuels” (ethanol-blended and biodiesel-blended fuels) in Iowa. Ethanol-blended fuels include E-10, which consists of 10.0% ethanol and 90.0% unleaded gasoline, and E-85, which consists of 85.0% ethanol and 10.0% gasoline. Biodiesel-blended fuels are a blend of biodiesel and petroleum-based diesel fuel.

The following paragraphs detail the current laws and respective incentives for ethanol-blended and biodiesel-blended fuels in Iowa.

Ethanol Sales Promotion Act

The Ethanol Sales Promotion Act (HF 716), enacted during the 2001 legislation session, provides changes in fuel-tax rates based on the sale of ethanol-blended gasoline. In addition, the Act created the Ethanol-Blended Gasoline Tax Credit, which provides a 2.5-cent per gallon income tax credit on ethanol-blended gasoline to retailers whose total gasoline sales include more than 60.0% in ethanol-blended gasoline.

Grow Iowa Values Fund Act

The Grow Iowa Values Trust Fund (HF 868), enacted during the 2005 legislation session, provides financial incentives from FY 2006 through FY 2008 for two Renewable Fuels Cost-Share Programs. The Programs are administered by the Iowa Renewable Fuels Association under the purview of the Department of Economic Development (DED). Grants are not to exceed \$325,000 annually, and are awarded as follows:

- ▶ **E-85 Retail Outlets** – For the installation or conversion of at least 30 new or converted E-85 retail outlets.
- ▶ **Biodiesel Terminal Facilities** – For the installation or conversion of at least four new or converted biodiesel terminal facilities that store biodiesel fuel for distribution to service stations.

The Act also established a 17.0-cent per gallon tax rate on E-85 beginning January 1, 2006. The 17.0-cent rate for future years, however, is contingent on the amount collected in the previous year.

Biofuels Promotion Act

House File 2754, enacted during the 2006 legislation session, sunsets the Ethanol-Blended Gasoline Tax Credit that was established in HF 716 on January 1, 2009, and creates the following three new tax credits:

Ethanol and Biodiesel Promotion

- ▶ **Ethanol-Promotion Tax Credit** – Provides an income tax credit of up to 6.5 cents for each retail gallon of ethanol-blended gasoline sold from January 1, 2009 through December 31, 2025. To qualify, retailers must meet specified biofuel threshold percentages.
- ▶ **E-85 Promotion Tax Credit** – Provides an income tax credit for each retail gallon of E-85 sold. The credit is equal to 25.0 cents per gallon sold beginning in calendar year (CY) 2006, declining to zero beginning in CY 2021.
- ▶ **Biodiesel-Blended Fuel Tax Credit** – Provides an income tax credit of 3.0 cents for each retail gallon of biodiesel-blended fuel sold from January 1, 2006, through December 31, 2012. To qualify, a retailer’s diesel sales must be at least 50.0% biodiesel, blended with a minimum of 2.0% biodiesel (B2).

The following table provides the projected net General Fund impact of the tax credits established in HF 2754. The current ethanol credit referred to in the table is the 2.5-cent per gallon income tax credit on ethanol-blended gasoline.

Net General Fund Impact of Tax Credits					
(In Millions of Dollars)					
	Current Ethanol Credit	New Ethanol Credit	E85 Credit	Biodiesel Credit	Net Income Tax Credit Change
FY 2007	\$ 0.0	\$ 0.0	\$ -0.2	\$ -0.5	\$ -0.7
FY 2008	-0.3	0.0	-1.7	-1.4	-3.4
FY 2009	-0.2	0.0	-5.0	-3.1	-8.3
FY 2010	10.5	-9.3	-7.4	-3.8	-10.0
FY 2011	11.1	-10.2	-11.2	-4.6	-14.9
FY 2012	11.6	-11.4	-8.6	-5.2	-13.6
FY 2013-FY 2021	125.5	-160.8	-93.0	-5.8	-134.1
Total	\$ 158.2	\$ -191.7	\$ -127.1	\$ -24.3	\$ -184.9

Note: Numbers may not total due to rounding.

In addition to the Renewable Fuels Cost-Share Programs established in the Grow Iowa Values Fund Act, HF 2754 created two Renewable Fuel Infrastructure Programs from FY 2007 through FY 2009. The Programs are administered by the Renewable Fuel Infrastructure Board under the purview of the DED. Grants are awarded as follows:

- ▶ **Renewable Fuel Infrastructure Program for Motor Fuel Sites** – For the installation or conversion of infrastructure that stores and dispenses E-85, biodiesel, and biodiesel-blended fuel. Grants are not to exceed 50.0% of the actual cost of the improvement or \$30,000, whichever is less.

Ethanol and Biodiesel Promotion

- ▶ **Renewable Fuel Infrastructure Program for Biodiesel Terminal Facilities** – For the installation or conversion of infrastructure that stores and distributes biodiesel or biodiesel-blended fuel. Grants are not to exceed 50.0% of the actual cost of the improvement or \$50,000, whichever is less.

House File 2759 – Biofuels Infrastructure Appropriations Act

House File 2759, enacted during the 2006 legislation session, creates a Renewable Fuel Infrastructure Fund and appropriates a total of \$13.0 million to the Fund for FY 2007 through FY 2009 for cost-share funds for the Renewable Fuel Infrastructure Programs established in HF 2754. The moneys are appropriated from the following Funds:

- ▶ FY 2007 and FY 2008 – \$3.5 million each year from the Underground Storage Tank Fund.
- ▶ FY 2007 through FY 2009 – \$2.0 million each year from the Grow Iowa Values Fund, of which the Department of Economic Development is allowed to use \$50,000 per year for administration of the Programs.

In addition to the appropriations to the Renewable Fuel Infrastructure Fund, \$300,000 is appropriated each year in FY 2007 and FY 2008 from the Fund to the Department of Agriculture and Land Stewardship to be used to fund 3.0 FTE positions for the inspection of motor fuel.

Iowa Power Fund

The Governor is recommending creation of the Iowa Power Fund, an investment of \$100.0 million over four years (FY 2007 – FY 2010) to help Iowa businesses expand into the renewable energy, alternative fuel, and clean technology industries. The Governor is recommending a \$25.0 million supplemental appropriation for FY 2007 from the General Fund to start the Fund. Funding for FY 2008 through FY 2010 has not been determined.

Appoint Director of Renewable Energy

The Governor is recommending appointment of a new Director of Renewable Energy within the Governor's Office to serve as the Executive Director of the Iowa Power Fund. For more information, see the section of this document entitled, "Renewable Energy as a New Economy."

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RENEWABLE ENERGY AS A NEW ECONOMY

The Governor is proposing to create and expand the following programs with the intent to expand renewable energy and fuels, provide additional revitalization grants to Iowa's small communities, develop and enhance new technologies, and improve water quality.

Iowa Power Fund

The Governor's is recommending the creation of the Iowa Power Fund and an investment of \$100.0 million over a four-year period (FY 2007 – FY 2010) to help Iowa businesses expand into the renewable energy, alternative fuel, and clean technology industries. The Governor is recommending a \$25.0 million supplemental appropriation for FY 2007 from the General Fund to start the Fund. Funding for FY 2008 through FY 2010 has not been determined.

Appoint Director of Renewable Energy

The Governor recommends appointing a Director of Renewable Energy within the Governor's Office to serve as the Executive Director of the Iowa Power Fund. The position is to assist in the following:

- ❖ *Streamline permit processes and obstacles to expand renewable energy businesses without lowering standards for protecting Iowans' health and environment.*
- ❖ *Secure additional federal funding and attract research and development funding and venture capital.*
- ❖ *Ensure that Iowa State government "leads by example" by maximizing cost-saving energy efficiency and/or energy conservation efforts in the State operations and by helping new technologies enter the marketplace by using Iowa State government's purchasing power.*

Strengthen Main Street Iowa Program

The Governor is recommending an increase of \$1.0 million to the Main Street Iowa Program for more revitalization grants for FY 2008. The Governor stated that since its inception, over three dozen Iowa communities have been accepted into the Program. In addition, Iowa has received more awards from the National Main Street Program than any other state in the nation.

Renewable Energy As A New Economy

Expand Technology Transfer

In order to provide more high-quality jobs with decent benefits, the Governor is recommending that Iowa focus on creating industries of the future while building on traditional strengths. The Governor is recommending a \$10.6 million appropriation from the Rebuild Iowa Infrastructure Fund (RIIF) to enhance the development of new technologies through a new Targeted Industries Infrastructure Program within the Department of Economic Development (DED).

The DED requested \$10.6 million from the RIIF for a new economic development initiative involving the Bioscience Alliance of Iowa, the Iowa Advanced Manufacturing Council, the Iowa Information Technologies Council, and the Small Business Advisory Council.

Improve Water Quality

The Governor is recommending three appropriations for FY 2008 totaling \$17.6 million to improve water quality throughout the State:

- ❖ ***\$5.0 million from the Endowment for Iowa Health Account for the Watershed Improvement Review Board to reduce soil erosion, improve water quality, provide flood control, and protect other natural resources.*** The Treasurer of State requested \$5.0 million from the Endowment for Iowa Health Account for the Watershed Improvement Fund for water quality improvements through a variety of impairment-based, locally directed watershed improvement grant projects. These funds were previously appropriated in HF 2782 (2007 Infrastructure Appropriations Act).
- ❖ ***\$4.0 million from the RIIF to the Iowa Finance Authority to assist local governments in upgrading water treatment facilities.*** The Iowa Finance Authority requested \$4.0 million for FY 2008 for the Wastewater Financial Assistance Program created in FY 2007. The Program provides grants to improve water quality and help communities comply with water quality standards adopted by the Department of Natural Resources (DNR). Language was added to HF 2782 that states the General Assembly intends to appropriate \$4.0 million annually to the Wastewater Financial Assistance Program from FY 2008 to FY 2016.
- ❖ ***\$8.6 million from the RIIF to the DNR for grants to communities for the purpose of restoring the quality of the water in lakes. Improvements can include dredging, shoreline stabilization, and acquisition of easements for critical habitats within watersheds.*** The DNR requested \$8.6 million from the Endowment for Iowa Health Account for FY 2008.

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ENVIRONMENTAL INITIATIVES

Iowa's Water Quality Investment

The following FY 2008 department requests and Governor's recommendations relate to the improvement of Iowa's water quality:

- ▶ \$5.0 million from the Endowment for Iowa's Health Account to the Watershed Improvement Review Fund. The State Treasurer administers the Fund and the Department of Agriculture and Land Stewardship administers the Watershed Improvement Review Program. The Program awards grants to implement locally-controlled projects to improve impaired watersheds and the State's drinking water resources, and encourage the public to participate in determining priorities for improving water quality. This maintains the current level of funding. ***The Governor is recommending \$5.0 million from the Endowment for Iowa's Health Account for FY 2008 to the Treasurer of State.***
- ▶ \$8.6 million from the Endowment for Iowa's Health Account to the Lake Restoration Fund that is administered by the Department of Natural Resources (DNR). Of the amount appropriated, \$6.7 million was allocated for specific projects that included a \$750,000 allocation to the DNR for conducting a two-year Water Use Attainability Analysis as specified in SF 2363 (Water Quality Standards Act). This maintains the current level of funding. ***The Governor is recommending \$8.6 million from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2008 to the Department of Natural Resources (DNR).***
- ▶ \$4.0 million from the RIIF to the Wastewater Treatment Financial Assistance Program that is administered by the Iowa Finance Authority. The grants will provide funding to small communities for improvements to wastewater treatment facilities and specifies the amount of matching funds the community must provide. This maintains the current level of funding, but changes the funding source from the Federal Economic Stimulus Fund. ***The Governor is recommending \$4.0 million from the RIIF for FY 2008 to the Iowa Finance Authority.***
- ❖ ***The Governor is recommending \$1.0 million from the RIIF for FY 2008 to the DNR for renovations and improvements at State Parks.***



Livestock Operations

The DNR is requesting \$650,000 and 7.0 FTE positions from the General Fund to improve services related to livestock operations.

This includes the review of manure management plans and construction permits, evaluating alternative technologies for animal agriculture operations, educating and

Environmental Initiatives

certifying manure applicators, and responding to fish kills and other related complaints. ***The Governor is not recommending funding for this program.***

Fish and Wildlife Trust Fund Receipts

The DNR is requesting \$1.0 million from the Fish and Wildlife Trust Fund to be used for implementation of habitat improvement programs. New funding from lease revenue and federal non-game grant money will be available for public land management and habitat improvement projects. ***The Governor is recommending \$1.0 million from the Fish and Wildlife Trust Fund for FY 2008.***



Conservation Reserve Enhancement and Protection (CREP) II Project

The DNR submitted a grant application to the federal United States Department of Agriculture (USDA) on August 1, 2006, for the CREP II Project. This Project will target 16 publicly-owned lakes and seven coldwater stream complexes in Iowa. The goal is to reduce sediment and phosphorus in the targeted watersheds and to enroll over 1,000 acres in Iowa's Walk-in-Access Program that allows public hunting on the enrolled land. The Project will include over 7,000 acres at an estimated cost of \$20.0 million. The funding will include \$16.0 million in federal funds, \$1.0 million from the Fish and Game Protection Fund, \$2.0 million from the Lake Restoration Fund, and \$1.0 million from local partners. Project negotiations are continuing and agreements will be in place by spring 2007.

Environment First Fund Programs

The Environment First Fund was created by the 2000 General Assembly with a standing appropriation of \$35.0 million from the RIIF.

The DNR is requesting \$20.5 million from the Environment First Fund for FY 2008, a decrease of \$50,000 compared to estimated FY 2007. The decrease is for the Rhodes Tire Reclamation Project. The following is a summary of the Department's requests and the Governor's recommendations for FY 2008:

- ▶ Resource Enhancement and Protection (REAP) Fund – \$11.0 million. This maintains the current level of funding. ***The Governor is recommending \$11.0 million from the Environment First Fund for this Program.***
- ▶ Lake Restoration Program – \$975,000. This maintains the current level of funding. ***The Governor is recommending \$975,000 from the Environment First Fund for this Program.***



Environmental Initiatives

- ▶ Water Quality Monitoring Program – \$3.0 million. This maintains the current level of funding. ***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.***
- ▶ Air Quality Livestock Monitoring – \$275,000. This maintains the current level of funding. ***The Governor is recommending \$325,000 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 \$195,000 from the Environment First Fund for this Program.***
- ▶ 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.***

The following table details the FY 2008 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	\$ 5.0	Maintains funding
Lake Restoration and Preservation Program	Rebuild Iowa Infrastructure Fund	8.6	Maintains funding, changes funding source
Wastewater Treatment Financial Assistance Program	Rebuild Iowa Infrastructure Fund	4.0	Maintains funding, changes funding source
State Park Renovations	Rebuild Iowa Infrastructure Fund	1.0	Increase of \$1.0 million
Fish and Game Habitat	Fish and Wildlife Trust Fund	1.0	Increase of \$1.0 million

Environmental Initiatives

Budget Unit	Funding Source	Governor's Recommendations (in millions)	Change in Funding
Resource Enhancement and Protection Fund (REAP)	Environment First Fund	\$ 11.0	Maintains funding
Lake Restoration Program	Environment First Fund	1.0	Maintains funding
Water Quality Monitoring	Environment First Fund	3.0	Maintains funding
State Parks	Environment First Fund	2.0	Maintains funding
Air Quality Monitoring	Environment First Fund	0.3	Increase of \$50,000
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
Total Governor's Recommendations		\$ 37.7	Increase of \$2.0 million

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WATERSHED IMPROVEMENT REVIEW BOARD

Background

The Watershed Improvement Review Program was established during the 2005 Legislative Session in SF 200 (Agriculture Powers, Duties, and Watershed Improvement Act). The legislation also created a Watershed Improvement Review Fund and a Watershed Improvement Review Board. The purpose of the Board is to review applications and award grants for projects that will provide for the following:

- Enhance the State's water quality by implementing locally-controlled projects to improve impaired watersheds.
- Improve the State's water resources for the purposes of drinking, agriculture, recreation, sport, and economic development.
- Encourage public participation and input for determining priorities to improve water quality. This includes projects related to agricultural runoff and drainage, stream bank erosion, municipal discharge, stormwater runoff, unsewered communities, industrial discharge, and livestock runoff.



The Board is comprised of 15 Governor appointees from agriculture groups, drinking water and wastewater utilities, environmental organizations, agribusiness, and conservation organizations. The General Assembly also has four non-voting members with two from the Senate and two from the House. Duties of the Board include:

- Award local watershed improvement grants and monitor the progress of improvement projects. Each grant cannot exceed a three-year period for project completion and cannot receive more than 10.0% of the funds appropriated in a fiscal year.
- Assist in developing local watershed monitoring plans.
- Review the monitoring results before, during, and after completion of a project.
- Review the costs and benefits of each project.
- Submit a report each year detailing the progress of projects to the Governor and the General Assembly by January 31.
- Obtain the expertise and technical assistance from outside individuals or groups when needed.



Watershed Improvement Review Board

Funding

The General Assembly appropriated \$5.0 million for FY 2006 and FY 2007 for Watershed Improvement Review Grants. House File 882 (FY 2006 Standing Appropriations Act) appropriated \$5.0 million from the Underground Storage Tank (UST) Fund to the Watershed Improvement Review Fund for FY 2006. For FY 2007, \$5.0 million was appropriated to the Fund from the Endowment for Iowa's Health Account in HF 2782 (FY 2007 Infrastructure Appropriations Act).



The Soil Conservation Division in the Department of Agriculture and Land Stewardship (DALs) is the designated agency that provides administrative support to the Board. The legislation specified that the Department would receive 1.0% of the funds appropriated each fiscal year to the Watershed Improvement Fund or \$50,000, whichever is less, to pay for administrative support.

Grants Approved

The FY 2006 Watershed Improvement Review Grants were awarded on December 19, 2005. The Board reviewed 48 applications requesting \$12.7 million. The Board selected 17 projects, and awarded \$4.8 million in grants for projects totaling \$14.0 million. All grant applicants must detail additional funding for the projects, although a specific match amount is not required.

The FY 2007 grants were awarded on September 20, 2006. The Board reviewed 38 applications requesting funds of \$11.7 million. The Board selected 16 projects, and awarded \$4.9 million in grants for projects totaling \$18.0 million.

Any funds remaining after the grants have been awarded and the administrative support funds have been transferred to DALs, remain in the Watershed Improvement Review Fund and carry forward to the next fiscal year.



Budget Request

Funding for the Watershed Improvement Review Fund is appropriated to the State Treasurer each year. The State Treasurer is requesting \$5.0 million for FY 2008 from the Endowment for Iowa's Health Account. ***The Governor is recommending \$5.0 million from the Endowment for Iowa's Health Account for FY 2008.***

For more information on the Watershed Improvement Review Board, refer to the following web site: <http://www.agriculture.state.ia.us/IWIRB.htm>.

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SUSTAINABLE FUNDING FOR IOWA'S NATURAL RESOURCES COMMITTEE

The Sustainable Funding for Iowa's Natural Resources Committee was created in HF 2797 (FY 2007 Standings Appropriations Act). The purpose of the Committee is to research and recommend funding sources that will provide sustainable funding for natural resource needs in Iowa. The legislation specifies the Committee will submit a report to the Governor and the General Assembly by January 10, 2007. The report is to include:

- A summary of funding sources implemented by surrounding states to provide sustainable funding for natural resource conservation.
- An outline of the Committee's conservation funding initiatives.
- An outline of the Committee's estimate of revenue needed for the initiatives and the anticipated accomplishments.
- An analysis of Iowa's citizens' willingness to pay for the identified conservation funding initiatives.



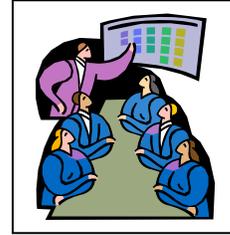
Committee members are as follows:

- Senators Dick Dearden and Mary Lundby.
- Representatives Henry Rayhons and John Whitaker.
- Deb Ryun, Soil and Water Conservation Districts of Iowa.
- Ken Herring, Department of Natural Resources (DNR).
- Tammi Kircher, Ducks Unlimited.
- Marvin Shirley, Farmers Union.
- Dan Cohen, Iowa Association of County Conservation Boards.
- Richard Leopold, Iowa Environmental Council.
- Barbara Finch, Iowa Farm Bureau.
- Mark Ackelson, Iowa Natural Heritage Foundation.



Sustainable Funding for Iowa's Natural Resource Committee

- Owen Shunkwiler, Iowa Renewable Fuels Association.
- Pauline Novotny, Izaak Walton League of Iowa.
- Dave Van Waus, Pheasants Forever.
- Ken Tow, Secretary of Agriculture Designee.
- Jane Clark, Sierra Club.
- Lola Lopes, The Nature Conservancy.



The DNR provided administrative support for the Committee and has coordinated all meetings. The Committee submitted a preliminary report to the General Assembly on January 10, 2007, and will submit a finalized report by March 1, 2007. The preliminary report summary included:

- The development of funding categories that include: conservation work related to parks and trails; soil and water conservation; and fish, wildlife and natural areas.
- A summary of methods used by other states.
- Funding source recommendations that include:
 - ✦ Dedicating gaming and gambling revenues from new and expanded casinos and retiring revenue bonds.
 - ✦ Dedicating revenues from a fractional percentage increase in the sales tax.
 - ✦ Dedicating a portion of lottery profits to conservation.
 - ✦ Utilizing bonding to insure long-term funding stability.
- A summary of revenue needs. It was estimated that additional funding of \$150.0 million per year is needed for the following identified conservation actions:
 - ✦ \$20.0 million for the Resource Enhancement and Protection (REAP) Fund.
 - ✦ \$20.0 million for the Local Conservation Partnership Program.
 - ✦ \$35.0 million for the DNR operations.
 - ✦ \$30.0 million for the Department of Agriculture and Land Stewardship (DALSS).
 - ✦ \$15.0 million for work on trails.



Sustainable Funding for Iowa's Natural Resource Committee

► Benefits from the funding were designated to the following categories:

◆ Parks and Trails

- Improve State, county, and city park infrastructure.
- Create a trail system that will serve the recreational diversity of Iowans and attract visitors and tourists.



◆ Soil and Water Conservation

- Increase the number of soil conservation practices such as terraces, waterway buffers, wetlands, and grade stabilization practices.
- Provide educational opportunities to advocate sustainable farming practices, conservation tillage, and demonstrate innovative methods.
- Assist local communities in solving water quality issues by applying strategies to targeted watersheds, reduce sediment, create partnerships between State, federal, and local agencies, and provide incentives to implement quality improvement programs.

◆ Fish, Wildlife, and Natural Areas

- Protect and improve the status of Iowa's wildlife diversity.
- Provide safe habitat for endangered species in Iowa.
- Improve wildlife viewing opportunities.
- Increase opportunities to enjoy Iowa's outdoors.
- Preserve and protect Iowa's high quality natural heritage.
- Ensure that all Iowans will have access to natural areas – rural and urban.
- Improve hunting and fishing opportunities and access in Iowa – rural and urban.
- Protect, restore, and manage prairies, forests, savannas, wetlands, and preserves.
- Provide assistance to landowners to establish/manage the prairie and forestry base.
- Provide adequate monitoring and management of Iowa's natural resources.



Sustainable Funding for Iowa's Natural Resource Committee

- Provide proactive options and quality management against invasive species.
- ▶ The willingness of Iowa's citizens to pay for these initiatives was gauged from the 267 public comments received at the Statewide public hearing held on November 9, 2006. In addition, a telephone survey of 800 Iowa residents was also conducted in November. The following is a summary of the telephone survey:
 - ◆ Residents are generally pleased about conditions in Iowa, and no single issue presents a dominant Statewide concern.
 - ◆ Issues related to water quality, including agricultural runoff, are among Iowans' top environmental concerns.
 - ◆ Iowans share strong beliefs that protecting the environment is a shared responsibility that benefits the economy.
 - ◆ A total of 77.0% of Iowa residents support dedicating additional public funds to protect Iowa's land, water, and wildlife, and most are willing to pay \$10 to \$25 in additional taxes each year for that purpose.
 - ◆ However, the only specific funding sources that received majority support at this time involve dedicating revenue from new gaming sources. Iowans are resistant to most proposals to create specific new revenue sources, especially a sales tax increase.
 - ◆ The idea of a conservation tax credit was strongly supported.



More information about the Sustainable Funding for Iowa's Natural Resources Committee, is available at the following web site:

<http://www.iowadnr.com/sustainablefunding/index.html>.

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WATER QUALITY PLANNING TASK FORCE

The Water Quality Planning Task Force was created in SF 2363 (FY 2007 Water Quality Standards Act). The legislation specified that the Task Force must make recommendations to the General Assembly by June 30, 2008, for a voluntary Statewide water quality program. The water quality program goals should include:

- Improve water quality and optimize the costs of voluntarily achieving and maintaining water quality standards.
- Create economic incentives to reduce nonpoint source load reductions, point source discharge reductions, wetland restoration and creation, and for emerging pollution control technologies.
- Facilitate the implementation of total maximum daily loads, urban stormwater control programs, and nonpoint source management practices.
- Provide incentives that develop new pollution control technology that is more accurate and more reliable.
- Provide greater flexibility for planning and managing watersheds by using a community-based and performance-driven system that is non-regulatory.



The following are Task Force members:

- Senators David Johnson and Brian Shoenjahn (non-voting)
- Representatives Donovan Olson and Linda Upmeyer (non-voting)
- Deb Ryun, Co-Chair, Conservation Districts of Iowa
- Tom Hadden, Co-Chair, Growing Green Communities
- Dean Lemke and Ken Tow, Department of Agriculture and Land Stewardship
- Wayne Gieselman and Bill Ehm, Department of Natural Resources (DNR)
- Jim Boyt and Jane Riessen, Iowa Association of Business and Industry
- Greg Fritz, Iowa Association of Municipal Utilities
- Gary Edwards and Jared Hill, Iowa Corn Growers Association



Water Quality Planning Task Force

- Linda Kinman and Joe Johnson, Iowa Environmental Council
- Rick Robinson, Iowa Farm Bureau
- Jeremy Rosonke and Rich Meyer, Iowa Conservation Alliance
- Julie Smith and David Adelman, Iowa League of Cities
- Jeff Schnell, Iowa Pork Producers
- Emily Piper, Iowa Rural Water Association
- Roger Wolf, Iowa Soybean Association
- Ted Payseur and Steve Hershner, Iowa Water Pollution Control Association



The DNR is the administrative agency for the Committee and coordinated the following meetings:

- August 3 – Organizational meeting that determined ground rules and subcommittee assignments.
- October 4 – This meeting focused on previous water quality programs and the funding currently available for water quality. The meeting included a summary of the Watershed Task Force report from 2001, an overview of the Governor’s Water Quality Summit held in 2003, and an overview of State and federal programs.
- December 6 – This meeting focused on current water quality issues that included presentations by:
 - ◆ Neil Harl, Iowa State University, on current tax policy and water quality issues.
 - ◆ Gary Stuhlfauth, Ohio State University, on watershed credit trading.
 - ◆ Doug Harr, DNR, an update on Sustainable Natural Resources.



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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 2006 Legislative Interim, the Fiscal Committee held two meetings. Jeff Robinson, of the Legislative Services Agency, provided a revenue update, and the Committee also received notices of appropriations transfers and lease purchases. The FY 2006 and FY 2007 appropriation transfers are listed below.

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
	Public Health		Public Health
\$ 20,000	Infectious Diseases	\$ 20,000	Elderly Wellness
	Public Employment Relations Board		Economic Development
\$ 20,000	General Office	\$ 20,000	Business Development
	Governor's Office		Governor's Office
\$ 85,000	Terrace Hill Quarters	\$ 85,000	General Office
	Revenue		Revenue
\$ 16,000	Cigarette Stamps	\$ 16,000	Operations
	Public Safety		Public Safety
\$ 155,000	Fire Marshal	\$ 50,000	Criminal Investigation
		\$ 70,000	State Patrol
		\$ 35,000	Narcotics Enforcement

Legislative Fiscal Committee Major Issues

Dollars Transferred	Department/Division Transferred To	Dollars Transferred	Department/Division Transferred From
\$ 229,970	Human Services State Supp. Assistance	\$ 144,494	Public Defense Operations Civil Rights Commission
\$ 1,700,000	Human Services Family Invest. Prog. (FIP)	\$ 1,700,000	Human Services Child and Family Services
\$ 1,700,000	Human Services - TANF Child and Family Services	\$ 1,700,000	Human Services - TANF Child and Family Services

FY 2007 Appropriation Transfers

Dollars Transferred	Department/Division Transferred To	Dollars Transferred	Department/Division Transferred From
\$ 473,000	Administrative Services West Capitol Terrace	\$ 473,000	Administrative Services Ankeny Laboratory Project

The following lease-purchase information was received and reviewed:

Lease-Purchase Principal	Department	Purpose
\$ 2,500,000	Human Services	Energy conservation improvements at the Woodward State Resource Center.
\$ 65,000	Corrections	Laundry Operations at the Clarinda Correctional Facility

The Committee also received an update on the following subjects:

- 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.
- Department of Public Safety FTE change notification.
- Department of Public Health pandemic influenza prevention expenditures.
- Charter Agency waiver for the Department of Human Services for a procurement administrative rule.



Legislative Fiscal Committee Major Issues

State Office Building Report

Section 8A.330, Code of Iowa, required the Department of Administrative Services to submit a report to the Legislative Fiscal Committee regarding a new general use State office building and a new building for the Iowa Utilities Board and Office of Consumer Advocate. At the January 2007 meeting, the motion was made and approved to:

- Accept the Report submitted by the Department of Administrative Services.
- Approve that the Report submitted satisfies the requirements established in Section 8A.330, Code of Iowa.
- Authorize the Department of Administrative Services, the Utilities Board, and the Office of Consumer Advocate to expend or obligate funds in excess of \$1.0 million as necessary and appropriate to move the building projects forward from funds previously appropriated or as otherwise specified in previous legislation.

Other Agenda Items

- FY 2006 Ending Balance – Review of the FY 2006 ending balance of the General Fund.
- FY 2006 and estimated FY 2007 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. 
- Update on the Capitol Complex building construction projects. 
- Update for the Honey Creek Destination State Park Project.
- Reviewed the FY 2008 built-in and planned expenditures and a preliminary look at the condition of the FY 2008 General Fund budget.
- Update on Group Care waiting list for serving children.
- Update on the federal delay for approval of the 3.0% Medicaid provider reimbursement rate and the increase in the expected FY 2007 Medicaid supplemental appropriation. An increase in nursing facilities rates for the fourth quarter of FY 2006 was not approved. The increase will occur, instead, in FY 2007.

Legislative Fiscal Committee Major Issues

- ▶ Update on the implementation of Case Management as a service under the Medicaid Elderly Waiver.

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 Legislative web site at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=46>

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GOVERNMENT OVERSIGHT COMMITTEE MAJOR ISSUES

During the 2002 Legislative Session, the General Assembly passed the Oversight and Government Reform Act (SF 2325) 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 2006 Interim, the Committee met nine times and reviewed the following major areas:



Major Issues Reviewed

- ▶ The Committee continued to review circumstances that led to local, State, and federal investigations into the administration and misuse of public funds by the Central Iowa Employment and Training Consortium (CIETC). Several witnesses were called to testify before the Committee from CIETC, the CIETC Board, Iowa Work Force Development, Attorney General's Office, and the State Auditor's Office.
- ▶ The Committee requested that the LSA prepare an "Other Pay" Report to identify State employees that received extra compensation above their base salaries and explanations for these payments. The report listed nearly 1,000 instances of pay adjustments in amounts exceeding \$1,000 occurring during FY 2005 and FY 2006. These extra pay amounts were characterized by the agencies involved as exceptional job performance, recruitment or retention bonuses, extra duty pay, back pay, and additional designations. Committee discussion included whether inappropriate amounts have been awarded to certain individuals, whether an analogy can be drawn to the current CIETC bonus payment situation, how long agencies have had the option of awarding additional compensation, whether the practice has resulted at least in part from budgetary constraints encouraging agencies to find alternative means to adequately compensate employees, the possible need to re-examine compensation levels in relation to the private sector, and the process by which agency budgets are determined.
- ▶ The Committee heard additional information regarding nonprofit organizations. William Boyd III, a member of the Nonprofit Corporations Committee of the Business Law Section of the Iowa State Bar Association, explained that Internal Revenue Service regulations govern nonprofit corporations that seek to retain a tax exempt status under IRC Section 501(c)(3). In addition, a nonprofit organization is governed by the Sarbanes-Oxley Act as enacted in Pub. L. No. 107-204, 116 Stat. 745, that sets record retention and whistleblower protection requirements for nonprofit

Government Oversight Committee Major Issues

organizations and provides good practice guidelines for nonprofit organizations, such as the requirement of an audit committee.

- ▶ The Committee heard from Director Mollie Anderson of the Department of Administrative Services (DAS), regarding the status of the Integrated Information for Iowa (I/3) System. Background information was provided indicating that the System was established to facilitate centralized access to State government information and services. An overview of three project phases, consisting of the establishment of a budget data warehouse, finance data warehouse, and human resources payroll data warehouse, was provided. The Committee discussed the deferred implementation of the human resources payroll data warehouse until June 2008. In response to Committee inquiry, Division Administrator John Gillespie, Information Technology Enterprise, discussed the issue of centralized authority for technology purchases versus independent authority by various State agencies. Mr. Gillespie indicated that several states have initiated centralization and some have achieved significant savings as a result. It was noted that regular system upgrades are necessary and should not be postponed to avoid getting backlogged in the future. The amount and sufficiency of appropriations to DAS relating to the System was also discussed.



- ▶ The Committee heard from Tina Hoffman, Deputy Director, Department of Economic Development (DED) accompanied by Frank Chiodo, DED Legislative Liaison, and Toby Shine, Chairman, DED Due Diligence Committee, regarding the Iowa Values Fund. Ms. Hoffman distributed and discussed the 12/31/05 End of Year Project Status Report pertaining to the Iowa Values Fund and other State business development awards made from July 2003 through December 2005. Ms. Hoffman stated that the Iowa Values Fund continues to be successful, with 335 projects having been approved by DED or one of its boards since the inception of the Iowa Values Fund in 2003. These projects have resulted in 196 signed contracts and \$5.8 billion in Statewide capital investment. The Report is the first of an annual series of reports summarizing the preceding year's activities and financial status, verifying and expanding upon self-report forms completed by each business receiving funding. Committee discussion included:
 - ◆ Compliance with the self-report requirement and default status for failure to submit it.
 - ◆ Accuracy of the term "failed project" in instances where one or more parameters have not been fully achieved, such as the number of new jobs.
 - ◆ Repayment arrangements and collection actions.
 - ◆ The necessity for more time before trend analyses can be conducted.
 - ◆ Other State business development programs beyond the Iowa Values Fund and the extent to which funds are awarded to smaller-sized communities.

Government Oversight Committee Major Issues

- ✦ Smaller-sized businesses, and out-of-state applicants.
- ✦ The effectiveness of tax credits in addition to direct loans.

Mr. Shine characterized the Iowa Values fund as a great program through which Iowa ranks well in facilitating the development of new businesses. Mr. Shine also noted that failures must be evaluated in light of the need to take some risks in the course of fostering business development and observed that in some instances there is reluctance on the part of larger-sized communities to commit significant local involvement. Mr. Shine also cited commercial property tax as a substantial disincentive to economic development.

- The House Committee met with the Chief Juvenile Court Officer for the Fifth Judicial District and staff from the Department of Human Services (DHS) regarding issues raised by counties relating to the transfer of juveniles from county detention centers to the State Training Schools (STS) at Eldora and Toledo. The STS receive and serve youth with relatively serious criminal backgrounds that had previously been unsuccessfully placed in other treatment programs. The number of available beds at the STS are divided between the eight judicial districts, with each district capped regarding regular commitments. The eight juvenile court officers meet on a regular basis and have the flexibility to allocate beds between them if necessary. The DHS indicated that the admissions process is similar at the two facilities, but that the populations served at Toledo are broader and bed availability is limited. It was noted that the school in Eldora performs approximately 120 court-ordered evaluations per year. The need for additional mental health services professionals was identified as contributing to admission delays, with only one psychiatrist currently engaged in that capacity. Committee discussion included inquiry into the average daily costs for juveniles placed at the STS, a comparison of the costs to those in other states, responsibility for transportation costs to the facilities, housing options for juveniles awaiting admission, the average length of stay at the facilities, and percentage estimates for eventual adult prison incarceration. The Committee discussed the need to develop strategies to cope with federal law changes resulting in an increased number of required evaluations and efforts to address the evaluation process delay currently being experienced. It was noted that development of a new process for compiling and evaluating data for program assessment and accountability is currently underway.



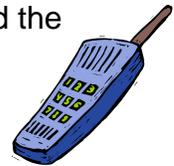
- The House Committee discussed residency requirements and the responsibilities of the State and counties to provide and pay for treatment services for persons with mental illness. Central Point Coordinator (CPC) county representatives and DHS personnel discussed concerns and issues relating to the transfer of State Cases Program to counties of residence effective October 1, 2006, pursuant to legislation passed during the 2006 legislative session. Major concerns to the CPC included a reduction in current expenditures by ten percent and the elimination of reimbursement for payment of medications



Government Oversight Committee Major Issues

after a ninety-day period. Key aspects of the current funding formula for mental health services were reviewed, with emphasis on the fact that the cap on the amount that can be raised by a county through property taxation limits the ability of counties to recover costs, triggering reliance on the allowable growth amount or a county's unspent funding balance. The DHS stated their intent is to proceed in partnership with counties and not leave them adversely impacted financially.

- The Committee requested quarterly updates on homeland security activities from the Homeland Security and Emergency Management (HSEM) Division of the Department of Public Defense. The Division updated the Committee regarding implementation of the wireless E911 Phase II deployment by distributing a map indicating that Phase II services facilitating the capacity to pinpoint caller location have currently been deployed in 93 counties, and that the service will be operational across the entire State by January 1, 2007. The Division also discussed the upcoming establishment of links with Wisconsin and Illinois and identified the upgrading from analog to data circuitry as a possible use for carryover funds. Committee discussion included the merits of allocating funding for public education of the existence of Phase II capability versus better training of dispatchers, with a lack of consistent dispatcher response identified as a problem. The Division HSEM also discussed the importance of achieving communications interoperability between command centers through interconnecting technology.



- The House Committee heard testimony from State employees regarding allegations of discriminatory employment practices used by the Iowa Department of Workforce Development (IWD). A customer service video test was required when applying for an opening at IWD and that test was found to be racially biased. Additional discussion included the extent to which the test was administered in other Departments, whether it continues to be utilized, whether State employment practices should be reexamined regarding agency discretion, the demographic make-up of IWD personnel, and job security issues relating to the allegations of discrimination. The Committee plans to continue examination of these claims at future meetings.



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>

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GROW IOWA VALUES FUND

The FY 2006 Economic Development Appropriations Act (HF 809) and the Grow Iowa Values Fund Act (HF 868), both passed in 2005, created the Grow Iowa Values Fund that 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 for FY 2006 through FY 2015:

Department of Economic Development

► \$35.0 million for programs administered by the Department of Economic Development (DED).

✦ Requires the DED to annually specify a percentage for:

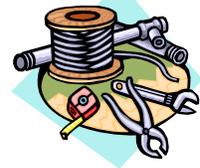
- Business Start-Ups
- Business Expansion
- Business Modernization
- Business Attraction
- Business Retention
- Marketing
- Research and Development



- ✦ Requires applicants to provide a statement regarding projected return on investment and requires a recipient of funds to provide an annual progress report of 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

- ◆ House File 2754 (Renewable Fuels Infrastructure Act) created the Renewable Fuels Infrastructure Board and requires the Department of Economic Development to allocate \$2.0 million of the \$35.0 million allocated to the Department.
- ▶ \$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 to provide 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 at \$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 fiscal year from the Grow Iowa Values Fund.



Treasurer of State

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

Grow Iowa Values Fund

The Grow Iowa Values Fund Act 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. Tax credits under the Program are awarded 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 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 non-retail, non-service businesses 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. Businesses are eligible to receive the same tax credit for four additional years without additional investment provided they maintain the new jobs 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

Grow Iowa Values Fund

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 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.
- Creates a new chapter in the Code of Iowa, relating to the establishment, and operation of port authorities in Iowa. Authorities 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

Grow Iowa Values Fund

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.
- ✦ 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. House File 2754 (Renewable Fuels Infrastructure Act) created the Renewable Fuels Infrastructure Board and requires the Department of Economic Development to allocate \$2.0 million of the \$35.0 million allocated from the Grow Iowa Values Fund to the Department for programs administered by the Department.
- 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. 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.



All Projects and Job Creation

- The Table below summarizes the Department of Economic Development projects and obligated jobs.

Grow Iowa Values Fund

**Iowa Department of Economic Development
All Projects and Obligated Jobs July 2003 - December 2005
(Data reconciled to 12/31/05 end of year project status report)**

Contracts - Active and In Negotiations	Project Count	Jobs Created	Jobs Retained	Avg Hr Wage	Other Jobs**	Total Jobs	Capital Investment
ARC Only	5	3	-	\$ -	-	3	\$ 650,000
CEBA Only	30	906	810	\$ 17.70	406	2,122	\$ 140,844,200
EDSA Only	27	1,721	46	\$ 12.93	31	1,798	\$ 121,496,108
PFSA Only	2	45	-	\$ 12.31	-	45	\$ 856,000
EVA Only	21	381	2	\$ 25.94	-	383	\$ 10,861,981
PIAP Only	9	111	80	\$ 15.43	-	191	\$ 56,386,000
VAP Only	8	98	-	\$ 18.22	-	98	\$ 5,729,451
Tax Credits	142	1,874	-	\$ 16.09	1,462	3,336	\$ 1,219,236,054
IVF	124	7,707	4,187	\$ 20.57	1,589	13,483	\$ 1,674,251,498
Total Project Count*	368						
Jobs per Category		12,846	5,125		3,488	21,459	
Total Capital Investment							\$ 3,230,311,292

Contracts - Declined or In Collections	Project Count	Jobs Created	Jobs Retained	Avg Hr Wage	Other Jobs**	Total Jobs	Capital Investment
CEBA Only	3	265	69	\$ 15.43	17	351	\$ 16,378,289
EDSA Only	3	215	-	\$ 11.28	-	215	\$ 6,959,000
EVA Only	5	290	-	\$ 27.66	-	290	\$ 4,525,000
PIAP Only	2	152	-	\$ 15.54	-	152	\$ 13,350,000
VAP Only	1	16	-	\$ 15.00	-	16	\$ 1,250,000
Tax Credits	6	19	-	\$ 23.13	8	27	\$ 43,550,000
IVF	9	545	157	\$ 18.42	4	706	\$ 115,697,500
Total Project Count*	29						
Jobs per Category		1,502	226		29	1,757	
Total Capital Investment							\$ 201,709,789

* Note: Projects may utilize more than one program for funding. Jobs and capital investment have been counted only once in what was designated the "lead" program. The unduplicated project count for this time period is 318.

** Definition of "Other Jobs" - Those jobs created or retained by the project that do not qualify for funding, that will not be created or retained if the project does not move forward.

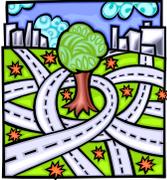
Acronym Definitions:

- ARC - Advanced Research and Commercialization
- CEBA - Community Economic Betterment Account
- EDSA - Economic Development Set-Aside
- PFSA - Public Facilities Set-Aside
- EVA - Entrepreneurial Ventures Assistance
- PIAP - Physical Infrastructure Assistance Program
- VAP - Value-Added Agriculture Products & Processes
- IVF - Iowa Values Fund

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ROAD JURISDICTION AND FUNDING TRANSFERS

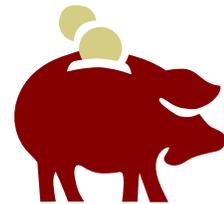
Transfer of Jurisdiction Fund



The Road Jurisdiction and Funding Act (SF 451) 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.

The Act 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 actual and estimated distribution of the Transfer of Jurisdiction Fund for FY 2006 through FY 2008 to cities and counties that assumed jurisdiction of primary roads.

Road Jurisdiction and Funding Transfers

TRANSFER OF JURISDICTION FUND FORMULA ALLOCATIONS (Dollars in Millions)

	Actual FY 2006	Estimated FY 2007	Estimated FY 2008
Transfer of Jurisdiction Fund (1.75% of Primary Road Fund)	\$ 8.0	\$ 7.9	\$ 8.1
<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%)	\$ 5.4	\$ 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	\$ 8.0	\$ 7.9	\$ 8.1

Note: Numbers may not add due to rounding.

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 (not shown in the above table). As a result, 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.



Attorney General Clarification

The Road Jurisdiction and Funding Act 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

Road Jurisdiction and Funding Transfers

interest and earnings on the moneys transferred shall remain in the secondary road fund of the county, to be used for the same purposes.”

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.

Distribution of Road Money to Cities and Counties

Funds, from the Transfer of Jurisdiction Fund, are allocated to cities and counties that received jurisdiction and control of State primary roads. How those funds, and other funds allocated to city and county road funds, are distributed to each city and county is based on formulas. Funds from the Municipal Road Fund are distributed to each city based on population, while funds from the Secondary and Farm-to-Market Road Funds are distributed to each county based on the Secondary Road Fund Distribution Committee (SRFDC) formula, as detailed in the following section.

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 and Farm-to-Market Road Funds of counties and to State agencies controlling State park and institutional roads. The Secondary and Farm-to-Market Road Funds were distributed based on 70.0% of each county’s share of total Secondary and Farm-to-Market Road needs, and 30.0% on each county’s share of total area. 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 enacted 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

Road Jurisdiction and Funding Transfers

institutional roads. The Act required the DOT 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. The new formula was adopted in FY 2006 through enactment of HF 674 (FY 2006 Road Use Tax Fund, Secondary Roads Act) included the new formula.

House File 674 (FY 2006 Road Use Tax Fund, Secondary Roads Act) designated a Secondary Road Fund Distribution Committee (no longer an Advisory Committee) to adopt rules specifying the calculation of the distribution of Road Use Tax Fund moneys to the Secondary and Farm-to-Market Road Funds of counties. The new calculation, which replaces the Quadrennial Need Study, continues to distribute funds based on 30.0% of each county’s share of total area. The remaining 70.0% is now distributed based on rural population, vehicle miles of travel, miles of road, and lineal feet of bridge deck.

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

**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%	

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CONTINUITY OF GOVERNMENT PLANNING STUDY

The Continuity of Government Planning Study Committee was charged with examining issues relating to the continued functioning of State government following a disaster, including gubernatorial succession, replacement of constitutional officers and department heads, legislative elections to fill vacancies, and continued funding of State government if the General Assembly is unable to meet and pass a budget.



The Study Committee met on December 13, 2006, and discussed the following:

- Ed Cook, Legislative Services Agency, provided an overview of legal issues concerning the continuity of State Government.
- Steve Zimmerman and Ken Brink, Iowa Homeland Security and Emergency Management Division, discussed current procedures that would enable State government to function after a disaster.

The Committee made the following recommendations:

- The General Assembly should engage in the continuity of government and operations planning and should include coordination with the Executive Branch in identifying alternative locations for continued operation of the General Assembly following a disaster.
- Section 7.14, Code of Iowa, specifies the members of the conference to be called to examine the health of the Governor in the event of a disability. The Committee recommends changing the reference to the “Director of Mental Health,” as this position no longer exists.
- Rules and statutes governing legislative procedure should be examined and modified, if necessary, to provide flexibility for the General Assembly to act if a disaster makes holding session and voting at a common location impossible.
- Any statutory provisions inconsistent with the Iowa constitutional change requiring joint election of the Governor and Lieutenant Governor, should be revised.

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=151>.

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EMERGENCY SERVICES STUDY



The Legislative Council was requested to establish the Emergency Services Interim Study Committee in HF 2782 (FY 2007 Infrastructure Appropriations Act). During the 2006 Legislative Interim, the Committee was authorized to meet three times to study the State's emergency services, and provide findings and recommendations for the 2007 General Assembly to consider regarding the governance, structure, and funding of these services, as well as the training available for these providers.

The State's fire protection and Emergency Medical Services (EMS) system is significantly reliant on local volunteers. Cities and townships are responsible for the cost of these services; however, a county may assume the duties of the township trustees for fire service protection and EMS. There are also some special districts known as "benefited fire districts," that provide fire service protection, and were established prior to 1975 before the districts were prohibited by law.



The Committee received input from various State agencies, including the State Fire Marshal, and representatives of emergency services providers, including, but not limited to, the Iowa Firemen's Association, the Iowa Fire Chiefs Association, professional fire fighters, and emergency room physicians. The Committee met on October 4 and November 13 and received testimony on and discussed the following issues:

- Difficulties for fire departments, including funding levels, the need for fundraising to cover rising costs, safety, and personnel retention. It was noted that the State's volunteer firemen are older, service lengths are shorter, and volunteerism is on the decline.
- Additional funds for the State Fire Marshal's Office to address the incidence of local fire departments waiting two days before a State Investigator arrives to secure a fire scene.
- Incentives for recruitment and retention of fire service volunteers, funding systems using a "public safety levy," minimum township levies for fire protection services, equal access to training funds, and potential legislation to allow fire departments to organize by county.
- Issues facing law enforcement, paramedics, and ambulance service, including funding levels, access to training, incentives for recruitment and retention of EMS volunteers, and potential mandatory EMS and ambulance service as some townships do not provide this service.

Emergency Services Study

- ▶ The lack of statewide coordination and oversight of EMS and the need for emergency room physician oversight as well as a State EMS Director under the Department of Public Health (DPH).
- ▶ The role of the Fire Service and Emergency Response Council and the need for a cost estimate study for the funding of regional emergency response training centers.
- ▶ Potential legislative proposals to remedy the structural and financial problems associated with the State's EMS system, including the formation of "benefited emergency response districts," completing the Emergency Response Information System (ERIS) so it may be used to design the districts, and coordinating a statewide effort to educate communities on the benefits of reorganizing EMS.
- ▶ The training offered by the Dubuque County Firefighters Association Regional Emergency Responder Training Facility, which opened in August 2006, and was built with both private and public support. At the Facility, EMS, fire, law enforcement, and public safety dispatchers train together.
- ▶ The roles and responsibilities of the State Fire Marshal's Office, the Department of Public Safety (DPS), Fire Safety Training Bureau, the DPH, Emergency Medical Services Bureau, the Iowa Law Enforcement Academy, and the Department of Public Defense, Homeland Security and Emergency Management Division. Each agency was requested to submit recommendations for sustaining and improving emergency services and for the training of providers.
- ▶ The types of assistance offered by the 2-1-1 system, which is a national hotline number for free access to health and human services information that may be used by individuals during times of crisis to direct callers to appropriate services.
- ▶ The challenges cities and counties are facing regarding emergency management services, including funding of the Municipal Fire and Police Retirement System, as well as local preparedness funding and retention of local emergency managers.



The Committee passed a motion requesting the DPS, Fire Safety Training Bureau, the DPH, Emergency Medical Services Bureau, the Iowa Law Enforcement Academy, and the Department of Public Defense, Homeland Security and Emergency Management Division, jointly submit a report to the Committee regarding the pros and cons of a centralized training facility for law enforcement, fire service, and emergency responders, including an assessment of funding and space needs.

Emergency Services Study

The Committee met on January 29 to discuss and make final recommendations. The recommendations are not included in this document because the final meeting was held after publication of the document. The recommendations will be outlined in an upcoming edition of the ***Fiscal Update***.

Materials provided at the meetings may be accessed on the web site at:
<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=152>

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LOW INCOME HOME ENERGY ASSISTANCE STUDY

The Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Program Interim Study Committee was established pursuant to HF 2734 (FY 2007 Health and Human Services Appropriation Act). The Committee's charge was to study issues related to the LIHEAP and Weatherization Program including financial assistance; the application and intake processes; the Community Action Agencies' assessment and resolutions proposal; and whether to involve the Department of Human Services (DHS) in the administration of the programs to enable low-income persons to access additional assistance programs through a single location. The Committee meets for two days and will make recommendations to the 2007 General Assembly.



The first meeting was held in Des Moines on October 11, 2006. The Committee heard testimony from the following presenters:

- ▶ William J. Brand, Administrator of the Community Action Agencies Division of the Department of Human Rights (DHR), presented an overview of the Division and their role in the LIHEAP and the Weatherization Program.
- ▶ James Newton, Chief of the Bureau of Weatherization of the DHR, provided specific information about the Weatherization Program, including eligibility requirements, services, inspections, funding sources, the impacts of funding reductions, and possible changes in the Program. Mr. Newton stated that the Program produced energy savings estimated at \$1.80 for every \$1.00 in expenditure.
- ▶ Jerry McKim, Chief of the Bureau of Energy Assistance of the DHR, provided specific information about the LIHEAP including statistics on households served; the participation rates in Iowa compared to other states, federal funding for the LIHEAP nationally, participation by Iowa utility and propane companies, and concerns that cuts in federal funds and cost increases in energy prices have on the number of approved households that can receive assistance from the LIHEAP. Mr. McKim also stated that because of pending appropriation bills in Congress, the states do not have the cash flow necessary to help the approved households in a timely matter. Iowa has been requesting and receiving 80.0% of the allocated federal funding for the LIHEAP during the quarter October-December to assist Iowans with heating needs. He advised the Committee that with no approved federal appropriation, the 2007 funding would not be available until mid-November via a continuing resolution. As of January 2007, LIHEAP funding remains via a continuing resolution. Based on the current versions of LIHEAP funding bills being discussed in Congress and the number of applications expected from Iowans requesting financial help for 2007, Mr. McKim stated that there would be a shortage of available funds for the Program.

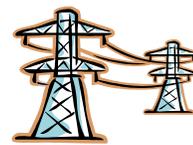


Low Income Home Energy Assistance Study

- ▶ Lana Ross, Executive Director of the Iowa Community Action Agencies Association, discussed the role of the local Agencies and the services provided to low-income families. Ms. Ross also described a new service that would provide education to LIHEAP eligible participants regarding energy efficiency. The Developmental Assessment Resolution Program (DARP) would provide assistance to low-income households by analyzing the household's current financial and service needs via a resource and money management review; developing a written household energy affordability plan; providing energy conservation training; and making referrals to potential service providers based on the needs assessment. The cost of DARP is approximately \$200 per household and the Program would initially serve 2,500 households. The Committee requested that legislation be drafted by the LSA, and to include an appropriation for review at the next meeting.



- ▶ Robert Krebs, Deputy Administrator of the Division of Financial, Health, and Work Supports of DHS provided the Committee with information regarding the DHS local offices and the services provided in those offices to lowans in need of assistance. This includes information to access the LIHEAP by referrals to local Community Action Agencies. Mr. Krebs also discussed concerns about expanding the role of DHS in the administration of the LIHEAP or developing “one-stop” centers in DHS local offices due to increases in caseloads; the increased federal program requirements of the current DHS programs; the additional knowledge base and training required; incompatible information systems; geographic service area differences; and space availability in local offices to house additional staff, materials, and equipment necessary for the LIHEAP. Mr. Krebs spoke about current collaborations and coordination by DHS; initiatives that would facilitate more interaction by DHS with local Community Action Agencies; and potential uses of technology to increase services to the LIHEAP.



- ▶ Teresa Anderson, Manager of Credit and Remittance Operations of MidAmerican Energy Company, gave comments as a representative of the Iowa Utility Association. She discussed the role of investor-owned utilities with the LIHEAP, the funding that these utilities contribute, how the LIHEAP works well and what changes might be considered to improve communications between the utilities and the State regarding the LIHEAP.
- ▶ Robert Haug, Executive Director of the Iowa Association of Municipal Utilities, provided the Committee with information regarding the impact of the unregulated stock market trading and hedging on natural gas prices. Energy efficiency and weatherization has an increasing role in the availability and price of natural gas. Mr. Haug recommended voluntary customer contributions to assist with funding for low-income lowans. He also shared the concerns of his Association regarding the winter shut-off moratorium. Customers that do not pay their bills timely range from 10.0%

Low Income Home Energy Assistance Study

to 20.0% and those that are uncollectible are increasing in number. Mr. Haug's Association recommends that LIHEAP participants be required to make minimum monthly payments for their utility service.

- ▶ Reggie Goodale, Director of Regulatory Affairs for the Iowa Association of Municipal Utilities (Rural Electric Cooperatives), gave an overview of the services provided by his Association. Rural Electric Cooperatives (REC) do not receive much LIHEAP funding. Mr. Goodale indicated that the Association invests approximately \$8.0 million (2.0% of revenues) annually in energy efficiency programs.
- ▶ Lynn Sheets, Petroleum Manager for the Sully Cooperative Exchange, representing the Iowa Propane Gas Association, discussed the propane industry and how it differs from the utility companies. Factors that impact the supply and price of propane are not local, but rather international or national. Costs in Iowa are low compared to other areas due in large part to the efficient delivery/transportation system. Mr. Sheets shared issues regarding the LIHEAP with the Committee including the need to know when LIHEAP applications have been approved; rental costs for propane tanks can not be paid with LIHEAP funds; pre-purchase of propane could be less costly in January versus the current pre-purchase practices; and necessity and benefits of customer education. The Committee requested more information from Mr. Sheets regarding the propane industry in Iowa.



- ▶ Lynh Patterson, Legislative Liaison for the Department of Public Health (DPH), discussed the role of DPH with the LIHEAP. The DPH was petitioned to determine the impact of utility disconnects on the health of affected citizenry. The DPH determined that there was a correlation and that there was a public health risk resulting from disconnects. The DPH has added questions to the Health Risk Survey to gather statewide statistics regarding health issues of households affected by these utility disconnects. Ms. Patterson also stated that DPH and the University of Iowa are in the early discussion stage regarding a "White Paper" regarding the health impact of utility disconnects.



The second Committee meeting was held on November 29, 2006. The Committee heard testimony from the Iowa Propane Gas Association and the Iowa Community Action Agencies Association. The information provided included:

- ▶ Tom Dunn and Scott Waskow of the Iowa Propane Gas Association provided a packet of information containing statistical and financial comparisons of the supply, pricing, and distribution of propane in Iowa. They also identified the propane suppliers in the State and discussed issues the propane industry has had with LIHEAP. These materials were provided as a follow-up to the previous meeting.

Low Income Home Energy Assistance Study

- Lana Ross, Executive Director, Iowa Community Action Agencies Association was asked to review the Development Assessment Resolution Program (DARP) proposal again for the Committee. Ms. Ross discussed the intent of the Program and responded to questions from the Committee.
- Senator Jack Hatch proposed legislation that would codify DARP and provide a General Fund appropriation of \$1.0 million. The Committee discussed the proposal, and added additional requirements regarding making uninterrupted utility payments, and a three-year sunset for the Program. The Committee approved the proposal as amended and it will become part of the Committee's report to the 2007 General Assembly. 
- The Iowa Propane Gas Association also presented proposed legislation that would establish an Iowa Propane Education and Research Council (PERC) to provide for the development of propane-related programs and projects to assist Iowa propane customers, and to levy a one-tenth of one cent per gallon assessment to fund the Council and its activities. The levy is estimated to produce an estimated \$350,000 for the Council. The Committee discussed the proposal and amended the language to specify that only LIHEAP households will receive financial assistance from this legislation. This proposal as amended will also become part of the Committee's report to the 2007 General Assembly. 

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=153>.

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MENTAL HEALTH, MENTAL RETARDATION STUDY

The Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury (MH/MR/DD/BI) Funding Study Committee met on October 3 and November 28. The Committee was created in HF 2780 (Mental Health Revisions Act). The Committee's charge was to examine the public sources of MH/MR/DD/BI services funding and review the formulas used for distribution of State funding, to examine the service programming, and to receive input from counties, advocates, and other interested persons.

The Committee heard information from representatives of the Department of Human Services (DHS), the Iowa State Association of Counties (ISAC), county Central Point Coordinators (CPCs), and the Legislative Services Agency (LSA).



Topics of Discussion:

- **Adult MH/MR/DD/BI Service System History, Values, Goals, and Objectives:** The Committee reviewed the provided information, including the State “milestones” (significant events) and individual county information.
- **Persons Served and Services Provided:** The Committee reviewed data regarding the number of persons served within the Adult MH/MR/DD/BI System and the range of services.
- **Rate Setting:** The Committee received an explanation of the rate setting process for services reimbursed by the Medical Assistance (Medicaid) Program and the County Reimbursement Information System (CRIS) that all counties use for those services not reimbursed through the Medicaid Program.
- **Property Tax Portion of the Funding:** The Committee received information regarding the Fund balances of the counties’ Mental Health Services Funds as related to population, mental health expenditures, and information on the declining number of counties with Fund balances of more than 10.0%.
- **Financial Information:** The Committee received financial information gathered in consultation with the DHS, the ISAC, and the LSA regarding historical MH/MR/DD/BI allowed growth funding, and the total of county, State, and federal funding for these services. The Committee discussed expenditure patterns and observations of historical and possible future revenue sources.
- **Update on the MH/MR/DD/BI Commission Redesign:** The Committee received information from representatives of the Commission regarding current functional

Mental Health, Mental Retardation Study

assessment pilot projects, proposed outcome measures , relationship between data systems and case rates, and proposed county property tax equalizations.

- ▶ **Accountability Provisions and Consistent Cost Reports:** The Committee received information from the DHS, County Central Point of Coordination (CPCs) Administrators, and providers regarding accountability provisions and the feasibility of similar cost reports that would comply with various State and federal requirements.
- ▶ **Consumers, Advocates, Providers, and Managed Care Organizations:** The Committee heard from representatives of consumers, advocates, providers, and managed care organizations about proposed recommendations regarding funding, distribution of funds, and utilization of certain appeal processes.
- ▶ **Commission FY 2008 and FY 2009 Funding Recommendations:** Although the Commission had not yet finalized the FY 2008 and FY 2009 MH/MR/DD/BI funding recommendations, the Committee heard a preview of the proposal. The Committee also received information from counties with small MH Fund Balances and the impact of funding on services.

Additional Information

Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=155>

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MESKWAKI TRIBAL COURT INTERIM STUDY

The Meskwaki Tribal Court Interim Study Committee met on September 29, 2006 in Des Moines. The Committee's charge is to determine the proper manner for the Iowa Court System to recognize civil judgments, decrees, and orders issued by the Meskwaki Tribal Court.

The Committee adopted rules and elected the following Chairpersons: Senator David Miller, Senator Keith Kreiman, and Representative Kraig Paulsen. Testimony received at the meeting included:

- ▶ Honorable Elbidge Coochise, Chief Judge, Meskwaki Tribal Court, presented the history of the Meskwaki Tribal Court and proceedings for civil procedure.
- ▶ Honorable Henry M. Buffalo, Jr., Chief Justice, Meskwaki Appellate Court, presented the history of the 1968 Indian Civil Rights Act and tribal court proceedings in Minnesota.
- ▶ Theresa Essman-Mahoney, Clerk of Court, Meskwaki Tribal Court, discussed the 70 civil cases filed in 2006 and key decisions of the Appellate Court.
- ▶ Nancy Burk, Burk Law Offices of Toledo, Iowa, discussed the working relationships established with the Tribe and the Committee asked for proposed rules for primary jurisdiction.
- ▶ Joe Little, Acting Associate Director, Bureau of Indian Affairs, Division of Tribal Support, Albuquerque, New Mexico, discussed concurrent jurisdiction and legislation passed by other States that have implemented concurrent jurisdiction through Court rules.
- ▶ Dennis Johnson, Dorsey and Whitney Law Offices of Des Moines, Iowa, presented information from past cases with the Tribe and presented a proposal for draft legislation.



Additional information is available at:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=154>

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OVERVIEW OF FY 2008 BUDGETS AND SUBCOMMITTEE ISSUES

The following are summary analyses of the FY 2008 Governor's recommendations in comparison to the estimated FY 2007 budget. This includes an annotated spreadsheet followed by *Subcommittee Budget Issues*. The information identifies possible issues to be discussed by individual appropriation subcommittees. Staff contacts are listed at the bottom of the subcommittee member page and in **Appendix H**.

ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE MEMBERS

SENATE

Jeff Danielson, Chairperson

Staci Appel, Vice Chairperson

James Hahn, Ranking Member

David Hartsuch

Roger Stewart

HOUSE

Bruce Hunter, Chairperson

Doris Kelley, Vice Chairperson

Dwayne Alons, Ranking Member

Jack Drake

Mary Gaskill

Bob Kressig

Dawn Pettengill

Tami Wiencek

Gary Worthan

LEGISLATIVE SERVICES AGENCY

Fiscal Services Division

Fiscal Services Division

Fiscal Services Division

Legal Services Division

Doug Wulf (Ext. 13250)

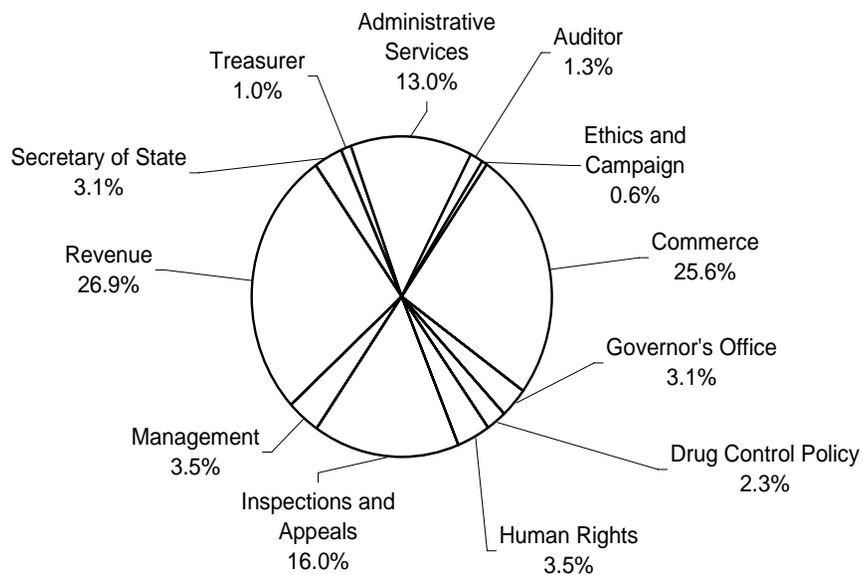
Sam Leto (Ext. 16764)

Jess Benson (Ext. 14613)

Ed Cook (Ext. 13994)

ADMINISTRATION AND REGULATION APPROPRIATIONS SUBCOMMITTEE

**Administration and Regulation
FY 2008 General Fund Governor's Recommendations**



**Administration and Regulation
FY 2008 General Fund Governor's Recommendations**

Administrative Services	\$ 12,249,737
Auditor	1,211,873
Ethics and Campaign	517,669
Commerce	24,068,327
Governor's Office	2,928,861
Drug Control Policy	2,138,099
Human Rights	3,261,998
Inspections and Appeals	14,989,814
Management	3,331,168
Revenue	25,301,646
Secretary of State	2,949,731
Treasurer	962,520
	\$ 93,911,443

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Administrative Services

Department of Administrative Services

Restore	\$ 6,096,632	\$ 6,096,632	\$ 0	\$ 6,096,632	\$ 0
New	0	200,000	0	200,000	200,000

Restore: Maintains current level of funding.
 New: An increase of \$200,000 to shift a function from Financial Administration to Central Administration.

Department of Administrative Services	\$ 6,096,632	\$ 6,296,632	\$ 0	\$ 6,296,632	\$ 200,000
FTE Total	401.83	418.85	0.00	418.85	17.02

DAS Distribution Account

New	\$ 0	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000
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New: A one-time appropriation to be distributed among the departments for ongoing I/3 expenses.
 Funding will be appropriated directly to the departments in future years.

DAS Distribution Account	\$ 0	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000
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Utilities

Restore	\$ 3,080,865	\$ 3,080,865	\$ 0	\$ 3,080,865	\$ 0
New	0	872,240	0	872,240	872,240

Restore: Maintains current level of funding.
 New: An increase of \$872,240 for utilities for the Capitol complex.

Utilities	\$ 3,080,865	\$ 3,953,105	\$ 0	\$ 3,953,105	\$ 872,240
FTE Total	1.75	1.00	0.00	1.00	-0.75

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Financial Administration

Restore	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ -200,000
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New: A decrease of \$200,000 to shift a function from the Financial Administration to the Central Administration.

Financial Administration	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ -200,000
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Department of Administrative Services

Total	\$9,377,497	\$12,249,737	\$0	\$12,249,737	\$2,872,240
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FTE TOTAL	403.58	419.85	0.00	419.85	16.27
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Auditor of State

Auditor of State

Restore	\$ 1,211,873	\$ 1,211,873	\$ 0	\$ 1,211,873	\$ 0
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Restore: Maintains current level of funding.

Auditor of State	\$ 1,211,873	\$ 1,211,873	\$ 0	\$ 1,211,873	\$ 0
FTE Total	103.00	103.00	0.00	103.00	0.00

Auditor of State Total	\$1,211,873	\$1,211,873	\$0	\$1,211,873	\$0
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FTE TOTAL	103.00	103.00	0.00	103.00	0.00
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Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Iowa Ethics and Campaign Disclosure Board

Iowa Ethics and Campaign Disclosure Board

Restore	\$ 512,669	\$ 512,669	\$ 0	\$ 512,669	\$ 0
New	0	5,000	0	5,000	5,000

Restore: Maintains current level of funding.
 New: An increase of \$5,000 for a filing system that would allow documents to be submitted electronically.

Iowa Ethics and Campaign Disclosure Board	\$ 512,669	\$ 517,669	\$ 0	\$ 517,669	\$ 5,000
FTE Total	6.00	6.00	0.00	6.00	0.00

Iowa Ethics and Campaign Disclosure Board Total

Board Total	\$512,669	\$517,669	\$0	\$517,669	\$5,000
FTE TOTAL	6.00	6.00	0.00	6.00	0.00

Department of Commerce

Alcoholic Beverages Division

Restore	\$ 2,057,289	\$ 2,057,289	\$ 0	\$ 2,057,289	\$ 0
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Restore: Maintains current level of funding.

Alcoholic Beverages Division	\$ 2,057,289	\$ 2,057,289	\$ 0	\$ 2,057,289	\$ 0
FTE Total	32.00	32.00	0.00	32.00	0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Banking Division

Restore (1)	\$ 7,432,241	\$ 7,432,241	\$ 0	\$ 7,432,241	\$ 0
Restore (2)	162,500	0	0	0	-162,500
New	0	200,000	0	200,000	200,000

Restore (1): Maintains current level of funding.
 Restore (2): A one-time appropriation in FY 2007 for computers.
 New: An increase of \$200,000 for three additional staff, two bank examiners and one information technology specialist, required by statute, and \$162,500 from fees generated by the Division offset the General Fund request leaving a net increase of \$37,500.

Banking Division	\$ 7,594,741	\$ 7,632,241	\$ 0	\$ 7,632,241	\$ 37,500
FTE Total	70.00	73.00	0.00	73.00	3.00

Credit Union Division

Restore	\$ 1,517,726	\$ 1,517,726	\$ 0	\$ 1,517,726	\$ 0
New (1)	0	7,000	0	7,000	7,000
New (2)	0	33,000	0	33,000	33,000

Restore: Maintains current level of funding.
 New (1): An increase of \$7,000 to replace a database server.
 New (2): An increase of \$33,000 for document imaging solutions.

Credit Union Division	\$ 1,517,726	\$ 1,557,726	\$ 0	\$ 1,557,726	\$ 40,000
FTE Total	19.00	19.00	0.00	19.00	0.00

Insurance Division

Restore	\$ 4,655,809	\$ 4,655,809	\$ 0	\$ 4,655,809	\$ 0
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Restore: Maintains current level of funding.

Insurance Division	\$ 4,655,809	\$ 4,655,809	\$ 0	\$ 4,655,809	\$ 0
FTE Total	100.50	100.50	0.00	100.50	0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Professional Licensing Division					
Restore	\$ 898,343	\$ 898,343	\$ 0	\$ 898,343	\$ 0
Restore: Maintains current level of funding.					
Professional Licensing Division	\$ 898,343	\$ 898,343	\$ 0	\$ 898,343	\$ 0
FTE Total	14.00	16.00	0.00	16.00	2.00
Utilities Division					
Restore	\$ 7,266,919	\$ 7,266,919	\$ 0	\$ 7,266,919	\$ 0
Restore: Maintains current level of funding and an increase of 2.00 FTE positions for field audits and compliance to be funded by increased fee receipts.					
Utilities Division	\$ 7,266,919	\$ 7,266,919	\$ 0	\$ 7,266,919	\$ 0
FTE Total	75.00	75.00	0.00	75.00	0.00
Real Estate Trust Account Audit					
Restore	\$ 62,317	\$ 0	\$ 62,317	\$ 62,317	\$ 0
Restore: Maintains current level of funding.					
Real Estate Trust Account Audit	\$ 62,317	\$ 0	\$ 62,317	\$ 62,317	\$ 0
Department of Commerce Total	\$24,053,144	\$24,068,327	\$62,317	\$24,130,644	\$77,500
FTE TOTAL	310.50	315.50	0.00	315.50	5.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Governor/Lt. Governor's Office

Governor/Lt Governor's Office

Restore	\$ 1,868,269	\$ 1,868,269	\$ 0	\$ 1,868,269	\$ 0
New	0	300,000	0	300,000	300,000

Restore: Maintains current level of funding.
 New: An increase of \$300,000 to allow the Governor's Office to fund staff positions currently on loan from other departments.

Governor/Lt. Governor's Office	\$ 1,868,269	\$ 2,168,269	\$ 0	\$ 2,168,269	\$ 300,000
FTE Total	19.25	19.25	0.00	19.25	0.00

Transition Costs

Restore	\$ 77,057	\$ 0	\$ 0	\$ 0	\$ -77,057
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Restore: No funding requested. This was a one-time appropriation for FY 2007 to buy out vacation hours earned by the Governor's staff.

Transition Costs	\$ 77,057	\$ 0	\$ 0	\$ 0	\$ -77,057
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Administrative Rules Coordinator

Restore	\$ 154,755	\$ 154,755	\$ 0	\$ 154,755	\$ 0
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Restore: Maintains current level of funding.

Administrative Rules Coordinator	\$ 154,755	\$ 154,755	\$ 0	\$ 154,755	\$ 0
FTE Total	3.00	3.00	0.00	3.00	0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Terrace Hill Quarters					
Restore	\$ 401,310	\$ 401,310	\$ 0	\$ 401,310	\$ 0
Restore: Maintains current level of funding.					
Terrace Hill Quarters FTE Total	\$ 401,310 8.00	\$ 401,310 8.00	\$ 0 0.00	\$ 401,310 8.00	\$ 0 0.00
National Governors Association					
Restore	\$ 80,600	\$ 80,600	\$ 0	\$ 80,600	\$ 0
Restore: Maintains current level of funding.					
National Governors Association	\$ 80,600	\$ 80,600	\$ 0	\$ 80,600	\$ 0
State-Federal Relations					
Restore	\$ 123,927	\$ 123,927	\$ 0	\$ 123,927	\$ 0
Restore: Maintains current level of funding.					
State-Federal Relations FTE Total	\$ 123,927 2.00	\$ 123,927 2.00	\$ 0 0.00	\$ 123,927 2.00	\$ 0 0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Governor-Elect Expenses

Restore	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ -100,000
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Restore: No funding requested. This was a one-time appropriation for FY 2007 for staff and equipment for the Governor-Elect.

Governor-Elect Expenses	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ -100,000
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Governor/Lt. Governor's Office Total	\$2,805,918	\$2,928,861	\$0	\$2,928,861	\$122,943
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FTE TOTAL	32.25	32.25	0.00	32.25	0.00
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Governor's Office of Drug Control Policy

Drug Policy Coordinator

Restore	\$ 309,048	\$ 309,048	\$ 0	\$ 309,048	\$ 0
New	0	29,051	0	29,051	29,051

New: An increase of \$29,051 and 1.0 FTE position. This will leverage additional federal funds and fill one vacant Program Planner 3 position.

Drug Policy Coordinator	\$ 309,048	\$ 338,099	\$ 0	\$ 338,099	\$ 29,051
FTE Total	7.00	8.00	0.00	8.00	1.00

Drug Task Force

New	\$ 0	\$ 1,800,000	\$ 0	\$ 1,800,000	\$ 1,800,000
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New: An increase of \$1,800,000 to replace lost federal funds that support drug taskforces across the State.

Drug Task Force	\$ 0	\$ 1,800,000	\$ 0	\$ 1,800,000	\$ 1,800,000
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Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Governor's Office of Drug Control Policy	\$309,048	\$2,138,099	\$0	\$2,138,099	\$1,829,051
FTE TOTAL	7.00	8.00	0.00	8.00	1.00

Department of Human Rights

Human Rights Administration					
Restore	\$ 326,425	\$ 326,425	\$ 0	\$ 326,425	\$ 0
Restore: Maintains current level of funding.					
DHR Administration	\$ 326,425	\$ 326,425	\$ 0	\$ 326,425	\$ 0
FTE Total	7.00	7.00	0.00	7.00	0.00
Asian and Pacific Islanders					
Restore	\$ 86,000	\$ 86,000	\$ 0	\$ 86,000	\$ 0
Restore: Maintains current level of funding.					
Asian and Pacific Islanders	\$ 86,000	\$ 86,000	\$ 0	\$ 86,000	\$ 0
FTE Total	1.00	1.00	0.00	1.00	0.00
Deaf Services					
Restore	\$ 390,315	\$ 390,315	\$ 0	\$ 390,315	\$ 0
Restore: Maintains current level of funding.					
Deaf Services	\$ 390,315	\$ 390,315	\$ 0	\$ 390,315	\$ 0
FTE Total	6.00	6.00	0.00	6.00	0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Persons with Disabilities					
Restore	\$ 194,212	\$ 194,212	\$ 0	\$ 194,212	\$ 0
Restore: Maintains current level of funding.					
Persons with Disabilities FTE Total	\$ 194,212 3.20	\$ 194,212 3.20	\$ 0 0.00	\$ 194,212 3.20	\$ 0 0.00
Latino Affairs					
Restore	\$ 179,433	\$ 179,433	\$ 0	\$ 179,433	\$ 0
Restore: Maintains current level of funding.					
Latino Affairs FTE Total	\$ 179,433 3.00	\$ 179,433 3.00	\$ 0 0.00	\$ 179,433 3.00	\$ 0 0.00
Status of Women					
Restore	\$ 343,555	\$ 343,555	\$ 0	\$ 343,555	\$ 0
Restore: Maintains current level of funding.					
Status of Women FTE Total	\$ 343,555 3.00	\$ 343,555 3.00	\$ 0 0.00	\$ 343,555 3.00	\$ 0 0.00
Status of African Americans					
Restore	\$ 134,725	\$ 134,725	\$ 0	\$ 134,725	\$ 0
New	0	20,000	0	20,000	20,000
Restore: Maintains current level of funding. New: An increase of \$20,000 to maintain status quo obligations and maintain 2.00 FTE positions.					
Status of African Americans FTE Total	\$ 134,725 2.00	\$ 154,725 2.00	\$ 0 0.00	\$ 154,725 2.00	\$ 20,000 0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Criminal and Juvenile Justice

Restore	\$ 1,098,026	\$ 1,098,026	\$ 0	\$ 1,098,026	\$ 0
New	0	489,307	0	489,307	489,307

Restore: Maintains current level of funding.

New: An increase of \$489,307 for the administrative portion of the computer system maintenance previously reflected as infrastructure costs, to be paid from General Fund in FY 2008.

Criminal & Juvenile Justice	\$ 1,098,026	\$ 1,587,333	\$ 0	\$ 1,587,333	\$ 489,307
FTE Total	11.18	11.18	0.00	11.18	0.00

Department of Human Rights	\$2,752,691	\$3,261,998	\$0	\$3,261,998	\$509,307
FTE TOTAL	36.38	36.38	0.00	36.38	0.00

Department of Inspections and Appeals

Child Advocacy Board

Restore	\$ 2,218,308	\$ 2,218,308	\$ 0	\$ 2,218,308	\$ 0
New	0	150,000	0	150,000	150,000

Restore: Maintains current level of funding for local review board activities, Court Appointed Special Advocate (CASA), and administration for the Child Advocacy Board.

New: An increase of \$150,000 and 2.5 FTE positions to continue the expansion of CASA across the State.

Child Advocacy Board	\$ 2,218,308	\$ 2,368,308	\$ 0	\$ 2,368,308	\$ 150,000
FTE Total	39.12	41.62	0.00	41.62	2.50

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Employment Appeal Board

Restore	\$ 56,294	\$ 56,294	\$ 0	\$ 56,294	\$ 0
Restore: Maintains current level of funding.					
Employment Appeal Board	\$ 56,294	\$ 56,294	\$ 0	\$ 56,294	\$ 0
FTE Total	15.00	15.00	0.00	15.00	0.00

Administration Division

Restore	\$ 1,711,675	\$ 1,711,675	\$ 0	\$ 1,711,675	\$ 0
New	0	363,092	0	363,092	363,092
Restore: Maintains current level of funding. New: Polk and Jasper counties have turned over the inspection of food service operations to the DIA because of insufficient funds from licensing fees. This appropriation will replace receipts from inspections that now will be deposited into the General Fund.					
Administration Division	\$ 1,711,675	\$ 2,074,767	\$ 0	\$ 2,074,767	\$ 363,092
FTE Total	37.25	37.25	0.00	37.25	0.00

Administrative Hearings Division

Restore	\$ 680,533	\$ 680,533	\$ 0	\$ 680,533	\$ 0
Restore: Maintains current level of funding.					
Administrative Hearings Division	\$ 680,533	\$ 680,533	\$ 0	\$ 680,533	\$ 0
FTE Total	23.00	23.00	0.00	23.00	0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Investigations Division

Restore	\$ 1,526,415	\$ 1,526,415	\$ 0	\$ 1,526,415	\$ 0
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Restore: Maintains current level of funding.

Investigations Division	\$ 1,526,415	\$ 1,526,415	\$ 0	\$ 1,526,415	\$ 0
FTE Total	46.00	47.00	0.00	47.00	1.00

Health Facilities Division

Restore	\$ 3,203,398	\$ 2,412,647	\$ 790,751	\$ 3,203,398	\$ 0
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Restore: Maintains current level of funding.

New: An increase of 6.00 FTE positions. Adds 4.00 FTE positions for food inspectors in Polk and Jasper Counties and 2.00 FTE positions to audit the Electronic Benefits Transfer System under a contract with the Department of Human Services.

Health Facilities Division	\$ 3,203,398	\$ 2,412,647	\$ 790,751	\$ 3,203,398	\$ 0
FTE Total	119.25	125.25	0.00	125.25	6.00

DIA - Use Tax

Restore	\$ 1,543,342	\$ 0	\$ 1,543,342	\$ 1,543,342	\$ 0
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Restore: Maintains current level of funding .

DIA - Use Tax	\$ 1,543,342	\$ 0	\$ 1,543,342	\$ 1,543,342	\$ 0
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Pari-Mutuel Regulation

Restore	\$ 2,671,410	\$ 2,671,410	\$ 0	\$ 2,671,410	\$ 0
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Restore: Maintains current level of funding.

Pari-Mutuel Regulation	\$ 2,671,410	\$ 2,671,410	\$ 0	\$ 2,671,410	\$ 0
FTE Total	27.53	27.53	0.00	27.53	0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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River Boat Regulation

Restore	\$ 3,199,440	\$ 3,199,440	\$ 0	\$ 3,199,440	\$ 0
Restore: Maintains current level of funding.					
River Boat Regulation	\$ 3,199,440	\$ 3,199,440	\$ 0	\$ 3,199,440	\$ 0
FTE Total	43.22	43.22	0.00	43.22	0.00

Department of Inspections and Appeals	\$16,810,815	\$14,989,814	\$2,334,093	\$17,323,907	\$513,092
FTE TOTAL	350.37	359.87	0.00	359.87	9.50

Department of Management

Management Departmental Operation

Restore	\$ 2,313,941	\$ 2,313,941	\$ 0	\$ 2,313,941	\$ 0
New (1)	0	131,792	0	131,792	131,792
New (2)	0	108,000	0	108,000	108,000
New (3)	0	119,435	0	119,435	119,435
New (4)	0	108,000	0	108,000	108,000
New (5)	0	250,000	0	250,000	250,000
Restore: Maintains current level of funding.					
New (1): Shifts the salary model administrator position to the operations budget.					
New (2): Shifts performance audits funding to the operations budget.					
New (3): Shifts enterprise resource planning funding to the operations budget.					
New (4): Shifts LEAN process improvements funding to the operations budget.					
New (5): An increase of \$250,000 to fund a statewide performance audit of all government operations.					
Management Departmental Operation	\$ 2,313,941	\$ 3,031,168	\$ 0	\$ 3,031,168	\$ 717,227
FTE Total	32.00	37.50	0.00	37.50	5.50

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Enterprise Resource Planning					
Restore	\$ 119,435	\$ 0	\$ 0	\$ 0	\$ -119,435
Restore: No funding requested. Shifts enterprise resource planning funding to the operations budget.					
Enterprise Resource Planning FTE Total	\$ 119,435 1.00	\$ 0 0.00	\$ 0 0.00	\$ 0 0.00	\$ -119,435 -1.00
Salary Model Administrator					
Restore	\$ 131,792	\$ 0	\$ 0	\$ 0	\$ -131,792
Restore: No funding requested. Shifts Salary Model Administrator funding to the operations budget.					
Salary Model Administrator FTE Total	\$ 131,792 1.00	\$ 0 0.00	\$ 0 0.00	\$ 0 0.00	\$ -131,792 -1.00
Performance Audits					
Restore	\$ 108,000	\$ 0	\$ 0	\$ 0	\$ -108,000
Restore: No funding requested. Shifts performance audits funding to operations budget.					
Performance Audits FTE Total	\$ 108,000 2.50	\$ 0 0.00	\$ 0 0.00	\$ 0 0.00	\$ -108,000 -2.50
DOM-LEAN/Process Improvement					
Restore	\$ 108,000	\$ 0	\$ 0	\$ 0	\$ -108,000
Restore: No funding requested. Shifts LEAN Process Improvement funding to operations budget.					
DOM-LEAN/Process Improvement FTE Total	\$ 108,000 1.00	\$ 0 0.00	\$ 0 0.00	\$ 0 0.00	\$ -108,000 -1.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Local Government Innovation Fund					
Restore	\$ 300,000	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Restore: Maintains current level of funding.					
Local Government Innovation Fund	\$ 300,000	\$ 300,000	\$ 0	\$ 300,000	\$ 0
DOM Road Use Tax Salary Adjustment					
Restore	\$ 1,416,695	\$ 0	\$ 0	\$ 0	\$ -1,416,695
Restore: Excess salary money that will revert to the Road Use Tax Fund.					
DOM Road Uses Tax Salary Adjustment	\$ 1,416,695	\$ 0	\$ 0	\$ 0	\$ -1,416,695
DOM Primary Road Salary Adjustment					
Restore	\$ 9,593,363	\$ 0	\$ 0	\$ 0	\$ -9,593,363
Restore: Excess salary money that will revert to the Primary Road Fund.					
DOM Primary Road Salary Adjustment	\$ 9,593,363	\$ 0	\$ 0	\$ 0	\$ -9,593,363
DOM RUTF Appropriation					
Restore	\$ 56,000	\$ 0	\$ 56,000	\$ 56,000	\$ 0
Restore: Maintains current level of funding.					
DOM RUTF Appropriation	\$ 56,000	\$ 0	\$ 56,000	\$ 56,000	\$ 0
Department of Management	\$14,147,226	\$3,331,168	\$56,000	\$3,387,168	-\$10,760,058
FTE TOTAL	37.50	37.50	0.00	37.50	0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Revenue

Department of Revenue					
Restore	\$ 23,650,828	\$ 23,650,828	\$ 0	\$ 23,650,828	\$ 0
New (1)	0	366,667	0	366,667	366,667
New (2)	0	1,284,151	0	1,284,151	1,284,151

Restore: Maintains current level of funding.
 New (1): An increase of \$366,667 to fully fund operating costs of the Property Assessment Appeal Board.
 New (2): An increase of \$1,284,151 for additional enforcement officers and staff to increase collections and modernize compliance information systems

Department of Revenue	\$ 23,650,828	\$ 25,301,646	\$ 0	\$ 25,301,646	\$ 1,650,818
FTE Total	377.41	385.03	0.00	385.03	7.62

Motor Vehicle Fuel Tax Administration Appropriation					
Restore	\$ 1,291,841	\$ 0	\$ 1,291,841	\$ 1,291,841	\$ 0

Restore: Maintains current level of funding.

Motor Vehicle Fuel Tax Admin Appropriation	\$ 1,291,841	\$ 0	\$ 1,291,841	\$ 1,291,841	\$ 0
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Department of Revenue	\$24,942,669	\$25,301,646	\$1,291,841	\$26,593,487	\$1,650,818
FTE TOTAL	392.59	385.03	0.00	385.03	-7.56

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Secretary of State

Administrative/Elections/Voter Registration

Restore	\$ 734,580	\$ 734,580	\$ 0	\$ 734,580	\$ 0
New (1)	0	60,000	0	60,000	60,000
New (2)	0	336,435	0	336,435	336,435

Restore: Maintains current level of funding.

New (1): An increase of \$60,000 to replace a reduction in receipts from local governments. The new statewide voter registration system allows local governments to enter much of the information themselves, rather than having the Secretary of State's staff provide the service and reduces receipts for that service from local governments.

New (2): An increase of \$336,435 and 6.0 FTE positions for realignment of staffing of the Office. A decrease of an equal amount of funding and FTE positions occurs in the Business Services Division of the Office.

Administrative/Elections/Voter Registration	\$ 734,580	\$ 1,131,015	\$ 0	\$ 1,131,015	\$ 396,435
FTE Total	11.00	17.00	0.00	17.00	6.00

Secretary of State Business Services

Restore	\$ 2,155,151	\$ 2,155,151	\$ 0	\$ 2,155,151	\$ 0
New	0	-336,435	0	-336,435	-336,435

Restore: Maintains current level of funding.

New: A decrease of \$336,435 and 6.0 FTE positions for realignment of staffing of the Office. An increase of an equal amount of funding and FTE positions occurs in the Administration, Elections, and Voter Registration Division of the Office.

Secretary of State Business Services	\$ 2,155,151	\$ 1,818,716	\$ 0	\$ 1,818,716	\$ -336,435
FTE Total	32.00	26.00	0.00	26.00	-6.00

Secretary of State	\$2,889,731	\$2,949,731	\$0	\$2,949,731	\$60,000
FTE TOTAL	43.00	43.00	0.00	43.00	0.00

Administration and Regulation Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Treasurer of State

Treasurer of State

Restore	\$ 1,055,668	\$ 962,520	\$ 93,148	\$ 1,055,668	\$ 0
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Restore: Maintains current level of General Fund and Road Use Tax Fund funding.

Treasurer of State	\$ 1,055,668	\$ 962,520	\$ 93,148	\$ 1,055,668	\$ 0
FTE Total	28.80	28.80	0.00	28.80	0.00

Treasurer of State	\$1,055,668	\$962,520	\$93,148	\$1,055,668	\$0
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FTE TOTAL	28.80	28.80	0.00	28.80	0.00
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IPERS

IPERS Administration

Restore	\$ 16,945,241	\$ 0	\$ 16,945,241	\$ 16,945,241	\$ 0
New	0	0	117,835	117,835	117,835

Restore: Maintains current level of funding.
New: An increase of \$117,835 from the IPERS Trust Fund to pay for 1/3 costs.

IPERS Administration	\$ 16,945,241	\$ 0	\$ 17,063,076	\$ 17,063,076	\$ 117,835
FTE Total	95.13	0.00	95.13	95.13	0.00

Administration and Regulation Appropriations Subcommittee					
Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
IPERS	\$16,945,241	\$0	\$17,063,076	\$17,063,076	\$117,835
<i>FTE TOTAL</i>	<i>95.13</i>	<i>0.00</i>	<i>95.13</i>	<i>95.13</i>	<i>0.00</i>
Grand Total					
Administration and Regulation Total	\$117,814,190	\$93,911,443	\$20,900,475	\$114,811,918	-\$3,002,272
<i>FTE TOTAL</i>	<i>1,846.10</i>	<i>1,775.18</i>	<i>95.13</i>	<i>1,870.31</i>	<i>24.21</i>

SUBCOMMITTEE BUDGET ISSUES

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

- ▶ **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 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 Governor is recommending a \$1.2 million supplemental appropriation for FY 2007 for utility expenses for the capitol complex. This is due partially to the new records building and greater utility needs than expected.*** 
- ▶ **A.T. Kearney** – The DAS has entered into a contract with A.T. Kearney to make improvements in government processes and performance. A.T. Kearney is doing work for the DAS along with other State Agencies. The subcommittee may wish to review these contracts along with the increased efficiencies and savings A.T. Kearney has been able to find.
- ▶ **I/3 Computer System** – The Subcommittee may wish to review the progress of I/3 computer system implementation. The I/3 system runs the budget, finance, e-procurement, human resources, payroll, and benefits information of the State. The DAS is asking for a \$2.4 million appropriation to be distributed among departments to pay for the costs of maintaining the System for FY 2008. Starting in FY 2009, departments will be asked to request those funds in their budgets. ***The Governor is recommending a \$2.0 million appropriation for FY 2008.***
- ▶ **Department of Revenue** – House File 810 (FY 2006 Administration and Regulation Appropriations Act) appropriated funds for the creation of an enterprise-wide Tax Credit Tracking and Analysis System. The Subcommittee may wish to have the Department of Revenue report on progress of the System. ***The Governor is recommending a supplemental appropriation of \$100,000 for FY 2007 for additional startup cost for the Property Assessment Appeal Board.***
- ▶ **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 has been used to replace existing voting equipment and 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, and any irregularities that were identified during the November elections. 

➤ **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 because of insufficient funds from licensing fees. In FY 2006, the DIA took responsibility for the inspections, but received no funding, as the fees paid for the inspections go directly to the General Fund. 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. ***The Governor is recommending that the fees from the inspections in Polk and Jasper County be deposited in the General Fund and an appropriation of an equal amount be made to the Department.***



➤ **Department of Commerce**

- ✦ Alcohol Beverage Division – The Subcommittee may wish to receive an update on contract services for the distribution warehouse.
- ✦ Banking Division – Professional Licensing combined with the Banking Division and the Administrator position was eliminated. The Subcommittee may wish to receive an update.
- ✦ Insurance Division – During the 2006 Legislative Session, legislation was enacted that updated the Code of Iowa provisions for the Division. The Subcommittee may wish to have an update.

➤ **Department of Human Rights**

- ✦ The Commission on the Status of Iowans of Asian and Pacific Islander Heritage Act (SF 2188) created a new Commission in the Department of Human Rights in FY 2004. For FY 2007, an increased appropriation was provided to hire a permanent Division Administrator. The Subcommittee may wish to review the 2006 annual report, which is due to the General Assembly and Governor by February 1, 2007, as well as the Commission's 2006 activities.
- ✦ The Subcommittee may wish to review concerns regarding the Low Income Home Energy Assistance Program (LIHEAP) federal funding for FFY 2007 and the possible need for an FY 2007 State supplemental appropriation. The Subcommittee may wish to review the recommendations by the 2006 LIHEAP and Weatherization Program Interim Study Committee to the 2007 General Assembly.

➤ **Ethics and Campaign Disclosure Board** - The Subcommittee may wish to receive an update on the following:



- ✦ The electronic filing of election reports to the Board.
- ✦ The Board files annual reports with LSA of any gifts, bequests, and grants received by the Executive Branch during 2006. This information is available via the Board's web site: http://www.state.ia.us/government/iecdb/ethics/gifts/gifts_2005.htm.

➤ **Iowa Public Employee Retirement System (IPERS)**

- ✦ For FY 2008, IPERS is requesting a budget increase of \$118,000 from the IPERS Trust Fund to pay for 1/3 costs. The DAS is requesting a General Fund appropriation for distribution to Executive Branch Agencies, but not for IPERS. The Subcommittee may wish to hear from IPERS and DAS about this issue. ***The Governor is recommending a budget increase of \$118,000 from the IPERS Trust Fund to pay 1/3 costs in FY 2008.***
- ✦ House File 729 (FY 2007 Public Pension Omnibus Act) provides changes to contribution rates effective July 1, 2007 (FY 2008). The Subcommittee may wish to receive additional information regarding these changes.

➤ **Office of Drug Control Policy – Drug Taskforces – *The Governor is recommending an increase of \$1.8 million to replace federal funding related to Drug Taskforces across Iowa. Without the funds, which require a 25.0% local match, it is likely that the taskforces will no longer be able to function as local law enforcement agencies do not have sufficient resources.***

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed four **Issue Reviews** relating to the Administration and Regulation Appropriations Subcommittee during the 2006 Interim that are available on the LSA web site : <http://staffweb.legis.state.ia.us/lfb/>.

- [Ethics and Campaign Disclosure Board](#)
- [Iowa Public Employees' Retirement System \(IPERS\)](#)
- [State Fleet Update](#)
- I/3 System Review



Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA web site <http://staffweb.legis.state.ia.us/lfb/>. Presentations relating to the Administration and Regulation Appropriations Subcommittee include:

- [Administration and Regulation Appropriations Subcommittee](#)
- [Department of Commerce Fees](#)
- [Gambling in Iowa](#)
- [Overview of Iowa Lottery Authority](#)
- [Iowa Retirement Systems](#)



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AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE MEMBERS

SENATE

Joe Seng, Chairperson
Brian Schoenjahn, Vice Chairperson
Thurman Gaskill, Ranking Member
Dennis Black
Hubert Houser

HOUSE

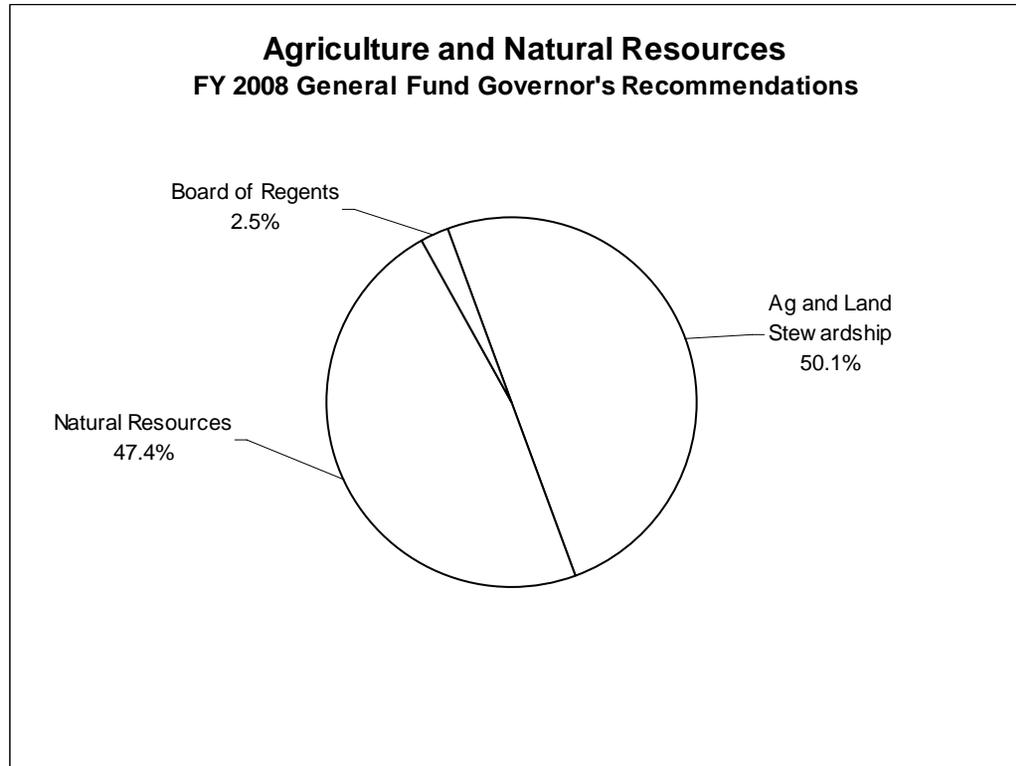
Mark Kuhn, Chairperson
McKinley Bailey, Vice Chairperson
Betty DeBoef, Ranking Member
Paul Bell
Dave Deyoe
Pat Grassley
Dolores Mertz
Donovan Olson
Dan Rasmussen

LEGISLATIVE SERVICES AGENCY

Fiscal Services Division
Legal Services Division

Deb Kozel (Ext. 16767)
Doug Adkisson (Ext. 13884)

AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE



Agriculture and Natural Resources
FY 2008 General Fund Governor's Recommendations

Ag and Land Stewardship	\$	20,063,199
Natural Resources		19,012,968
Board of Regents		1,000,000
	<u>\$</u>	<u>40,076,167</u>

Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Agriculture and Land Stewardship

Administrative Division

Restore	\$ 18,456,595	\$ 18,456,595	\$ 0	\$ 18,456,595	\$ 0
New (1)	0	258,500	0	258,500	258,500
New (2)	0	90,576	0	90,576	90,576
New (3)	0	37,827	0	37,827	37,827

Restore: Maintains current level of funding.
 New (1): An increase of \$258,500 to fully fund the Dairy Products Control Bureau.
 New (2): An increase of \$90,576 to pay the Department of Administrative Services surcharge at the Ankeny laboratory.
 New (3): An increase of \$37,827 for matching funds for the purchase of computers for the Meat and Poultry Inspectors.

Administrative Division Total	\$ 18,456,595	\$ 18,843,498	\$ 0	\$ 18,843,498	\$ 386,903
FTE Total	444.60	444.60	0.00	444.60	0.00

Avian Influenza

Restore	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
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Restore: Maintains current level of funding.

Avian Influenza Total	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
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Missouri River Authority

Restore	\$ 9,535	\$ 9,535	\$ 0	\$ 9,535	\$ 0
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Restore: Maintains current level of funding.

Missouri River Authority Total	\$ 9,535	\$ 9,535	\$ 0	\$ 9,535	\$ 0
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Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Chronic Wasting Disease					
Restore	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Restore: Maintains current level of funding.					
Chronic Wasting Disease Total	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Senior Farmers Market Program					
Restore	\$ 77,000	\$ 77,000	\$ 0	\$ 77,000	\$ 0
Restore: Maintains current level of funding.					
Senior Farmers Market Program	\$ 77,000	\$ 77,000	\$ 0	\$ 77,000	\$ 0
Regulatory Dairy Products					
Restore	\$ 693,166	\$ 693,166	\$ 0	\$ 693,166	\$ 0
Restore: Maintains current level of funding.					
Regulatory Dairy Products	\$ 693,166	\$ 693,166	\$ 0	\$ 693,166	\$ 0
Apiary Program					
Restore	\$ 40,000	\$ 40,000	\$ 0	\$ 40,000	\$ 0
Restore: Maintains current level of funding.					
Apiary Program	\$ 40,000	\$ 40,000	\$ 0	\$ 40,000	\$ 0

Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Soil Commissioners Expense					
Restore	\$ 250,000	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Restore: Maintains current level of funding.					
Soil Commissioners Expense Total	\$ 250,000	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Open Feedlot Research Project					
Restore	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000	\$ 0
Restore: Maintains current level of funding.					
Open Feedlot Research Project Total	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000	\$ 0
Native Horse and Dog Program					
Restore	\$ 305,516	\$ 0	\$ 305,516	\$ 305,516	\$ 0
Restore: Maintains current level of funding.					
Native Horse and Dog Program Total	\$ 305,516	\$ 0	\$ 305,516	\$ 305,516	\$ 0
Motor Fuel Inspection					
Restore	\$ 300,000	\$ 0	\$ 300,000	\$ 300,000	\$ 0
Restore: Maintains current level of funding and FTE positions.					
Motor Fuel Inspection	\$ 300,000	\$ 0	\$ 300,000	\$ 300,000	\$ 0
FTE Total	3.00	0.00	3.00	3.00	0.00

Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Environment First Fund

Restore (1)	\$ 5,500,000	\$ 0	\$ 5,500,000	\$ 5,500,000	\$ 0
Restore (2)	2,700,000	0	2,700,000	2,700,000	0
Restore (3)	500,000	0	500,000	500,000	0
Restore (4)	2,000,000	0	2,000,000	2,000,000	0
Restore (5)	1,500,000	0	1,500,000	1,500,000	0
Restore (6)	850,000	0	850,000	850,000	0
Restore (7)	600,000	0	600,000	600,000	0
Restore (8)	300,000	0	300,000	300,000	0
New (1)	0	0	2,350,000	2,350,000	2,350,000
New (2)	0	0	150,000	150,000	150,000

Restore (1): Maintains current level of funding for Soil Conservation Cost Share Program.
 Restore (2): Maintains current level of funding for the Watershed Protection Fund.
 Restore (3): Maintains current level of funding for Agricultural Drainage Wells.
 Restore (4): Maintains current level of funding for the Conservation Reserve Program.
 Restore (5): Maintains current level of funding for the Conservation Reserve Enhancement Program.
 Restore (6): Maintains current level of funding for the Demonstration Farm Program.
 Restore (7): Maintains current level of funding for the Loess Hills Conservation and Development Authority.
 Restore (8): Maintains current level of funding for the Southern Iowa Conservation Authority.
 New (1): An increase of \$2,350,000 to fund additional conservation projects.
 New (2): An increase of \$150,000 for the Flood Prevention Study that was appropriated last year.

Environment First Fund Total	\$ 13,950,000	\$ 0	\$ 16,450,000	\$ 16,450,000	\$ 2,500,000
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Department of Agriculture and Land Stewardship	\$ 34,281,812	\$ 20,063,199	\$ 17,105,516	\$ 37,528,715	\$ 2,886,903
FTE TOTAL	447.60	444.60	3.00	447.60	0.00

Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Natural Resources

Natural Resource Operations					
Restore	\$ 18,937,968	\$ 18,937,968	\$ 0	\$ 18,937,968	\$ 0
New	<u>0</u>	<u>75,000</u>	<u>0</u>	<u>75,000</u>	<u>75,000</u>

Restore: Maintains current level of funding. New: An increase of \$75,000 to complete federal Tier 2 reports and maintain a database.
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Natural Resource Operations Total	\$ 18,937,968	\$ 19,012,968	\$ 0	\$ 19,012,968	\$ 75,000
FTE Total	1,142.43	1,142.43	0.00	1,142.43	0.00

Fish and Wildlife Operations					
Restore	\$ 35,371,314	\$ 0	\$ 35,371,314	\$ 35,371,314	\$ 0
New	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Restore: Maintains current level of funding. New: An increase of \$1.0 million for habitat improvement.
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Fish and Wildlife Operations Total	\$ 35,371,314	\$ 0	\$ 36,371,314	\$ 36,371,314	\$ 1,000,000
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Snowmobile Fees					
Restore	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000	\$ 0

Restore: Maintains current level of funding.
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Snowmobile Fees Total	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000	\$ 0
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Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Underground Storage Tank					
Restore	\$ 200,000	\$ 0	\$ 200,000	\$ 200,000	\$ 0
Restore: Maintains current level of funding.					
Underground Storage Tank Total	\$ 200,000	\$ 0	\$ 200,000	\$ 200,000	\$ 0
National Pollutant Discharge Elimination System (NPDES) Fees					
Restore	\$ 600,000	\$ 0	\$ 600,000	\$ 600,000	\$ 0
Restore: Maintains current level of funding.					
NPDES Fees Total	\$ 600,000	\$ 0	\$ 600,000	\$ 600,000	\$ 0
Groundwater Protection Fund					
Restore	\$ 3,455,832	\$ 0	\$ 3,455,832	\$ 3,455,832	\$ 0
Restore: Maintains current level of funding. (1) Restores \$100,303 for the Underground Storage Tank Study. (2) Restores \$447,324 for the Household Hazardous Waste Program. (3) Restores \$62,461 to DNR for administration of private well testing. (4) Restores \$1,686,751 for groundwater monitoring. (5) Restores \$618,993 for the Landfills Alternative Program. (6) Restores \$192,500 for the Waste Reduction and Assistance Program. (7) Restores \$50,000 for the Solid Waste Program. (8) Restores \$297,500 for the Geographic Information System Program.					
Groundwater Protection Fund Total	\$ 3,455,832	\$ 0	\$ 3,455,832	\$ 3,455,832	\$ 0

Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Environment First Fund

Restore (1)	\$ 11,000,000	\$ 0	\$ 11,000,000	\$ 11,000,000	\$ 0
Restore (2)	2,955,000	0	2,955,000	2,955,000	0
Restore (3)	2,000,000	0	2,000,000	2,000,000	0
Restore (4)	975,000	0	975,000	975,000	0
Restore (5)	500,000	0	500,000	500,000	0
Restore (6)	275,000	0	275,000	275,000	0
Restore (7)	195,000	0	195,000	195,000	0
Restore (8)	100,000	0	100,000	100,000	0
New (1)	0	0	50,000	50,000	50,000
New (2)	50,000	0	\$ 0	0	-50,000
New (3)	2,500,000	0	2,300,000	2,300,000	-200,000

Restore (1): Maintains current level of funding for the Resource Enhancement and Protection Fund (REAP).
 Restore (2): Maintains current level of funding for the Water Quality Monitoring Program.
 Restore (3): Maintains current level of funding for State Park Operations.
 Restore (4): Maintains current level of funding for Lake Restoration.
 Restore (5): Maintains current level of funding for the Water Quality Protection Fund.
 Restore (6): Maintains current level of funding for the Air Quality Monitoring.
 Restore (7): Maintains current level of funding for Geographic Information Systems data for watersheds.
 Restore (8): Maintains current level of funding for the Volunteers and Keepers of the Land Program.
 New (1): An increase of \$50,000 for Air Quality Monitoring.
 New (2): No funding recommended for the Waste Tire Program for FY 2008.
 New (3): Moves the Marine Fuel Tax out of the Environment First Fund and decreases the appropriation by \$200,000.

Environment First Fund	\$ 20,550,000	\$ 0	\$ 20,350,000	\$ 20,350,000	\$ -200,000
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Department of Natural Resources	\$ 79,215,114	\$ 19,012,968	\$ 61,077,146	\$ 80,090,114	\$ 875,000
FTE TOTAL	1,142.43	1,142.43	0.00	1,142.43	0.00

Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Economic Development

Environment First Fund					
Restore	\$ 500,000	\$ 0	\$ 500,000	\$ 500,000	\$ 0
Restore: Maintains current level of funding for the Brownfield Redevelopment Program.					
Dept. of Economic Development Total	\$ 500,000	\$ 0	\$ 500,000	\$ 500,000	\$ 0

Department of Economic Development	\$ 500,000	\$ 0	\$ 500,000	\$ 500,000	\$ 0
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Treasurer of State

Watershed Improvement Review Board					
Restore	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0
Restore: Maintains current level of funding for the Watershed Improvement Review Board.					
Treasurer of State Total	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0

Treasurer of State	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0
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Board of Regents

Iowa Veterinary Diagnostic Laboratory					
Restore	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Restore: Maintains current level of funding.					
Board of Regents Total	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0

Agriculture and Natural Resources Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Board of Regents	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0

Grand Total

Agriculture and Natural Resources Total	\$ 119,996,926	\$ 40,076,167	\$ 83,682,662	\$ 119,618,829	\$ 3,761,903
FTE TOTAL	1,590.03	1,587.03	3.00	1,590.03	0.00

SUBCOMMITTEE BUDGET ISSUES

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

- ▶ **Dairy Products Regulatory Bureau** – The Dairy Products Control Bureau samples and inspects dairy farms, manufacturing plants, milk plant equipment, milk haulers, and other handlers of milk products. The current General Fund appropriation does not permit the Bureau to complete the necessary inspections, samplings, and testing. The Department of Agriculture and Land Stewardship (DALs) received \$693,000 for the Dairy Products Control Bureau for FY 2007 and is requesting an additional \$259,000 for FY 2008. ***The Governor is recommending funding from the General Fund of \$259,000 for FY 2008.***

- ▶ **Soil and Water Conservation Districts** – The Soil Conservation Cost Share Program began in 1973 and provides funding to landowners to implement conservation practices that prevent erosion of soil by wind or water for agriculture land. The landowner pays for 50.0% of the conservation project and receives the other 50.0% in matching State funds. Funds are appropriated annually to the Program and the DALs has four years to allocate the funding. Of the original appropriation, 60.0% is allocated to the Districts using a specified formula, and the remaining 40.0%, in addition to unobligated funds from previous years, is distributed to the Districts using a supplemental allocation. The DALs is requesting the following related to Soil and Water Conservation Districts:
 - ◆ An increase of \$15,000 for continued development of the web-based system that tracks the funding appropriated to the Soil Conservation Cost Share Program Fund. ***The Governor is not recommending funding for this program.***
 - ◆ An increase of \$100,000 for training and implementation of the web-based system for the Soil Conservation Cost Share Program. ***The Governor is not recommending funding for this program.***
 - ◆ An increase of \$324,547 and 10.00 FTE positions for Soil Conservation Field Technicians to assist Soil and Water District Commissioners in soil and water conservation districts to work with landowners to design and implement conservation measures. ***The Governor is not recommending funding for this program.***
 - ◆ An increase of \$134,000 for Soil and Water Conservation District Commissioner expenses to establish an FY 2008 funding level of \$384,000 based on actual costs incurred in FY 2006 by Iowa's 100 Soil and Water Conservation Districts. ***The Governor is not recommending funding for this program.***

- ▶ **Motor Fuel Inspections** – House File 2759 (FY 2007 Renewable Fuels Infrastructure Act) created the Renewable Fuel Infrastructure Fund in the State Treasurer's Office. Funding was provided from the Grow Iowa Values Fund. For FY 2007, the DALs received \$300,000 and 3.00 FTE positions to screen and test motor fuels at production plants, test motor fuel sold at dealerships, and to inspect and audit motor fuel production at processing plants. The DALs is requesting \$300,000 and 3.0 FTE positions for FY 2008. ***The Governor is recommending funding of \$300,000 and 3.00 FTES from the Renewable Fuel Infrastructure Fund for FY 2008.***



➤ **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. As of November 1, 2006, there have been no cases of Avian Influenza reported in the United States. The Avian Influenza Program received \$50,000 for FY 2007, and the DALs is requesting the same amount for FY 2008. ***The Governor is recommending funding of \$50,000 from the General Fund for FY 2008.***

➤ **Iowa Watershed Improvement Review Board** –The Board was created by the 2005 General Assembly and is responsible for awarding local watershed improvement grants and monitoring the progress of the projects after the grants are awarded. House File 2782 (FY 2007 Infrastructure Appropriations Act) appropriated \$5.0 million from the Endowment for Iowa's Health Account- Restricted Capitals Fund to the Watershed Improvement Fund for FY 2007. The DALs received \$50,000 to assist in administering the Program. The Treasurer of State is requesting \$5.0 million for FY 2008 for the Board. ***The Governor is recommending \$5.0 million from the Endowment for Iowa's Health Account- Restricted Capital Fund for FY 2008 to the Treasurer of State.***



➤ **Livestock Operations** – The DNR is requesting \$650,000 and 7.0 FTE positions from the General Fund to improve services related to livestock operations. This includes the review of manure management plans and construction permits, evaluating alternative technologies for animal agriculture operations, educating and certifying manure applicators, and responding to fish kills and other related complaints. ***The Governor is not recommending funding for this program.***

➤ **State Park Maintenance** – The DNR is requesting \$500,000 and 10.0 FTE positions from the General Fund to address the quality of outdoor recreation opportunities for Iowans through the management of natural resources in State parks. This includes one-on-one interactions with State Park visitors and other educational opportunities. ***The Governor is recommending funding of \$1.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) for State park renovations.***

➤ **Fish and Wildlife Trust Fund** – The DNR is requesting \$1.0 million from the Fish and Wildlife Trust Fund to be used for implementation of habitat improvement programs. New funding from lease revenue and federal non-game grant money will be available for public land management and habitat improvement projects. ***The Governor is recommending funding of \$1.0 million from the Fish and Wildlife Trust Fund for FY 2008.***

➤ **Sustainable Natural Resource Funding Advisory Committee** – The Committee was established in HF 2797 (FY 2006 Standings Appropriations Act). The purpose of the Committee is to provide a sustainable source or sources of funding for natural resource needs in Iowa. The Committee submitted a preliminary report to the General Assembly on January 7, 2007, detailing a funding plan that will conserve Iowa's natural resources and the estimated revenue needed to implement the plan.

- ▶ **Honey Creek Resort State Park** – Honey Creek Resort State Park is located on Rathbun Lake in Appanoose County and will be Iowa's first State Park that offers a broader range of recreational activities and lodging accommodations. The Park includes a 105-room lodge, conference center, restaurant and lounge, indoor water park, 18-hole golf course, and 28 family and group cabins. The new Honey Creek Resort Park will be connected to the existing Honey Creek State Park with a pedestrian trail bridge. The Honey Creek Premier Destination Park Authority met throughout the summer and approved \$33.1 million in double tax-exempt revenue bonds to provide funding to complete the Park. The Park is scheduled to open on Memorial Day weekend in 2008.



- ▶ **Conservation Reserve Enhancement and Protection (CREP) II Project** – The DNR submitted a grant application to the federal United States Department of Agriculture (USDA) on October 1, 2006, for the CREP II Project. This Project will target 16 publicly-owned lakes and seven coldwater stream complexes in Iowa. The goal is to reduce sediment and phosphorus in the targeted watersheds and to enroll over 1,000 acres in Iowa's Walk-in-Access Program that allows public hunting on the enrolled land. The Project will include over 7,000 acres at an estimated cost of \$20.0 million. The funding will include \$16.0 million in federal funds, \$1.0 million from the Fish and Game Protection Fund, \$2.0 million from the Lake Restoration Fund, and \$1.0 million from local partners. Project negotiations are continuing and agreements will be in place by next spring.

- ▶ **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 from the Rebuild Iowa Infrastructure Fund (RIIF). The following is a summary of the Department requests and Governor's recommendations for FY 2008:

◆ DALS Programs:

- Agricultural Drainage Wells – \$2.5 million. This is an increase of \$2.0 million compared to estimated FY 2007. ***The Governor is recommending funding of \$500,000 for FY 2008.***
- Watershed Protection Fund – \$5.4 million. This is an increase of \$2.7 million compared to estimated FY 2007. ***The Governor is recommending funding of \$2.7 million for FY 2008.***
- Farm Demonstration Program – \$1.6 million. This is an increase of \$750,000 compared to estimated FY 2007. ***The Governor is recommending funding of \$850,000 for FY 2008.***
- Soil Conservation Cost Share Fund – \$10.0 million. This is an increase of \$4.5 million compared to estimated FY 2007. ***The Governor is recommending funding of \$7.9 million for FY 2008.***
- Conservation Reserve Program – \$2.0 million. This maintains the current level of funding. ***The Governor is recommending funding of \$2.0 million for FY 2008.***



- Conservation Reserve Enhancement Program – \$1.5 million. This maintains the current level of funding. ***The Governor is recommending funding of \$1.5 million for FY 2008.***
- Flood Prevention Study – \$150,000. The funds were previously appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act). ***The Governor is recommending funding of \$150,000 for FY 2008.***

✦ DNR Programs:

- Resource Enhancement and Protection (REAP) Fund – \$11.0 million. This maintains the current level of funding. ***The Governor is recommending funding of \$11.0 million for FY 2008.***
- Lake Restoration Program – \$975,000. This maintains the current level of funding. ***The Governor is recommending funding of \$975,000 for FY 2008.***
- Water Quality Monitoring Program – \$3.0 million. This maintains the current level of funding. ***The Governor is recommending funding of \$3.0 million for FY 2008.***
- State Park Operations and Maintenance – \$2.0 million. This maintains the current level of funding. ***The Governor is recommending funding of \$2.0 million for FY 2008.***
- Keepers of the Land Volunteer Program – \$100,000. This maintains the current level of funding. ***The Governor is recommending funding of \$100,000 for FY 2008.***
- Geographic Information System – \$195,000. This maintains the current level of funding. ***The Governor is recommending funding of \$195,000 for FY 2008.***
- Water Quality Protection Fund – \$500,000. This maintains the current level of funding. ***The Governor is recommending funding of \$500,000 for FY 2008.***
- Air Quality Monitoring – \$275,000. This maintains the current level of funding. ***The Governor is recommending funding of \$325,000 for FY 2008.***
- Marine Fuel Tax – \$2.5 million. This maintains the current level of funding. ***The Governor is recommending funding of \$2.3 million for FY 2008. The Marine Fuel Tax is a separate appropriation and is no longer part of the Environment First Fund.***



ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed two **Issue Reviews** relating to the Agriculture and Natural Resource Appropriations Subcommittee during the 2006 Interim that are available on the LSA web site: <http://staffweb.legis.state.ia.us/lfb/>.

- [Watershed Improvement Review Fund](#)
- [LiDAR Interactive Mapping Technology](#)



Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA web site: <http://staffweb.legis.state.ia.us/lfb/>. 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](#)



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ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE MEMBERS

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LEGISLATIVE SERVICES AGENCY

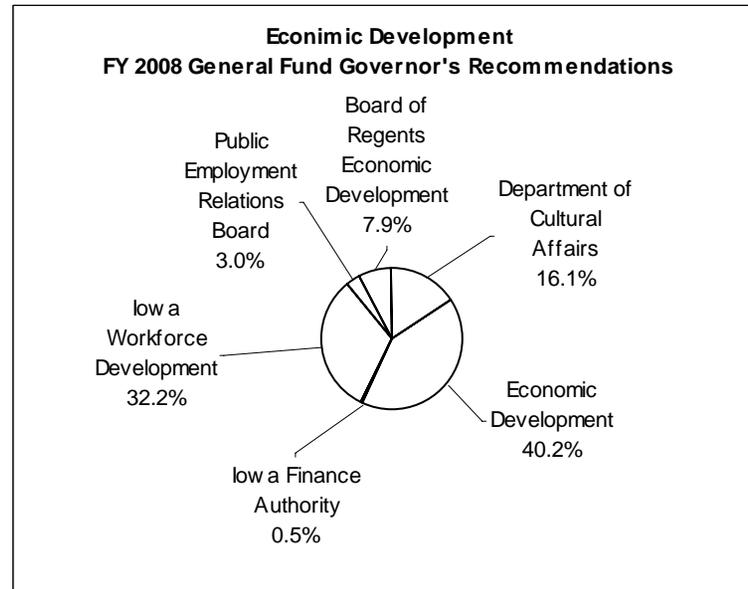
Fiscal Services Division

Ron Robinson (Ext. 16256)

Legal Services Division

Tim McDermott (Ext. 13444)

ECONOMIC DEVELOPMENT APPROPRIATIONS SUBCOMMITTEE



**Economic Development
FY 2008 General Fund Governor's Recommendations**

Department of Cultural Affairs	\$ 6,267,893
Economic Development	15,593,329
Iowa Finance Authority	200,000
Iowa Workforce Development	12,519,776
Public Employment Relations Board	1,170,486
Board of Regents Economic Development	3,071,853
	<u>\$ 38,823,337</u>

*Percentages may not add to 100.0% due to rounding.

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Cultural Affairs

Administrative Division

Restore	\$ 245,101	\$ 245,101	\$ 0	\$ 245,101	\$ 0
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Restore: Maintains current level of funding.
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Administrative Division	\$ 245,101	\$ 245,101	\$ 0	\$ 245,101	\$ 0
FTE Total	2.35	2.35	0.00	2.35	0.00

Arts Council

Restore	\$ 1,207,611	\$ 1,207,611	\$ 0	\$ 1,207,611	\$ 0
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Restore: Maintains current level of funding.
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Arts Council	\$ 1,207,611	\$ 1,207,611	\$ 0	\$ 1,207,611	\$ 0
FTE Total	11.12	11.12	0.00	11.12	0.00

Cultural Grants

Restore	\$ 299,240	\$ 299,240	\$ 0	\$ 299,240	\$ 0
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Restore: Maintains current level of funding.
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Cultural Grants	\$ 299,240	\$ 299,240	\$ 0	\$ 299,240	\$ 0
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Historical Society

Restore	\$ 3,392,865	\$ 3,392,865	\$ 0	\$ 3,392,865	\$ 0
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Restore: Maintains current level of funding.
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Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Historical Society	\$ 3,392,865	\$ 3,392,865	\$ 0	\$ 3,392,865	\$ 0
FTE Total	57.08	57.08	0.00	57.08	0.00
Historic Sites					
Restore	\$ 554,166	\$ 554,166	\$ 0	\$ 554,166	\$ 0
Restore: Maintains current level of funding.					
Historic Sites	\$ 554,166	\$ 554,166	\$ 0	\$ 554,166	\$ 0
FTE Total	8.25	8.25	0.00	8.25	0.00
Archiving Former Governor's Papers					
Restore	\$ 77,348	\$ 77,348	\$ 0	\$ 77,348	\$ 0
Restore: Maintains current level of funding.					
Archiving Former Governor's Papers	\$ 77,348	\$ 77,348	\$ 0	\$ 77,348	\$ 0
FTE Total	0.97	0.97	0.00	0.97	0.00
Great Places					
Restore	\$ 305,794	\$ 305,794	\$ 0	\$ 305,794	\$ 0
Restore: Maintains current level of funding.					
Great Places	\$ 305,794	\$ 305,794	\$ 0	\$ 305,794	\$ 0
FTE Total	2.42	2.42	0.00	2.42	0.00
Historical Resource Development (HRDP) Emergency Grants					
Restore	\$ 250,000	\$ 250,000	\$ 0	\$ 250,000	\$ 0
New	\$ 0	\$ -250,000	\$ 0	\$ -250,000	\$ -250,000

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
<div style="border: 1px solid black; padding: 5px;"> Restore: Maintains current level of funding. New: Eliminates FY 2007 one-time appropriation. </div>					
HRDP Emergency Grants	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ -250,000
African-American Historical Museum					
Restore	\$ 85,000	\$ 85,000	\$ 0	\$ 85,000	\$ 0
New	\$ 0	\$ -85,000	\$ 0	\$ -85,000	\$ -85,000
<div style="border: 1px solid black; padding: 5px;"> Restore: Eliminates FY 2007 one-time appropriation. </div>					
African-American Historical Museum	\$ 85,000	\$ 0	\$ 0	\$ 0	\$ -85,000
Arts Education and Enrichment Programming					
Restore	\$ 5,000	\$ 5,000	\$ 0	\$ 5,000	\$ 0
New	\$ 0	\$ -5,000	\$ 0	\$ -5,000	\$ -5,000
<div style="border: 1px solid black; padding: 5px;"> Restore: Eliminates FY 2007 one-time appropriation. </div>					
Arts Ed. and Enrichment Programming	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ -5,000
Records Center Rent - General Fund					
New	\$ 0	\$ 185,768	\$ 0	\$ 185,768	\$ 185,768
<div style="border: 1px solid black; padding: 5px;"> New: For the lease costs associated with the State Records Center under the purview of the Department of Cultural Affairs. In FY 2007, the lease is being funded from the Department of Administrative Services appropriation used for employee relocation and transition expenses. The DED had requested this from the Rebuild Iowa Infrastructure Fund (RIIF). </div>					
Records Center Rent - General Fund	\$ 0	\$ 185,768	\$ 0	\$ 185,768	\$ 185,768

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Department of Cultural Affairs	\$6,422,125	\$6,267,893	\$0	\$6,267,893	-\$154,232
FTE TOTAL	82.19	88.19	0.00	88.19	6.00

Department of Economic Development

Administration Division

Restore	\$ 2,044,530	\$ 2,044,530	\$ 0	\$ 2,044,530	\$ 0
New		-1		-1	-1

Restore: Maintains current level of funding.
 New: A general unspecified, decrease of \$1 and an increase of 5.00 FTE positions to restore the Division to the FY 2007 authorized 28.75 FTE positions.

Administration Division	\$ 2,044,530	\$ 2,044,529	\$ 0	\$ 2,044,529	\$ -1
FTE Total	23.75	28.75	0.00	28.75	5.00

World Food Prize

Restore	\$ 400,000	\$ 400,000	\$ 0	\$ 400,000	\$ 0
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Restore: Maintains current level of funding.

World Food Prize	\$ 400,000	\$ 400,000	\$ 0	\$ 400,000	\$ 0
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Endow Iowa Grants

Restore	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
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Restore: Maintains current level of funding.

Endow Iowa Grants	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
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Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Business Development					
Restore	\$ 6,300,160	\$ 6,300,160	\$ 0	\$ 6,300,160	\$ 0
Restore: Maintains current level of funding. New: An increase of 13.05 FTE positions to restore the Division to the FY 2007 authorized 57.00 FTE positions. New: An increase due to shifting a function from the Financial Administration to the Central Administration.					
Business Development FTE Total	\$ 6,300,160 43.95	\$ 6,300,160 57.00	\$ 0 0.00	\$ 6,300,160 57.00	\$ 0 13.05
Renewable Fuels Infrastructure - Grow Iowa Values Fund (GIVF)					
Restore	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0
Restore: Maintains current level of funding.					
Renewable Fuels Infrastructure - Grow Iowa Values Fund (GIVF)	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0
Renewable Fuels Infrastructure - Underground Storage Tank (UST)					
Restore	\$ 3,500,000	\$ 0	\$ 3,500,000	\$ 3,500,000	\$ 0
Restore: Maintains current level of funding.					
Renewable Fuels Infrastructure - Underground Storage Tank (UST)	\$ 3,500,000	\$ 0	\$ 3,500,000	\$ 3,500,000	\$ 0
Department of Economic Development (DED) - Grow Iowa Values Fund (GIVF)					
Restore	\$ 33,000,000	\$ 0	\$ 33,000,000	\$ 33,000,000	\$ 0
Restore: Maintains current level of funding.					
Department of Economic Development (DED) - Grow Iowa Values Fund (GIVF)	\$ 33,000,000	\$ 0	\$ 33,000,000	\$ 33,000,000	\$ 0

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Regents Institutions - Grow Iowa Values Fund (GIVF)					
Restore	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0
Restore: Maintains current level of funding.					
Regents Institutions - Grow Iowa Values Fund (GIVF)	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0
State Parks - Grow Iowa Values Fund (GIVF)					
Restore	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
Restore: Maintains current level of funding.					
State Parks - Grow Iowa Values Fund (GIVF)	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
FTE Total	0.00	0.00	0.00	0.00	0.00
Cultural Trust Fund - Grow Iowa Values Fund (GIVF)					
Restore	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
Restore: Maintains current level of funding.					
Cultural Trust Fund - Grow Iowa Values Fund (GIVF)	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
Community Development Block Grant					
Restore	\$ 5,798,640	\$ 5,798,640	\$ 0	\$ 5,798,640	\$ 0
New	0	1,000,000	0	1,000,000	1,000,000
Restore: Maintains current level of funding. New: An increase of \$1,000,000 for the Main Street Iowa Program.					
Community Development Block Grant	\$ 5,798,640	\$ 6,798,640	\$ 0	\$ 6,798,640	\$ 1,000,000
FTE Total	61.26	61.26	0.00	61.26	0.00

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Workforce Training and Economic Development Funds - Grow Iowa Values Fund (GIVF)					
Restore	\$ 7,000,000	\$ 0	\$ 7,000,000	\$ 7,000,000	\$ 0
Restore: Maintains current level of funding.					
Workforce Training and Economic Development Funds - Grow Iowa Values Fund (GIVF)	\$ 7,000,000	\$ 0	\$ 7,000,000	\$ 7,000,000	\$ 0
Regional Financial Assistance - Grow Iowa Values Fund (GIVF)					
Restore	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
Restore: Maintains current level of funding.					
Regional Financial Assistance - Grow Iowa Values Fund (GIVF)	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
FTE Total	0.00	0.00	0.00	0.00	0.00
Workforce Development Appropriation					
Restore	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 0
Restore: Maintains current level of funding. New: An increase of 4.00 FTE positions to restore the Division to the FY 2007 authorized 4.00 FTE positions.					
Workforce Development Appropriation	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 0
FTE Total	0.00	0.00	0.00	0.00	0.00

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Environmental Advocates NPDES Elimination System					
New	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000
<p>New: This is an increase of \$100,000 from the National Pollutant Discharge Elimination System (NPDES) Permit Fund created in section 455B.196, <u>Code of Iowa</u>, for environmental advocates that provide technical assistance to operations requiring a NPDES permit. One position will work with livestock operations and the other with non-livestock operations.</p>					
Environmental Advocates NPDES Elimination System	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000
FTE Total	0.00	0.00	2.00	2.00	2.00
Iowa Community Volunteer Services (ICVS) - Promise - Healthy Iowans Tobacco Trust Fund (HITT)					
Restore	\$ 125,000	\$ 0	\$ 125,000	\$ 125,000	\$ 0
<p>Restore: Maintains current level of funding. New: An increase of 1.00 FTE position to reflect anticipated utilization.</p>					
ICVS-Promise (HITT)	\$ 125,000	\$ 0	\$ 125,000	\$ 125,000	\$ 0
FTE Total	0.00	1.00	0.00	1.00	1.00
Department of Economic Development					
	\$72,218,330	\$15,593,329	\$57,725,000	\$73,318,329	\$1,099,999
FTE TOTAL	128.96	148.01	2.00	150.01	21.05

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Iowa Finance Authority

Entrepreneurs with Disability

Restore	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
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Restore: Maintains current level of funding.

Entrepreneurs with Disability	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
FTE Total	0.00	0.00	0.00	0.00	0.00

Senior Living Trust Fund (SLTF) - Rent Subsidy Program

Restore	\$ 700,000	\$ 0	\$ 700,000	\$ 700,000	\$ 0
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Restore: Maintains current level of funding.

SLTF - Rent Subsidy Program	\$ 700,000	\$ 0	\$ 700,000	\$ 700,000	\$ 0
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Iowa Finance Authority	\$900,000	\$200,000	\$700,000	\$900,000	\$0
FTE TOTAL	0.00	0.00	0.00	0.00	0.00

Department of Workforce Development

Operations

Restore	\$ 5,568,762	\$ 5,568,762	\$ 0	\$ 5,568,762	\$ 0
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Restore: Maintains current level of funding.
 New: An increase of 8.50 FTE positions to reflect anticipated utilization. The Division was authorized 89.45 FTE positions for FY 2007.

Operations	\$ 5,568,762	\$ 5,568,762	\$ 0	\$ 5,568,762	\$ 0
FTE Total	86.00	94.50	0.00	94.50	8.50

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Iowa Workforce Development Field Offices (Unemployment Insurance Reserve Fund)					
Restore	\$ 4,000,000	\$ 0	\$ 4,000,000	4,000,000	\$ 0
Restore: Maintains current level of funding.					
Iowa Workforce Development Field Offices (Unemployment Insurance Reserve Fund)	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 0
Principal and Interest Workers' Compensation Division					
Restore	\$ 471,000	\$ 0	\$ 471,000	471,000	\$ 0
Restore: Maintains current level of funding.					
Principal and Interest Workers' Compensation Division	\$ 471,000	\$ 0	\$ 471,000	\$ 471,000	\$ 0
FTE Total	0.00	0.00	0.00	0.00	0.00
Workforce Development Field Offices					
Restore	\$ 5,951,014	\$ 5,951,014	\$ 0	5,951,014	\$ 0
New	0	1,000,000	0	1,000,000	1,000,000
Restore: Maintains current level of funding. New: An increase of \$1,000,000 for increased support of Workforce Field Offices.					
Workforce Development Field Offices	\$ 5,951,014	\$ 6,951,014	\$ 0	\$ 6,951,014	\$ 1,000,000
Department of Workforce Development	\$15,990,776	\$12,519,776	\$4,471,000	\$16,990,776	\$1,000,000
FTE TOTAL	86.00	94.50	0.00	94.50	8.50

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Public Employment Relations Board

Public Employment Relations Board

Restore	\$ 1,073,224	\$ 1,073,224	\$ 0	1,073,224	\$ 0
New	0	97,262	0	97,262	97,262

Restore: Maintains current level of funding.
 New: An increase of \$97,262 and 1.0 FTE position compared to the estimated FY 2007 appropriation to add an Administrative Law Judge and for operational costs.

Public Employment Relations Board	\$ 1,073,224	\$ 1,170,486	\$ 0	\$ 1,170,486	\$ 97,262
FTE Total	10.00	11.00	0.00	11.00	1.00

Public Employment Relations Board	\$1,073,224	\$1,170,486	\$0	\$1,170,486	\$97,262
FTE TOTAL	10.00	11.00	0.00	11.00	1.00

Board of Regents Economic Development

Board of Regents Economic Development

Restore: Iowa State University	\$ 2,463,557	\$ 2,463,557	\$ 0	2,463,557	\$ 0
Restore: University of Iowa	247,005	247,005	0	247,005	0
Restore: University of Northern Iowa	361,291	361,291	0	361,291	0

Restore: Maintains current level of funding.

Board of Regents Economic Development	\$ 3,071,853	\$ 3,071,853	\$ 0	\$ 3,071,853	\$ 0
FTE Total	67.28	67.28	0.00	67.28	0.00

Economic Development Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Board of Regents Economic Development	\$3,071,853	\$3,071,853	\$0	\$3,071,853	\$0
<i>FTE TOTAL</i>	<i>67.28</i>	<i>67.28</i>	<i>0.00</i>	<i>67.28</i>	<i>0.00</i>
Grand Total					
Economic Development	\$99,676,308	\$38,823,337	\$62,896,000	\$101,719,337	\$2,043,029
<i>FTE TOTAL</i>	<i>374.43</i>	<i>408.98</i>	<i>2.00</i>	<i>410.98</i>	<i>36.55</i>

SUBCOMMITTEE BUDGET ISSUES

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

- ▶ **Grow Iowa Values Fund (GIVF)** – 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 Subcommittee may wish to examine the programs and activities funded through the GIVF and the future of those programs and activities. ***The Governor is not recommending any changes to the Fund.***
- ▶ **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.

The Department received a General Fund appropriation of \$6.9 million for FY 2006. The Department's General Fund appropriation was reduced by \$1.0 million to \$5.9 million for FY 2007 and the Department was appropriated \$4.0 million from the Unemployment Compensation Reserve Fund in HF 2459 (FY 2007 Economic Development Appropriations Act). The appropriation made in SF 2311 was eliminated. Therefore, the net FY 2007 impact from all funds was an increase of \$6.6 million compared to the funding level in SF 2311. The Department also received an additional \$94,000 from the salary adjustment distribution for FY 2007.



The Department's FY 2008 request is a \$7.0 million appropriation, an increase of \$1.0 million, from the General Fund and continuation of the \$4.0 million from the Unemployment Compensation Reserve Fund. ***The Governor is recommending the same funding as requested by the Department.***

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed two **Issue Reviews** relating to the Economic Development Appropriations Subcommittee during the 2006 Interim that will be available on the LSA web site <http://staffweb.legis.state.ia.us/lfb/>:

- Individual Development Accounts
- Vision Iowa and Community Attraction and Tourism Programs

Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA Web site <http://staffweb.legis.state.ia.us/lfb/>. 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

EDUCATION APPROPRIATIONS SUBCOMMITTEE MEMBERS

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Frank Wood, Chairperson

Wally Horn, Vice Chairperson

Nancy Boettger, Ranking Member

Herman Quirnbach

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Mark Davitt

Cecil Dolecheck

Marcie Frevert

Mary Mascher

Mike May

LEGISLATIVE SERVICES AGENCY

Fiscal Services Division

Fiscal Services Division

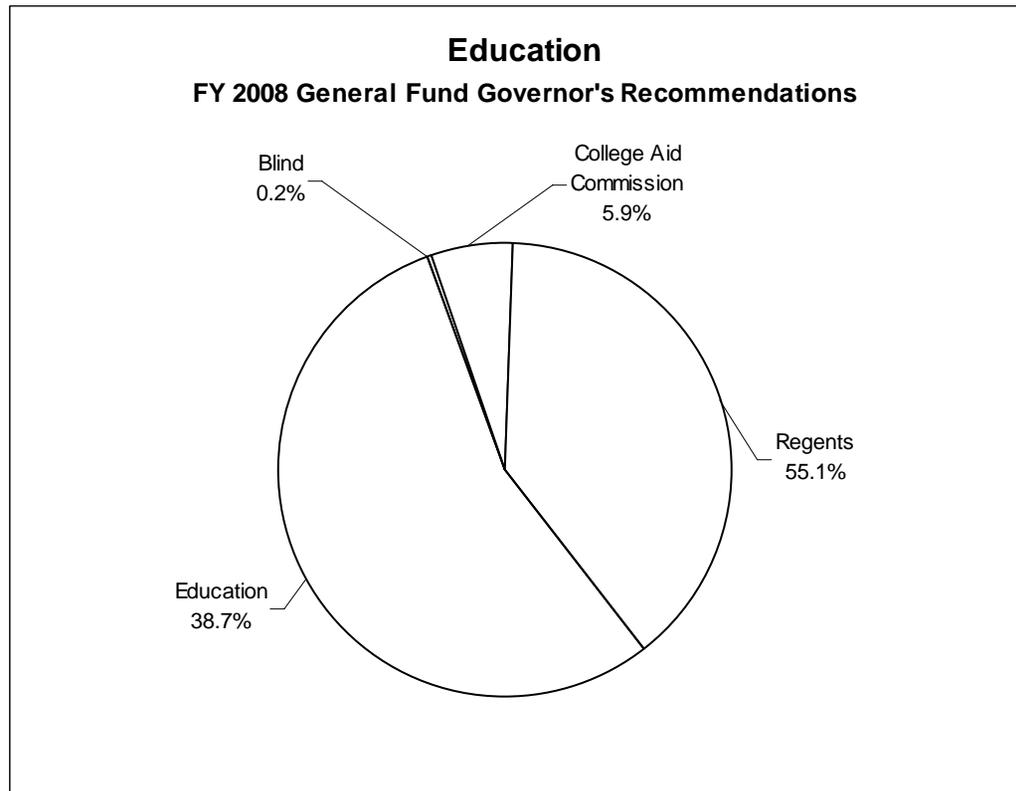
Legal Services Division

Robin Madison (Ext. 1-5270)

Mary Shipman (Ext. 1-4617)

Kathy Hanlon (Ext. 1-3847)

EDUCATION APPROPRIATIONS SUBCOMMITTEE



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

Education
FY 2008 General Fund Governor's Recommendations

Blind	\$	2,404,747
College Aid Commission		67,667,171
Education		441,523,173
Regents		628,753,909
	\$	1,140,349,000

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Commission for the Blind

Department for the Blind

Restore	\$ 2,004,747	\$ 2,004,747	\$ 0	\$ 2,004,747	\$ 0
New	0	400,000	0	400,000	400,000

Restore: Maintains current level of funding.
 New: An increase of \$400,000 for Title I and general operating costs.

Department for the Blind	\$ 2,004,747	\$ 2,404,747	\$ 0	\$ 2,404,747	\$ 400,000
FTE Total	108.39	97.00	0.00	97.00	-11.39

Audio Newslines Service

Restore	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ -130,000
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Restore: Eliminates a Healthy Iowans Tobacco Trust Fund appropriation for the newslines service.

Audio Newslines Service	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ -130,000
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Commission for the Blind	\$2,134,747	\$2,404,747	\$0	\$2,404,747	\$270,000
FTE TOTAL	108.39	97.00	0.00	97.00	-11.39

College Aid Commission

Scholarship and Grant Administration

Restore	\$ 376,053	\$ 376,053	\$ 0	\$ 376,053	\$ 0
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Restore: Maintains current level of funding.

Scholarship and Grant Administration	\$ 376,053	\$ 376,053	\$ 0	\$ 376,053	\$ 0
FTE Total	4.30	4.30	0.00	4.30	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Iowa Grant Program

Restore	\$ 1,029,784	\$ 1,029,784	\$ 0	\$ 1,029,784	\$ 0
New	0	41,192	0	41,192	41,192

Restore: Maintains current level of funding. New: An increase of \$41,192 (4.0%) to serve 80 additional students (1,605 total).
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Iowa Grant Program	\$ 1,029,784	\$ 1,070,976	\$ 0	\$ 1,070,976	\$ 41,192
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Osteopathic Forgivable Loan Program

Restore	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
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Restore: Maintains current level of funding.
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Osteopathic Forgivable Loan Program	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
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Physician Recruitment Program

Restore	\$ 346,451	\$ 346,451	\$ 0	\$ 346,451	\$ 0
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Restore: Maintains current level of funding.
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Physician Recruitment Program	\$ 346,451	\$ 346,451	\$ 0	\$ 346,451	\$ 0
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National Guard Educational Assistance

Restore	\$ 3,725,000	\$ 3,725,000	\$ 0	\$ 3,725,000	\$ 0
New	0	75,000	0	75,000	75,000

Restore: Maintains current level of funding. New: An increase of \$75,000 to restore funding that was deappropriated during the 2006 Legislative Session.
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National Guard Educational Assistance	\$ 3,725,000	\$ 3,800,000	\$ 0	\$ 3,800,000	\$ 75,000
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Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Teacher Shortage Forgivable Loans					
Restore	\$ 285,000	\$ 285,000	\$ 0	\$ 285,000	\$ 0
New	0	11,400	0	11,400	11,400
Restore: Maintains current level of State funding. New: An increase of \$11,400 to serve more students. The Program received \$595,000 in federal funds for FY 2007 that will not be available in FY 2008.					
Teacher Shortage Forgivable Loans	\$ 285,000	\$ 296,400	\$ 0	\$ 296,400	\$ 11,400
All Iowa Opportunity Scholarships					
New	\$ 0	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000
New: This is a new initiative. Uses an Indiana program as a model. Combines student character with scholarship. This Program is intended to supplement, not supplant, other grant programs. Funds will be deposited in an endowment fund until payments are required in FY 2010. The FY 2008 recommendation of \$5.0 million will be followed by a \$25.0 million recommendation for FY 2009. The funds are to provide scholarships to pay a year's tuition at an Iowa Board of Regents university or up to two years at an Iowa community college. The scholarships will begin for students that are high school juniors during 2007-2008, and provide payments to eligible students during the 2009-2010 academic year.					
All Iowa Opportunity Scholarships	\$ 0	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 5,000,000
Vocational-Technical Tuition Grant Program					
Restore	\$ 2,533,115	\$ 2,533,115	\$ 0	\$ 2,533,115	\$ 0
New	0	250,000	0	250,000	250,000
Restore: Maintains current level of funding. New: An increase of \$250,000 to serve more students (3,292 total, an increase of 292). This proposal is part of a long-term plan to increase the appropriation by \$25,000 for each of the next three years.					
Vocational-Technical Tuition Grant	\$ 2,533,115	\$ 2,783,115	\$ 0	\$ 2,783,115	\$ 250,000

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Work Study Program					
Restore	\$ 140,000	\$ 140,000	\$ 0	\$ 140,000	\$ 0
New	<u>0</u>	<u>5,600</u>	<u>0</u>	<u>5,600</u>	<u>5,600</u>
Restore: Maintains current level of funding. New: An increase of \$5,600 to serve more students (223 total).					
Work Study Program	\$ 140,000	\$ 145,600	\$ 0	\$ 145,600	\$ 5,600
Tuition Grant Program - Not for Profit					
Restore	\$ 46,506,218	\$ 46,506,218	\$ 0	\$ 46,506,218	\$ 0
New	<u>0</u>	<u>1,867,500</u>	<u>0</u>	<u>1,867,500</u>	<u>1,867,500</u>
Restore: Maintains current level of funding. New: An increase of \$1,867,500 to serve more students (14,000 total). Maximum grant remains at \$4,000.					
Tuition Grant Program - Not for Profit	\$ 46,506,218	\$ 48,373,718	\$ 0	\$ 48,373,718	\$ 1,867,500
Tuition Grant Program - For Profit					
Restore	\$ 5,167,358	\$ 5,167,358	\$ 0	\$ 5,167,358	\$ 0
New	<u>0</u>	<u>207,500</u>	<u>0</u>	<u>207,500</u>	<u>207,500</u>
Restore: Maintains current level of funding. New: An increase of \$207,500 to provide average grants of \$1,991 to 2,700 students.					
Tuition Grant Program - For Profit	\$ 5,167,358	\$ 5,374,858	\$ 0	\$ 5,374,858	\$ 207,500
College Aid Commission	\$60,208,979	\$67,667,171	\$0	\$67,667,171	\$7,458,192
FTE TOTAL	4.30	4.30	0.00	4.30	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Education

Administration

Restore	\$ 5,919,382	\$ 5,919,382	\$ 0	\$ 5,919,382	\$ 0
New (1)	0	270,000	0	270,000	270,000
New (2)	0	130,000	0	130,000	130,000

Restore: Maintains current level of funding.
 New (1): An increase of \$270,000 for 2.50 FTE positions to support implementation of the model core curriculum and statewide graduation requirements. These efforts were supported by separate appropriations in FY 2007.
 New (2): An increase of \$130,000 for 1.50 FTE positions to support implementation of the model core curriculum and development of the Community College Management Information System.

Administration	\$ 5,919,382	\$ 6,319,382	\$ 0	\$ 6,319,382	\$ 400,000
FTE Total	75.37	79.37	0.00	79.37	4.00

Before/After School Grants

Restore	\$ 150,000	\$ 0	\$ 150,000	\$ 150,000	\$ 0
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Restore: Maintains current level of funding from the Healthy Iowans Tobacco Trust Fund.

Before/After School Grants	\$ 150,000	\$ 0	\$ 150,000	\$ 150,000	\$ 0
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District Sharing and Efficiencies

New	\$ 0	\$ 400,000	\$ 0	\$ 400,000	\$ 400,000
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New: A new appropriation of \$400,000 and 1.00 FTE position to promote increased student opportunities, shared administrative functions, reorganization and dissolution incentives, and regional academies.

District Sharing and Efficiencies	\$ 0	\$ 400,000	\$ 0	\$ 400,000	\$ 400,000
FTE Total	0.00	1.00	0.00	1.00	1.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Early Child - Community Empowerment

Restore (1)	\$ 23,781,594	\$ 23,781,594	\$ 0	\$ 23,781,594	\$ 0
Restore (2)	<u>2,153,250</u>	<u>0</u>	<u>2,153,250</u>	<u>2,153,250</u>	<u>0</u>

Restore (1): Maintains current level of General Fund support. Restore (2): Maintains current level of funding from the Healthy Iowans Tobacco Trust Fund.
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Community Empowerment	\$ 25,934,844	\$ 23,781,594	\$ 2,153,250	\$ 25,934,844	\$ 0
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Early Child - Early Care, Health, and Education

Restore	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ 10,000,000	\$ 0
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Restore: Maintains current level of funding. House File 2792 (Additional Education Funding Act) appropriated a total of \$15,000,000 for FY 2008. The Governor is recommending flat funding for FY 2008.
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Early Care, Health, and Education	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ 10,000,000	\$ 0
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Early Child - Family Support and Parent

Restore	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0
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Restore: Maintains current level of funding, as previously appropriated in HF 2792 (Additional Education Funding Act).
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Family Support and Parent Education	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0
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Early Child - Special Education Services Birth

New	\$ 0	\$ 1,721,400	\$ 0	\$ 1,721,400	\$ 1,721,400
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New: A new appropriation of \$1,721,400 to supplement federal funding for Special Education to children ages 0-3 under Part C of the Individuals with Disabilities Education Act (IDEA).
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Special Education Services Birth to 3	\$ 0	\$ 1,721,400	\$ 0	\$ 1,721,400	\$ 1,721,400
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Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Early Child - Voluntary Preschool Access					
New	\$ 0	\$ 20,000,000	\$ 0	\$ 20,000,000	\$ 20,000,000
New: A new appropriation of \$20,000,000 to provide access to quality preschool for all 4-year-old children.					
Voluntary Preschool Access	\$ 0	\$ 20,000,000	\$ 0	\$ 20,000,000	\$ 20,000,000
Iowa Senior Year Plus					
New	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 300,000
New: A new appropriation of \$300,000 to develop a program to make available more college-level courses to high school students. The Governor is also recommending an FY 2009 appropriation of \$3.0 million to fund the first year of the program.					
Iowa Senior Year Plus	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 300,000
Jobs for America's Graduates					
Restore	\$ 600,000	\$ 600,000	\$ 0	\$ 600,000	\$ 0
Restore: Maintains current level of funding.					
Jobs for America's Graduates	\$ 600,000	\$ 600,000	\$ 0	\$ 600,000	\$ 0
Model Core Curriculum					
Restore	\$ 270,000	\$ 0	\$ 0	\$ 0	\$ -270,000
Restore: Eliminates FY 2007 one-time funding. The Department is requesting an increase in the Administration appropriation to continue implementation of the model core curriculum.					
Model Core Curriculum	\$ 270,000	\$ 0	\$ 0	\$ 0	\$ -270,000
FTE Total	0.40	0.00	0.00	0.00	-0.40

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Nonpublic Textbook Services					
Restore	\$ 638,620	\$ 638,620	\$ 0	\$ 638,620	\$ 0
Restore: Maintains current level of funding.					
Nonpublic Textbook Services	\$ 638,620	\$ 638,620	\$ 0	\$ 638,620	\$ 0
Parent Liaison Pilot Project					
Restore	\$ 44,000	\$ 0	\$ 0	\$ 0	\$ -44,000
Restore: Eliminates FY 2007 one-time funding.					
Parent Liaison Pilot Project	\$ 44,000	\$ 0	\$ 0	\$ 0	\$ -44,000
Reading Instruction Pilot Project Grant					
Restore	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ -250,000
Restore: Eliminates FY 2007 one-time funding.					
Reading Instruction Pilot Project Grant	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ -250,000
School Food Service					
Restore	\$ 2,509,683	\$ 2,509,683	\$ 0	\$ 2,509,683	\$ 0
Restore: Maintains current level of funding.					
School Food Service	\$ 2,509,683	\$ 2,509,683	\$ 0	\$ 2,509,683	\$ 0
FTE Total	17.43	17.43	0.00	17.43	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Statewide Education Data Warehouse

New	\$ 0	\$ 400,000	\$ 0	\$ 400,000	\$ 400,000
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New: A new appropriation of \$400,000 for 4.00 FTE positions to develop a statewide data warehouse to be used by teachers, parents, administrators, Area Education Agency staff, Department staff, and policymakers. The Governor is also recommending a \$600,000 appropriation from the Technology Reinvestment Fund for hardware and software.

Statewide Education Data Warehouse	\$ 0	\$ 400,000	\$ 0	\$ 400,000	\$ 400,000
FTE Total	0.00	4.00	0.00	4.00	4.00

Statewide Graduation Requirements

Restore	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ -130,000
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Restore: Eliminates FY 2007 one-time funding. The Department is requesting an increase in the Administration appropriation to continue implementation of the statewide graduation requirements.

Statewide Graduation Requirements	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ -130,000
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Student Achievement and Teacher Quality

Restore	\$ 104,343,894	\$ 104,343,894	\$ 0	\$ 104,343,894	\$ 0
New (1)	0	35,000,000	0	35,000,000	35,000,000
New (2)	0	35,000,000	0	35,000,000	35,000,000

Restore: Maintains current level of funding.
 New (1): An increase of \$35,000,000, previously appropriated in HF 2792 (Additional Education Funding Act) to enhance teacher salaries.
 New (2): An increase of \$35,000,000 to enhance teacher salaries.

Student Achievement and Teacher Quality	\$ 104,343,894	\$ 174,343,894	\$ 0	\$ 174,343,894	\$ 70,000,000
FTE Total	4.00	4.00	0.00	4.00	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Vocational Agriculture Youth Organization					
Restore	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Restore: Maintains current level of funding.					
Vocational Agriculture Youth Organization	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Vocational Education Administration					
Restore	\$ 553,758	\$ 553,758	\$ 0	\$ 553,758	\$ 0
Restore: Maintains current level of funding.					
Vocational Education Administration	\$ 553,758	\$ 553,758	\$ 0	\$ 553,758	\$ 0
FTE Total	13.50	13.50	0.00	13.50	0.00
Vocational Education Secondary					
Restore	\$ 2,936,904	\$ 2,936,904	\$ 0	\$ 2,936,904	\$ 0
Restore: Maintains current level of funding.					
Vocational Education Secondary	\$ 2,936,904	\$ 2,936,904	\$ 0	\$ 2,936,904	\$ 0
Community College General Aid					
Restore	\$ 159,579,244	\$ 159,579,244	\$ 0	\$ 159,579,244	\$ 0
New	0	12,383,170	0	12,383,170	12,383,170
Restore: Maintains current level of funding.					
New: An increase of \$12,383,170 in formula-allocated State general aid to community colleges.					
Community College General Aid	\$ 159,579,244	\$ 171,962,414	\$ 0	\$ 171,962,414	\$ 12,383,170

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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State Library

Restore	\$ 1,466,761	\$ 1,466,761	\$ 0	\$ 1,466,761	\$ 0
New	0	200,000	0	200,000	200,000

Restore: Maintains current level of funding.
 New: An increase of \$200,000 to replace a FY 2007 Rebuild Iowa Infrastructure Fund appropriation.

State Library	\$ 1,466,761	\$ 1,666,761	\$ 0	\$ 1,666,761	\$ 200,000
FTE Total	18.00	18.00	0.00	18.00	0.00

State Library - Library Service Areas

Restore	\$ 1,376,558	\$ 1,376,558	\$ 0	\$ 1,376,558	\$ 0
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Restore: Maintains current level of funding.

Library Service Areas	\$ 1,376,558	\$ 1,376,558	\$ 0	\$ 1,376,558	\$ 0
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State Library - Enrich Iowa Libraries

Restore	\$ 1,698,432	\$ 1,698,432	\$ 0	\$ 1,698,432	\$ 0
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Restore: Maintains current level of funding.

Enrich Iowa Libraries	\$ 1,698,432	\$ 1,698,432	\$ 0	\$ 1,698,432	\$ 0
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IPTV - Iowa Public Television

Restore	\$ 8,174,649	\$ 8,174,649	\$ 0	\$ 8,174,649	\$ 0
New	0	274,000	0	274,000	274,000

Restore: Maintains current level of funding.
 New: An increase of \$274,000 and 2.00 FTE positions to develop multi-channel program content.

Iowa Public Television	\$ 8,174,649	\$ 8,448,649	\$ 0	\$ 8,448,649	\$ 274,000
FTE Total	88.00	90.00	0.00	90.00	2.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
IPTV - Regional Telecommunications Councils					
Restore	\$ 1,240,478	\$ 1,240,478	\$ 0	\$ 1,240,478	\$ 0
New	<u>0</u>	<u>100,047</u>	<u>0</u>	<u>100,047</u>	<u>100,047</u>
Restore: Maintains current level of funding. New: An increase of \$100,047 to replace E-Rate funding.					
Regional Telecommunications Councils	\$ 1,240,478	\$ 1,340,525	\$ 0	\$ 1,340,525	\$ 100,047
IVRS - Vocational Rehabilitation					
Restore	\$ 5,216,185	\$ 5,216,185	\$ 0	\$ 5,216,185	\$ 0
New	<u>0</u>	<u>203,705</u>	<u>0</u>	<u>203,705</u>	<u>203,705</u>
Restore: Maintains current level of funding. New: An increase of \$203,705 to match additional federal funds to be used to serve clients on the waiting lists.					
Vocational Rehabilitation	\$ 5,216,185	\$ 5,419,890	\$ 0	\$ 5,419,890	\$ 203,705
FTE Total	273.50	273.50	0.00	273.50	0.00
IVRS - Independent Living					
Restore	\$ 54,709	\$ 54,709	\$ 0	\$ 54,709	\$ 0
Restore: Maintains current level of funding.					
Independent Living	\$ 54,709	\$ 54,709	\$ 0	\$ 54,709	\$ 0
FTE Total	1.00	1.00	0.00	1.00	0.00
IVRS - Farmers with Disabilities					
Restore	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ -130,000
Restore: Eliminates FY 2007 one-time funding.					
Farmers with Disabilities	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ -130,000

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Department of Education	\$338,268,101	\$441,523,173	\$2,303,250	\$443,826,423	\$105,558,322
FTE TOTAL	491.20	501.80	0.00	501.80	10.60

Board of Regents

Regents Board Office Board Office					
Restore	\$ 1,167,137	\$ 1,167,137	\$ 0	\$ 1,167,137	\$ 0
Restore: Maintains current level of funding.					
Board Office	\$ 1,167,137	\$ 1,167,137	\$ 0	\$ 1,167,137	\$ 0
FTE Total	16.00	16.00	0.00	16.00	0.00
Tuition Replacement (Academic Revenue Bond Debt Service)					
Restore	\$ 13,975,431	\$ 13,975,431	\$ 0	\$ 13,975,431	\$ 0
Restore: Maintains current level of funding.					
Tuition Replacement	\$ 13,975,431	\$ 13,975,431	\$ 0	\$ 13,975,431	\$ 0
Southwest Iowa Resource Center					
Restore	\$ 105,956	\$ 105,956	\$ 0	\$ 105,956	\$ 0
Restore: Maintains current level of funding.					
Southwest Iowa Resource Center	\$ 105,956	\$ 105,956	\$ 0	\$ 105,956	\$ 0

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Tri State Graduate Center

Restore	\$ 77,941	\$ 77,941	\$ 0	\$ 77,941	\$ 0
Restore: Maintains current level of funding.					

Tri State Graduate Center	\$ 77,941	\$ 77,941	\$ 0	\$ 77,941	\$ 0
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Quad Cities Graduate Center

Restore	\$ 157,144	\$ 157,144	\$ 0	\$ 157,144	\$ 0
Restore: Maintains current level of funding.					

Quad Cities Graduate Center	\$ 157,144	\$ 157,144	\$ 0	\$ 157,144	\$ 0
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Midwestern Higher Education Compact

Restore	\$ 90,000	\$ 90,000	\$ 0	\$ 90,000	\$ 0
Restore: Maintains current level of funding.					

Midwestern Higher Education Compact	\$ 90,000	\$ 90,000	\$ 0	\$ 90,000	\$ 0
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Regents Universities

New	\$ 0	\$ 25,000,000	\$ 0	\$ 25,000,000	\$ 25,000,000
New: This is new funding for FY 2008. Gives the Board of Regents the discretion to apply the funds where needed. It is anticipated the funds will be used for inflationary increases and salaries.					

Regents Universities	\$ 0	\$ 25,000,000	\$ 0	\$ 25,000,000	\$ 25,000,000
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Regents Board Office Total	\$ 15,573,609	\$ 40,573,609	\$ 0	\$ 40,573,609	\$ 25,000,000
FTE Total	16.00	16.00	0.00	16.00	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
University of Iowa (SUI)					
Restore	\$ 230,843,903	\$ 230,843,903	\$ 0	\$ 230,843,903	\$ 0
Restore: Maintains current level of funding.					
General University	\$ 230,843,903	\$ 230,843,903	\$ 0	\$ 230,843,903	\$ 0
FTE Total	5,058.55	5,058.55	0.00	5,058.55	0.00
Psychiatric Hospital					
Restore	\$ 7,043,056	\$ 7,043,056	\$ 0	\$ 7,043,056	\$ 0
Restore: Maintains current level of funding.					
Psychiatric Hospital	\$ 7,043,056	\$ 7,043,056	\$ 0	\$ 7,043,056	\$ 0
FTE Total	269.65	269.65	0.00	269.65	0.00
Center for Disabilities & Development (Hospital School)					
Restore	\$ 6,363,265	\$ 6,363,265	\$ 0	\$ 6,363,265	\$ 0
Restore: Maintains current level of funding.					
Center for Disabilities & Development	\$ 6,363,265	\$ 6,363,265	\$ 0	\$ 6,363,265	\$ 0
FTE Total	130.37	130.37	0.00	130.37	0.00
Oakdale Campus					
Restore	\$ 2,657,335	\$ 2,657,335	\$ 0	\$ 2,657,335	\$ 0
Restore: Maintains current level of funding.					
Oakdale Campus	\$ 2,657,335	\$ 2,657,335	\$ 0	\$ 2,657,335	\$ 0
FTE Total	38.25	38.25	0.00	38.25	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Hygienic Laboratory

Restore	\$ 3,849,461	\$ 3,849,461	\$ 0	\$ 3,849,461	\$ 0
Restore: Maintains current level of funding.					

Hygienic Laboratory	\$ 3,849,461	\$ 3,849,461	\$ 0	\$ 3,849,461	\$ 0
FTE Total	102.50	102.50	0.00	102.50	0.00

Family Practice Program

Restore	\$ 2,075,948	\$ 2,075,948	\$ 0	\$ 2,075,948	\$ 0
Restore: Maintains current level of funding.					

Family Practice Program	\$ 2,075,948	\$ 2,075,948	\$ 0	\$ 2,075,948	\$ 0
FTE Total	190.40	190.40	0.00	190.40	0.00

SCHS - Specialized Child Health Services

Restore	\$ 649,066	\$ 649,066	\$ 0	\$ 649,066	\$ 0
Restore: Maintains current level of funding.					

SCHS	\$ 649,066	\$ 649,066	\$ 0	\$ 649,066	\$ 0
FTE Total	57.97	57.97	0.00	57.97	0.00

State of Iowa Cancer Registry

Restore	\$ 178,739	\$ 178,739	\$ 0	\$ 178,739	\$ 0
Restore: Maintains current level of funding.					

State of Iowa Cancer Registry	\$ 178,739	\$ 178,739	\$ 0	\$ 178,739	\$ 0
FTE Total	2.10	2.10	0.00	2.10	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Substance Abuse Consortium					
Restore	\$ 64,871	\$ 64,871	\$ 0	\$ 64,871	\$ 0
Restore: Maintains current level of funding.					
Substance Abuse Consortium	\$ 64,871	\$ 64,871	\$ 0	\$ 64,871	\$ 0
FTE Total	1.00	1.00	0.00	1.00	0.00
Biocatalysis					
Restore	\$ 881,384	\$ 881,384	\$ 0	\$ 881,384	\$ 0
Restore: Maintains current level of funding.					
Biocatalysis	\$ 881,384	\$ 881,384	\$ 0	\$ 881,384	\$ 0
FTE Total	6.28	6.28	0.00	6.28	0.00
Primary Health Care					
Restore	\$ 759,875	\$ 759,875	\$ 0	\$ 759,875	\$ 0
Restore: Maintains current level of funding.					
Primary Health Care	\$ 759,875	\$ 759,875	\$ 0	\$ 759,875	\$ 0
FTE Total	5.89	5.89	0.00	5.89	0.00
Iowa Birth Defects Registry					
Restore	\$ 44,636	\$ 44,636	\$ 0	\$ 44,636	\$ 0
Restore: Maintains current level of funding.					
Iowa Birth Defects Registry	\$ 44,636	\$ 44,636	\$ 0	\$ 44,636	\$ 0
FTE Total	1.00	1.00	0.00	1.00	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Waterman Nonprofit Resource Center

New	\$ 0	\$ 200,000	\$ 0	\$ 200,000	\$ 200,000
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New: Provides administrative support for the Waterman Nonprofit Resource Center. The funds would be used to pay the salaries of two secretaries, two half-time graduate assistants, printing, and travel costs.

Waterman Nonprofit Resource Center	\$ 0	\$ 200,000	\$ 0	\$ 200,000	\$ 200,000
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SUI Hospitals and Clinics

Restore	\$ 0	\$ 0	\$ 27,284,584	\$ 27,284,584	\$ 27,284,584
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Restore: Maintains current level of funding from the IowaCare Account. This item was funded in the Health and Human Services Budget Subcommittee for FY 2007.

SUI Hospitals and Clinics	\$ 0	\$ 0	\$ 27,284,584	\$ 27,284,584	\$ 27,284,584
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University of Iowa Total	\$ 255,411,539	\$ 255,611,539	\$ 27,284,584	\$ 282,896,123	\$ 27,484,584
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FTE Total	5,863.96	5,863.96	0.00	5,863.96	0.00
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Iowa State University (ISU) General University

Restore	\$ 180,198,164	\$ 180,198,164	\$ 0	\$ 180,198,164	\$ 0
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Restore: Maintains current level of funding.

General University	\$ 180,198,164	\$ 180,198,164	\$ 0	\$ 180,198,164	\$ 0
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FTE Total	3,647.42	3,647.42	0.00	3,647.42	0.00
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Ag Experiment Station

Restore	\$ 32,984,653	\$ 32,984,653	\$ 0	\$ 32,984,653	\$ 0
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Restore: Maintains current level of funding.

Ag Experiment Station	\$ 32,984,653	\$ 32,984,653	\$ 0	\$ 32,984,653	\$ 0
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FTE Total	546.98	546.98	0.00	546.98	0.00
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Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Cooperative Extension					
Restore	\$ 21,232,579	\$ 21,232,579	\$ 0	\$ 21,232,579	\$ 0
Restore: Maintains current level of funding.					
Cooperative Extension	\$ 21,232,579	\$ 21,232,579	\$ 0	\$ 21,232,579	\$ 0
FTE Total	383.34	383.34	0.00	383.34	0.00
Leopold Center					
Restore	\$ 464,319	\$ 464,319	\$ 0	\$ 464,319	\$ 0
Restore: Maintains current level of funding.					
Leopold Center	\$ 464,319	\$ 464,319	\$ 0	\$ 464,319	\$ 0
FTE Total	11.25	11.25	0.00	11.25	0.00
Livestock Disease Research					
Restore	\$ 220,708	\$ 220,708	\$ 0	\$ 220,708	\$ 0
Restore: Maintains current level of funding.					
Livestock Disease Research	\$ 220,708	\$ 220,708	\$ 0	\$ 220,708	\$ 0
FTE Total	0.00	0.00	0.00	0.00	0.00
Iowa State University Total					
FTE Total	\$ 235,100,423	\$ 235,100,423	\$ 0	\$ 235,100,423	\$ 0
FTE Total	4,588.99	4,588.99	0.00	4,588.99	0.00
University of Northern Iowa (UNI)					
General University					
Restore	\$ 82,701,063	\$ 82,701,063	\$ 0	\$ 82,701,063	\$ 0
Restore: Maintains current level of funding.					
General University	\$ 82,701,063	\$ 82,701,063	\$ 0	\$ 82,701,063	\$ 0
FTE Total	1,430.48	1,430.48	0.00	1,430.48	0.00

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Recycling and Reuse Center					
Restore	\$ 211,858	\$ 211,858	\$ 0	\$ 211,858	\$ 0
Restore: Maintains current level of funding.					
Recycling and Reuse Center	\$ 211,858	\$ 211,858	\$ 0	\$ 211,858	\$ 0
<i>FTE Total</i>	<i>3.00</i>	<i>3.00</i>	<i>0.00</i>	<i>3.00</i>	<i>0.00</i>
University of Northern Iowa Total					
<i>FTE Total</i>	<i>1,433.48</i>	<i>1,433.48</i>	<i>0.00</i>	<i>1,433.48</i>	<i>0.00</i>
Special Schools					
Iowa School for the Deaf					
Restore	\$ 9,162,890	\$ 9,162,890	\$ 0	\$ 9,162,890	\$ 0
New		160,298		160,298	160,298
Restore: Maintains current level of funding. New: Inflationary increase.					
Iowa School for the Deaf	\$ 9,162,890	\$ 9,323,188	\$ 0	\$ 9,323,188	\$ 160,298
<i>FTE Total</i>	<i>126.60</i>	<i>126.60</i>	<i>0.00</i>	<i>126.60</i>	<i>0.00</i>
Iowa Braille and Sight Saving School					
Restore	\$ 5,127,507	\$ 5,127,507	\$ 0	\$ 5,127,507	\$ 0
New		89,702		89,702	89,702
Restore: Maintains current level of funding. New: Inflationary increase.					
Iowa Braille and Sight Saving School	\$ 5,127,507	\$ 5,217,209	\$ 0	\$ 5,217,209	\$ 89,702
<i>FTE Total</i>	<i>62.87</i>	<i>62.87</i>	<i>0.00</i>	<i>62.87</i>	<i>0.00</i>

Education Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Tuition and Transportation

Restore	\$ 15,020	\$ 15,020	\$ 0	\$ 15,020	\$ 0
Restore: Maintains current level of funding.					

Tuition and Transportation	\$ 15,020	\$ 15,020	\$ 0	\$ 15,020	\$ 0
Special Schools Total	\$ 14,305,417	\$ 14,555,417	\$ 0	\$ 14,555,417	\$ 250,000
<i>FTE Total</i>	<i>189.47</i>	<i>189.47</i>	<i>0.00</i>	<i>189.47</i>	<i>0.00</i>

Board of Regents	\$603,303,909	\$628,753,909	\$27,284,584	\$656,038,493	\$52,734,584
FTE TOTAL	12,091.90	12,091.90	0.00	12,091.90	0.00

Grand Total

Education Total	\$1,003,915,736	\$1,140,349,000	\$29,587,834	\$1,169,936,834	\$166,021,098
FTE TOTAL	12,695.79	12,695.00	0.00	12,695.00	-0.79

SUBCOMMITTEE BUDGET ISSUES

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

- ▶ **Department for the Blind** – Since FY 2003, the Department has been using funds from its Gifts and Bequests account to backfill funding for general operations in order to avoid cutting staff and services. In FY 2006, the Department used \$120,539 from the account for this purpose, which exhausted the expenditures from the account that were authorized by the Commission for the Blind. There are no plans to use Gifts and Bequests funds for general operations in FY 2007 or FY 2008. The Department has also relied on end-of-year reallocation of federal Social Security funds to supplement operations, but it has proven to be a very unpredictable source of funding.

The Governor is recommending a \$400,000 increase in the General Fund appropriation for FY 2008 to address Title I and general operating costs. Total FTE positions are being reduced from 108.4 to 97.0 in FY 2008, a reduction of 11.4 FTE positions. The reductions return Department staffing to the FY 2006 level. Positions eliminated include:

- ◆ Advanced Typists (3)
- ◆ Secretary 2
- ◆ Library Associates (2)
- ◆ Rehabilitation Assistant
- ◆ Maintenance Repairer
- ◆ Power Plant Engineer 2
- ◆ Rehabilitation Technology Specialist
- ◆ Senior Services Specialist for the Blind 2

Several of the positions were vacant, and the Department estimates current actual staffing at 92.0 FTE positions. The Department anticipates that further reductions to staff will be necessary and is evaluating the potential effect of the staff reduction on services.

▶ **College Student Aid Commission**

- ◆ Matching Funds for Teacher Shortage Forgivable Loan Program – The Commission was required to obtain matching funds of \$285,000 for the General Fund appropriation for the Teacher Shortage Forgivable Loan Program. The Commission had anticipated the matching funds would be provided by the Iowa Student Loan Liquidity Corporation (Iowa Student Loan). However, after the 2006 General Assembly

adjourned, it became apparent that Iowa Student Loan (ISL) intended to provide loan forgiveness (soft match), rather than cash. The Governor and Department of Management required a cash match, as stated in HF 2527 (Education Appropriations Act), prior to release of the appropriated funds. As an alternative source for the matching funds, Iowa Student Loan and the Commission agreed that Iowa Student Loan would repurchase \$500,000 of the \$5.0 million of partnership loans that the Commission had previously purchased from ISL. This repurchase transaction provided the Commission with the matching funds needed for the appropriation. The transaction was not finalized until well into the fall 2006 semester, so some students experienced a delay in receiving loan funds. Communication and other issues continue to exist between Iowa Student Loan and the Commission. The General Assembly may wish to review and address these issues.

- ✦ Nurse Shortage Recruitment Program Study – The Commission was required to submit a report to the General Assembly by January 1, 2007, providing the details of all loans. As of January 25, 2007, the report has not been received and no forgivable nursing loans have been issued. Iowa Student Loan announced a plan in the summer of 2006 to provide loan forgiveness for nurses. However, the majority of Iowa Student Loans to nurses would be to students at private colleges and would likely not assist nursing students at community colleges or Regents institutions.
- ✦ Work Study – The Iowa Work Study Program is funded by a standing appropriation of \$2.8 million. However, the standing appropriation has been nullified since FY 2001. The Program has received limited State funding (\$140,000) for the last two fiscal years. The Iowa Program does not serve as a match for federal funds. Iowa colleges and universities receive approximately \$13.7 million of federal work study funds directly from the federal government each year.
- ✦ ***All Iowa Opportunity Scholarships – The Governor is recommending \$5.0 million of funding for this new initiative. The Program uses an Indiana program as a model and is designed to reward student character with scholarship. This Program is intended to supplement, not supplant, other grant programs. The FY 2008 recommendation of \$5.0 million will be followed by a \$25.0 million recommendation for FY 2009. Funds will be deposited in an endowment fund until payments are required in FY 2010. The funds are to provide scholarships to pay a year's tuition at an Iowa Board of Regents university or up to two years at an Iowa community college. The scholarships will begin for students that are high school juniors during 2007-2008, and provide payments to eligible students during the 2009-2010 academic year.***

- **Department of Education** – Direct Reading Instruction Pilot – House File 2527 (FY 2007 Education Appropriations Act) appropriated \$250,000 from the General Fund for this pilot project. The request for applications was posted on the Department's web site and in newsletters. Applications were due between September 18 and October 25, but none were received. The Department is considering opening the application process again in the spring. The funding does not revert to the General Fund at the end of the fiscal year. The Subcommittee may want to consider other uses for this funding.



- **Department of Education - Special Education Services Birth to Three Years of Age – The Governor is recommending a new appropriation of \$1.7 million to supplement federal funding under Part C of the Individuals With Disabilities Education Act (IDEA) that provides Special Education services for children ages birth to three years. The number of children receiving services under Part C**

has steadily grown, while federal funding began to decline several years ago. The federal government recently expanded eligibility for the program, and the Department anticipates serving even greater numbers of children in the future.

- ▶ **Department of Education – Student Achievement and Teacher Quality Program** – *The Governor is recommending an increase of \$70.0 million in FY 2008 funding. House File 2792 appropriated an additional \$35.0 million for FY 2008 to enhance teacher salaries, and the Governor’s recommendation represents an additional \$35.0 million for that purpose.*
- ▶ **Department of Education** – Iowa Vocational Rehabilitation Services (IVRS) – The IVRS was unable to draw down \$779,000 in federal funds in FFY 2006 due to a shortage of \$211,000 in non-federal matching funds. This was the third 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 2007. Without an increase in the General Fund appropriation, the Division predicts that matching dollars will again fall short by \$240,000, leaving the State unable to draw down \$885,000.

As of January 2, 2007, the IVRS has a caseload of 10,772, with 5,104 individuals on three waiting lists.

The Governor is recommending an increase of \$204,000 in the General Fund appropriation for IVRS for FY 2008 to draw down additional federal funds to serve clients on the waiting lists.

- ▶ **Department of Education** – Community Colleges – The average annual full-time tuition in FY 2007 among Iowa’s community colleges is \$3,053, an increase of \$137 (4.2%) compared to FY 2006. *The Chronicle of Higher Education* cites the FY 2007 average rate of tuition and fees at Iowa community colleges as 60.8% above the national average and ranks it as the second highest when compared to the surrounding states of Illinois, Kansas, Minnesota, Missouri, Nebraska, South Dakota, and Wisconsin.
- ▶ **Board of Regents** – The Board is requesting new General Fund appropriations of \$83.9 million for FY 2008. This is more than twice the annual funding the Regents requested during the last two years under the Partnership for Transformation and Excellence. Under the Partnership for Transformation and Excellence, the Board requested \$40.0 million of funding each year with a promise to match funding increases with 50.0% internal investment through reallocation of funds and to limit tuition increases to the rate of inflation. The Regents recently proposed increasing undergraduate resident tuition by 5.2% for Fall 2007.

The Governor is recommending an increase of \$25.0 million for the Board of Regents universities for general inflation and salary increases.

The Governor is recommending an increase of \$250,000 for the Special Schools for inflation.

The Governor is also recommending \$200,000 to provide administrative support for the Waterman Nonprofit Resource Center at the University of Iowa.

► **Department of Education – Standing Appropriations**

- ◆ State Foundation Aid – The FY 2008 allowable growth rate was set at 4.0% during the 2006 Legislative Session. In FY 2007, funding for the Area Education Agencies (AEAs) was reduced by \$8.0 million, in addition to the statutory \$7.5 million. ***The Governor is recommending \$2,143.5 million for State Foundation Aid which includes \$101.2 million for allowable growth and an additional reduction for the AEAs of \$6.0 million.***
- ◆ Nonpublic Student Transportation – ***The Governor is recommending \$8.6 million in FY 2008, which caps the appropriation at the same amount as Estimated FY 2007.***
- ◆ Child Development – ***The Governor is recommending \$11.3 million for FY 2008, which is no change compared to Estimated FY 2007.***
- ◆ Instructional Support – ***The Governor is recommending \$14.4 million in FY 2008, which is no change compared to Estimated FY 2007 and \$370,000 less than the statutory amount of the standing appropriation.***
- ◆ Teacher Excellence Program – ***The Governor is recommending \$55.5 million in FY 2008, which is no change compared to Estimated FY 2007.***
- ◆ Early Intervention Block Grant – ***The Governor is recommending \$29.3 million in FY 2008, which is no change compared to Estimated FY 2007.***
- ◆ Administrator Mentoring – ***The Governor is recommending \$250,000 in FY 2008, which is no change compared to Estimated FY 2007.***



ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed the following **Issue Reviews**, which are available on the LSA web site: <http://staffweb.legis.state.ia.us/lfb/>:

- [The Institute for Tomorrow's Workforce](#)
- [Iowa Great Places Program](#)
- Iowa Student Loan (This **Issue Review** has not yet been published so the link is not yet available)

Topic Presentations

The LSA maintains and updates **Topic Presentations** on the LSA web site: <http://staffweb.legis.state.ia.us/lfb/>. Presentations relating to the Education Appropriations Subcommittee include:

- [Board of Educational Examiners](#)
- [Community Colleges](#)
- [Educational Excellence Program](#)
- [Iowa's Historic Sites](#)
- [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 SUBCOMMITTEE MEMBERS

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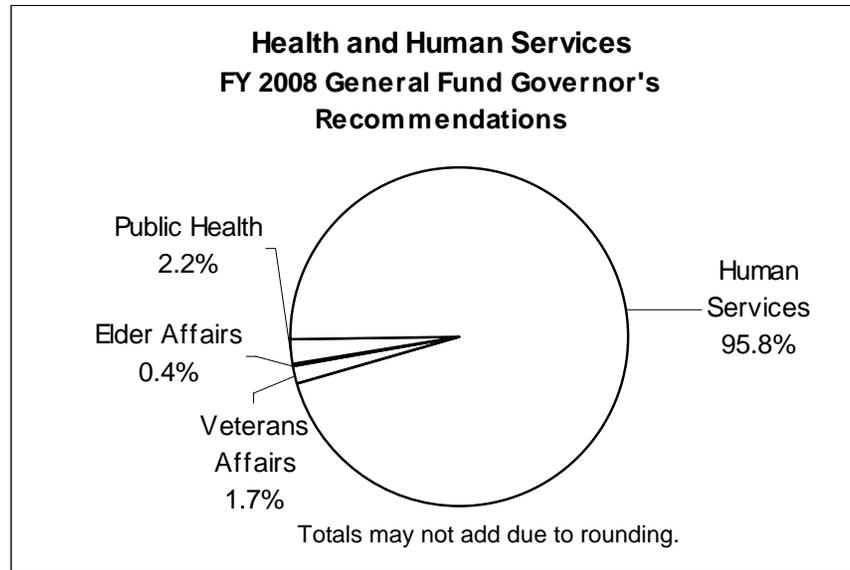
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HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE



**Health and Human Services
FY 2008 General Fund Governor's Recommendations**

Elder Affairs	\$ 4,648,306
Public Health	27,301,611
Human Services	1,211,321,243
Veterans Affairs	21,370,705
	\$ 1,264,641,865

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Elder Affairs

Aging Programs

Restore	\$ 12,652,350	\$ 4,328,306	\$ 8,324,044	\$ 12,652,350	\$ 0
New	0	320,000	0	320,000	320,000

Restore: Maintains current level of General Fund (GF) and Senior Living Trust Fund (SLTF) funding.
 New: An increase of \$320,000 from the GF for 4.00 FTE positions for additional ombudsmen.

Aging Programs	\$ 12,652,350	\$ 4,648,306	\$ 8,324,044	\$ 12,972,350	\$ 320,000
FTE Total	31.50	35.50	0.00	35.50	4.00

Department of Elder Affairs	\$12,652,350	\$4,648,306	\$8,324,044	\$12,972,350	\$320,000
FTE TOTAL	31.50	35.50	0.00	35.50	4.00

Department of Public Health

Addictive Disorders

Restore	\$ 30,171,926	\$ 1,771,890	\$ 28,400,036	\$ 30,171,926	\$ 0
New (1)	0	2,815,000	0	2,815,000	2,815,000
New (2)	0	0	-1,546,571	-1,546,571	-1,546,571

Restore: Maintains current level of funding from the GF, the Healthy Iowans Tobacco Trust (HITT), and the Gambling Treatment Fund (GTF).
 New (1): An increase of \$2,815,000 from the GF for tobacco use prevention and treatment.
 New (2): A decrease of \$1,546,571 from the GTF resulting from expenditure of carry forward funds from previous years.

Addictive Disorders	\$ 30,171,926	\$ 4,586,890	\$ 26,853,465	\$ 31,440,355	\$ 1,268,429
FTE Total	12.60	4.35	8.25	12.60	0.00

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Healthy Children and Families					
Restore	\$ 2,369,438	\$ 2,369,438	\$ 0	\$ 2,369,438	\$ 0
Restore: Maintains current level of funding.					
Healthy Children and Families	\$ 2,369,438	\$ 2,369,438	\$ 0	\$ 2,369,438	\$ 0
FTE Total	10.95	10.95	0.00	10.95	0.00
Chronic Conditions					
Restore	\$ 2,143,840	\$ 1,742,840	\$ 401,000	\$ 2,143,840	\$ 0
New	0	600,000	0	600,000	600,000
Restore: Maintains current level of GF and HITT funding. New: An increase of \$600,000 from the GF for cervical or colon cancer screening.					
Chronic Conditions	\$ 2,143,840	\$ 2,342,840	\$ 401,000	\$ 2,743,840	\$ 600,000
FTE Total	4.30	4.30	0.00	4.30	0.00
Community Capacity					
Restore	\$ 2,915,629	\$ 1,758,147	\$ 1,157,482	\$ 2,915,629	\$ 0
New	0	1,100,000	0	1,100,000	1,100,000
Restore: Maintains current level of GF and HITT funding. New: An increase of \$1,100,000 from the GF for the Iowa Collaborative Safety Net Provider Network. In previous years, this was funded with a transfer from Medicaid to the Department of Public Health.					
Community Capacity	\$ 2,915,629	\$ 2,858,147	\$ 1,157,482	\$ 4,015,629	\$ 1,100,000
FTE Total	10.75	10.75	0.00	10.75	0.00

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Elderly Wellness					
Restore	\$ 9,233,985	\$ 9,233,985	\$ 0	\$ 9,233,985	\$ 0
Restore: Maintains current level of GF funding.					
Elderly Wellness	\$ 9,233,985	\$ 9,233,985	\$ 0	\$ 9,233,985	\$ 0
Environmental Hazards					
Restore	\$ 992,118	\$ 626,960	\$ 365,158	\$ 992,118	\$ 0
Restore: Maintains current level of GF and HITT funding.					
Environmental Hazards	\$ 992,118	\$ 626,960	\$ 365,158	\$ 992,118	\$ 0
FTE Total	1.75	1.75	0.00	1.75	0.00
Infectious Diseases					
Restore	\$ 1,279,963	\$ 1,279,963	\$ 0	\$ 1,279,963	\$ 0
New	0	288,500	0	288,500	288,500
Restore: Maintains current level of funding. New: An increase of \$288,500 and 2.00 FTE positions for a Deputy Epidemiologist and a Bureau Chief for the Center for Acute Disease Epidemiology (CADE).					
Infectious Diseases	\$ 1,279,963	\$ 1,568,463	\$ 0	\$ 1,568,463	\$ 288,500
FTE Total	4.75	6.75	0.00	6.75	2.00
Public Protection					
Restore	\$ 9,569,901	\$ 8,232,581	\$ 1,337,320	\$ 9,569,901	\$ 0
New (1)	0	-5,925,058	0	-5,925,058	-5,925,058
New (2)	0	187,998	0	187,998	187,998
New (3)	0	23,810	0	23,810	23,810

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Restore: Maintains current level of GF and HITT funding. New (1): A decrease of \$5,925,058 from the GF due to the retention of fees by the public health boards. New (2): An increase of \$187,998 from the GF and 2.00 FTE positions for management of the anti-viral stockpile. New (3): An increase of \$23,810 from the GF and 6.00 FTE positions for the State Medical Examiner's Office.					
Public Protection	\$ 9,569,901	\$ 2,519,331	\$ 1,337,320	\$ 3,856,651	\$ -5,713,250
FTE Total	113.80	121.80	0.00	121.80	8.00
Resource Management					
Restore	\$ 1,045,407	\$ 1,045,407	\$ 0	\$ 1,045,407	\$ 0
New (1)	0	140,750	0	140,750	140,750
New (2)	0	9,400	0	9,400	9,400
Restore: Maintains current level of GF funding. New (1): An increase of \$140,750 from the GF and 2.00 FTE positions for administrative expenses related to tobacco-related programs. New (2): An increase of \$9,400 for administrative expenses related to tobacco-related programs.					
Resource Management	\$ 1,045,407	\$ 1,195,557	\$ 0	\$ 1,195,557	\$ 150,150
FTE Total	3.00	5.00	0.00	5.00	2.00
Department of Public Health	\$59,722,207	\$27,301,611	\$30,114,425	\$57,416,036	-\$2,306,171
FTE TOTAL	161.90	165.65	8.25	173.90	12.00

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Human Services

Family Investment Program (FIP)

Restore	\$ 42,608,263	\$ 42,608,263	\$ 0	\$ 42,608,263	\$ 0
New	0	-506,495	0	-506,495	-506,495

Restore: Maintains current level of GF funding.
 New: A decrease of \$506,495 due to the proposed elimination of the Electronic Benefit Transfer (EBT) retailer fee of \$0.07 per transaction.

Family Investment Program (FIP)	\$ 42,608,263	\$ 42,101,768	\$ 0	\$ 42,101,768	\$ -506,495
FTE Total	16.50	16.50	0.00	16.50	0.00

Child Support Recovery Unit

Restore	\$ 8,502,360	\$ 8,502,360	\$ 0	\$ 8,502,360	\$ 0
New (1)	0	887,698	0	887,698	887,698
New (2)	0	88,335	0	88,335	88,335
New (3)	0	154,721	0	154,721	154,721
New (4)	0	126,984	0	126,984	126,984

Restore: Maintains the current level of GF funding.
 New (1): An increase of \$887,698 to compensate for a shortfall due to provisions in the federal Deficit Reduction Act of 2005.
 New (2): An increase of \$88,335 for increased costs of service.
 New (3): An increase of \$154,721 for increased customer base.
 New (4): An increase of \$126,984 for case reviews mandated by the federal Deficit Reduction Act.

Child Support Recovery Unit	\$ 8,502,360	\$ 9,760,098	\$ 0	\$ 9,760,098	\$ 1,257,738
FTE Total	495.00	508.00	0.00	508.00	13.00

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Medicaid					
Restore	\$ 752,325,413	\$ 652,311,610	\$ 100,013,803	\$ 752,325,413	\$ 0
New (1)	0	38,000,000	0	38,000,000	38,000,000
New (2)	0	10,567,556	0	10,567,556	10,567,556
New (3)	0	4,085,066	0	4,085,066	4,085,066
New (4)	0	1,246,476	0	1,246,476	1,246,476
New (5)	0	4,073,008	0	4,073,008	4,073,008
New (6)	0	1,109,629	0	1,109,629	1,109,629
New (7)	0	1,344,246	0	1,344,246	1,344,246
New (8)	0	6,830,618	0	6,830,618	6,830,618
New (9)	0	9,009,083	0	9,009,083	9,009,083
New (10)	0	11,943,348	0	11,943,348	11,943,348
New (11)	0	3,527,270	0	3,527,270	3,527,270
New (12)	0	6,214,189	0	6,214,189	6,214,189
New (13)	0	1,953,308	0	1,953,308	1,953,308
New (14)	0	851,238	0	851,238	851,238
New (15)	0	2,742,885	0	2,742,885	2,742,885
New (16)	0	1,657,851	0	1,657,851	1,657,851
New (17)	0	77,877	0	77,877	77,877
New (18)	0	4,810,321	0	4,810,321	4,810,321
New (19)	0	178,991	0	178,991	178,991
New (20)	0	829,303	0	829,303	829,303
New (21)	0	-5,962,517	0	-5,962,517	-5,962,517
New (22)	0	10,376,853	0	10,376,853	10,376,853
New (23)	0	-10,376,853	0	-10,376,853	-10,376,853
New (24)	0	-488,750	0	-488,750	-488,750
New (25)	0	9,337,435	0	9,337,435	9,337,435
New (26)	0	1,000,000	0	1,000,000	1,000,000
New (27)	0	0	313,565	313,565	313,565
New (28)	0	1,360,301	0	1,360,301	1,360,301
New (29)	0	-6,119,056	0	-6,119,056	-6,119,056
New (30)	0	301,000	0	301,000	301,000
New (31)	0	-52,931,991	0	-52,931,991	-52,931,991
New (32)	0	4,361,598	0	4,361,598	4,361,598
New (33)	0	-1,100,000	0	-1,100,000	-1,100,000

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
<p>Restore: Maintains current level of GF, SLTF, and HITT funding.</p> <p>New (1): An increase of \$38,000,000 to incorporate the FY 2007 estimated supplemental.</p> <p>New (2): An increase of \$10,567,556 to fund the Remedial Services Program (RSP) for children.</p> <p>New (3): An increase of \$4,085,066 to fund the Home and Community-Based Services (HCBS) waivers.</p> <p>New (4): An increase of \$1,246,476 to fund the Children's Mental Health Waiver.</p> <p>New (5): An increase of \$4,073,008 to fund care for State Cases in Intermediate Care Facilities for the Mentally Retarded (ICFs/MR).</p> <p>New (6): An increase of \$1,109,629 to provide ambulance services.</p> <p>New (7): An increase of \$1,344,246 to provide clinic services.</p> <p>New (8): An increase of \$6,830,618 to fund hospice services.</p> <p>New (9): An increase of \$9,009,083 to fund dental services.</p> <p>New (10): An increase of \$11,943,348 to provide medical supplies and durable medical equipment.</p> <p>New (11): An increase of \$3,527,270 to fund Adult Rehabilitation Option (ARO) for State Cases.</p> <p>New (12): An increase of \$6,214,189 to fund Targeted Case Management.</p> <p>New (13): An increase of \$1,953,308 to fund optometrist services.</p> <p>New (14): An increase of \$851,238 to fund podiatrist services.</p> <p>New (15): An increase of \$2,742,885 to fund services performed by other practitioners.</p> <p>New (16): An increase of \$1,657,851 to fund chiropractic services.</p> <p>New (17): An increase of \$77,877 to fund optional HMO services.</p> <p>New (18): An increase of \$4,810,321 to fund mental health-related optional services.</p> <p>New (19): An increase of \$178,991 to fund MediPASS Patient Management.</p> <p>New (20): An increase of \$829,303 to fund postage for Medicaid ID card mailings.</p> <p>New (21): A decrease of \$5,962,517 related to savings from IME contract performance.</p> <p>New (22): An increase of \$10,376,853 to rebase nursing facilities.</p> <p>New (23): A decrease of \$10,376,853 from not rebasing nursing facilities.</p> <p>New (24): A decrease of \$488,750 related to reducing Medicaid ID card mailings from monthly to yearly.</p> <p>New (25): An increase of \$9,337,435 to expand access to Medicaid for parents of children in the Program by increasing the income disregard from 50.0% to 58.0%.</p> <p>New (26): An increase of \$1,000,000 to fund 100 additional slots in the Children's Mental Health Waiver and reduce other HCBS Waiver waiting lists.</p> <p>New (27): An increase of \$313,565 to appropriate HITT funds historically used for Medicaid directly to the Medicaid appropriation instead of transferring them from the Child & Family Services appropriation.</p> <p>New (28): An increase of \$1,360,301 to fund enrollment growth in the Medicaid for Independent Young Adults (MIYA) Program.</p> <p>New (29): A decrease of \$6,119,056 to reflect the appropriate federal match rate.</p> <p>New (30): An increase of 301,000 to implement Habilitation Services for the mentally ill.</p>					

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
New (31): A decrease of \$52,931,991 to reflect updated projections of utilization and enrollment. New (32): An increase of \$4,361,598 to expand enrollment of eligible children in Medicaid. New (33): A decrease of \$1,100,000 to appropriate funds directly to the Department of Public Health that were formerly transferred from Medicaid.					
Medicaid	\$ 752,325,413	\$ 713,121,893	\$ 100,327,368	\$ 813,449,261	\$ 61,123,848
Health Insurance Premium Payment (HIPP)					
Restore	\$ 654,568	\$ 654,568	\$ 0	\$ 654,568	\$ 0
Restore: Maintains current level of GF funding.					
HIPP	\$ 654,568	\$ 654,568	\$ 0	\$ 654,568	\$ 0
FTE Total	17.00	17.00	0.00	17.00	0.00
Medical Contracts					
Restore	\$ 14,417,985	\$ 14,417,985	\$ 0	\$ 14,417,985	\$ 0
New (1)	0	50,000	0	50,000	50,000
New (2)	0	750,000	0	750,000	750,000
Restore: Maintains current level of GF funding. New (1): An increase of \$50,000 to reimburse the Department of Public Health for performing citizenship verification for Medicaid. New (2): An increase of \$750,000 to provide increased quality and service provision oversight for the HCBS waivers.					
Medical Contracts	\$ 14,417,985	\$ 15,217,985	\$ 0	\$ 15,217,985	\$ 800,000
FTE Total	6.00	6.00	0.00	6.00	0.00

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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State Children's Health Insurance Program (*hawk-i*)

Restore	\$ 19,903,715	\$ 19,703,715	\$ 200,000	\$ 19,903,715	\$ 0
New (1)	0	3,904,469	0	3,904,469	3,904,469
New (2)	0	792,894	0	792,894	792,894
New (3)	0	135,300	0	135,300	135,300
New (4)	0	-2,000,000	0	-2,000,000	-2,000,000
New (5)	0	-898,976	0	-898,976	-898,976
New (6)	0	-1,933,687	0	-1,933,687	-1,933,687
New (7)	0	1,023,671	0	1,023,671	1,023,671
New (8)	0	2,473,236	0	2,473,236	2,473,236

Restore: Maintains current level of GF and HITT funding.

New (1): An increase of \$3,904,469 to fund the *hawk-i* Program at the FY 2007 ending enrollment level.

New (2): An increase of \$792,894 to fund enrollment growth during FY 2008.

New (3): An increase of \$135,300 to fund outreach.

New (4): A decrease of \$2,000,000 due to the expected availability of funds in the *hawk-i* Trust Fund at the end of FY 2007.

New (5): A decrease of \$898,967 to reflect revised *hawk-i* growth estimates.

New (6): A decrease of \$1,933,687 to reflect increased carryforward due to revised growth estimates.

New (7): An increase of \$1,023,671 to fund additional enrollment of eligible children in the Medicaid Expansion Program.

New (8): An increase of \$2,473,236 to fund additional enrollment of eligible children in *hawk-i*.

State Children's Health Insurance Program	\$ 19,903,715	\$ 23,200,622	\$ 200,000	\$ 23,400,622	\$ 3,496,907
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State Supplementary Assistance

Restore	\$ 18,710,335	\$ 18,710,335	\$ 0	\$ 18,710,335	\$ 0
New (1)	0	0	182,381	182,381	182,381
New (2)	0	-1,500,000	0	-1,500,000	-1,500,000

Restore: Maintains current level of GF funding.

New (1): An increase of \$182,381 to appropriate HITT funds directly to State Supplementary Assistance that have been previously transferred from the Child and Family Services appropriation.

New (2): A decrease of \$1,500,000 to forgo the restoration of funds reduced in FY 2007.

State Supplementary Assistance	\$ 18,710,335	\$ 17,210,335	\$ 182,381	\$ 17,392,716	\$ -1,317,619
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Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
University of Iowa Hospitals and Clinics					
Restore	\$ 27,284,584	\$ 0	\$ 27,284,584	\$ 27,284,584	\$ 0
New (1)	0	0	-27,284,584	-27,284,584	-27,284,584
New (2)	0	0	10,000,000	10,000,000	10,000,000
Restore: Maintains current level of IowaCare funding. New (1): A decrease of \$27,284,584 due to the direct appropriation of these funds to the Regents at the University of Iowa. New(2): An increase of \$10,000,000 for care provided under the IowaCare Program above and beyond the Regents appropriation.					
University of Iowa Hospitals and Clinics	\$ 27,284,584	\$ 0	\$ 10,000,000	\$ 10,000,000	\$ -17,284,584
Broadlawns Medical Center					
Restore	\$ 40,000,000	\$ 0	\$ 40,000,000	\$ 40,000,000	\$ 0
New	0	0	-3,000,000	-3,000,000	-3,000,000
Restore: Maintains current level of IowaCare funding. New: A decrease of \$3,000,000 to the IowaCare appropriation for Broadlawns.					
Broadlawns Medical Center	\$ 40,000,000	\$ 0	\$ 37,000,000	\$ 37,000,000	\$ -3,000,000
Medical Exams - Expansion Population					
Restore	\$ 556,800	\$ 0	\$ 556,800	\$ 556,800	\$ 0
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding.					
Medical Exams - Expansion Population	\$ 556,800	\$ 0	\$ 556,800	\$ 556,800	\$ 0
Medical Information Hotline					
Restore	\$ 150,000	\$ 0	\$ 150,000	\$ 150,000	\$ 0
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding.					
Medical Information Hotline	\$ 150,000	\$ 0	\$ 150,000	\$ 150,000	\$ 0

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Insurance Cost Subsidy					
Restore	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 1,500,000	\$ 0
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding.					
Insurance Cost Subsidy	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 1,500,000	\$ 0
Health Care Premium Implementation					
Restore	\$ 400,000	\$ 0	\$ 400,000	\$ 400,000	\$ 0
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding.					
Health Care Premium Implementation	\$ 400,000	\$ 0	\$ 400,000	\$ 400,000	\$ 0
Electronic Medical Records					
Restore	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 0
New	0	0	-2,000,000	-2,000,000	-2,000,000
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding. New: A decrease of \$2,000,000 due to lower than expected cost of initial implementation.					
Electronic Medical Records	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ -2,000,000
Health Partnership Activities					
Restore	\$ 550,000	\$ 0	\$ 550,000	\$ 550,000	\$ 0
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding.					
Health Partnership Activities	\$ 550,000	\$ 0	\$ 550,000	\$ 550,000	\$ 0

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Audits, Performance Evaluations, Studies					
Restore	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000	\$ 0
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding.					
Audits, Performance Evaluations, Studies	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000	\$ 0
IowaCare Administration					
Restore	\$ 930,352	\$ 0	\$ 930,352	\$ 930,352	\$ 0
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding.					
IowaCare Administration	\$ 930,352	\$ 0	\$ 930,352	\$ 930,352	\$ 0
Acuity Based ICF-MR Case Mix					
Restore	\$ 150,000	\$ 0	\$ 150,000	\$ 150,000	\$ 0
New	0 0	0	-150,000	-150,000	-150,000
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding. New: A decrease of \$150,000 due to adequate funding available in FY 2007 to complete the project.					
Acuity Based ICF-MR Case Mix	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ -150,000
Provider Incentive Payment Program					
Restore	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000	\$ 0
New	0 0	0	350,000	350,000	350,000
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding. New: An increase of \$350,000 for implementation costs of the Program.					
Provider Incentive Payment Program	\$ 50,000	\$ 0	\$ 400,000	\$ 400,000	\$ 350,000

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Medical Contracts Supplement					
Restore	\$ 379,000	\$ 0	\$ 379,000	\$ 379,000	\$ 0
Restore: Maintains current level of Health Care Transformation Account (HCTA) funding.					
Provider Incentive Payment Program	\$ 379,000	\$ 0	\$ 379,000	\$ 379,000	\$ 0
Child Care Assistance					
Restore	\$ 21,801,198	\$ 21,801,198	\$ 0	\$ 21,801,198	\$ 0
New (1)	0	2,948,320	0	2,948,320	2,948,320
New (2)	0	10,486,036	0	10,486,036	10,486,036
New (3)	0	3,684,859	0	3,684,859	3,684,859
New (4)	0	610,575	0	610,575	610,575
New (5)	0	900,000	0	900,000	900,000
Restore: Maintains current level of GF funding. New (1): An increase of \$2,948,320 from the GF to annualize the provider rate increase provided in FY 2007. New (2): An increase of \$10,486,036 from the GF to cover existing cases previously paid from federal carry forward funds. New (3): An increase of \$3,684,859 from the GF for enrollment growth. New (4): An increase of \$610,575 from the GF for the Quality Rating System (QRS) to serve additional providers. New (5): An increase of \$900,000 from the GF to fund additional provider training under the QRS.					
Child Care Assistance	\$ 21,801,198	\$ 40,430,988	\$ 0	\$ 40,430,988	\$ 18,629,790

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Toledo Juvenile Home					
Restore	\$ 6,927,794	\$ 6,927,794	\$ 0	\$ 6,927,794	\$ 0
New (1)	0	53,890	0	53,890	53,890
New (2)	0	4,000	0	4,000	4,000
Restore: Maintains current level of GF funding. New (1): An increase of \$53,890 from the GF for operational inflation. New (2): An increase of \$4,000 from the GF for medication administration and management.					
Toledo Juvenile Home	\$ 6,927,794	\$ 6,985,684	\$ 0	\$ 6,985,684	\$ 57,890
FTE Total	120.00	120.00	0.00	120.00	0.00
Eldora Training School					
Restore	\$ 10,954,842	\$ 10,954,842	\$ 0	\$ 10,954,842	\$ 0
New	0	102,156	0	102,156	102,156
Restore: Maintains current level of GF funding. New: An increase of \$102,156 from the GF for operational inflation.					
Eldora Training School	\$ 10,954,842	\$ 11,056,998	\$ 0	\$ 11,056,998	\$ 102,156
FTE Total	196.38	196.38	0.00	196.38	0.00
Child and Family Services					
Restore	\$ 85,202,996	\$ 81,945,373	\$ 4,257,623	\$ 86,202,996	\$ 1,000,000
New (1)	0	585,067	0	585,067	585,067
New (2)	0	673,624	0	673,624	673,624
New (3)	0	61,360	0	61,360	61,360
New (4)	0	-1,246,476	0	-1,246,476	-1,246,476
New (5)	0	300,000	0	300,000	300,000
New (6)	0	2,078,562	0	2,078,562	2,078,562
New (7)	0	0	-495,946	-495,946	-495,946

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Restore: Maintains current level of GF and HITT funding. New (1): An increase of \$585,067 from the GF for Federal Medical Assistance Percentage (FMAP) changes. New (2): An increase of \$673,624 from the GF to maintain foster care and supervised apartment living rates at the level provided in the <u>Code of Iowa</u> . New (3): An increase of \$61,630 from the GF to maintain supervised apartment living rates at the level provided in the <u>Code of Iowa</u> . New (4): A decrease of \$1,246,476 from the GF to transfer the State match for the Children's Mental Health Home and Community-Based Services Waiver to Medicaid. New (5): An increase of \$300,000 from the GF for Group Care. New (6): An increase of \$2,078,562 from the GF for caseload growth and annualization for the Preparation for Adult Living Services (PALS) Program. New (7): A decrease of \$495,946 to appropriate HITT funds to Medicaid and State Supplementary Assistance that have been transferred from Child and Family Services in the past.					
Child and Family Services	\$ 85,202,996	\$ 84,397,510	\$ 3,761,677	\$ 88,159,187	\$ 2,956,191
Adoption Subsidy					
Restore	\$ 31,446,063	\$ 31,446,063	\$ 0	\$ 31,446,063	\$ 0
New (1)	0	296,804	0	296,804	296,804
New (2)	0	229,814	0	229,814	229,814
Restore: Maintains current level of GF funding. New (1): An increase of \$296,804 from the GF for Federal Medical Assistance Percentage (FMAP) changes. New (2): An increase of \$229,814 from the GF to maintain adoption subsidy rates at the level provided in the <u>Code of Iowa</u> .					
Adoption Subsidy	\$ 31,446,063	\$ 31,972,681	\$ 0	\$ 31,972,681	\$ 526,618
Family Support Subsidy					
Restore	\$ 1,936,434	\$ 1,936,434	\$ 0	\$ 1,936,434	\$ 0
Restore: Maintains current level of GF funding.					
Family Support Subsidy	\$ 1,936,434	\$ 1,936,434	\$ 0	\$ 1,936,434	\$ 0

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Conners Training					
Restore	\$ 42,623	\$ 42,623	\$ 0	\$ 42,623	\$ 0
Restore: Maintains current level of GF funding.					
Conners Training	\$ 42,623	\$ 42,623	\$ 0	\$ 42,623	\$ 0
Cherokee Mental Health Institute					
Restore	\$ 14,371,786	\$ 5,273,361	\$ 9,098,425	\$ 14,371,786	\$ 0
New	0	94,291	0	94,291	94,291
Restore: Maintains current level of GF and IowaCare funding. New: An increase of \$94,291 from the GF for inflation and a decrease of 4.50 FTE positions to reflect utilization.					
Cherokee Mental Health Institute	\$ 14,371,786	\$ 5,367,652	\$ 9,098,425	\$ 14,466,077	\$ 94,291
FTE Total	214.50	210.00	0.00	210.00	-4.50
Clarinda Mental Health Institute					
Restore	\$ 8,386,806	\$ 6,409,501	\$ 1,977,305	\$ 8,386,806	\$ 0
New (1)	0	57,738	0	57,738	57,738
New (2)	0	72,862	0	72,862	72,862
Restore: Maintains current level of GF and IowaCare funding. New (1): An increase of \$57,738 from the GF for inflation. New (2): An increase of \$72,862 and 1.00 FTE position from the GF for accreditation standards and a decrease of 2.05 FTE positions to reflect utilization.					
Clarinda Mental Health Institute	\$ 8,386,806	\$ 6,540,101	\$ 1,977,305	\$ 8,517,406	\$ 130,600
FTE Total	111.45	110.40	0.00	110.40	-1.05

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Independence Mental Health Institute

Restore	\$ 18,404,071	\$ 9,358,177	\$ 9,045,894	\$ 18,404,071	\$ 0
New (1)	0	174,008	0	174,008	174,008
New (2)	0	74,357	0	74,357	74,357

Restore: Maintains current level of GF and IowaCare funding.
 New (1): An increase of \$174,008 from the GF for inflation.
 New (2): Increase of \$74,357 and 1.00 FTE position from the GF for accreditation standards and a decrease of 3.84 FTE positions to reflect utilization.

Independence Mental Health Institute	\$ 18,404,071	\$ 9,606,542	\$ 9,045,894	\$ 18,652,436	\$ 248,365
FTE Total	288.50	285.66	0.00	285.66	-2.84

Mount Pleasant Mental Health Institute

Restore	\$ 6,981,136	\$ 1,228,549	\$ 5,752,587	\$ 6,981,136	\$ 0
New (1)	0	33,115	0	33,115	33,115
New (2)	0	150,267	0	150,267	150,267
New (3)	0	110,667	0	110,667	110,667

Restore: Maintains current level of GF and IowaCare funding.
 New (1): An increase of \$33,115 from the GF for inflation.
 New (2): An increase of \$150,267 and 2.00 FTE positions from the GF for accreditation standards.
 New (3): An increase of \$110,667 and 2.00 FTE positions from the GF for annualization of FY 2007 bed increase.

Mount Pleasant Mental Health Institute	\$ 6,981,136	\$ 1,522,598	\$ 5,752,587	\$ 7,275,185	\$ 294,049
FTE Total	111.84	115.84	0.00	115.84	4.00

Glenwood Resource Center

Restore	\$ 15,641,388	\$ 15,641,388	\$ 0	\$ 15,641,388	\$ 0
New (1)	0	500,000	0	500,000	500,000
New (2)	0	89,066	0	89,066	89,066
New (3)	0	205,466	0	205,466	205,466
New (4)	0	227,425	0	227,425	227,425
New (5)	0	-1,019,955	0	-1,019,955	-1,019,955
New (6)	0	545,372	0	545,372	545,372

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Restore: Maintains current level of GF funding. New (1): An increase of \$500,000 to replace funds that were carried forward from FY 2006 into FY 2007. New (2): An increase of \$89,066 for inflation. New (3): An increase of \$205,466 for State share of per diem with no county of legal settlement. New (4): An increase of \$227,425 to replace Federal Medical Assistance Percentage (FMAP) funds. New (5): A decrease of \$1,019,955 from federal funds available from FY 2007 salary funds. New (6): An increase of \$545,372 for impact of Home and Community-Based Services (HCBS) waiver placements.					
Glenwood Resource Center	\$ 15,641,388	\$ 16,188,762	\$ 0	\$ 16,188,762	\$ 547,374
FTE Total	935.02	935.02	0.00	935.02	0.00
Woodward Resource Center					
Restore	\$ 10,109,976	\$ 10,109,976	\$ 0	\$ 10,109,976	\$ 0
New (1)	0	65,403	0	65,403	65,403
New (2)	0	437,736	0	437,736	437,736
New (3)	0	153,975	0	153,975	153,975
New (4)	0	-947,838	0	-947,838	-947,838
New (5)	0	518,020	0	518,020	518,020
Restore: Maintains current level of GF funding. New (1): An increase of \$65,403 for inflation. New (2): An increase of \$437,736 for State share of per diem with no county of legal settlement. New (3): An increase of \$153,975 to replace Federal Medical Assistance Percentage (FMAP) funds. New (4): A decrease of \$947,838 from federal funds available from FY 2007 salary funds. New (5): An increase of \$518,020 for impact of HCBS waiver placements.					
Woodward Resource Center	\$ 10,109,976	\$ 10,337,272	\$ 0	\$ 10,337,272	\$ 227,296
FTE Total	714.03	714.03	0.00	714.03	0.00

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Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
State Cases Program					
Restore	\$ 12,286,619	\$ 12,286,619	\$ 0	\$ 12,286,619	\$ 0
New (1)		400,000	0	400,000	400,000
New (2)		380,559	0	380,559	380,559
Restore: Maintains current level of GF funding. New (1): An increase of \$400,000 to replace funds that were carried forward from FY 2006 into FY 2007. New (2): An increase of \$380,559 for an inflationary increase.					
State Cases Program	\$ 12,286,619	\$ 13,067,178	\$ 0	\$ 13,067,178	\$ 780,559
Community Services					
Restore	\$ 18,017,890	\$ 18,017,890	\$ 0	\$ 18,017,890	\$ 0
Restore: Maintains current level of GF funding.					
Community Services	\$ 18,017,890	\$ 18,017,890	\$ 0	\$ 18,017,890	\$ 0
Sexual Predator Commitment Program					
Restore	\$ 4,971,523	\$ 4,971,523	\$ 0	\$ 4,971,523	\$ 0
New (1)	0	3,423	0	3,423	3,423
New (2)	0	130,146	0	130,146	130,146
New (3)	0	663,750	0	663,750	663,750
New (4)	0	25,161	0	25,161	25,161
New (5)	0	52,000	0	52,000	52,000
Restore: Maintains current level of GF funding. New (1): An increase of \$3,423 for inflation. New (2): An increase of \$130,146 for per diem of 10 new annualized clients. New (3): An increase of \$663,750 for 23.00 FTE positions for serving 20 new clients. New (4): An increase of \$25,161 for overtime travel for medical care at University of Iowa. New (5): An increase of \$52,000 for a Pre-release Transitional Program.					
Sexual Predator Commitment Program	\$ 4,971,523	\$ 5,846,003	\$ 0	\$ 5,846,003	\$ 874,480
FTE Total	73.66	96.66	0.00	96.66	23.00

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Mental Health Allowed Growth					
Restore	\$ 39,034,791	\$ 38,888,041	\$ 146,750	\$ 39,034,791	\$ 0
New (1)	0	4,339,100	0	4,339,100	4,339,100
New (2)	0	3,252,999	0	3,252,999	3,252,999
Restore: Maintains current level of GF and HITT funding. New (1): An increase of \$4,339,100 to fully fund the 3.0% allowed growth rate as applied to the original FY 2007 appropriation. New (2): An increase of \$3,252,999 to fully fund the FY 2008 appropriation to account for the adjustments to the FY 2007 appropriation.					
Mental Health Allowed Growth	\$ 39,034,791	\$ 46,480,140	\$ 146,750	\$ 46,626,890	\$ 7,592,099
Field Operations					
Restore	\$ 60,165,029	\$ 60,165,029	\$ 0	\$ 60,165,029	\$ 0
New (1)	0	2,200,558	0	2,200,558	2,200,558
New (2)	0	68,895	0	68,895	68,895
New (3)	0	211,583	0	211,583	211,583
New (4)	0	42,806	0	42,806	42,806
New (5)	0	1,499,531	0	1,499,531	1,499,531
New (6)	0	305,266	0	305,266	305,266
New (7)	0	101,755	0	101,755	101,755
Restore: Maintains current level of GF funding. New (1): An increase of \$2,200,558 for maintaining 27.99 FTE positions for the Family Investment Program funded from the FY 2006 to FY 2007 carryforward and an increase of 5.00 FTE positions for Food Assistance. New (2): An increase of \$68,895 for 2.00 FTE positions for TANF work participation requirements. New (3): An increase of \$211,583 for maintaining 5.00 FTE positions for Medicaid determinations funded from the FY 2006 to FY 2007 carryforward. New (4): An increase of \$42,806 for 1.00 FTE position for child care caseload. New (5): An increase of \$1,499,531 for 30.71 FTE positions for protective assessments. New (6): An increase of \$305,266 for 8.75 FTE positions for additional Medicaid enrollment goals. New (7): An increase of \$101,755 for 3.25 FTE positions for additional <i>hawk-i</i> enrollment goals.					
Field Operations	\$ 60,165,029	\$ 64,595,423	\$ 0	\$ 64,595,423	\$ 4,430,394
FTE Total	1,950.0	2,023.7	0.0	2,023.7	73.7

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
General Administration					
Restore	\$ 15,373,888	\$ 15,099,888	\$ 274,000	\$ 15,373,888	\$ 0
New (1)	0	181,120	0	181,120	181,120
New (2)	0	70,919	0	70,919	70,919
New (3)	0	200,000	0	200,000	200,000
Restore: Maintains current level of GF and HITT funding. New (1): An increase of \$181,120 for 5.00 FTE positions for increased Medicaid activities. New (2): An increase of \$70,919 for 1.00 FTE position for the Mental Health Planning Council. New (3): An increase of \$200,000 for County Point Coordinators level of care utilization. A decrease of 6.00 FTE positions to reflect utilization.					
General Administration	\$ 15,373,888	\$ 15,551,927	\$ 274,000	\$ 15,825,927	\$ 452,039
FTE Total	324.00	324.00	0.00	324.00	0.00
Volunteers					
Restore	\$ 109,568	\$ 109,568	\$ 0	\$ 109,568	\$ 0
Restore: Maintains current level of GF funding.					
Volunteers	\$ 109,568	\$ 109,568	\$ 0	\$ 109,568	\$ 0
Department of Human Services	\$1,313,339,796	\$1,211,321,243	\$182,732,539	\$1,394,053,782	\$80,713,986
FTE TOTAL	5,573.88	5,679.19	0.00	5,679.19	105.31

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Veterans

Department of Veterans Affairs

Restore	\$ 532,651	\$ 532,651	\$ 0	\$ 532,651	\$ 0
New (1)	0	-50,000	0	-50,000	-50,000
New (2)	0	50,000	0	50,000	50,000
New (3)	0	40,000	0	40,000	40,000
New (4)	0	40,000	0	40,000	40,000
New (5)	0	45,000	0	45,000	45,000
New (6)	0	46,946	0	46,946	46,946
New (7)	0	108,860	0	108,860	108,860

Restore: Maintains current level of GF funding.
 New (1): A decrease of \$50,000 to eliminate the Volunteer Retired Senior Volunteer Program pension effort.
 New (2): An increase of \$50,000 for 1.00 FTE position for administrative support.
 New (3): An increase of \$40,000 for 1.00 FTE position for administrative support.
 New (4): An increase of \$40,000 and 0.50 FTE position for annualization of the Cemetery Director position.
 New (5): An increase of \$45,000 and 1.00 FTE position for a Maintenance Leader.
 New (6): An increase of \$46,946 and 1.33 FTE positions for maintenance workers and summer help.
 New (7): An increase of \$108,860 for operational costs.

Veterans Affairs	\$ 532,651	\$ 813,457	\$ 0	\$ 813,457	\$ 280,806
FTE Total	6.50	11.33	0.00	11.33	4.83

Iowa Veterans Home

Restore	\$ 15,030,248	\$ 15,030,248	\$ 0	\$ 15,030,248	\$ 0
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Restore: Maintains current level of GF funding and an increase of 1.00 FTE position to reflect utilization.

Iowa Veterans Home	\$ 15,030,248	\$ 15,030,248	\$ 0	\$ 15,030,248	\$ 0
FTE Total	908.33	909.33	0.00	909.33	1.00

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Injured Veterans Grant Program					
New (1)	\$ 0	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000
New (2)	\$ 0	\$ -1,000,000	\$ 0	\$ -1,000,000	\$ -1,000,000
New (1): An increase for the continuation of the funding in FY 2006 that was permitted to be carried forward into FY 2007 for expenditure. New (2): A decrease to reflect the \$2.0 million FY 2007 supplemental appropriation recommendation which carries forward into FY 2008.					
Injured Veterans Grant Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Veterans Trust Fund					
Restore	\$ 4,500,000	\$ 4,500,000	\$ 0	\$ 4,500,000	\$ 0
Restore: Maintains current level of GF funding.					
Veterans Trust Fund	\$ 4,500,000	\$ 4,500,000	\$ 0	\$ 4,500,000	\$ 0
Veterans Trust Fund Home Ownership Program					
New	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
New: A new appropriation from the Veterans Trust Fund for the existing Home Ownership Program.					
Veterans Trust Fund Home Ownership Program	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Veterans Trust Fund Enduring Freedom Program					
New	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
New: A new appropriation from the Veterans Trust Fund for a new Enduring Freedom Program.					
Veterans Trust Fund Enduring Freedom Program	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000

Health and Human Services Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Veteran County Grants					
Restore	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Restore: Maintains current level of GF funding.					
Veteran County Grants	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Educational Assistance - Childrer					
Restore	\$ 27,000	\$ 27,000	\$ 0	\$ 27,000	\$ 0
Restore: Maintains current level of GF funding.					
War Orphans Educational Assistance	\$ 27,000	\$ 27,000	\$ 0	\$ 27,000	\$ 0
Veterans	\$21,089,899	\$21,370,705	\$4,000,000	\$25,370,705	\$4,280,806
FTE TOTAL	914.83	920.66	0.00	920.66	5.83
Grand Total					
Health and Human Services Total	\$1,406,804,252	\$1,264,641,865	\$225,171,008	\$1,489,812,873	\$83,008,621
FTE TOTAL	6,682.11	6,801.00	8.25	6,809.25	127.14

SUBCOMMITTEE BUDGET ISSUES

The Health and Human Services Appropriations Subcommittee may wish to examine the following issues:

- **Case Management Program for the Frail Elderly** – House File 841 (IowaCare Medicaid Reform Act) directed the Department of Human Services (DHS) to add Case Management as a Medicaid-covered service under the Elderly Waiver. The change required approval from the federal Centers for Medicare and Medicaid Services (CMS), which was received on May 31, 2006, and implementation of the new system began on October 1, 2006. House File 2734 (FY 2007 Health and Human Services Appropriations Act) required the Department of Elder Affairs (DEA) to transfer \$2.3 million, including \$1.4 million in new General Funds, and \$1.0 million in existing Senior Living Trust Funds to the DHS to provide a State match to draw down federal Medicaid funds. The Act also set the average reimbursement rate at \$70 per person per month.
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- The Subcommittee may wish to receive an update on the Program to include the current and projected caseload, reimbursement rate, available providers, and how transition issues were resolved. The Subcommittee may also wish to consider appropriating the State funds used to draw down the federal share for the Program directly to the DHS in the Medicaid appropriation as opposed to appropriating the funds to the DEA and requiring a transfer to the DHS.
- 272 ➤ **Child Care Assistance Program** – The Program provides funding for child care for over 36,000 children of eligible, low-income parents who are working or in school, including families participating in PROMISE JOBS, for children in protective child care, and children served in foster care. The Program will have a significant shortage of funding in FY 2008 attributable to three factors, including the need to annualize the provider increase given in FY 2007; regular caseload growth; and the depletion of federal Child Care Development Funds that were carried forward and used to maintain and manage caseload growth in previous years. **The Governor is requesting an increase of \$18.6 million for the Program in FY 2008, which includes \$2.9 million to annualize the provider increase; \$3.7 million for regular caseload growth; \$10.5 million to maintain caseload previously paid for by federal carry forward funds; \$611,000 to serve additional providers under the Quality Rating System (QRS); and \$900,000 to fund additional provider training under the QRS.**
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- **Child Welfare** – During the 2006 Interim, the DHS began the process of separating the child welfare service system from Medicaid, which involved the elimination of Rehabilitative Treatment Services (RTS) paid for with Medicaid funds in the child welfare budget and replacing these services with the Remedial Service Program (RSP), which will cover the medical-related treatment of children at home, in foster family care, and group care facilities and be paid under Medicaid. For FY 2008, it is proposed that the \$10.6 million in State match used to draw down federal Medicaid funds for RTS in previous years remain in the child welfare budget and that an increase of \$10.6 million be provided under Medicaid for the new RSP. The Subcommittee may wish to receive an update on this initiative, as well as others, such as the Preparation for Adult Living Services (PALS) Program, the Subsidized Guardianship Program, and the Children's Mental Health Waiver under Medicaid. **The Governor is recommending an increase of \$300,000 from the General Fund and \$1.2 million from the Juvenile Detention Home Fund to serve**

additional children in Group Care, and a decrease of \$1.2 million to transfer the State match for the Children’s Mental Health Waiver to the Medicaid appropriation for FY 2008. The Governor is also recommending an increase of \$2.1 million from the General Fund for caseload growth and annualization costs for the PALS Program in FY 2008.

- ▶ **Shelter Care** – Since FY 2006, the DHS has been required by language in annual appropriation legislation to contract and pay for 273 shelter care beds on a guaranteed basis (whether the beds were used or not) and seven non-guaranteed beds to be paid for only when used. The goal was to stabilize the shelter care system for providers, as well as respond to variations in demand and to provide children with shelter care placement as close to home as possible.



House File 2734 (FY 2007 Health and Human Services Appropriations Act) required the DHS to submit an emergency service plan to the Health and Human Services Appropriations Subcommittee by December 15, 2006, to identify crisis intervention and emergency service alternatives to shelter care, as well as the number of guaranteed and non-guaranteed shelter beds needed as determined by the DHS. In FY 2006, the State spent \$1.1 million on unfilled shelter care beds, and \$256,000 was spent for the first quarter of FY 2007. The Subcommittee may wish to examine the findings of the report and the shelter care daily census to determine if demand and geographic access to shelter care may be met through other alternatives in order to maximize the use of these funds within the child welfare budget.

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- ▶ **Pandemic Influenza Prevention** – The Executive Council approved a request for \$4.8 million from the Department of Public Health (DPH) in August 2006 to cover costs associated with the purchase, storing, and distribution of 309,000 antiviral treatment courses for the prevention and treatment of pandemic influenza. The funds will be paid from the Performance of Duty Appropriation, a standing unlimited appropriation. The drugs are not expected to be received by the State prior to March 2007. The federal government will purchase and manage over 438,000 additional courses of these antivirals to be sent to the State in the event of a pandemic, bringing Iowa’s total stockpile to 747,000 courses, which will cover 25.0% of the State’s population.



The Subcommittee may wish to review the Department’s disaster preparedness plans, including those that involve the distribution of these antiviral treatment courses, the level of staff available at the State level to address such situations as a pandemic or bioterrorism event, and partnerships with local governments that will be necessary if such an event occurs. **The Governor is recommending an increase of \$289,000 and 2.0 FTE positions under Infectious Diseases for a Deputy Epidemiologist and a Bureau Chief for the Center for Acute Disease Epidemiology (CADE) for FY 2008. The Governor is also recommending \$188,000 from the General Fund and 2.0 FTE positions under Public Protection for the management of the anti-viral stockpile for FY 2008.**

- ▶ **Mental Health Funding Inflation** – The 2007 General Assembly is scheduled to consider a mental health allowed growth factor for FY 2009. The FY 2007 distribution for the allowed growth is based on the balances of the individual 99 county Mental Retardation and Developmental Disabilities Services Funds and other factors, following several years of similar distribution. 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 2009. Beginning in HF 882 (FY 2006 Standing Appropriations Act),



\$2.4 million of the FY 2007 increase of \$7.3 million was contingent upon enactment of a cost share program with counties for services to adults with brain injury. Such legislation did pass during the 2006 Session in HF 2780 (Mental Health Act). For FY 2008, the formula and allocation of the enacted allowed growth includes an additional \$2.5 million (total of \$4.9 million) for brain injury services which included paying for the nonfederal share of those on the waiting list for the Brain Injury Waiver of the Medicaid Program as enacted in HF 2772 (Brain Injury Services Act).

Due to the revision of the FY 2007 original appropriation enacted in HF 882 (FY 2006 Standings Appropriations Act) and amended in HF 2734 (FY 2007 Health and Human Services Appropriations Act), the original FY 2008 allowed growth appropriation enacted in HF 2797 (FY 2007 Standings Appropriations Act), may need to be amended to include the \$3.1 million added in HF 2734 to reflect the planned 3.0% growth in the formula when HF 2797 was enacted. The FY 2008 allowed growth rate planned was 3.0%. The growth rate enacted is an increase of \$4.4 million compared to the final FY 2007 appropriation. This represents a 1.738294% increase. A 3.0% growth in the formula to the FY 2007 final enacted amount for FY 2008 would be an increase of \$7.6 million. The allocation for the Brain Injury Services is \$2.5 million of the \$4.4 million increase. **The Governor is recommending an FY 2008 appropriation of \$46.5 million, which is an increase of \$7.6 million compared to the estimated FY 2007 appropriation. This includes the adjustment for FY 2008 based upon the final FY 2007 appropriation. The Governor recommends an increase of 3.0% for FY 2009 in the formula which calculates the Mental Health Allowed Growth funding. This is an increase of \$7.8 million compared to the adjusted FY 2008 appropriation as recommended by the Governor.**

▶ **Department of Veterans Affairs** – For FY 2004, the General Assembly provided an increase of \$100,000 and 2.0 FTE positions to allow the Department to assist additional veterans in applying for federal benefits. The Department 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 Department 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 Department received \$50,000 of the \$100,000 and only three RSVPs received a combined total of \$50,000. For FY 2006, the Department 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.



For FY 2007 the General Assembly appropriated \$150,000 and 2.0 FTE positions to provide additional assistance to veterans to gain access to additional benefits. The General Assembly also revised the \$50,000 for the RSVPs and provided individual contracting opportunities from the Department of Veteran Affairs for access to that funding for increasing the number of veterans applying for pensions. For FY 2008, the Department requests that the \$50,000 be used to add 1.0 FTE secretarial position for the Department in lieu of the contracting for increasing the number of veterans applying for pensions. **The Governor is recommending the change of the contracted funds to be retained by the Department for the secretarial position for FY 2008.**

▶ **Veterans Cemetery** – A site was recommended by the Governor to the National Cemetery Administration for the Iowa Veterans Cemetery near Van Meter. The groundbreaking ceremony took place November 11, 2006. 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. The estimated completion date goal is November 11, 2007. Upon completion, the Cemetery will require annual maintenance and administration costs. For FY 2006, the Department of Administrative Services was the lead Iowa agency for the planning. For FY 2007, the General Assembly appropriated 1.0 FTE position and \$40,000 for a Cemetery Director position to start January 1, 2007. For FY 2008, the Department has requested an increase of \$378,000 and 6.3 FTE positions for operating costs of the Cemetery. **The Governor is recommending an FY 2008 appropriation of \$281,000 for additional staff to maintain the Cemetery within the budget unit of the Department of Veterans Affairs.**

▶ **Veterans Trust Fund** – **The Governor is recommending an FY 2008 appropriation of \$4.5 million for the Veterans Trust Fund. This maintains the FY 2007 estimated appropriation. The Governor appropriates \$2.0 million from the Trust Fund in FY 2008 to supplement the current Veteran Home Ownership Program, in addition to a \$1.5 million FY 2007 General Fund supplemental appropriation recommendation from the General Fund. The Governor is recommending an appropriation of \$2.0 million from the Trust Fund in FY 2008 for a new Veteran Enduring Freedom Program.**

▶ **Mental Health Redesign** – The Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury Commission has made the following recommendations:

- ◆ 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 need for FY 2007 ranges from a supplemental need of \$20.0 million to a surplus of \$2.0 million and an estimated need of \$29.0 to \$70.0 million for FY 2008. When the FY 2007 appropriation was enacted it was expected that a supplemental would be required. The FY 2008 estimate includes building in the estimated FY 2007 supplemental. **The Governor is recommending an \$8.0 million General Fund supplemental appropriation for FY 2007 and an increase of \$61.1 million for FY 2008, including \$13.1 million for expanded policy initiatives.**
- ◆ Of the total FY 2006 Medicaid budget, \$65.0 million is funded from a one-time balance in the Senior Living Trust Fund. The balance could be depleted at the end of FY 2008. **The Governor is recommending no change for FY 2008, which would continue the \$65.0 million appropriation from the Senior Living Trust Fund.**



- ✦ The Adult Rehabilitation Option (ARO) and Rehabilitative Treatment Services (RTS) Programs were eliminated beginning January 1, 2007. Additional State and county funding is needed to transition the consumers in these Programs to the new Remedial Service Program. Loss of federal matching funds due to decreased eligibility and increased compliance with federal regulations will necessitate increased State funding of an estimated \$10.6 million in FY 2008. ***The Governor is recommending an increase of \$10.6 million from the General Fund for FY 2008.***

The DHS is applying for a new option under the federal Deficit Reduction Act of 2005 (DRA) that would allow many former ARO consumers to receive waiver-type habilitative services. The non-federal share of ARO is currently paid by the counties and it is expected that the cost of habilitation services would also be covered by the counties. It is estimated that these new services will have a cost to the State of \$301,000 in FY 2007 and \$1.1 million in FY 2008. The cost to the counties is an estimated \$1.2 million in FY 2007 and \$5.5 million in FY 2008. ***The Governor is recommending an increase of \$301,000 in the FY 2007 Medicaid General Fund supplemental appropriation for this purpose and an increase of \$301,000 in the FY 2008 Medicaid budget within the General Fund appropriation recommendation.***

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed five **Issue Reviews** relating to the Health and Human Services Appropriations Subcommittee during the 2006 Interim that are or will be available on the LSA web site: <http://staffweb.legis.state.ia.us/lfb/>.

- [Child Care Assistance](#)
- [IowaCare](#)
- [Sexual Predator Commitment Program](#)
- Shelter Care
- Undocumented Immigrants' Cost to the State

Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA web site: <http://staffweb.legis.state.ia.us/lfb/>. 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](#)
- [State Children's Health Insurance Program](#)

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JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE MEMBERS

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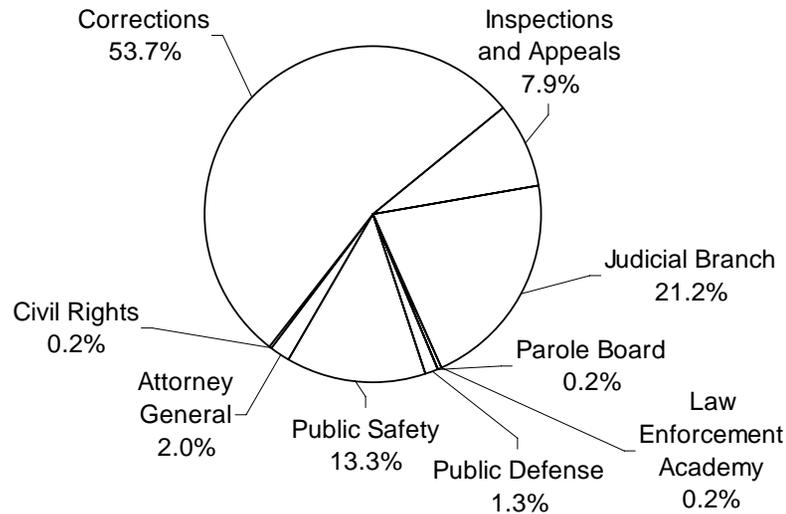
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JUSTICE SYSTEM APPROPRIATIONS SUBCOMMITTEE

**Justice System
FY 2008 General Fund Governor's Recommendations**



FY 2008 General Fund Recommendation

Attorney General	\$ 12,657,320
Civil Rights	1,262,647
Corrections	338,015,783
Inspections and Appeals	49,597,809
Judicial Branch	133,746,358
Law Enforcement Academy	1,218,985
Parole Board	1,177,849
Public Defense	8,304,800
Public Safety	83,793,009
	\$ 629,774,560

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Attorney General

General Office

Restore	\$ 8,617,205	\$ 8,617,205	\$ 0	\$ 8,617,205	\$ 0
New	0	50,000	0	50,000	50,000

Restore: Maintains current level of funding.
 New: An increase of \$50,000 to establish a Charities Unit to enforce laws regulating activities of non-profit organizations.

General Office Total	\$ 8,617,205	\$ 8,667,205	\$ 0	\$ 8,667,205	\$ 50,000
FTE Total	225.50	225.50	0.00	225.50	0.00

Victim Assistance Grants

Restore	\$ 5,000	\$ 5,000	\$ 0	\$ 5,000	\$ 0
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Restore: Maintains current level of funding.

Victim Assistance Grants Total	\$ 5,000	\$ 5,000	\$ 0	\$ 5,000	\$ 0
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Victim Compensation Fund

FTE	20.00	0.00	20.00	20.00	0.00
FTE Total	20.00	0.00	20.00	20.00	0.00

Legal Services Poverty Grants

Restore	\$ 900,000	\$ 900,000	\$ 0	\$ 900,000	\$ 0
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Restore: Maintains current level of funding.

Legal Services Poverty Grants Total	\$ 900,000	\$ 900,000	\$ 0	\$ 900,000	\$ 0
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Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Farm Mediation Services

Restore	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Restore: Maintains current level of funding.					
Farm Mediation Services Total	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0

Consumer Advocate

Restore	\$ 2,985,115	\$ 2,985,115	\$ 0	\$ 2,985,115	\$ 0
Restore: Maintains current level of funding.					
Consumer Advocate Total	\$ 2,985,115	\$ 2,985,115	\$ 0	\$ 2,985,115	\$ 0
FTE Total	27.00	27.00	0.00	27.00	0.00

Attorney General	\$12,607,320	\$12,657,320	\$ 0	\$12,657,320	\$50,000
FTE TOTAL	272.50	252.50	20.00	272.50	0.00

Civil Rights Commission

Civil Rights Commission

Restore	\$ 1,165,322	\$ 1,165,322	\$ 0	\$ 1,165,322	\$ 0
New	0	97,325	0	97,325	97,325
Restore: Maintains current level of funding.					
New: An increase of \$97,325 to replace federal funds and eliminate 1.00 FTE position.					
Civil Rights Commission Total	\$ 1,165,322	\$ 1,262,647	\$ 0	\$ 1,262,647	\$ 97,325
FTE Total	29.00	28.00	0.00	28.00	-1.00

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Civil Rights	\$1,165,322	\$1,262,647	\$ 0	\$1,262,647	\$97,325
FTE TOTAL	29.00	28.00	0.00	28.00	-1.00

Department of Corrections

Department of Corrections Operations

Restore	\$ 317,518,148	\$ 313,531,674	\$ 3,986,474	\$ 317,518,148	\$ 0
New (1)	0	1,861,215	0	1,861,215	1,861,215
New (2)	0	632,397	0	632,397	632,397
New (3)	0	0	-310,000	-310,000	-310,000

Restore: Maintains current level of funding from General and other funds.
 New (1): An increase of \$1,861,215 for food, fuel, and pharmacy expenditures.
 New (2): An increase of \$632,397 to cover increased costs of reimbursing Administrative Services.
 New (3): A decrease of \$310,000 from the Healthy lowans Tobacco Trust to eliminate funding for the faith-based treatment program.

Department of Corrections Operations Total	\$ 317,518,148	\$ 316,025,286	\$ 3,676,474	\$ 319,701,760	\$ 2,183,612
FTE Total	4,114.03	4,112.53	0.00	4,112.53	-1.50

Sex Offender Program

New	\$ 0	\$ 1,754,770	\$ 0	\$ 1,754,770	\$ 1,754,770
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New: An increase of \$1,754,770 and 16.00 FTE positions to meet the requirements for the Sex Offender Program.

Sex Offender Program Total	\$ 0	\$ 1,754,770	\$ 0	\$ 1,754,770	\$ 1,754,770
FTE Total	0.00	16.00	0.00	16.00	16.00

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Oakdale Substance Abuse Assessment					
New	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 300,000
New: An increase of \$300,000 to conduct substance abuse assessments on all incoming offenders at Oakdale.					
Oakdale Substance Abuse Assessment Total	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 300,000
Substance Abuse Facility					
New	\$ 0	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000
New: An increase of \$100,000 for planning therapeutic communities at Fort Dodge and Mitchellville.					
Substance Abuse Facility Total	\$ 0	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000
Oakdale Expansion					
New	\$ 0	\$ 17,434,453	\$ 0	\$ 17,434,453	\$ 17,434,453
New: An increase of \$17,434,453 and 269.90 FTE positions to fully fund operating costs of the new facility.					
Oakdale Expansion Total	\$ 0	\$ 17,434,453	\$ 0	\$ 17,434,453	\$ 17,434,453
FTE Total	0.00	269.94	0.00	269.94	269.94
Other Packages					
New (1)	\$ 0	\$ 196,327	\$ 0	\$ 196,327	\$ 196,327
New (2)	0	315,000	0	315,000	315,000
New (3)	0	400,000	0	400,000	400,000
New (4)	0	111,779	0	111,779	111,779
New (5)	0	333,168	0	333,168	333,168
New (6)	0	145,000	0	145,000	145,000

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
New (1): An increase of \$196,327 and 3.00 FTE positions for federal grant replacement and to fund an Occupational Safety compliance officer in Central Office. New (2): An increase of \$315,000 and 1.00 FTE position for a Security Director and fully fund salaries in Central Office. New (3): An increase of \$400,000 for mandated county confinement costs. New (4): An increase of \$111,779 and 1.00 FTE position to replace expired federal funds for a Drug Court in Waterloo. New (5): An increase of \$333,168 for the lease-purchase payment for the electrical system upgrade at the Iowa State Penitentiary at Fort Madison. New (6): An increase of \$145,000 for increased sewer charges at the Anamosa State Penitentiary.					
Other Packages Total	\$ 0	\$ 1,501,274	\$ 0	\$ 1,501,274	\$ 1,501,274
FTE Total	0.00	5.00	0.00	5.00	5.00
Centralized Pharmacy					
New	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
New: Transfer \$6,876,387 to Oakdale from the other eight Institutions to create a centralized pharmacy at Oakdale.					
Centralized Pharmacy Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Reduce Salary Shortfall					
New	\$ 0	\$ 900,000	\$ 0	\$ 900,000	\$ 900,000
New: An increase of \$900,000 within the prison system to reduce the salary shortfall.					
Reduce Salary Shortfall	\$ 0	\$ 900,000	\$ 0	\$ 900,000	\$ 900,000
Department of Corrections	\$317,518,148	\$338,015,783	\$3,676,474	\$341,692,257	\$24,174,109
FTE TOTAL	4,114.03	4,403.47	0.00	4,403.47	289.44

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Inspections and Appeals

Public Defender

Restore	\$ 25,163,082	\$ 25,163,082	\$ 0	\$ 25,163,082	\$ 0
New	0	3,589,456	0	3,589,456	3,589,456
	\$ 25,163,082	\$ 28,752,538	\$ 0	\$ 28,752,538	\$ 3,589,456

Restore: Maintains current level of funding.
New: An increase of \$3,589,456 for increased costs.

Indigent Defense	\$ 25,163,082	\$ 28,752,538	\$ 0	\$ 28,752,538	\$ 3,589,456
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Public Defender

Restore	\$ 20,370,271	\$ 20,370,271	\$ 0	\$ 20,370,271	\$ 0
New	0	475,000	0	475,000	475,000

Restore: Maintains current level of funding.
New: An increase of \$475,000 to maximize the number of cases handled by the Public Defender's Office.

Public Defender	\$ 20,370,271	\$ 20,845,271	\$ 0	\$ 20,845,271	\$ 475,000
FTE Total	202.00	202.00	0.00	202.00	0.00

Department of Inspections and Appeals	\$45,533,353	\$49,597,809	\$ 0	\$49,597,809	\$4,064,456
FTE TOTAL	202.00	202.00	0.00	202.00	0.00

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Judicial Branch

Judicial Branch					
Restore	\$ 123,237,410	\$ 123,237,410	\$ 0	\$ 123,237,410	\$ 0
New (1)	0	736,664	0	736,664	736,664
New (2)	0	1,094,036	0	1,094,036	1,094,036
New (3)	0	702,316	0	702,316	702,316
New (4)	0	865,000	0	865,000	865,000
New (5)	0	250,000	0	250,000	250,000
New (6)	0	150,000	0	150,000	150,000

Restore: Maintains current level of funding.
 New (1): An increase of \$736,664 and 11.50 FTE positions for childrens' justice initiatives.
 New (2): An increase of \$1,094,036 and 17.00 FTE positions for district court judicial support.
 New (3): An increase of \$702,316 and 4.00 FTE positions for information and document management.
 New (4): An increase of \$865,000 for sound and equipment recording systems across the State.
 New (5): An increase of \$250,000 for judicial education and training.
 New (6): An increase of \$150,000 for public outreach.
 New (7): An increase of 1.82 FTE positions for a budget adjustment.

Judicial Branch Total	\$ 123,237,410	\$ 127,035,426	\$ 0	\$ 127,035,426	\$ 3,798,016
FTE Total	1,974.00	2,008.32	0.00	2,008.32	34.32

Youth Enrichment Pilot Project

Restore	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ -50,000
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The Judicial Branch is not requesting funds for this legislative initiative.

Youth Enrichment Pilot Project Total	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ -50,000
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Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Judicial Retirement

Restore	\$ 2,039,664	\$ 2,039,664	\$ 0	\$ 2,039,664	\$ 0
New	0	4,671,268	0	4,671,268	4,671,268

Restore: Maintains current level of funding. New: An increase of \$4,671,268 to fund the State's share of the retirement system.

Judicial Retirement	\$ 2,039,664	\$ 6,710,932	\$ 0	\$ 2,039,664	\$ 0
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Judicial Branch	\$125,327,074	\$133,746,358	\$ 0	\$129,075,090	\$ 3,748,016
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FTE TOTAL	1,974.00	2,008.32	0.00	2,008.32	34.32
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Law Enforcement Academy

Law Enforcement Academy

Restore	\$ 1,225,985	\$ 1,225,985	\$ 0	\$ 1,225,985	\$ 0
New (1)	0	-25,000	0	-25,000	-25,000
New (2)	0	18,000	0	18,000	18,000

Restore: Maintains current level of funding. New (1): A decrease of \$25,000 to reflect one-time money provided in HF 2797 (FY 2007 Standing Appropriations Act) for the purchase of equipment and furnishings. New (2): An increase of \$18,000 for increased vehicle depreciation, fuel costs, and utility costs.

Law Enforcement Academy Total	\$ 1,225,985	\$ 1,218,985	\$ 0	\$ 1,218,985	\$ -7,000
FTE Total	30.05	30.05	0.00	30.05	0.00

Law Enforcement Academy	\$1,225,985	\$1,218,985	\$0	\$1,218,985	-\$7,000
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FTE TOTAL	30.05	30.05	0.00	30.05	0.00
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Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Board of Parole

Board of Parole					
Restore	\$ 1,177,849	\$ 1,177,849	\$ 0	\$ 1,177,849	\$ 0
Restore: Maintains current level of funding.					
Board of Parole Total	\$ 1,177,849	\$ 1,177,849	\$ 0	\$ 1,177,849	\$ 0
FTE Total	17.50	17.50	0.00	17.50	0.00

Board of Parole	\$1,177,849	\$1,177,849	\$0	\$1,177,849	\$0
FTE TOTAL	17.50	17.50	0.00	17.50	0.00

Department of Public Defense

Department of Public Defense, Military Division					
Restore	\$ 5,929,167	\$ 5,929,167	\$ 0	\$ 5,929,167	\$ 0
New	0	74,600	0	74,600	74,600
Restore: Maintains current level of funding.					
New: An increase of \$74,600 for payment to the Department of Administrative Services (DAS).					
Department of Public Defense Total	\$ 5,929,167	\$ 6,003,767	\$ 0	\$ 6,003,767	\$ 74,600
FTE Total	316.85	316.85	0.00	316.85	0.00

Civil Air Patrol

Restore	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Restore: Maintains current level of funding.					
Department of Public Defense Total	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Public Defense, Homeland Security and Emergency Management Division

Restore	\$ 1,601,033	\$ 1,601,033	\$ 0	\$ 1,601,033	\$ 0
New	0	600,000	0	600,000	600,000

Restore: Maintains current level of funding.

New: An increase to replace the loss of federal funding for the National Incident Management System and moves 2.50 FTE positions to State funding. An increase of 8.25 FTE positions that are federally funded.

Department of Public Defense Total	\$ 1,601,033	\$ 2,201,033	\$ 0	\$ 2,201,033	\$ 600,000
FTE Total	26.75	35.00	0.00	35.00	8.25

Department of Public Defense	\$7,630,200	\$8,304,800	\$0	\$8,304,800	\$674,600
FTE TOTAL	343.60	351.85	0.00	351.85	8.25

Department of Public Safety

Public Safety Administration

Restore	\$ 3,806,840	\$ 3,806,840	\$ 0	\$ 3,806,840	\$ 0
New (1)	0	272,770	0	272,770	272,770
New (2)	0	84,450	0	84,450	84,450
New (3)	0	-66,160	0	-66,160	-66,160

Restore: Maintains current level of funding.

New (1): An increase of \$272,770 for payment to the DAS for increased indirect service costs and a back-up disaster recovery system.

New (2): An increase of \$84,450 for increased maintenance agreements and computer hardware and software equipment needs.

New (3): A decrease of \$66,160 and 1.00 FTE position due to a transfer to the Division of Narcotics Enforcement for the Uniform Crime Report.

Public Safety Administration Total	\$ 3,806,840	\$ 4,097,900	\$ 0	\$ 4,097,900	\$ 291,060
FTE Total	38.00	37.00	0.00	37.00	-1.00

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Division of Criminal Investigation (DCI)					
Restore	\$ 19,003,941	\$ 19,003,941	\$ 0	\$ 19,003,941	\$ 0
New (1)	0	635,621	0	635,621	635,621
New (2)	0	485,400	0	485,400	485,400
New (3)	0	388,000	0	388,000	388,000
New (4)	0	0	0	0	0
New (5)	0	0	0	0	0
Restore: Maintains current level of funding. New (1): An increase of \$635,621 and 10.00 FTE positions to support enforcement activities at gaming facilities. This will be offset with increased revenue. New (2): An increase of \$485,400 for increased overtime and equipment costs. New (3): An increase of \$388,000 and 3.00 FTE positions to continue and expand the Internet Crimes Against Children effort. New (4): An increase of 1.00 FTE position funded from Amusement Device receipts. New (5): An increase of 2.00 FTE positions funded from Records and Identification Bureau receipts.					
Division of Criminal Investigation Total	\$ 19,003,941	\$ 20,512,962	\$ 0	\$ 20,512,962	\$ 1,509,021
FTE Total	271.50	287.50	0.00	287.50	16.00
Public Safety Crime Lab Equipment/Training					
Restore	\$ 342,000	\$ 342,000	\$ 0	\$ 342,000	0
Restore: Maintains current level of funding.					
Public Safety Crime Lab Equip./Training	\$ 342,000	\$ 342,000	\$ 0	\$ 342,000	\$ 0
Narcotics Enforcement					
Restore	\$ 5,550,724	\$ 5,550,724	\$ 0	\$ 5,550,724	\$ 0
New (1)	0	130,852	0	130,852	130,852
New (2)	0	0	0	0	0
New (3)	0	66,160	0	66,160	66,160
New (4)	0	215,679	0	215,679	215,679

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Restore: Maintains current level of funding. New (1): An increase of \$130,852 for increased overtime expenditures. New (2): An increase of 2.00 FTE positions for Intelligence Analysts dedicated to compiling intelligence data for the Homeland Security Emergency Management Division and the Department of Agriculture and Land Stewardship. This will be offset with increased revenue. New (3): An increase of \$66,160 and 1.00 FTE position due to the transfer from Administration for the Uniform Crime Report. New (4): An increase to replace federal Byrne - JAG grant interdiction money with money from the General Fund.					
Narcotics Enforcement Total	\$ 5,550,724	\$ 5,963,415	\$ 0	\$ 5,963,415	\$ 412,691
FTE Total	84.00	87.00	0.00	87.00	3.00
Public Safety Undercover Funds					
Restore	\$ 123,343	\$ 123,343	\$ 0	\$ 123,343	0
Restore: Maintains current level of funding.					
Public Safety Undercover Funds Total	\$ 123,343	\$ 123,343	\$ 0	\$ 123,343	\$ 0
Fire Marshal					
Restore	\$ 2,667,566	\$ 2,667,566	\$ 0	\$ 2,667,566	\$ 0
New	0	389,888	0	389,888	389,888
Restore: Maintains current level of funding. New (1): An increase of \$389,888 and 2.00 FTE positions for the Building Code Bureau. The cost for this package will be offset by fee revenue deposited directly into the General Fund. New (2): An increase of 1.00 FTE position for administrative support for licensing and certification. This increase will be offset with increased receipts.					
Fire Marshal Total	\$ 2,667,566	\$ 3,057,454	\$ 0	\$ 3,057,454	\$ 389,888
FTE Total	40.00	43.00	0.00	43.00	3.00

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Fire Fighter Training					
Restore	\$ 699,587	\$ 699,587	\$ 0	\$ 699,587	0
Restore: Maintains current level of funding.					
Fire Fighter Training Total	\$ 699,587	\$ 699,587	\$ 0	\$ 699,587	\$ 0
Fire Service					
Restore	\$ 704,110	\$ 704,110	\$ 0	\$ 704,110	0
Restore: Maintains current level of funding.					
Fire Service Total	\$ 704,110	\$ 704,110	\$ 0	\$ 704,110	\$ 0
FTE Total	10.00	10.00	0.00	10.00	0.00
Iowa State Patrol					
Restore	\$ 45,956,927	\$ 45,956,927	\$ 0	\$ 45,956,927	\$ 0
New (1)	0	1,765,638	0	1,765,638	1,765,638
New (2)	0	253,494	0	253,494	253,494
Restore: Maintains current level of funding. New (1): An increase of \$1,765,638 and 1.00 FTE position to fill a vacancy for an electronics technician and for increased operational costs including fuel and uniforms. New (2): An increase of \$253,494 and 2.00 FTE positions for a security detail for the Governor's children.					
Iowa State Patrol Total	\$ 45,956,927	\$ 47,976,059	\$ 0	\$ 47,976,059	\$ 2,019,132
FTE Total	530.00	533.00	0.00	533.00	3.00
Sick Leave Payout					
Restore	\$ 316,179	\$ 316,179	\$ 0	\$ 316,179	0
Restore: Maintains current level of funding.					
Sick Leave Payout Total	\$ 316,179	\$ 316,179	\$ 0	\$ 316,179	\$ 0

Justice System Appropriations Subcommittee

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Capitol Security

Restore	\$ 775,000	\$ 0	\$ 0	\$ 0	-775,000
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The Governor is not recommending funds for Capitol Security in FY 2008.

Capitol Security	\$ 775,000	\$ 0	\$ 0	\$ 0	\$ -775,000
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Department of Public Safety	\$79,946,217	\$83,793,009	\$0	\$83,793,009	\$3,846,792
FTE TOTAL	973.50	997.50	0.00	997.50	24.00

Grand Total

Justice System Total	\$592,131,468	\$629,774,560	\$3,676,474	\$628,779,766	\$36,648,298
FTE TOTAL	7,956.18	8,291.19	20.00	8,311.19	355.01

SUBCOMMITTEE BUDGET ISSUES

The Justice System Appropriations Subcommittee may wish to examine the following issues:

Department of Justice

- ▶ **Victim Assistance Grants** – The Crime Victim Assistance Division provides grants to service providers for victims of domestic abuse, rape, and sexual assaults. A State General Fund appropriation, combined with federal grants and the Victim Compensation Fund, are used for community crime victim service programs. These funds are distributed to 31 domestic abuse programs, 31 sexual abuse programs, the Iowa Domestic Abuse Hotline, and the Sexual Abuse Hotline. The General Assembly first started appropriating General Fund money in FY 1990 for the grants. This funding peaked in FY 2001 at \$1.9 million; the FY 2007 General Fund appropriation is \$5,000. The General Fund appropriation has been supplemented with federal funds and transfers from the Victim Compensation Fund, plus funding at the local level. However, seven shelters have closed in the last three years. The Office of the Attorney General is requesting \$1.0 million in FY 2008 for Victim Assistance Grants.

Department of Corrections

- ▶ **Mental Health** – Approximately 33.0% of offenders in prison have a mental health condition. Most of these offenders will be released to Community-Based Corrections (CBC) supervision. The Department is constructing a 178-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 will open in FY 2007. The Department is requesting \$17.7 million to operate and staff the facility for a full year in FY 2008. The Department is also requesting \$1.1 million to provide mental health and substance abuse treatment services to offenders in the CBC District Departments. ***The Governor is recommending an increase of \$17.7 million in FY 2008 to fully fund the operating costs and provide substance abuse assessments.***
- ▶ **Prison Education** – The General Fund appropriation for inmate education peaked in FY 2001 at \$3.3 million. The FY 2007 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 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 equivalency course, and vocational courses through the community college system. The Department is requesting \$2.6 million from the General Fund in FY 2008. This is an increase of \$1.5 million (140.1%) compared to the FY 2007 appropriation, and a decrease of \$0.7 million (21.2%) 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 \$1.8 million to supervise and treat convicted sex offenders living in the community. The Subcommittee may want to review the supervision and treatment requirements contained within HF 619. ***The Governor is recommending an increase of \$1.8 million in FY 2008 for treatment, supervision, and electronic monitoring of sex offenders.***
- ▶ **Iowa Prison Population Growth** – The Iowa prison population is currently 8,862 inmates, which is 122.1% of current designed capacity. The Criminal and Juvenile Justice Planning Division of the Department of Human Rights projects the population will reach will be 11,383 inmates by June 30, 2016, an increase of 31.5% over the next 10 years. ***The Governor is recommending an FY 2007 supplemental appropriation of \$3.4 million to staff the 178-bed Special Needs Unit at the Iowa Medical Classification Center at Oakdale.***
- ▶ **Central Office Staff** – The Department received an FY 2006 supplemental appropriation of \$625,000 to fund existing filled positions in Central Office. ***The Governor is recommending an FY 2007 supplemental appropriation of \$300,000 for Central Office for a Security Director and to fully fund filled positions. The Governor is also recommending an increase of \$511,000 for Central Office staff in FY 2008.***
- ▶ **Operating Budgets** – The Institutions and CBC District Departments have experienced cost increases for food, fuel, and pharmacy. ***The Governor is recommending an FY 2007 supplemental appropriation of \$1.2 million for pharmacy and utility cost increases in the prison system. The Governor is also recommending an increase of \$1.9 million for food, fuel, and pharmacy cost increases in FY 2008 for the Institutions and CBC District Departments. The Governor is also recommending an increase of \$632,000 to reimburse the Department of Administrative Services for a general rate increase.***
- ▶ **County Confinement Account** – This appropriation reimburses the counties for holding alleged parole, work release, and Operating While intoxicated (OWI) offenders pending the outcome of revocation proceedings. ***The Governor is recommending an FY 2007 supplemental appropriation of \$400,000, and an increase of \$400,000 in FY 2008.***
- ▶ **Prison Security** – The General Assembly appropriated \$500,000 from the Rebuild Iowa Infrastructure Fund (RIIF) in FY 2007 to study the corrections system. The Department hired the Durrant Group, Inc. through a competitive bid process. The Durrant Group



is reviewing the physical plants, staffing, and treatment capacities within the corrections system. The Subcommittee may want to review the results of this study with the DOC. ***The Governor is recommending an increase of \$900,000 to reduce the salary shortfall in the prison system in FY 2008.***

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 dated October 18, 2006, the Judicial Retirement Fund is 70.0% funded, and the annual required combined contribution (employer and employee) as a percentage of pay is 33.7% to fully fund the retirement system. The judge’s contribution rate is set by statute and was changed during the 2006 Legislative Session from 5.0% to 6.0% of pay, but reduced to 2.3% because the rate is tied to the amount appropriated for the State share in FY 2007. There are currently 197 active members participating in the Judicial Retirement Fund. There are nine inactive vested members, 103 retirees and Senior Judges, and 41 surviving spouses. House File 2557 (FY 2007 Judicial Branch Appropriations Act) notwithstanding Section 602.9104(4)(b), Code of Iowa, to lower the employer contribution rate to the Judicial Retirement Fund from 23.7% to 9.2%. The FY 2007 General Fund appropriation to the Judicial Retirement Fund is \$2.0 million. For FY 2007, covered payroll is estimated at \$24.2 million. If the Judicial Retirement Fund is funded at the statutory requirement of 23.7% of covered payroll, the appropriation will be \$6.7 million.
- ▶ **Courthouse Security** – Under current law, counties are responsible for providing and maintaining courthouses, including court security, and the State is responsible for the salaries and benefits of judges and court staff. Since court reorganization in 1986, there have been disagreements over whether the State or counties should pay for courthouse security. The Judicial Branch indicates counties are responsible for infrastructure and since other county services are in the courthouse, counties are responsible for security costs. County officials contend that since the State pays for all court personnel and the majority of security would be for court personnel, the State should pay the costs. The General Assembly may wish to consider alternatives, such as mandate all courthouses be in compliance with the courthouse security guidelines set forth by the Supreme Court; appropriate funds to counties to cover security costs of court service days; appropriate funds to counties to cover 50.0% of the costs, with the requirement that counties fund 50.0% of the costs; or amend current law to require that a percentage of the Jail User Fee be used for courthouse security.

Homeland Security and Emergency Management

- ▶ **Enhanced 911 (E911) Program** – The E911 Commission Act enacted by the General Assembly in 1998, established the E911 Program and initiated the collection of a \$0.50 surcharge per wireless phone subscriber that began January 1, 1999. Senate File 2298 (FY 2005 Omnibus Appropriations Act) required the State's E911 Program to facilitate Phase 2 implementation pursuant to federal requirements and to enable E911 dispatchers to locate cell phone callers by using the latitude and longitude coordinates of cell phones. The legislation also increased the wireless monthly surcharge from \$0.50 to \$0.65 per wireless phone subscriber, and the receipts are deposited in the Wireless E911 Emergency Communications Fund. The Fund balance continues to increase. The Government Oversight Committee is required to review the priority order of the distribution of the funds at least every two years. The Committee may choose to pursue alternatives, such as: explore options for reducing the \$0.65 surcharge while maintaining Phase 2 capabilities and preventing debt from accumulating; explore options of amending the current formula for the distribution of current revenues while maintaining Phase 2 capabilities and preventing debt from accumulating; consider enhancing services, such as establishing a pilot project for researching digital internet protocol, or continue oversight and monitoring of the E911 Program.

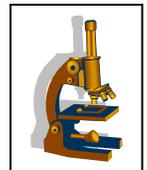
Iowa Law Enforcement Academy (ILEA)

- ▶ **Law Enforcement Academy Class Sizes and Appropriations** – In FY 2007, language was included in HF 2558 (FY 2007 Justice System Appropriations Act) that allowed the ILEA to charge more than 50.0% of the cost of tuition to help offset a potential revenue shortfall in the operating budget from a decrease in attendees to the Basic Academy. The General Fund appropriation to the Academy for FY 2007 is \$1.2 million. The amount requested for FY 2008 is \$1.3 million. The total cost to attend the Basic Training Academy in FY 2007 is \$5,730. Tuition for FY 2007 will be 61.0% of the cost to attend or \$3,500 per person. The Academy is requesting continued authority to charge more than 50.0% of the cost of tuition to offset potential revenue shortfalls in FY 2008.



Department of Public Safety (DPS)

- ▶ **Division of Criminal Investigation** – Due to growth in the gaming industry, the Department is requesting 2.0 additional FTE positions for Special Agents and 5.0 FTE positions for Gaming Enforcement Officers in support of the new gaming facility at Burlington and one additional Gaming Enforcement Officer for Worth County. ***The Governor is recommending an FY 2007 supplemental appropriation of \$467,000, of which \$247,000 is for coverage at the Burlington gaming facility starting in May, and \$220,000 is for the DNA database in the Department. The Governor is recommending \$636,000 in FY 2008. These costs are offset by revenue deposited to the General Fund.***



➤ **Iowa State Patrol** – The Iowa State Patrol, Post 16, is responsible for security at the Capitol Complex, the Judicial Branch Building, and at Terrace Hill. **The Governor is recommending an FY 2007 supplemental appropriation of \$150,000 to cover overtime expenses for the additional security detail for the Governor. The Governor is recommending \$254,000 in FY 2008 to add 2.0 FTE positions to the Security Detail.**

➤ **Fire Marshal** – House File 2797 (FY 2007 Standing Appropriations Act) increased the scope of projects requiring review by the Building Code Bureau within the Fire Marshal's Office effective January 1, 2007. Plan review revenue is deposited directly into the General Fund. Plan review fees are increasing considerably and are estimated to generate \$316,000 annually to the General Fund. The Bureau requires two Construction Engineer 2 positions, at an FY 2007 cost of \$100,000, to keep up with the work load. With the offsetting revenue going into the General Fund, the net effect is an increase in the net anticipated revenue of over \$58,000 in FY 2007. The FTE positions are being requested in the FY 2008 Department Request. **The Governor is recommending an FY 2007 supplemental appropriation of \$100,000 and an increase of \$390,000 in FY 2008, which will be offset with receipts to the General Fund.**



➤ **Capitol Security** – On January 13, 2002, additional security measures were put into place in the State Capitol Building and in April 2003, similar security measures were implemented and additional personnel were hired for the Judicial Branch Building. The 15.0 FTE positions for Capitol Security Officers are Legislative Branch employees who work under the direction of the Department of Public Safety through a 28D agreement. The Officers rotate shifts between the Capitol and the Judicial Branch Buildings. From FY 2002 through FY 2006, Capitol Security was funded by the General Assembly from the Rebuild Iowa Infrastructure Fund (RIIF). In FY 2007, the funding was switched to the General Fund and the appropriation was added to the Justice System Appropriation Subcommittee. The Department of Public Safety has stated that additional funding may be needed for Capitol Security to cover increased costs but no formal request was made since they are not direct employees of the Department. **The Governor is not recommending the \$775,000 in FY 2008 for Capitol Security since they are Legislative Branch employees.**

Public Defender and Indigent Defense Program

➤ **Caseloads** – The Office of the State Public Defender expended \$46.2 million in total funds during FY 2006, an increase of \$3.0 million (6.9%) compared to FY 2005. Costs for this constitutionally mandated program have been steadily increasing due to the increase in cases and claims. Since FY 1996, the average annual increase in spending has been 7.9%. From FY 1996 to FY 2006, the number of attorney claims for reimbursement from the Indigent Defense Fund has increased by 165.7%, while the number of cases handled by the Office of the State Public Defender increased by 31.9%. The Subcommittee may want to examine the adequacy of staffing and funding. **The Governor is recommending an increase of \$4.1 million in FY 2008.**

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed three **Issue Reviews** relating to the Justice System Appropriations Subcommittee during the 2006 Interim that are available on the LSA web site : <http://staffweb.legis.state.ia.us/lfb/>.

- [Courthouse Security](#)
- [Enhanced 911 System](#)
- [Women Offenders](#)

Topic Presentations

The LSA maintains and updates **Topic Presentations** that are available on the LSA web site at <http://www.legis.state.ia.us/Fiscal/topicpres/>. Presentations relating to the Justice System Subcommittee include:

- [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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Fiscal Services Division

Fiscal Services Division

Legal Services Division

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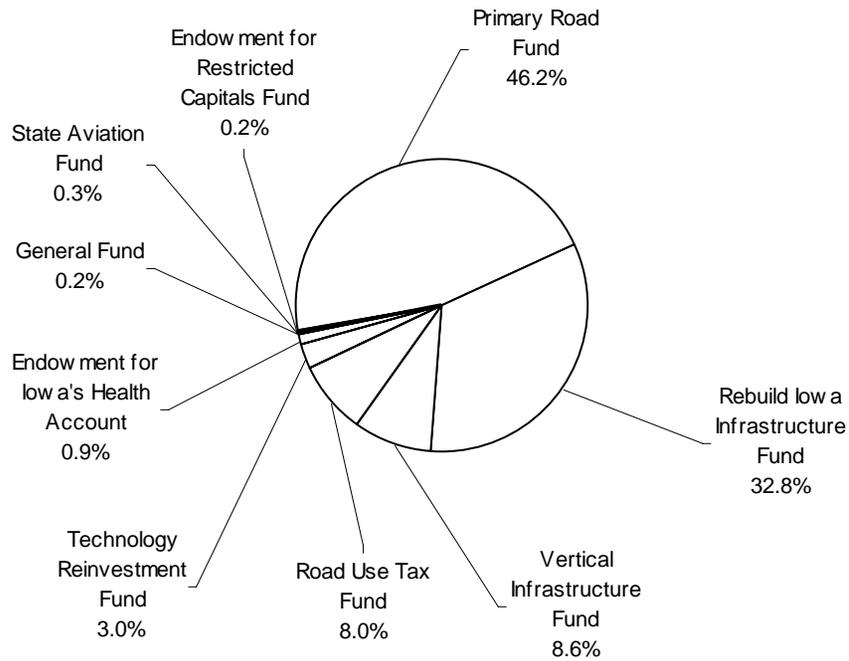
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TRANSPORTATION, INFRASTRUCTURE, AND CAPITALS APPROPRIATIONS SUBCOMMITTEE

**Transportation, Infrastructure, & Capitals
FY 2008 Governor's Recommendations by Funding Source**



**Transportation, Infrastructure, & Capitals
FY 2008 Governor's Recommendations by Funding Source**

Primary Road Fund	\$ 269,829,152
Rebuild Iowa Infrastructure Fund	191,399,641
Vertical Infrastructure Fund	50,000,000
Road Use Tax Fund	46,656,101
Technology Reinvestment Fund	17,265,658
Endowment for Iowa's Health Account	5,000,000
State Aviation Fund	1,600,000
Endowment for Iowa's Health Restricted Capitals Fund	1,400,000
General Fund	1,000,000
Total	<u><u>\$ 584,150,552</u></u>

Totals may not add due to rounding.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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DEPARTMENT OF TRANSPORTATION - OPERATIONS

Operations					
Restore	\$ 40,684,189	\$ 35,016,403	\$ 5,667,786	\$ 40,684,189	\$ 0
New	0	3,295,249	569,214	3,864,463	3,864,463

Restore: Maintains current level of funding.
 New: A total increase of \$3,864,463, which includes the following:
 An increase of \$3,744,289 to transfer 35.00 FTE positions from the Administrative Services budget unit.
 An increase of \$321,174 to transfer 4.00 FTE positions from the Planning budget unit.
 An increase of \$204,000 to transfer the General Council from the Administrative Services budget unit.
 A decrease of \$85,000 to transfer 2.00 FTE positions to the Highways budget unit.
 A decrease of \$120,000 to eliminate 1.00 FTE position due to reorganization.
 A decrease of \$640,000 for elimination of the Park Fair Mall lease.
 An increase of \$225,000 for additional maintenance and expanded capacity of the existing Electronic Records Management System (ERMS).
 An increase of \$215,000 for operating expenses for the new Motor Vehicle Center in Ankeny and the Des Moines satellite site.

Operations	\$ 40,684,189	\$ 38,311,652	\$ 6,237,000	\$ 44,548,652	\$ 3,864,463
FTE Total	269.00	305.00	0.00	305.00	36.00

Administrative Services

Restore	\$ 3,948,289	\$ 3,400,067	\$ 548,222	\$ 3,948,289	\$ 0
New	0	-3,400,067	-548,222	-3,948,289	-3,948,289

Restore: Maintains current level of funding.
 New: A decrease of \$3,948,289 to transfer all 35.00 FTE positions to the Operations budget unit. The Administrative Services budget unit is being eliminated due to reorganization.

Administrative Services	\$ 3,948,289	\$ 0	\$ 0	\$ 0	\$ -3,948,289
FTE Total	35.00	0.00	0.00	0.00	-35.00

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Motor Vehicle Division

Restore	\$ 34,599,113	\$ 1,393,456	\$ 33,205,657	\$ 34,599,113	\$ 0
New	0	-9,456	141,456	132,000	132,000

Restore: Maintains current level of funding.
 New: An increase of \$132,000 for fuel costs.

Motor Vehicle Division	\$ 34,599,113	\$ 1,384,000	\$ 33,347,113	\$ 34,731,113	\$ 132,000
FTE Total	483.00	483.00	0.00	483.00	0.00

Highways

Restore	\$ 206,354,880	\$ 206,354,880	\$ 0	\$ 206,354,880	\$ 0
New (1)	0	85,000	0	85,000	85,000
New (2)	0	261,000	0	261,000	261,000
New (3)	0	2,291,000	0	2,291,000	2,291,000
New (4)	0	445,000	0	445,000	445,000

Restore: Maintains current level of funding.
 New (1): An increase of \$85,000 to transfer 2.00 FTE positions from the Operations budget unit.
 New (2): An increase of \$261,000 for support of additional lane miles.
 New (3): An increase of \$2,291,000 for fuel costs.
 New (4): An increase of \$445,000 for salt costs.

Highway Division	\$ 206,354,880	\$ 209,436,880	\$ 0	\$ 209,436,880	\$ 3,082,000
FTE Total	2,452.00	2,454.00	0.00	2,454.00	2.00

Planning

Restore	\$ 9,712,082	\$ 9,227,088	\$ 484,994	\$ 9,712,082	\$ 0
New	0	-306,180	-14,994	-321,174	-321,174

Restore: Maintains current level of funding.
 New: A decrease of \$321,174 to transfer 4.00 FTE positions to the Operations budget unit.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
Planning	\$ 9,712,082	\$ 8,920,908	\$ 470,000	\$ 9,390,908	\$ -321,174
FTE Total	136.00	132.00	0.00	132.00	-4.00

DEPARTMENT OF TRANSPORTATION - SPECIAL PURPOSE

Indirect Cost Recoveries					
Restore	\$ 850,000	\$ 748,000	\$ 102,000	\$ 850,000	\$ 0
Restore: Maintains current level of funding.					
Indirect Cost Recoveries	\$ 850,000	\$ 748,000	\$ 102,000	\$ 850,000	\$ 0

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Department of Administrative Services (DAS) Utilities					
Restore	\$ 1,000,000	\$ 860,000	\$ 140,000	\$ 1,000,000	\$ 0
New	0	28,000	5,000	33,000	33,000
Restore: Maintains current level of funding. New: An increase of \$33,000 for a projected increase in DAS utility service costs.					
DAS Utilities	\$ 1,000,000	\$ 888,000	\$ 145,000	\$ 1,033,000	\$ 33,000

Workers' Compensation					
Restore	\$ 3,137,000	\$ 3,011,520	\$ 125,480	\$ 3,137,000	\$ 0
New	0	-419,520	-17,480	-437,000	-437,000
Restore: Maintains current level of funding. New: A decrease of \$437,000 for a reduction in workers' compensation costs.					
Workers' Compensation	\$ 3,137,000	\$ 2,592,000	\$ 108,000	\$ 2,700,000	\$ -437,000

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Unemployment Compensation

Restore	\$ 345,000	\$ 328,000	\$ 17,000	\$ 345,000	\$ 0
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Unemployment Compensation	\$ 345,000	\$ 328,000	\$ 17,000	\$ 345,000	\$ 0
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Auditor

Restore	\$ 403,000	\$ 346,580	\$ 56,420	\$ 403,000	\$ 0
New	0	29,632	4,568	34,200	34,200

Restore: Maintains current level of funding.
 New: An increase of \$34,200 for a projected increase in audit costs. This is an increase of \$14,200 compared to the FY 2008 Department request. Following the DOT's submission of their FY 2008 budget, the State Auditor submitted FY 2008 billing costs to the DOT, which included an increase of \$14,200.

Auditor	\$ 403,000	\$ 376,212	\$ 60,988	\$ 437,200	\$ 34,200
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Inventory and Equipment Replacement

Restore	\$ 2,250,000	\$ 2,250,000	\$ 0	\$ 2,250,000	\$ 0
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Inventory and Equipment Replacement	\$ 2,250,000	\$ 2,250,000	\$ 0	\$ 2,250,000	\$ 0
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Transportation Maps

Restore	\$ 235,000	\$ 235,000	\$ 0	\$ 235,000	\$ 0
New	0	7,000	0	7,000	7,000

Restore: Maintains current level of funding.
 New: An increase of \$7,000 for costs associated with printing transportation maps.

Transportation Maps	\$ 235,000	\$ 242,000	\$ 0	\$ 242,000	\$ 7,000
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Field Facility Deferred Maintenance

Restore	\$ 351,500	\$ 351,500	\$ 0	\$ 351,500	\$ 0
Restore: Maintains current level of funding.					

Field Facility Deferred Maintenance	\$ 351,500	\$ 351,500	\$ 0	\$ 351,500	\$ 0
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Garage Fuel and Waste Management

Restore	\$ 800,000	\$ 800,000	\$ 0	\$ 800,000	\$ 0
Restore: Maintains current level of funding.					

Garage and Fuel Waste Management	\$ 800,000	\$ 800,000	\$ 0	\$ 800,000	\$ 0
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International Registration Plan / International Fuel Tax Administration System

Restore	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
Restore: Maintains current level of funding.					

IRP/IFTA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
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Road/Weather Conditions Information

Restore	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000	\$ 0
Restore: Maintains current level of funding.					

Road/Weather Conditions Information	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000	\$ 0
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North America Superhighway Coalition

Restore	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000	\$ 0
Restore: Maintains current level of funding.					

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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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North America Superhighway Coalition	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000	\$ 0
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County Treasurer Support

Restore	\$ 2,064,000	\$ 0	\$ 2,064,000	\$ 2,064,000	\$ 0
New	0	0	-232,000	-232,000	-232,000

Restore: Maintains current level of funding.
 New: A decrease of \$232,000 for County Treasurer Support.

County Treasurer Support	\$ 2,064,000	\$ 0	\$ 1,832,000	\$ 1,832,000	\$ -232,000
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Mississippi River Parkway Commission

Restore	\$ 40,000	\$ 0	\$ 40,000	\$ 40,000	\$ 0
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Restore: Maintains current level of funding.

Mississippi River Parkway Commission	\$ 40,000	\$ 0	\$ 40,000	\$ 40,000	\$ 0
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Driver's License Equipment Lease

Restore	\$ 2,820,000	\$ 0	\$ 2,820,000	\$ 2,820,000	\$ 0
New	0	0	227,000	227,000	227,000

Restore: Maintains current level of funding.
 New: An increase of \$227,000 for lease costs.

Driver's License Equip. Lease	\$ 2,820,000	\$ 0	\$ 3,047,000	\$ 3,047,000	\$ 227,000
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Reporting Database

Restore	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ -500,000
Restore: No funding recommended for FY 2008. This was a one-time appropriation for FY 2007.					

Reporting Database	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ -500,000
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DEPARTMENT OF TRANSPORTATION – CAPITAL PROJECTS

Garage Roofing Projects

Capital	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Continued funding of \$100,000 for garage roofing projects at various locations throughout the State.					

Garage Roofing Projects	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
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Clarinda Garage

Capital	\$ 0	\$ 2,300,000	\$ 0	\$ 2,300,000	\$ 2,300,000
A new recommendation of \$2,300,000 for costs associated with constructing a new garage in Clarinda.					

Clarinda Garage	\$ 0	\$ 2,300,000	\$ 0	\$ 2,300,000	\$ 2,300,000
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Scale Maintenance

Capital	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000
A new recommendation of \$100,000 for scale maintenance projects at various locations throughout the State.					

Scale Maintenance	\$ 0	\$ 0	\$ 100,000	\$ 100,000	\$ 100,000
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Utility Improvements

Capital	\$ 400,000	\$ 400,000	\$ 0	\$ 400,000	\$ 0
Continued funding of \$400,000 for utility improvements at various locations throughout the State.					

Utility Improvements	\$ 400,000	\$ 400,000	\$ 0	\$ 400,000	\$ 0
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Heating, Cooling, Exhaust System Improvements

Capital	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Continued funding of \$100,000 for heating, cooling, and exhaust system improvements at various locations throughout the State.					

Heating, Cooling, Exhaust Improvements	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
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Ames Complex Elevator Upgrade

Capital	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Continued funding of \$100,000 for the Ames Complex elevator upgrade.					

Ames Complex Elevator Upgrade	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000	\$ 0
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Americans with Disabilities Act (ADA) Improvements

Capital	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
Continued funding of \$200,000 for ADA improvements at various locations throughout the State.					

ADA Improvements	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Primary Road Fund Governor's Rec FY 2008	Road Use Tax Fund Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Fairfield Garage					
Capital	\$ 2,500,000	\$ 0	\$ 0	\$ 0	\$ -2,500,000

No funding recommended for FY 2008. This was a one-time appropriation for FY 2007.

Fairfield Garage	\$ 2,500,000	\$ 0	\$ 0	\$ 0	\$ -2,500,000
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Ames Complex South Parking Lot					
Capital	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ -200,000

No funding recommended for FY 2008. This was a one-time appropriation for FY 2007.

Ames Complex South Parking Lot	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ -200,000
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GRAND TOTAL

Transportation Total	\$ 314,844,053	\$ 269,829,152	\$ 46,656,101	\$ 316,485,253	\$ 1,641,200
FTE TOTAL	3,375.00	3,374.00	0.00	3,374.00	-1.00

INFRASTRUCTURE AND CAPITAL REQUESTS

Fund Reference

ENDW = Endowment for Iowa's Health Account

GF = General Fund

RC2 = Endowment for Iowa's Health Restricted Capitals Funds

RCF = Restricted Capital Fund

RIIF = Rebuild Iowa Infrastructure Fund

SAF = State Aviation Fund

TRF = Technology Reinvestment Fund

VIF = Vertical Infrastructure Fund

NOTE: An FY 2008 appropriation followed by an asterisk (*) indicates that the appropriation was enacted in a previous legislative session.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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INFRASTRUCTURE AND CAPITAL RECOMMENDATIONS

DEPARTMENT OF ADMINISTRATIVE SERVICES

Major Maintenance

Capital	\$ 10,000,000	\$ 40,000,000 *	VIF
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For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with major renovation and repair needs of State buildings under the purview of the Department of Administrative Services. These funds were previously appropriated in HF 875 (FY 2005 Infrastructure Appropriations Act).

Routine Maintenance

Capital	\$ 2,536,500	\$ 5,000,000	RIIF
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To provide routine, recurring, and preventive maintenance for State-owned facilities throughout the State for agencies under the purview of the Department of Administrative Services.

New State Office Building

Capital	\$ 37,585,000	\$ 16,100,000 *	RIIF
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This is the second year of funding for the new State office building. These funds were previously appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act). House File 2782 appropriated a total of \$77.1 million over four fiscal years for the new building, which includes: \$37.6 million for FY 2007, \$16.1 million for FY 2008, \$16.8 million for FY 2009, and \$6.6 million for FY 2010.

Toledo Power House and Equipment

Capital	\$ 1,521,045	\$ 7,035,000	RIIF
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Provides additional funding to complete the power house project in Toledo. A total of \$2.7 million was appropriated for this project in FY 2006 and FY 2007, which was the original estimated cost of the project. Estimates received in July 2006 increased the total cost of the project to \$9.7 million. This request will fund the additional amount needed to install energy improvements and to complete the original project.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Capitol Interior/Exterior

Capital	\$ 6,830,000	\$ 6,300,000	RIIF
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For design and construction funding for continued restoration of the Capitol's interior and exterior. An additional \$6.2 million will be needed in FY 2009 for renovation costs. The funds will be used for the following: fire systems, door security, accessibility improvements, elevator replacement, lighting improvements, enclosing the rotunda's first floor opening, battle flag case restoration, repair of the rotunda and grand staircase wall and ceiling finishes, restoration of rotunda statues, and first floor corridor tiles and scagliola columns.

Complex Utility Tunnel

Capital	\$ 0	\$ 5,309,200	RIIF
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For planning, design and repairs to all of the pedestrian and utility tunnels on the Capitol Complex. The FY 2008 recommendation is the first year of funding for a five-year project estimated to cost \$21.5 million.

Electrical Distribution System Upgrade

Capital	\$ 0	\$ 4,260,960	RIIF
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Provide for continued repair, replacement, and upgrades to the primary distribution system for the Capitol Complex, including replacement and relocation of transformers in the Capitol building, and full generation for the Capitol Complex. When the project is complete, the entire primary loop system will be replaced or upgraded and the Complex will have full back-up generation. An additional \$4.5 million will be required in FY 2009 to complete the project.

Information Technology Enterprise (ITE) Pooled Technology

Technology	\$ 3,358,334	\$ 3,792,200	TRF
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To fund projects submitted through the Return on Investment (ROI) Program. The projects include: the Enterprise Data Warehouse, DHS Overpayment Recoupment re-write, Electronic Tax Administration and Collection, Offender Management System, Criminal Justice Information System (CJIS) Integration, Seamless Service System Transfer to the Information Technology Enterprise, Aging and Disability Resource Connection, Resident Banking, and the Veterans Billing and Admission System.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Iowa Juvenile Home - Education & Infirmary Building

Capital	\$ 5,030,668	\$ 3,100,000 *	RIIF
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For construction of a new school/infirmary building at the Iowa Juvenile Home at Toledo, including renovation of an existing school building, and for the demolition of an old infirmary building and Wilson Cottage. These funds were previously appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act).

Leases/Assistance

Capital	\$ 1,824,500	\$ 1,824,500	RIIF
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Provide moving expenses, temporary leasing, and other costs related to renovation of buildings and relocation of employees into buildings on the Capitol Complex. These funds permit selected agencies that are currently paying facility leases to return to the Capitol Complex and allow agencies to temporarily relocate off-complex during facility renovations.

Repairs to Parking Lots and Sidewalks

Capital	\$ 0	\$ 1,650,000	RIIF
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To provide continued planning, design and repairs for the parking lots on the Capitol Complex. The Department received \$1.5 million in FY 2006 to repair approximately half of the existing surface parking lots.

West Capitol Terrace Restoration

Capital	\$ 0	\$ 1,600,000	RIIF
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To fund the Phase II development of the Capitol Complex West Terrace area. An total of \$2.1 million will be requested in FY 2009 and FY 2010 to complete the final phases of the project.

Enterprise Resource Planning-I/3

Technology	\$ 0	\$ 1,500,000	RIIF
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For costs associated with the purchase and implementation of an Integrated Information for Iowa (I/3) System. This is a computer system that integrates data systems of State government, including human resources, payroll, benefits, electronic procurement, accounting, and budget.

Hoover Building HVAC Improvements

Capital	\$ 0	\$ 1,320,000	RIIF
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For installation of new electronic HVAC (heating, ventilating and air conditioning) controls throughout the Hoover State Office Building.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Capitol Complex Property Acquisition and Related Services

Capital	\$ 500,000	\$ 1,000,000	RIIF
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Provide funding for property acquisition and related services at the Capitol Complex including appraisals and environmental assessments.

Workforce Development Asbestos Abatement

Capital	\$ 0	\$ 4,000,000	RIIF
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Asbestos abatement and related building renovation work, including design services, for the Iowa Workforce Development Building at 1000 E. Grand. The total cost of the renovation and abatement is estimated at \$13.0 million.

Central Energy Plant & Facilities

Capital	\$ 0	\$ 998,000	RIIF
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Provide design and construction services for improvements and additions to the Capitol Complex Central Energy Plant, cooling equipment, and the Facilities Management Center Building. This is the first year recommendation of a proposed five-year project totaling \$2.9 million.

Vehicle Dispatch Fleet Relocation

Capital	\$ 0	\$ 350,000	RIIF
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To relocate the State fleet gas station and support services from East 7th Street and Court Avenue to a new location yet to be determined. This request does not include remediation costs, which are unknown at this time.

Service Oriented Architecture

Technology	\$ 0	\$ 254,992	TRF
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To fund continued progress toward implementation of service-oriented architecture to establish a consolidated information technology infrastructure for participating agencies.

Capitol Complex Alternative Energy Systems

Capital	\$ 0	\$ 450,000	RIIF
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For development of alternative energy sources on the Capitol Complex, such as wind power and bio-diesel co-generation systems.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Workers' Monument

Capital	\$ 0	\$ 200,000	RIIF
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To provide partial State funding for a monument honoring Iowa workers. The monument will be located on the Capitol Complex.

Terrace Hill Maintenance

Capital	\$ 75,000	\$ 0	RIIF
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For updating and remodeling the third floor private kitchen and provide for other improvements throughout the private quarters of Terrace Hill.

Woodward Resource Center Wastewater Treatment Plant

Capital	\$ 2,443,000	\$ 0	
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Funding not recommended for FY 2008.

Department of Administrative Services Total	\$ 71,704,047	\$ 106,044,852	
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DEPARTMENT FOR THE BLIND CAPITALS

Blind Building Renovation

Capital	\$ 4,000,000	\$ 0	
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Funding not recommended for FY 2008.

Department for the Blind Total	\$ 4,000,000	\$ 0	
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Iowa Corrections Offender Network (ICON)

Technology	\$ 500,000	\$ 500,000	TRF
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For continued funding of the Iowa Corrections Offender Network (ICON) System to expand the System's capabilities including: streamlined purchasing and procurement processes; standardized reporting of fixed assets across all institutions; issuance of smart cards to inmates to make services more efficient and cost effective; streamlined collections from inmates for restitution, child support, DOC sanctions, and savings plans; and reduced paper in mailrooms and the DOC office. The Department was appropriated \$500,000 in FY 2007 to begin the enhancements.

Iowa State Penitentiary Electrical Lease ISP Electrical Lease

Capital	\$ 333,168	\$ 0	
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To pay the debt service for a lease purchase agreement with Alliant Energy to upgrade the electrical system for the Fort Madison Special Needs Facility. For FY 2008, the Governor is recommending the lease payment from the Fort Madison Correctional Facility General Fund appropriation.

Prison Systems Study

Capital	\$ 500,000	\$ 500,000	RIIF
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To provide additional funding to study the Iowa correctional system to assist policy-makers with decisions relating to the various programmatic needs of inmates and to identify infrastructure needs of the prison system.

Davenport CBC Facility

Capital	\$ 3,750,000	\$ 0	
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Funding not recommended for FY 2008.

Department of Corrections Total	\$ 7,083,168	\$ 11,345,000	
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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CULTURAL AFFAIRS CAPITALS

Iowa Great Places Program

Capital	\$ 3,000,000	\$ 3,000,000 *	RIIF
For continued funding of the Iowa Great Places Program. These funds were previously appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act).			

Historic Preservation Grant Program

Capital	\$ 800,000	\$ 800,000	RIIF
For continued funding of the Historical Site Preservation Grant Program. The funds are used to provide financial assistance for acquisition, repair, rehabilitation, and development of historic sites. Funds are awarded on a competitive grant basis, and applicants are required by rule to provide at least 50.0% of the project cost.			

Battle Flags

Capital	\$ 220,000	\$ 220,000	RIIF
To continue the funding for the stabilization of the Iowa Battle Flag collection.			

Iowa Veteran's Oral Histories

Capital	\$ 1,000,000	\$ 0	
Funding not recommended for FY 2008.			

American Gothic Visitors Center

Capital	\$ 250,000	\$ 0	
Funding not recommended for FY 2008.			

Department of Cultural Affairs Total

\$ 5,270,000	\$ 4,020,000
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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DEPARTMENT OF ECONOMIC DEVELOPMENT

Targeted Industries Infrastructure

Capital	\$ 0	\$ 10,555,000	RIIF
<p>To provide funding for a new economic development initiative involving the Bioscience Alliance of Iowa, the Iowa Advanced Manufacturing Council, the Iowa Information Technologies Council, and the Small Business Advisory Council.</p>			

Community Attraction and Tourism

Capital	\$ 5,000,000	\$ 5,000,000 *	RIIF
<p>For continued funding of the Community Attraction and Tourism Program. These funds were previously appropriated in SF 2298 (FY 2006 Omnibus Appropriations Act).</p>			

Accelerated Career Education (ACE) Infrastructure

Capital	\$ 5,500,000	\$ 0	
<p>Funding not recommended for FY 2008.</p>			

Port Authority

Capital	\$ 80,000	\$ 0	
<p>Funding not recommended for FY 2008.</p>			

Department of Economic Development Total

	\$ 10,580,000	\$ 15,555,000	
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DEPARTMENT OF EDUCATION

ICN Part III Leases and Maintenance Network

Technology	\$ 2,727,000	\$ 2,727,000	TRF
<p>For the cost of maintenance and leases associated with the build-out of Part III of the Iowa Communications Network (ICN).</p>			

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Community College Infrastructure

Capital	\$ 2,000,000	\$ 2,000,000 *	RIIF
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For infrastructure improvements at Community Colleges. These funds were previously appropriated in HF 882 (FY 2006 Standing Appropriations Act).

Replacement of Mechanical Equipment

Capital	\$ 0	\$ 1,275,000	RIIF
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For the upgrade and replacement of the mechanical equipment at the Iowa Public Television Headquarters.

Enrich Iowa Libraries

Capital	\$ 1,200,000	\$ 1,000,000	RIIF
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For continued funding of the Enrich Iowa Program. The Program provides funding assistance for structural and technological improvements to local libraries.

Mobile Unit

Capital	\$ 0	\$ 1,000,000	GF
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For the purchase of a mobile television production unit to facilitate Iowa Public Television's live programming.

Iowa Learning Technologies

Capital	\$ 500,000	\$ 500,000	TRF
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For continued funding of the Iowa Learning Technology Initiative. The funds are used to implement pilot programs related to encouraging innovation, increasing student achievement, and ensuring technology is used on the basis of best practices.

Statewide Education Data Warehouse-TRF

Capital	\$ 0	\$ 600,000	TRF
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Funding to begin development of a statewide education data warehouse to be used by teachers, parents, administrators, Area Education Agency staff, Department of Education staff and policymakers.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Digital TV Conversion

Capital	\$ 2,300,000	\$ 0	
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Funding not recommended for FY 2008.

Analog Transmission Replacement

Capital	\$ 1,425,000	\$ 0	
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Funding not recommended for FY 2008.

Uninterruptible Power Supply

Capital	\$ 315,000	\$ 0	
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Funding not recommended for FY 2008.

Department of Education Total	\$ 10,467,000	\$ 9,102,000	
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ETHICS AND CAMPAIGN FINANCE DISCLOSURE COMMISSION

Electronic Filing

Technology	\$ 39,100	\$ 0	
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Funding not recommended for FY 2008.

Ethics and Campaign Finance Disclosure Commission Total	\$ 39,100	\$ 0	
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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DEPARTMENT OF CORRECTIONS (DOC)

Fort Dodge Residential Facility Expansion

Capital	\$ 1,000,000	\$ 2,450,000 *	RIIF
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For construction of a new residential treatment facility in Fort Dodge. The Department was appropriated a total of \$4.9 million over three fiscal years for this project, which includes: \$1.4 million in FY 2006, \$1.0 million in FY 2007, and \$2.5 million in FY 2008. The funds for FY 2008 were previously appropriated in HF 875 (FY 2006 Infrastructure Appropriations Act).

Anamosa Dietary Facility Renovation

Capital	\$ 0	\$ 1,400,000	RC2
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To complete the funding for the renovation of the Anamosa dietary facility. The Department was appropriated a total of \$3.4 million in FY 2006 for the project. Bids for the project exceeded the amount appropriated by \$1.4 million.

Anamosa Boiler Project

Capital	\$ 0	\$ 2,000,000	RIIF
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To replace the boilers at the Anamosa State Penitentiary.

Security Audits

Capital	\$ 0	\$ 2,000,000	RIIF
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To begin upgrading the security at all correctional institutions based on the findings from the Department's security audit.

Newton Water Main and Electrical Upgrades

Capital	\$ 0	\$ 1,495,000	RIIF
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For replacement of the hot water main (\$1.2 million) and electrical distribution upgrades (\$295,000) at the Newton Correctional Facility.

Cedar Rapids Mental Health Facility

Capital	\$ 1,000,000	\$ 1,000,000	RIIF
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For construction costs associated with the addition of 20 beds at the Cedar Rapids residential facility for mental health treatment of offenders. The Department was appropriated \$1.0 million in FY 2007 to begin construction.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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DEPARTMENT OF PUBLIC HEALTH

Regional Environmental Public Health & Emer. Mgmt. Facility

Capital	\$ 100,000	\$ 0	
Funding not recommended for FY 2008.			

Department of Public Health Total	\$ 100,000	\$ 0	
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DEPARTMENT OF HUMAN RIGHTS

Infrastructure for Integrating Justice Data Systems

Technology	\$ 2,645,066	\$ 2,881,466	TRF
For continued development and implementation of the Criminal Justice Information System. The System will provide State and local law enforcement and justice agencies to share information more effectively and efficiency to help improve the public safety.			

Department of Human Rights Total	\$ 2,645,066	\$ 2,881,466	
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DEPARTMENT OF HUMAN SERVICES

Civil Commitment Unit for Sex Offenders (CCUSO)

Capital	\$ 0	\$ 750,000	RIIF
To fund improvements at the Civil Commitment Unit for Sex Offenders (CCUSO) that include: renovation of the remaining three wards, expansion of the yard, construction of a metal building to house the industrial arts program, expand food service to the Vocational Building, and remodel the Voldeng Building. Additional funding will be necessary to complete all of the improvements.			

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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CSRU Payment Processing Equipment

Technology	\$ 0	\$ 272,000	TRF
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For the purchase of payment processing equipment to benefit the Child Support Recovery Unit.

Residential Treatment Center Facility

Capital	\$ 300,000	\$ 0	
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No funding recommended for FY 2008.

Department of Human Services Total

	\$ 300,000	\$ 1,022,000	
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IOWA FINANCE AUTHORITY

IFA Water Quality Grants

Environmental	\$ 4,000,000	\$ 4,000,000	RIIF
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To provide funding for the Wastewater Financial Assistance Program created in FY 2007. The Program provides grants to improve water quality and help communities comply with water quality standards adopted by the Department of Natural Resources (DNR). Language was added to HF 2782 (2007 Infrastructure Appropriations Act) that states the General Assembly intends to appropriate \$4.0 million annually to the Wastewater Financial Assistance Program from FY 2008 to FY 2016.

Transitional Housing Revolving Loan Fund

Capital	\$ 1,400,000	\$ 0	
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No funding recommended for FY 2008.

Iowa Finance Authority Total

	\$ 5,400,000	\$ 4,000,000	
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

ICN Equipment Replacement - TRF

Technology	\$ 1,997,500	\$ 2,067,000	TRF
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For the replacement of aging equipment for the Iowa Communications Network (ICN). This appropriation is also used as a required match for the State to continue to receive a Universal Service Fund rate discount that is passed on to school districts and libraries.

Iowa Telecomm. and Comm. Commission Total	\$ 1,997,500	\$ 2,067,000	
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IOWA WORKFORCE DEVELOPMENT

Outcome Tracking System

Technology	\$ 0	\$ 600,000	TRF
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Funds will be used to create a system to track the long-term education and employment outcomes of people who receive education and training services in Iowa.

Automated Worker's Compensation Appeal System

Technology	\$ 0	\$ 500,000	TRF
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For purchase of technology to implement an automated workers' compensation system.

Iowa Workforce Development Total	\$ 0	\$ 1,100,000	
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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IOWA LAW ENFORCEMENT ACADEMY

ILEA - Technology Projects

Technology	\$ 50,000	\$ 0	TRF
No funding recommended for FY 2008.			

Iowa Law Enforcement Academy Total	\$ 50,000	\$ 0	
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DEPARTMENT OF NATURAL RESOURCES (DNR)

DNR Lakes Restoration and Water Quality

Environmental	\$ 8,600,000	\$ 8,600,000	RIIF
For implementation of lake restoration projects to improve water quality and enhance the recreational use of Iowa lakes. In FY 2007, the Department was appropriated \$8.6 million from the Endowment for Iowa's Health Account.			

State Parks Infrastructure Renovations

Capital	\$ 0	\$ 1,000,000	RIIF
For infrastructure improvements at State parks to improve water and sanitation systems, and electrical upgrades.			

Resource, Conservation and Development Projects

Capital	\$ 300,000	\$ 0	
Funding not recommended for FY 2008.			

Lake Darling State Park Shelter

Capital	\$ 250,000	\$ 0	
Funding not recommended for FY 2008.			

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Iowa's Special Areas

Capital	\$ 1,500,000	\$ 0	
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Funding not recommended for FY 2008.

Department of Natural Resources Total	\$ 10,650,000	\$ 9,600,000	
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BOARD OF PAROLE

Parole Board Technology Projects - TRF

Capital	\$ 75,000	\$ 0	
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Funding not recommended for FY 2008.

Board of Parole Total	\$ 75,000	\$ 0	
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DEPARTMENT OF PUBLIC DEFENSE

STARCOMM

Capital	\$ 1,600,000	\$ 2,000,000 *	RIIF
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For the second year of funding for the STARCOMM project. These funds were previously appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act). House File 2782 appropriated a total of \$5.2 million for the STARCOMM project over three fiscal years including: \$1.6 million for FY 2007, \$2.0 million for FY 2008, and \$1.6 million for FY 2009. The STARCOMM project is an interoperable communications program established in Sioux City through a Federal Emergency Management Agency (FEMA) grant with Woodbury County. The funds will be used to develop a communication training center with Western Iowa Tech Community College and the regional fire service training center.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Facility/Armory Maintenance

Capital	\$ 0	\$ 1,500,000	RIIF
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For major maintenance at National Guard facilities throughout the State. The State funds will be matched with \$1.5 million in federal funds.

Waterloo Aviation Readiness Center Phase 2

Capital	\$ 1,236,000	\$ 1,500,000	RIIF
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For continued renovation of the Waterloo Aviation Readiness Center. The State funds will be matched with \$750,000 in federal funds.

Iowa City Readiness Center Phase IV

Capital	\$ 1,444,288	\$ 1,200,000	RIIF
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For funding to complete the final phase of the Iowa City Readiness Center. The State funds will be matched with \$10.7 million in federal funds.

Ottumwa Armory Addition/Alteration

Capital	\$ 0	\$ 1,000,000	RIIF
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For renovation of the Ottumwa Readiness Center that was constructed in 1959. The State funds will be matched with \$750,000 in federal funds.

Law Enforcement/National Guard Shoot House

Capital	\$ 0	\$ 500,000	RIIF
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For design, construction, and equipment costs associated with a live-fire exercise shoot house training facility at Camp Dodge. The State funds will be matched with \$750,000 in federal funds.

Newton Readiness Center Addition

Capital	\$ 0	\$ 400,000	RIIF
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For renovation of the Newton Readiness Center. The State funds will be matched with \$400,000 in federal funds.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Eagle Grove Readiness Center Addition

Capital	\$ 0	\$ 400,000	RIIF
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For renovation of the Eagle Grove Readiness Center. The State funds will be matched with \$400,000 in federal funds.

Camp Dodge Water System Upgrade Phase III

Capital	\$ 0	\$ 400,000	RIIF
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For continued improvements to the water system at Camp Dodge. This is Phase III of a five-phase project estimated to cost \$3.3 million in State funds. The Department was appropriated \$2.7 million for FY 2006 for Phases I and II and will request funding for the balance of the project (\$246,000) in FY 2009 and FY 2010. The FY 2008 appropriation will be matched with \$901,000 in federal funds.

Information Technology Projects

Technology	\$ 75,000	\$ 111,000	TRF
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To fund information technology initiatives and upgrades, which include an information technology disaster recovery site for the Department, installation of a State inventory system, network access controls, and computer encryption software.

Camp Dodge Armed Forces Readiness Center

Capital	\$ 100,000	\$ 50,000	RIIF
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For costs associated with the construction of a Readiness Center at Camp Dodge. The funds will be used to cover the cost of anticipated changes to the construction criteria for the Camp Dodge Readiness Center. The construction of the Readiness Center will be funded with \$40.8 million of federal funds through the federal Base Realignment and Closure Program.

Spencer Readiness Center

Capital	\$ 689,000	\$ 0	
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Funding not recommended for FY 2008.

Department of Public Defense Total	\$ 5,144,288	\$ 9,061,000	
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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DEPARTMENT OF PUBLIC SAFETY

Mason City Patrol Post

Capital	\$ 0	\$ 2,400,000	RIIF
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For construction of a new Patrol Post near Mason City. The Department was provided an FY 2006 supplemental appropriation of \$2.4 million from the Restricted Capitals Funds (Tax-Exempt Tobacco Bonds). Due to delays in securing property for the project and restrictions placed on the expenditure of the appropriated funds, the Governor is recommending this project be funded from the RIIF in FY 2008. The Governor is recommending the deappropriation of the FY 2006 Restricted Capital Fund appropriation and re-appropriating the funds for other Public Safety projects that can be completed in a more timely manner.

Public Safety Technology Projects

Technology	\$ 943,000	\$ 1,900,000	TRF
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For technology projects and improvements within the Department, which include: \$1.5 million for the purchase of computers for State Patrol vehicles and \$400,000 for an information system for the State Crime Lab.

Iowa Automated Fingerprint Identification System

Technology	\$ 550,000	\$ 560,000	TRF
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For the lease purchase payments of a new Automated Fingerprint Information System (AFIS).

Fire Service Training Bureau - Training Centers

Capital	\$ 4,300,000	\$ 0	
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Funding not recommended for FY 2008.

Law Enforcement Training Track at Newton

Capital	\$ 800,000	\$ 0	
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Funding not recommended for FY 2008.

Department of Public Safety Total	\$ 6,593,000	\$ 4,860,000	
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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BOARD OF REGENTS

Iowa State University (ISU) Chemistry Facilities

Capital	\$	0	\$	2,192,000	RIIF
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The funds will be applied toward the construction of a new Chemistry Building at Iowa State University. Iowa State University was also allocated \$5.0 million in FY 2007 for the project. The allocation was from a \$10.0 million appropriation for building renovation and repair appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act). An additional \$51.7 million will be needed to complete the project.

Fire Safety and Deferred Maintenance All Institution

Capital	\$	6,200,000	\$	10,000,000	RIIF
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For funding major maintenance and deferred maintenance projects at all Regents institutions.

University of Iowa (SUI) College of Public Health Academic Building

Capital	\$	0	\$	9,100,000	RIIF
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The funds will be applied toward the construction of a College of Public Health Academic Building at the University of Iowa. The University of Iowa was also allocated \$2.0 million in FY 2007 for the project. The allocation was from a \$10.0 million appropriation for building renovation and repair appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act). An additional \$9.6 million will be needed to complete the project.

Hygienic Laboratory

Capital	\$	8,350,000	\$	15,650,000 *	RIIF
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For the second year of funding for construction of a new State Hygienic Laboratory at the University of Iowa. These funds were previously appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act). House File 2782 appropriated a total of \$36.0 million, which includes: \$8.4 million in FY 2007, million in FY 2008, and \$11.9 million in FY 2009.

University of Northern Iowa (UNI) Electrical Distribution Loop System

Capital	\$	0	\$	625,000	RIIF
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For completion of the electrical distribution system loop at the University of Northern Iowa. The University of Northern Iowa was also allocated \$3.0 million in FY 2007 for the project. The allocation was from a \$10.0 million appropriation for building renovation and repair appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act). An additional \$5.2 million will be needed to complete the project.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Tuition Replacement

Capital	\$ 10,329,981	\$ 10,329,981	RIIF
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To fund a portion of the FY 2008 Tuition Replacement costs. The Governor is also recommending \$13.3 million from the General Fund for FY 2008 Tuition Replacement. The General Fund recommendation is listed under the Education Appropriations Subcommittee section of this document.

Iowa Center for Regenerative Medicine

Capital	\$ 0	\$ 10,000,000	RIIF
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To provide funding for the Iowa Center for Regenerative Medicine Center at the University of Iowa to benefit stem cell research. The Governor is also recommending \$2.5 million supplemental appropriation for FY 2007 from the General Fund for the Center.

Major Renovation & Repair, Health, Life, Fire Safety, ADA

Capital	\$ 10,000,000	\$ 0	
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Funding not recommended for FY 2008.

Biosciences

Capital	\$ 8,200,000	\$ 0	
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Funding not recommended for FY 2008.

Biosciences Vertical Infrastructure

Capital	\$ 6,800,000	\$ 0	
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Funding not recommended for FY 2008.

Endowments and Salaries

Operations	\$ 5,000,000	\$ 0	
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Funding not recommended for FY 2008.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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ISU Veterinary Laboratory

Capital	\$ 2,000,000	\$ 0	
Funding not recommended for FY 2008.			

Novel Proteins Facility Construction/Equipment

Capital	\$ 1,000,000	\$ 0	
Funding not recommended for FY 2008.			

UNI Playground Safety

Capital	\$ 500,000	\$ 0	
Funding not recommended for FY 2008.			

Board of Regents Total	\$ 58,379,981	\$ 57,896,981	
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DEPARTMENT OF REVENUE

SAVE Appropriation

Capital	\$ 10,000,000	\$ 10,000,000 *	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.			

Department of Revenue Total	\$ 10,000,000	\$ 10,000,000	
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Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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STATE FAIR AUTHORITY

State Fair Capitals

Capital	\$ 1,000,000	\$ 3,000,000	RIIF
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For construction of an Agricultural Exhibition Center at the Iowa State Fairgrounds.

State Fair Authority Total

\$ 1,000,000	\$ 3,000,000
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DEPARTMENT OF TRANSPORTATION

Public Transit Assistance

Capital	\$ 2,200,000	\$ 2,200,000 *	RIIF
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For the Public Transit Infrastructure Grant Fund, which provides grants for infrastructure-related projects that benefit public transit in Iowa. These funds were previously appropriated in HF 2782 (FY 2007 Infrastructure Appropriations Act).

Rail Assistance Program

Capital	\$ 235,000	\$ 2,000,000	RIIF
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To provide continued funding for the Railroad Revolving Loan and Grant Fund. The funds are used to provide grants and loans for construction and improvements to railroad facilities.

Recreational Trails

Capital	\$ 2,000,000	\$ 2,000,000	RIIF
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To provide continued funding for the Recreational Trails Program.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Airport Improvements

Capital	\$ 564,000	\$ 1,600,000	SAF
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To provide funding for the aviation improvement program from the State Aviation Fund (SAF). The State Aviation Fund was established in HF 2782 (FY 2007 Infrastructure Appropriations Act) for funding airport engineering studies, construction and improvements projects, and the windsock program for public airports. In awarding moneys, the Department is to give preference to projects that demonstrate a collaborative effort between airports. Beginning in FY 2008, the Fund is to receive the aircraft registration fees and the excise tax on aviation fuels, that were previously deposited into the General Fund.

Commercial Air Service Airports

Capital	\$ 1,500,000	\$ 1,500,000	RIIF
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To provide continued funding for vertical infrastructure improvements at Iowa's commercial service airports.

General Aviation Airports

Capital	\$ 750,000	\$ 750,000	RIIF
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To provide continued funding for infrastructure improvements at general aviation airports.

Department of Transportation Total	\$ 7,249,000	\$ 10,050,000	
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TREASURER OF STATE

County Fair Improvements

Capital	\$ 1,060,000	\$ 1,060,000	RIIF
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For infrastructure improvements at county fairs. The funds are distributed to county fair societies that belong to the Association of Iowa Fairs.

Prison Infrastructure Bonds-RIIF

Capital	\$ 5,416,604	\$ 0	
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Funding not recommended for FY 2008. The debt service on the prison infrastructure bonds will be paid entirely from the Prison Infrastructure Fund in FY 2008.

Transportation, Infrastructure, and Capitals Subcommittee

Appropriation	Estimated FY 2007	Governor's Rec. FY 2008	Funding Source
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Treasurer of State Total	\$ 6,476,604	\$ 1,060,000	
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VETERANS AFFAIRS CAPITALS

Veterans Affairs Capitals

Capital	\$ 6,200,000	\$ 0	
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Funding not recommended for FY 2008.

Department of Veterans Affairs Total	\$ 6,200,000	\$ 0	
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GRAND TOTAL

APPROPRIATIONS PREVIOUSLY ENACTED		\$ 101,500,000	
TOTAL NEW APPROPRIATION REQUESTS		\$ 161,165,299	
GRAND TOTAL	\$ 231,403,754	\$ 262,665,299	

SUBCOMMITTEE BUDGET ISSUES

The Transportation, Infrastructure, and Capitals Subcommittee may wish to examine the following issues:

► Department of Transportation

- ◆ **Des Moines Driver's License Satellite Site** – Senate File 2232 (FY 2007 Transportation Appropriations Act) specified that the DOT establish a satellite driver's license station within the city of Des Moines. The satellite station is to open no later than the opening of the new Motor Vehicle Center in Ankeny, regardless of whether the Polk County Treasurer has committed to operating or staffing the facility. It was also intended, to the extent practicable, that the satellite facility be located as close as possible to the site of the DOT's Office of Driver Services currently located at Park Fair Mall in Des Moines.



Since passage of SF 2232, the following has been determined:

- The DOT has entered into a 28E agreement with the Polk County Board of Supervisors to allow Polk County to provide the DOT with space in the Oliver Plaza (located on Euclid Avenue in Des Moines) to house the satellite driver's license station. Use of the space is being provided at no cost to the State.
- The DOT will design and remodel the interior of the satellite station and will provide all furnishings. The Department will also provide staff for the site, including facilities staff. Preliminary work at the site has begun, and the DOT anticipates the facility will be open for business in June 2007.

The Department is requesting \$215,000 from the Operations budget for operating expenses for the Ankeny Center and the Des Moines satellite site for FY 2008. The FY 2008 budget will be reduced by \$640,000 for elimination of the Park Fair Mall lease. **The Governor is recommending \$215,000 from the Operations budget for the Ankeny Center and the Des Moines satellite site for FY 2008.**

- ◆ **REAL ID** – The federal REAL ID Act was enacted on May 11, 2005. The Act creates national standards for the issuance of State driver's licenses and non-operator identification cards, and is to be implemented by May 11, 2008. After that time, federal agencies will no longer accept a driver's license or identification card that does not meet requirements of the Act.

The National Governors Association, the National Conference of State Legislatures, and the American Association of Motor Vehicle Administrators estimate that implementation of REAL ID will cost an estimated \$11.0 billion nationwide over the first five years. This does not include a one-time cost of an estimated \$1.0 billion. The costs include new verification processes, new driver's license system requirements, and additional support costs, totaling an estimated \$1.0 billion in the first year and \$10.0 billion for on-going costs over a five-year period. To date, the federal government has not provided funding for implementation.



The DOT estimates that implementation of REAL ID will cost the State \$22.0 million annually for additional staff, increases in transaction time, and additional operating expenses for producing new driver's licenses and non-operator IDs.

✦ **Road Use Tax Fund Study** – House File 868 (FY 2006 Grow Iowa Values Fund Act) required the DOT to review the current revenue levels of the Road Use Tax Fund and its sufficiency for the projected construction and maintenance needs of city, county, and State governments in the future. The Department submitted its findings to the General Assembly in December 2006. The report included the following recommendations concerning funding levels needed to support the future mobility and accessibility of Iowa's public road system:



- **Create a Transportation Investment Moves the Economy in the 21st Century (TIME-21) Fund to target new revenue to areas particularly important to Iowa's economy.** The TIME-21 funding for the Primary Road System would be spent on the interstate and Commercial and Industrial Network (CIN) system. At the county level, funding would be targeted heavily toward replacing deficient bridges and enhancing the Farm-to-Market Road System. At the city level, each community would assess its own needs. Reconstruction, expansion, and safety would be priorities after maintenance needs are addressed.
- **Enact changes to the Code of Iowa to generate a minimum of \$200.0 million in new revenue for the TIME-21 Fund.** The funding could be generated using various options, including a gas tax increase, an increase in the registration fees charged for pickup trucks, an increase in driver's license fees, and a 1.0% increase in the motor vehicle use tax.
- **Distribute the TIME-21 Fund as follows:**
 - 60.0% to the State for use on the interstate and the CIN system;
 - 20.0% to cities, on a per capita basis, via the Street Construction Fund; and
 - 20.0% to counties via the Secondary Road Fund for use on all secondary road bridges and maintenance and construction improvements on the Farm-to-Market Road System.
- **Continue to evaluate alternative funding mechanisms.** For example, the per-mile user fee, which is not technically possible now, may be the best solution to assess user fees in an equitable manner as the country eventually moves toward alternative-fueled vehicles. The Iowa DOT should continue to study alternative funding sources and report at least every five years to the Legislature.
- **Perform regular reevaluation of needs and revenues and report to the Legislature.** The report states that it is prudent to reevaluate, on a regular basis, the long-range maintenance and construction needs of the public roadway system, and the ability of existing Road Use Tax Fund (RUTF) revenues (including new TIME-21 Fund revenues) to meet those needs. The Iowa DOT, in

consultation with cities, counties and other interested parties, should be directed to conduct a study similar to this one at least every five years and provide a written report to the Legislature summarizing the study.

► Infrastructure and Capitals

- ◆ **Mercy Hospital Property Acquisition** – The Department of Administrative Services and the Capitol Planning Commission are considering options that include purchasing the Mercy Capitol properties adjacent to the Complex. The additional property would allow for the construction of a parking structure that would service the north side of the Capitol Complex. The Department is considering the possibility of financing the acquisition with funds saved from leases that would be eliminated as a result of moving State employees out of leased space and onto State-owned property. The Department will seek approval from the Executive Council to move forward with the financing. The Department would also consider converting the hospital to office/cafeteria space to maximize the use of the new State Office Building that will be constructed near the area. The Department is considering scaling down the size of the new building from 350,000 to 300,000 sq. ft. This would allow funds appropriated for the building to be used to provide adequate parking on the north side of the Complex. The additional parking will be needed for the planned relocation of approximately 600 employees to the Complex that are currently housed in leased space. The Department may need legislative approval to use the appropriated funds for a parking structure.
- ◆ **Correctional Institution Infrastructure Needs** – The General Assembly appropriated \$500,000 to the Department of Corrections to conduct a study of Iowa's prison system to identify needed improvements to maximize the use of current infrastructure, capacity, and treatment of inmates. The study is also to provide an assessment of the future needs based on Iowa prison population forecasts. The consultant hired to conduct the study issued a preliminary report on November 3 that identified numerous infrastructure needs at the institutions that had been visited to date. Cost estimates for improvements at existing facilities and future expansion needs have not yet be formulated. The study is expected to be completed in January 2007.
- ◆ **FY 2007 Supplemental Appropriations and Deappropriations from the Restricted Capital Fund** – *The Governor is recommending five supplemental appropriations and two deappropriations from the Restricted Capital Fund of the Tobacco Settlement Trust Fund. The appropriation adjustments to the Fund are necessary to insure that the State is in compliance with Internal Revenue Code provisions requiring the proceeds be expended by October of 2007. The two appropriations that are being deappropriated are for projects that have experienced delays and the funds cannot be expended by the October 2007 deadline. These projects include the Mason City Patrol Post (\$2.4 million) and a portion of the funds appropriated for the Enterprise Resource Planning (1/3) System (\$1.5 million). The Governor is recommending these projects receive FY 2008 appropriations from the RIFF.*



The Governor is also recommending supplemental appropriations from the Fund for five projects that can be implemented in a relatively short period of time. The funds made available from the deappropriations will be used to fund the new projects. These include:

- **\$1.2 million to the Department of Public Safety for the acquisition of property to relocate the Vehicle Theft Division located in Des Moines.**
- **\$1.0 million to the Department of Public Safety to purchase five dispatch center consoles for 911 information.**
- **\$200,000 to the Department of Public Safety to purchase furniture for the new Department of Public Safety Building.**
- **\$700,000 to the Department of Administrative Services to repair the roof at Terrace Hill.**
- **\$800,000 to the Department of Administrative Services to provide additional funding for the electrical distribution system upgrade on the Capitol Complex.**

✦ **Infrastructure-Related Funding** – The Infrastructure Appropriations Bill has been used to fund more than just infrastructure projects. Historically, the Bill has been used to fund environmental programs, technology projects, as well as infrastructure improvements. For FY 2008, it is the intent of the General Assembly not to appropriate funds for environmental programs in the Infrastructure Appropriations Bill. All environmental programs will be funded through the Agriculture and Natural Resources Appropriations Bill. Of the total \$262.4 million of infrastructure-related resources available in FY 2008, \$101.5 million has been appropriated in prior legislative sessions. This leaves an estimated \$160.9 million available for new appropriations in FY 2008. ***The Governor is recommending a total of \$262.7 million for infrastructure and technology projects for FY 2008, which includes the \$101.5 million in previously appropriated projects.***

Infrastructure-Related Funds Available for Appropriation

(Dollars in Millions)

	Estimated FY 2008
Rebuild Iowa Infrastructure Fund	\$ 131.4
Vertical Infrastructure Fund	10.0
Technology Reinvestment Fund	17.5
Endowment for Iowa's Health Restricted Capitals Fund	1.8
Restricted Capitals Fund	0.2
Total	\$ 160.9

- ✦ **Rail Funding** – The DOT is preparing to accelerate rail economic development and job growth in Iowa through an initiative called, “Access Rail.” The plan includes a \$2.0 million request from the Rebuild Iowa Infrastructure Fund over five years beginning in FY 2008 for deposit into the Railroad Revolving Loan and Grant Fund. Statute requires that 50.0% of the proceeds in the Fund are to be used for grants and 50.0% for loans. Over a 20-year period the Department estimates that the appropriations will increase the funds available for the Program by \$18.2 million. ***The Governor is recommending \$2.0 million from the RIIF for FY 2008 for deposit into the Railroad Revolving Loan and Grant Fund.***

In 1998, legislation was enacted that established the Railroad Revolving Loan Fund. Moneys in the Fund were to be expended for loans to provide assistance for rail improvements including rail economic development projects. The Fund received a one-time appropriation of \$3.4 million in FY 1999. In FY 2006, HF 875 (Infrastructure Appropriations Act) expanded the scope of the Loan Fund by creating the Railroad Revolving Loan and Grant Fund. The Act provided that all railroad loan payments be deposited into the Fund instead of the General Fund beginning in FY 2007. Moneys in the Fund are to be used for the issuance of loans and grants for rail economic development projects and rail infrastructure improvements. In FY 2006, \$3.6 million was available for loans and grants. This is estimated to decrease to \$1.5 million in FY 2007.

ADDITIONAL LSA PUBLICATIONS

Issue Reviews

The LSA completed three **Issue Reviews** relating to Transportation, Infrastructure, and Capitals during the 2006 Interim that will be available on the LSA web site: <http://staffweb.legis.state.ia.us/lfb>.

- [Road Use Tax Fund Revenue Update](#)
- Special License Plates
- [Iowa Great Places Program](#)

Topic Presentations

The LSA maintains and updates **Topic Presentations** available on the LSA web site: <http://staffweb.legis.state.ia.us/lfb>. Presentations relating to the Transportation, Infrastructure, and Capitals Subcommittee include:

- [Road Use Tax Fund](#)
- [Primary Road 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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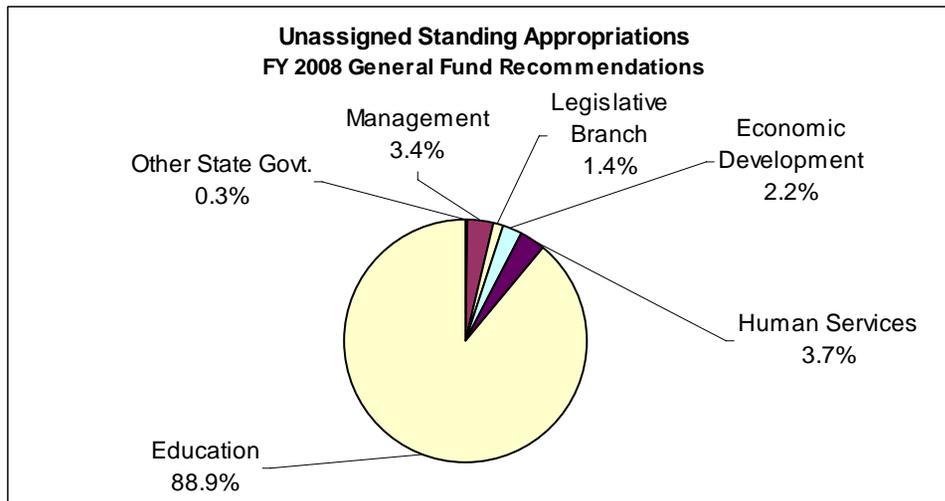
UNASSIGNED STANDING APPROPRIATIONS

A significant amount of the General Fund budget is appropriated in standing appropriations. These appropriations do not fall under the purview of a specific appropriations subcommittee. The following spreadsheet briefly explains these appropriations and cites the Code of Iowa section authorizing the appropriations. There are two types of standing appropriations:

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 . . ."

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Totals may not add due to rounding.

Unassigned Standing Appropriations FY 2008 General Fund Governor's Recommendations

Governor	\$ 3,710
Corrections	66,370
Public Health	200,000
Public Defense	421,639
Executive Council	1,608,750
Revenue	2,140,000
Administrative Services	3,720,784
Management	86,962,500
Legislative Branch	35,490,681
Economic Development	57,000,000
Human Services	95,416,492
Education	2,262,815,901
	\$ 2,545,846,827

Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Administrative Services

State Accounting Trust Funds

Restore (1)	\$ 436,250	\$ 436,250	\$ 0	\$ 436,250	\$ 0
Restore (2)	538,750	538,750	0	538,750	0
Restore (3)	2,745,784	2,745,784	0	2,745,784	0

Restore (1): Federal Cash Management Funding Trust Account. (Sec. 8a(14)(B) - standing unlimited)
Pays interest costs that may be due the federal government as a result of federal law implementation.

Restore (2): Unemployment Compensation Trust Account. (Sec. 96.7 - standing unlimited)
Funds for administration of Iowa Employment Security Law.

Restore (3): Municipal Retirement and Police Retirement Trust Account. (Sec. 411.2 & 8.59 - standing limited)
State's contribution to finance costs of benefits to municipal fire and police retirement systems.

State Accounting Trust Funds Total	\$ 3,720,784	\$ 3,720,784	\$ 0	\$ 3,720,784	\$ 0
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Department of Administrative Services	\$ 3,720,784	\$ 3,720,784	\$ 0	\$ 3,720,784	\$ 0
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Department of Corrections

Department of Corrections - Central Office

Restore	\$ 66,370	\$ 66,370	\$ 0	\$ 66,370	\$ 0
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Restore: State Case Court Costs. (Sec. 815.11 - standing unlimited). Pays for costs and court appointed attorney fees incurred in parole revocation proceedings or in criminal cases brought against inmates under the control of the DOC.

Department of Corrections Total	\$ 66,370	\$ 66,370	\$ 0	\$ 66,370	\$ 0
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Department of Corrections	\$ 66,370	\$ 66,370	\$ 0	\$ 66,370	\$ 0
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Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Economic Development

Department of Economic Development					
Restore (1)	\$ 7,000,000	\$ 7,000,000	\$ 0	\$ 7,000,000	\$ 0
Restore (2)	50,000,000	50,000,000	0	50,000,000	0

Restore (1): Community Attractions and Tourism. (Sec. 15F.204(8a) - standing limited). Funds projects under the Community Attractions and Tourism Program.

Restore (2): Grow Iowa Values Fund. (Sec. 15G.110 - standing limited). Funds are appropriated under the Grow Iowa Values Fund for business startups, expansion, modernization, attraction, retention, marketing, research, and development.

Economic Development Total	\$ 57,000,000	\$ 57,000,000	\$ 0	\$ 57,000,000	\$ 0
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Department of Economic Development	\$ 57,000,000	\$ 57,000,000	\$ 0	\$ 57,000,000	\$ 0
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Department of Education

Department of Education					
Restore (1)	\$ 14,428,271	\$ 14,428,271	\$ 0	\$ 14,428,271	\$ 0
Restore (2)	250,000	250,000	0	250,000	0
Restore (3)	11,271,000	11,271,000	0	11,271,000	0
Restore (4)	8,604,714	8,604,714	0	8,604,714	0
Restore (5)	29,250,000	29,250,000	0	29,250,000	0
New	2,048,342,863	2,143,542,863	0	2,143,542,863	95,200,000
Restore (6)	55,469,053	55,469,053	0	55,469,053	0

Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Restore (1): Instructional Support Program. (Section 257.18 - standing limited). Maintains current funding cap for Instructional Support Program which is \$369,918 less than in statute. The funding is the State's portion of additional funding to augment school district's general fund budgets.

Restore (2): Beginning Administrator Mentoring. (Chapter 284A.3 - standing limited). Maintains current level of funding for a school administrator mentoring and induction program.

Restore (3): Child Development Grants. (Chapter 256A and Section 279.51 - standing limited). Maintains current level of funding which is \$1,289,000 less than the statute. The appropriation is for grants to programs that provide new or additional child development services to at-risk children.

Restore (4): Transportation of Nonpublic Pupils. (Section 285.2 - standing unlimited). Maintains current level of funding. Reimburses school district's claims for providing required transportation of nonpublic school children.

Restore (5): Early Intervention Block Grant. (Section 256D.5 - standing limited). Maintains current level of funding. Provides funding to reduce class size in grades kindergarten through grade three.

New: State Foundation Aid. (Section 257.16 - standing unlimited). Funds the State portion of general operations for school districts and Area Education Agencies. An increase of \$101,200,000 for allowable growth and an additional reduction of

Restore (6): Educational Excellence Program - Teachers. (Section 294A.25 - standing limited). Maintains current level of funding which is \$1,422,283 less than the statute. Provides funding for recruitment and retention of quality teachers.

Department of Education Total	\$ 2,167,615,901	\$ 2,262,815,901	\$ 0	\$ 2,262,815,901	\$ 95,200,000
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Department of Education	\$ 2,167,615,901	\$ 2,262,815,901	\$ 0	\$ 2,262,815,901	\$ 95,200,000
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Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Executive Council

Executive Council

Restore (1)	\$ 73,125	\$ 73,125	\$ 0	\$ 73,125	\$ 0
Restore (2)	48,750	48,750	0	48,750	0
New	6,262,500	1,462,500	0	1,462,500	-4,800,000
Restore (3)	24,375	24,375	0	24,375	0

Restore (1): Court Costs. (Sec. 7D.10 - standing unlimited). Expenses incurred in any proceeding brought by or against any of the State departments in which the State is a party.

Restore (2): Public Improvements. (Sec. 307.45 - standing unlimited). Cost of public improvement assessments against State owned land when the assessment does not exceed \$60,000.

New: Performance of Duty. (Sec. 29C.20; Sec. 7D.29; and Sec. 29C.20 - standing unlimited). Provides for necessary expenses incurred in carrying out duties of the Executive Council. In FY 2007, \$4,800,000 was paid from this account for payment for pandemic flu vaccine.

Restore (3): Drainage Assessment. (Sec. 468.43). Pays for the cost of drainage assessments against property owned by the Department of Natural Resources.

Executive Council Total	\$ 6,408,750	\$ 1,608,750	\$ 0	\$ 1,608,750	\$ -4,800,000
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Executive Council	\$ 6,408,750	\$ 1,608,750	\$ 0	\$ 1,608,750	\$ -4,800,000
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Legislative Branch

Legislative Branch - Legislative Services Agency

Restore	\$ 31,209,632	\$ 35,490,681	\$ 0	\$ 35,490,681	\$ 4,281,049
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New: Legislative Branch. (Sec. 2.12 - standing unlimited). Increased expenditures for the Legislature including the House, Senate, Joint Expenses, and Central Staff Agencies.

Legislative Branch Total	\$ 31,209,632	\$ 35,490,681	\$ 0	\$ 35,490,681	\$ 4,281,049
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Legislative Branch	\$ 31,209,632	\$ 35,490,681	\$ 0	\$ 35,490,681	\$ 4,281,049
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Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Governor

Governor's Office - Interstate Extradition

Restore	\$ 3,710	\$ 3,710	\$ 0	\$ 3,710	\$ 0
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Restore: Interstate Extradition Expense. (Sec. 820.24 - standing unlimited). Payment of transportation costs of criminals in extradition cases.

Governor's Office Total	\$ 3,710	\$ 3,710	\$ 0	\$ 3,710	\$ 0
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Governor	\$ 3,710	\$ 3,710	\$ 0	\$ 3,710	\$ 0
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Department of Public Health

Department of Public Health - Registry for Congenital and Inherited Disorders

Restore	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
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Restore: Congenital & Inherited Disorders. (Sec. 144.13A - standing limited). Appropriation directed for birth certificate system equal to \$10 of each birth certificate.

Department of Public Health Total	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
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Department of Public Health	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 0
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Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Human Services

Department of Human Services - General Administration

Restore (1)	\$ 1,706	\$ 1,706	\$ 0	\$ 1,706	\$ 0
Restore (2)	82	82	0	82	0
Restore (3)	174,704	174,704	0	174,704	0
Restore (4)	6,600,000	0	6,600,000	6,600,000	0

Restore (1): Commission of Inquiry. (Sec. 229.35 - standing limited by Sec. 8.59). Reimburse commissioners for expenses and reasonable per diem when appointed to investigate complaints in field district court concerning mental impairment.

Restore (2): Non-Resident Transfers. (Sec. 230.8 - standing limited by Sec. 8.59). Pay for cost of transferring mentally ill persons who have no legal settlement to State hospitals or to their legal settlement.

Restore (3): Non-Commitment Mentally Ill. (Sec. 230.11 - standing limited by Sec. 8.59). Pays for costs and expenses of taking into custody, care, investigation, and admission or commitment of a person who has no legal settlement.

Restore (4): Medical Assistance - Mental Health Property Tax Relief Fund. (Sec. 426B.1(3)) Provides funds from the costs of services to children with mental retardation.

State Accounting Trust Funds Total	\$ 6,776,492	\$ 176,492	\$ 6,600,000	\$ 6,776,492	\$ 0
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Department of Human Services - Assistance

Restore (1)	\$ 95,000,000	\$ 95,000,000	\$ 0	\$ 95,000,000	\$ 0
Restore (2)	240,000	240,000	0	240,000	0

Restore (1): Mental Health Property Tax Relief. (Sec. 426B.1(2) - standing limited). Funds to replace property taxes previously levied by counties for the county mental health fund.

Restore (2): Child Abuse Prevention. (Sec. 144.13A(4.a) - standing limited). Provides funds from each birth certificate registration fee for primary and secondary child abuse prevention programs.

Department of Human Services Total	\$ 102,016,492	\$ 95,416,492	\$ 6,600,000	\$ 102,016,492	\$ 0
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Department of Human Services	\$ 102,016,492	\$ 95,416,492	\$ 6,600,000	\$ 102,016,492	\$ 0
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Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Management

Department of Management					
Restore (1)	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Restore (2)	25,000	25,000	0	25,000	0
Restore (3)	4,387,500	4,387,500	0	4,387,500	0
New (1)	0	40,000,000	0	40,000,000	-119,868,964
Restore (4)	17,500,000	17,500,000	0	17,500,000	0
Restore (5)	35,000,000		35,000,000	35,000,000	0
New (2)	0	25,000,000	0	25,000,000	25,000,000
New (3)	15,000,000		50,000,000	50,000,000	35,000,000

Restore (1): Special Olympics. (Sec. 8.8 - standing limited). Funds distributed to organizations that administer Special Olympic Programs benefiting disabled Iowans.

Restore (2): Indian Settlement Officer. (Sec. 331.660 - standing limited). Funds for law enforcement on the Sac and Fox Indian Settlement in Tama County.

Restore (3): Appeal Board Claims. (Sec. 25.2). Funds for payments of claims against the State of Iowa that cannot be paid from other appropriations.

New (1): Property Tax Credit Fund. (General Fund Appropriations). The Governor is recommending a \$40,000,000 General Fund appropriation to the Property Tax Credit Fund to replace funding from a transfer from the FY 2007 General Fund ending balance to pay property tax credits. This is a first step to begin phasing property tax credit payments back to the General Fund. See Dept. of Revenue

Restore (4): Technology Reinvestment Fund Appropriation. (Sec. 8.57C - standing limited). Funds for the acquisition of technology including hardware, software, development, telecommunications equipment, including maintenance and lease agreements associated with technology components and for the purchase of equipment intended to provide an uninterruptible power supply.

Restore (5): Environment First Transfer - RIIF Fund. (Sec. 8.57A - standing limited) RIIF Fund appropriation transferred into the Environment First Fund. Used for protection, conservation, enhancement or improvement of natural resources.

New (2): Commercial Property Tax Relief. (General Fund Appropriations). The Governor is recommending a \$25,000,000 General Fund appropriation for property tax relief for commercial property tax payers.

New (3): Vertical Infrastructure Fund - RIIF. (Sec. 8.57B - standing limited) Used for public vertical infrastructure projects. The Governor is recommending a \$35,000,000 increase in this appropriation.

Department of Management Total	\$ 71,962,500	\$ 86,962,500	\$ 85,000,000	\$ 171,962,500	\$ -59,868,964
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Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Management	\$ 71,962,500	\$ 86,962,500	\$ 85,000,000	\$ 171,962,500	\$ -59,868,964
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Department of Public Defense

Department of Public Defense					
Restore	\$ 421,639	\$ 421,639	\$ 0	\$ 421,639	\$ 0

Restore: Compensation and Expense. (Sec. 29A.27 - standing unlimited). Compensation of officers and enlisted persons and their expenses when called to active duty.

Department of Public Defense Total	\$ 421,639	\$ 421,639	\$ 0	\$ 421,639	\$ 0
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Department of Public Defense	\$ 421,639	\$ 421,639	\$ 0	\$ 421,639	\$ 0
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Department of Revenue

Department of Revenue					
Restore (1)	\$ 115,000	\$ 115,000	\$ 0	\$ 115,000	\$ 0
Restore (2)	2,000,000	2,000,000	0	2,000,000	0
Restore (3)	25,000	25,000	0	25,000	0
Restore (4)	159,663,964	0	159,868,964	159,868,964	205,000

Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Restore (1): Cigarette Stamp Printing (Sec.453A.8 - standing limited).
 Restore (2): Livestock Producers Tax Credit (Sec.422.121 - standing limited).
 Restore (3): Tobacco Reporting Requirements (Sec.453D.8 - standing limited).
 Restore (4): Property Tax Credits. Homestead Property Tax Credit (Sec. 425.1 - standing limited - \$102,945,379) An annual appropriation from the General Fund that credits the tax on each eligible homestead in the State in an amount equal to the actual levy on the first four thousand eight hundred fifty dollars of actual value for each homestead. Agriculture Land & Family Farm Tax Credit: (\$34,610,183) An annual appropriation to the Agriculture Land Credit Fund with the first \$10.0 million transferred to the Family Farm Tax Credit Fund.
 Military Service Tax Credit: (\$2,568,402). Funds are used to replace all or a portion of the tax due on property that is eligible for a military tax exemption. The amount of the credit cannot be not more than six dollars and ninety-two cents per thousand dollars of assessed value of property which would be subject to the tax.
 Elderly & Disabled Tax Credit: (\$19,540,000). Additional property tax credit to elderly or disabled persons that meet specific qualifications.

Department of Revenue Total	\$ 161,803,964	\$ 2,140,000	\$ 159,868,964	\$ 162,008,964	\$ 205,000
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Department of Revenue	\$ 161,803,964	\$ 2,140,000	\$ 159,868,964	\$ 162,008,964	\$ 205,000
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Secretary of State

Secretary of State					
Restore	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ -1,000

Restore: Constitutional Amendments. (Sec. 49A.9 - standing). Eliminates funds for administering absentee ballots of Iowa residents serving in the armed forces in election years.

Secretary of State Total	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ -1,000
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Secretary of State Total	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ -1,000
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Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Department of Transportation

Department of Transportation

Restore (1)	\$ 225,000	\$ 0	\$ 225,000	\$ 225,000	\$ 0
Restore (2)	650,000	0	650,000	650,000	0
	<u>875,000</u>	<u>0</u>	<u>875,000</u>	<u>875,000</u>	<u>0</u>

Restore (1): Personal Delivery of Service - RUTF. (Sec. 321.211 - standing limited) Reimburse counties or other agents for the cost of notifying any person whose license has been suspended.
 Restore (2): County Treasurer Equipment - RUTF. (Sec. 312.2 - standing limited) Provides for replacement of computer hardware and software used to process motor vehicle registrations.

Department of Transportation	\$ 875,000	\$ 0	\$ 875,000	\$ 875,000	\$ 0
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Department of Transportation	\$ 875,000	\$ 0	\$ 875,000	\$ 875,000	\$ 0
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Unassigned Standing Appropriations

Appropriation	Estimated FY 2007	General Fund Governor's Rec FY 2008	Non-GF Governor's Rec FY 2008	Total Governor's Rec FY 2008	Est. FY 2007 vs. Governor's Rec FY 2008
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Treasurer of State

Treasurer of State

Restore	\$ 59,250,621	\$ 0	\$ 60,139,379	\$ 60,139,379	\$ 888,758
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Restore: Healthy lowans Tobacco Trust. (Sec. 12E.12(1b)(2a)) A portion of the tobacco settlement funds are transferred to the Healthy lowans Trust.

Treasurer of State	\$ 59,250,621	\$ 0	\$ 60,139,379	\$ 60,139,379	\$ 888,758
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Treasurer of State	\$ 59,250,621	\$ 0	\$ 60,139,379	\$ 60,139,379	\$ 888,758
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Unassigned Standing Appropriations

Total	\$ 2,662,556,363	\$ 2,545,846,827	\$ 312,483,343	\$ 2,858,330,170	\$ 35,904,843
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Summary Data General Fund

Appendix A

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
Administration and Regulation	\$ 89,032,822	\$ 86,021,492	\$ 93,911,443	\$ 7,889,951	9.2%
Ag. and Natural Resources	36,760,180	39,614,264	40,076,167	461,903	1.2%
Economic Development	36,213,036	36,880,308	38,823,337	1,943,029	5.3%
Education	925,386,712	1,001,482,486	1,140,349,000	138,866,514	13.9%
Health and Human Services	1,101,801,938	1,162,002,089	1,264,641,865	102,639,776	8.8%
Justice System	561,820,921	588,144,994	629,774,560	41,629,566	7.1%
Trans., Infra., and Capitals	0	0	1,000,000	1,000,000	0.0%
Unassigned Standing	<u>2,280,638,009</u>	<u>2,387,366,778</u>	<u>2,545,846,827</u>	<u>158,480,049</u>	<u>6.6%</u>
Grand Total	<u><u>\$ 5,031,653,618</u></u>	<u><u>\$ 5,301,512,411</u></u>	<u><u>\$ 5,754,423,199</u></u>	<u><u>\$ 452,910,788</u></u>	<u><u>8.5%</u></u>

Administration and Regulation

General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Administrative Services, Dept. of</u>					
Administrative Services					
Administrative Services, Dept.	\$ 5,048,824	\$ 6,096,632	\$ 6,296,632	\$ 200,000	3.3%
Utilities	3,080,865	3,080,865	3,953,105	872,240	28.3%
DAS Distribution Account	-71,714	0	2,000,000	2,000,000	0.0%
Volun. Emer. Ser. Death Benefit	300,000	0	0	0	0.0%
Financial Administration	200,000	200,000	0	-200,000	-100.0%
Total Administrative Services, Dept. of	\$ 8,557,975	\$ 9,377,497	\$ 12,249,737	\$ 2,872,240	30.6%
<u>Auditor of State</u>					
Auditor Of State					
Auditor of State - General Office	\$ 1,207,341	\$ 1,211,873	\$ 1,211,873	\$ 0	0.0%
Total Auditor of State	\$ 1,207,341	\$ 1,211,873	\$ 1,211,873	\$ 0	0.0%
<u>Ethics and Campaign Disclosure</u>					
Campaign Finance Disclosure Commission					
Ethics & Campaign Discl. Board	\$ 487,023	\$ 512,669	\$ 517,669	\$ 5,000	1.0%
Total Ethics and Campaign Disclosure	\$ 487,023	\$ 512,669	\$ 517,669	\$ 5,000	1.0%
<u>Commerce, Department of</u>					
Alcoholic Beverages					
Alcoholic Beverages Operations	\$ 1,930,962	\$ 2,057,289	\$ 2,057,289	\$ 0	0.0%
Banking Division					
Banking Division	\$ 7,059,508	\$ 7,594,741	\$ 7,632,241	\$ 37,500	0.5%
Professional Licensing and Regulation					
Professional Licensing Division	\$ 863,462	\$ 898,343	\$ 898,343	\$ 0	0.0%
Credit Union Division					
Credit Union Division	\$ 1,455,874	\$ 1,517,726	\$ 1,557,726	\$ 40,000	2.6%
Insurance Division					
Insurance Division	\$ 4,517,481	\$ 4,655,809	\$ 4,655,809	\$ 0	0.0%
Long Term Care	300,000	0	0	0	0.0%
Total Insurance Division	\$ 4,817,481	\$ 4,655,809	\$ 4,655,809	\$ 0	0.0%

Administration and Regulation

General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
Utilities Division					
Utilities Division	\$ 7,230,820	\$ 7,266,919	\$ 7,266,919	\$ 0	0.0%
Total Commerce, Department of	<u>\$ 23,358,107</u>	<u>\$ 23,990,827</u>	<u>\$ 24,068,327</u>	<u>\$ 77,500</u>	<u>0.3%</u>
<u>Inspections & Appeals, Department of</u>					
Inspections and Appeals, Department of					
Administration Division	\$ 1,577,318	\$ 1,711,675	\$ 2,074,767	\$ 363,092	21.2%
Administrative Hearings Div.	634,647	680,533	680,533	0	0.0%
Investigations Division	1,484,421	1,526,415	1,526,415	0	0.0%
Health Facilities Division	2,419,742	2,412,647	2,412,647	0	0.0%
Employment Appeal Board	54,600	56,294	56,294	0	0.0%
Child Advocacy Board	2,068,667	2,218,308	2,368,308	150,000	6.8%
Total Inspections and Appeals, Department of	<u>\$ 8,239,395</u>	<u>\$ 8,605,872</u>	<u>\$ 9,118,964</u>	<u>\$ 513,092</u>	<u>6.0%</u>
Racing Commission					
Pari-Mutuel Regulation	\$ 2,617,511	\$ 2,671,410	\$ 2,671,410	\$ 0	0.0%
Riverboat Regulation	2,491,949	3,199,440	3,199,440	0	0.0%
Total Racing Commission	<u>\$ 5,109,460</u>	<u>\$ 5,870,850</u>	<u>\$ 5,870,850</u>	<u>\$ 0</u>	<u>0.0%</u>
Total Inspections & Appeals, Department of	<u>\$ 13,348,855</u>	<u>\$ 14,476,722</u>	<u>\$ 14,989,814</u>	<u>\$ 513,092</u>	<u>3.5%</u>
<u>Governor</u>					
Governor's Office					
Governor/Lt. Governor's Office	\$ 1,823,111	\$ 1,945,326	\$ 2,168,269	\$ 222,943	11.5%
Terrace Hill Quarters	378,633	401,310	401,310	0	0.0%
Administrative Rules Coordinator	150,013	154,755	154,755	0	0.0%
National Governor's Association	64,393	80,600	80,600	0	0.0%
State-Federal Relations	115,748	123,927	123,927	0	0.0%
Total Governor's Office	<u>\$ 2,531,898</u>	<u>\$ 2,705,918</u>	<u>\$ 2,928,861</u>	<u>\$ 222,943</u>	<u>8.2%</u>
Governor Elect Expenses					
Governor Elect Expenses	\$ 0	\$ 100,000	\$ 0	\$ -100,000	-100.0%
Total Governor	<u>\$ 2,531,898</u>	<u>\$ 2,805,918</u>	<u>\$ 2,928,861</u>	<u>\$ 122,943</u>	<u>4.4%</u>

Administration and Regulation

General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Governor's Office of Drug Control Policy</u>					
Office of Drug Control Policy					
Drug Policy Coordinator	\$ 307,730	\$ 309,048	\$ 338,099	\$ 29,051	9.4%
Drug Task Forces	0	0	1,800,000	1,800,000	0.0%
Total Governor's Office of Drug Control Policy	\$ 307,730	\$ 309,048	\$ 2,138,099	\$ 1,829,051	591.8%
<u>Human Rights, Department of</u>					
Human Rights, Department of					
Human Rights Administration	\$ 317,028	\$ 326,425	\$ 326,425	\$ 0	0.0%
Deaf Services	374,367	390,315	390,315	0	0.0%
Asian and Pacific Islanders	6,000	86,000	86,000	0	0.0%
Persons with Disabilities	193,531	194,212	194,212	0	0.0%
Latino Affairs	170,749	179,433	179,433	0	0.0%
Status of Women	335,501	343,555	343,555	0	0.0%
Status of African Americans	121,655	134,725	154,725	20,000	14.8%
Criminal & Juvenile Justice	827,398	1,098,026	1,587,333	489,307	44.6%
LIHEAP State Funds	3,000,000	0	0	0	0.0%
Total Human Rights, Department of	\$ 5,346,229	\$ 2,752,691	\$ 3,261,998	\$ 509,307	18.5%
<u>Management, Department of</u>					
Management, Department of					
Management Departmental Oper.	\$ 2,244,335	\$ 2,313,941	\$ 3,031,168	\$ 717,227	31.0%
Salary Adjustment Fund	154,135	0	0	0	0.0%
Enterprise Resource Planning	57,435	119,435	0	-119,435	-100.0%
Salary Model Administrator	127,936	131,792	0	-131,792	-100.0%
Local Government Innovation Fund	0	300,000	300,000	0	0.0%
Performance Audits	216,000	108,000	0	-108,000	-100.0%
Institute for Tomorrow's Workforce	150,000	0	0	0	0.0%
DOM - LEAN/Process Improvement	0	108,000	0	-108,000	-100.0%
Total Management, Department of	\$ 2,949,841	\$ 3,081,168	\$ 3,331,168	\$ 250,000	8.1%

Administration and Regulation General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Revenue, Dept. of</u>					
Revenue, Department of					
Revenue, Department of	\$ 27,001,429	\$ 23,650,828	\$ 25,301,646	\$ 1,650,818	7.0%
Collection Costs and Fees	27,462	0	0	0	0.0%
Total Revenue, Dept. of	\$ 27,028,891	\$ 23,650,828	\$ 25,301,646	\$ 1,650,818	7.0%
<u>Secretary of State</u>					
Secretary of State					
Admin/Elections/Voter Reg	\$ 707,942	\$ 734,580	\$ 1,131,015	\$ 396,435	54.0%
Secretary of State-Business Services	2,003,091	2,155,151	1,818,716	-336,435	-15.6%
Biennial Reporting	275,000	0	0	0	0.0%
Total Secretary of State	\$ 2,986,033	\$ 2,889,731	\$ 2,949,731	\$ 60,000	2.1%
<u>Treasurer of State</u>					
Treasurer of State					
Treasurer - General Office	\$ 922,899	\$ 962,520	\$ 962,520	\$ 0	0.0%
Total Treasurer of State	\$ 922,899	\$ 962,520	\$ 962,520	\$ 0	0.0%
Total Administration and Regulation	\$ 89,032,822	\$ 86,021,492	\$ 93,911,443	\$ 7,889,951	9.2%

Ag. and Natural Resources

General Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
<u>Agriculture and Land Stewardship</u>					
Agriculture and Land Stewardship					
GF-Administrative Division	\$ 17,837,900	\$ 18,456,595	\$ 18,843,498	\$ 386,903	2.1%
Avian Influenza	50,000	50,000	50,000	0	0.0%
Chronic Wasting Disease	100,000	100,000	100,000	0	0.0%
Regulatory Dairy Products	643,166	693,166	693,166	0	0.0%
Apiary Program	40,000	40,000	40,000	0	0.0%
Soil Commissioners Expense	200,000	250,000	250,000	0	0.0%
Sr. Farmers Market Program	77,000	77,000	77,000	0	0.0%
Missouri River Authority	9,535	9,535	9,535	0	0.0%
IA Shorthorn Association	10,000	0	0	0	0.0%
Total Agriculture and Land Stewardship	\$ 18,967,601	\$ 19,676,296	\$ 20,063,199	\$ 386,903	2.0%
<u>Natural Resources, Department of</u>					
Natural Resources					
GF-Natural Resources Operations	\$ 17,792,579	\$ 18,937,968	\$ 19,012,968	\$ 75,000	0.4%
Total Natural Resources, Department of	\$ 17,792,579	\$ 18,937,968	\$ 19,012,968	\$ 75,000	0.4%
<u>Regents, Board of</u>					
Regents, Board of					
ISU Veterinary Diagnostic Laboratory	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	0.0%
Total Regents, Board of	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0	0.0%
Total Ag. and Natural Resources	\$ 36,760,180	\$ 39,614,264	\$ 40,076,167	\$ 461,903	1.2%

Economic Development

General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Cultural Affairs, Department of</u>					
Cultural Affairs, Department of					
Administrative Division	\$ 240,195	\$ 245,101	\$ 245,101	\$ 0	0.0%
Arts Council	1,181,329	1,207,611	1,207,611	0	0.0%
Cultural Grants	299,240	299,240	299,240	0	0.0%
Historical Society	3,239,269	3,392,865	3,392,865	0	0.0%
Historic Sites	534,676	554,166	554,166	0	0.0%
Archiving Former Governor's Papers	75,000	77,348	77,348	0	0.0%
Great Places	200,000	305,794	305,794	0	0.0%
Hist. Resource Dev. Emerg. Grants	0	250,000	0	-250,000	-100.0%
African-American Hist. Museum	0	85,000	0	-85,000	-100.0%
Arts Ed. and Enrichment Prog.	0	5,000	0	-5,000	-100.0%
Records Center Rent - GF	0	0	185,768	185,768	0.0%
Music Grants	25,000	0	0	0	0.0%
Total Cultural Affairs, Department of	\$ 5,794,709	\$ 6,422,125	\$ 6,267,893	\$ -154,232	-2.4%
<u>Economic Development, Dept. of</u>					
Economic Development, Department of					
Economic Dev. Administration	\$ 1,875,845	\$ 2,044,530	\$ 2,044,529	\$ -1	0.0%
World Food Prize	285,000	400,000	400,000	0	0.0%
Endow Iowa Grants	50,000	50,000	50,000	0	0.0%
Business Development	6,215,394	6,300,160	6,300,160	0	0.0%
Community Dev. Block Grant	5,654,173	5,798,640	6,798,640	1,000,000	17.2%
Total Economic Development, Dept. of	\$ 14,080,412	\$ 14,593,330	\$ 15,593,329	\$ 999,999	6.9%
<u>Iowa Finance Authority</u>					
Iowa Finance Authority					
Entrepreneurs w/Disability	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	0.0%
Total Iowa Finance Authority	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0	0.0%

Economic Development

General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Iowa Workforce Development</u>					
Iowa Workforce Development					
IWD General Fund - Operations	\$ 5,278,800	\$ 5,568,762	\$ 5,568,762	\$ 0	0.0%
Workforce Development Field Offices	<u>6,856,655</u>	<u>5,951,014</u>	<u>6,951,014</u>	<u>1,000,000</u>	<u>16.8%</u>
Total Iowa Workforce Development	<u>\$ 12,135,455</u>	<u>\$ 11,519,776</u>	<u>\$ 12,519,776</u>	<u>\$ 1,000,000</u>	<u>8.7%</u>
<u>Public Employment Relations Board</u>					
Public Employment Relations Board					
PER Board - General Office	\$ 1,030,607	\$ 1,073,224	\$ 1,170,486	\$ 97,262	9.1%
Total Public Employment Relations Board	<u>\$ 1,030,607</u>	<u>\$ 1,073,224</u>	<u>\$ 1,170,486</u>	<u>\$ 97,262</u>	<u>9.1%</u>
<u>Regents, Board of</u>					
Regents, Board of					
ISU - Economic Development	\$ 2,363,557	\$ 2,463,557	\$ 2,463,557	\$ 0	0.0%
SUI - Economic Development	247,005	247,005	247,005	0	0.0%
UNI - Economic Development	<u>361,291</u>	<u>361,291</u>	<u>361,291</u>	<u>0</u>	<u>0.0%</u>
Total Regents, Board of	<u>\$ 2,971,853</u>	<u>\$ 3,071,853</u>	<u>\$ 3,071,853</u>	<u>\$ 0</u>	<u>0.0%</u>
Total Economic Development	<u><u>\$ 36,213,036</u></u>	<u><u>\$ 36,880,308</u></u>	<u><u>\$ 38,823,337</u></u>	<u><u>\$ 1,943,029</u></u>	<u><u>5.3%</u></u>

Education General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Blind, Iowa Commission for the</u>					
Blind, Department of					
Department for the Blind	\$ 1,954,105	\$ 2,004,747	\$ 2,404,747	\$ 400,000	20.0%
Total Blind, Iowa Commission for the	\$ 1,954,105	\$ 2,004,747	\$ 2,404,747	\$ 400,000	20.0%
<u>College Aid Commission</u>					
<u>College Student Aid Commission</u>					
College Aid Commission	\$ 364,640	\$ 376,053	\$ 376,053	\$ 0	0.0%
Iowa Grants	1,029,784	1,029,784	1,070,976	41,192	4.0%
DSM University-Osteopathic Loans	50,000	100,000	100,000	0	0.0%
DSM University-Physician Recruit.	346,451	346,451	346,451	0	0.0%
National Guard Benefits Program	3,725,000	3,725,000	3,800,000	75,000	2.0%
Teacher Shortage Forgivable Loan	285,000	285,000	296,400	11,400	4.0%
All Iowa Opportunity Scholarships	0	0	5,000,000	5,000,000	0.0%
Vocational Technical Tuition Grant	2,533,115	2,533,115	2,783,115	250,000	9.9%
College Work Study	140,000	140,000	145,600	5,600	4.0%
Tuition Grant Program-Standing	49,673,575	46,506,218	48,373,718	1,867,500	4.0%
Tuition Grant - For-Profit	0	5,167,358	5,374,858	207,500	4.0%
Total College Aid Commission	\$ 58,147,565	\$ 60,208,979	\$ 67,667,171	\$ 7,458,192	12.4%

Education

General Fund

	Actual	Estimated	Gov Rec	Gov Rec vs.	Percent
	FY 2006	FY 2007	FY 2008	Est. FY 2007	Change
	(1)	(2)	(3)	(4)	(5)
Education, Department of					
Education, Department of					
Administration	\$ 5,418,607	\$ 5,919,382	\$ 6,319,382	\$ 400,000	6.8%
District Sharing & Efficiencies	0	0	400,000	400,000	0.0%
Early Child-Comm. Empowerment	23,781,594	23,781,594	23,781,594	0	0.0%
Early Child - Early Care, Health & Ed.	0	10,000,000	10,000,000	0	0.0%
Early Child - Family Support & Parent Ed.	0	5,000,000	5,000,000	0	0.0%
Early Child - Spec. Ed. Services Birth to 3	0	0	1,721,400	1,721,400	0.0%
Early Child - Voluntary Preschool	0	0	20,000,000	20,000,000	0.0%
Iowa Senior Year Plus	0	0	300,000	300,000	0.0%
Jobs For America's Grads	400,000	600,000	600,000	0	0.0%
Model Core Curriculum	0	270,000	0	-270,000	-100.0%
Nonpublic Textbook Services	614,058	638,620	638,620	0	0.0%
Parent Liaison Pilot Project	0	44,000	0	-44,000	-100.0%
Reading Instruction Pilot Project Grant	0	250,000	0	-250,000	-100.0%
School Food Service	2,509,683	2,509,683	2,509,683	0	0.0%
Statewide Education Data Warehouse	0	0	400,000	400,000	0.0%
Statewide Graduation Requirements	0	130,000	0	-130,000	-100.0%
Student Achievement/Teacher Quality	69,593,894	104,343,894	174,343,894	70,000,000	67.1%
Vocational Agric. Youth Org	0	50,000	50,000	0	0.0%
Vocational Education Administration	530,429	553,758	553,758	0	0.0%
Vocational Education Secondary	2,936,904	2,936,904	2,936,904	0	0.0%
Community College General Aid	149,579,244	159,579,244	171,962,414	12,383,170	7.8%
State Library	1,420,694	1,466,761	1,666,761	200,000	13.6%
State Library - Library Service Areas	1,376,558	1,376,558	1,376,558	0	0.0%
State Library - Enrich Iowa	1,698,432	1,698,432	1,698,432	0	0.0%
Total Education, Department of	\$ 259,860,097	\$ 321,148,830	\$ 426,259,400	\$ 105,110,570	32.7%

Education General Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
Iowa Public Television					
IPTV - Iowa Public Television	\$ 7,596,113	\$ 8,174,649	\$ 8,448,649	\$ 274,000	3.4%
IPTV - Regional Tele Councils	1,240,478	1,240,478	1,340,525	100,047	8.1%
Total Iowa Public Television	\$ 8,836,591	\$ 9,415,127	\$ 9,789,174	\$ 374,047	4.0%
Vocational Rehabilitation					
IVRS - Vocational Rehabilitation DOE	\$ 4,779,655	\$ 5,216,185	\$ 5,419,890	\$ 203,705	3.9%
IVRS - Independent Living	54,421	54,709	54,709	0	0.0%
IVRS - Farmers with Disabilities	0	130,000	0	-130,000	-100.0%
Total Vocational Rehabilitation	\$ 4,834,076	\$ 5,400,894	\$ 5,474,599	\$ 73,705	1.4%
Total Education, Department of	\$ 273,530,764	\$ 335,964,851	\$ 441,523,173	\$ 105,558,322	31.4%

Education

General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
Regents, Board of					
Regents Board Office					
Regent Board Office	\$ 1,167,137	\$ 1,167,137	\$ 1,167,137	\$ 0	0.0%
Tuition Replacement (Bond Debt Ser.)	13,975,431	13,975,431	13,975,431	0	0.0%
Southwest Iowa Resource Ctr	105,956	105,956	105,956	0	0.0%
Tri State Graduate	77,941	77,941	77,941	0	0.0%
Quad Cities Grad Ctr	157,144	157,144	157,144	0	0.0%
Midwestern Higher Ed Consortium	90,000	90,000	90,000	0	0.0%
Funding Increase FY 08	0	0	25,000,000	25,000,000	0.0%
Total Regents Board Office	<u>15,573,609</u>	<u>15,573,609</u>	<u>40,573,609</u>	<u>25,000,000</u>	<u>160.5%</u>
University of Iowa (SUI)					
SUI - General University	226,306,403	230,843,903	230,843,903	0	0.0%
University of Iowa-Psychiatric Hospital	7,043,056	7,043,056	7,043,056	0	0.0%
Cntr For Disabilities And Dev	6,363,265	6,363,265	6,363,265	0	0.0%
University of Iowa-Oakdale Campus	2,657,335	2,657,335	2,657,335	0	0.0%
University of Iowa--Hygienic Laboratory	3,849,461	3,849,461	3,849,461	0	0.0%
Family Practice Program	2,075,948	2,075,948	2,075,948	0	0.0%
SCHS - Spec. Child Health	649,066	649,066	649,066	0	0.0%
State of Iowa Cancer Registry	178,739	178,739	178,739	0	0.0%
SUI Subs Abuse Consortium	64,871	64,871	64,871	0	0.0%
Biocatalysis	881,384	881,384	881,384	0	0.0%
Primary Health Care	759,875	759,875	759,875	0	0.0%
Iowa Birth Defects Registry	44,636	44,636	44,636	0	0.0%
SUI - Iowa Nonprofit Resource Center	0	0	200,000	200,000	0.0%
Total University of Iowa (SUI)	<u>250,874,039</u>	<u>255,411,539</u>	<u>255,611,539</u>	<u>200,000</u>	<u>0.1%</u>
Iowa State University (ISU)					
Iowa State: Gen. University	177,328,346	180,198,164	180,198,164	0	0.0%
ISU--Ag Experiment Station	32,117,925	32,984,653	32,984,653	0	0.0%
ISU--Cooperative Extension	20,569,125	21,232,579	21,232,579	0	0.0%
ISU Leopold Center	464,319	464,319	464,319	0	0.0%
Livestock Disease Research	220,708	220,708	220,708	0	0.0%
Total Iowa State University (ISU)	<u>230,700,423</u>	<u>235,100,423</u>	<u>235,100,423</u>	<u>0</u>	<u>0.0%</u>

Education General Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
University of Northern Iowa (UNI)					
University of Northern Iowa	80,638,563	82,701,063	82,701,063	0	0.0%
Recycling and Reuse Center	211,858	211,858	211,858	0	0.0%
Total University of Northern Iowa (UNI)	80,850,421	82,912,921	82,912,921	0	0.0%
Iowa School For The Deaf	8,810,471	9,162,890	9,323,188	160,298	1.7%
Iowa Braille And Sight Saving	4,930,295	5,127,507	5,217,209	89,702	1.7%
Tuition and Transportation	15,020	15,020	15,020	0	0.0%
Total Iowa State University (ISU)	13,755,786	14,305,417	14,555,417	250,000	1.7%
Total Regents, Board of	\$ 591,754,278	\$ 603,303,909	\$ 628,753,909	\$ 25,450,000	4.2%
Total Education	\$ 925,386,712	\$ 1,001,482,486	\$ 1,140,349,000	\$ 138,866,514	13.9%

Health and Human Services General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Elder Affairs, Department of</u>					
Elder Affairs, Department of Aging Programs	\$ 2,828,543	\$ 4,328,306	\$ 4,648,306	\$ 320,000	7.4%
Total Elder Affairs, Department of	\$ 2,828,543	\$ 4,328,306	\$ 4,648,306	\$ 320,000	7.4%
<u>Public Health, Department of</u>					
Public Health, Department of					
Addictive Disorders	\$ 1,761,036	\$ 1,771,890	\$ 4,586,890	\$ 2,815,000	158.9%
Adult Wellness	304,067	0	0	0	0.0%
Healthy Children and Families	916,280	2,369,438	2,369,438	0	0.0%
Chronic Conditions	1,279,671	1,742,840	2,342,840	600,000	34.4%
Community Capacity	1,354,083	1,758,147	2,858,147	1,100,000	62.6%
Elderly Wellness	9,233,985	9,233,985	9,233,985	0	0.0%
Environmental Hazards	353,133	626,960	626,960	0	0.0%
Infectious Diseases	1,100,230	1,279,963	1,568,463	288,500	22.5%
Injuries	1,329,258	0	0	0	0.0%
Public Protection	7,147,106	8,232,581	2,519,331	-5,713,250	-69.4%
Resource Management	1,095,862	1,045,407	1,195,557	150,150	14.4%
PKU Assistance	100,000	0	0	0	0.0%
Total Public Health, Department of	\$ 25,974,711	\$ 28,061,211	\$ 27,301,611	\$ -759,600	-2.7%
<u>Human Services, Department of</u>					
Human Services - General Administration					
General Administration	\$ 13,978,386	\$ 15,099,888	\$ 15,551,927	\$ 452,039	3.0%
Human Services - Field Operations					
Field Operations	\$ 56,829,276	\$ 60,165,029	\$ 64,595,423	\$ 4,430,394	7.4%
Child Support Recoveries	8,214,690	8,502,360	9,760,098	1,257,738	14.8%
Total Human Services - Field Operations	\$ 65,043,966	\$ 68,667,389	\$ 74,355,521	\$ 5,688,132	8.3%
Human Services - Toledo Juvenile Home					
Toledo Juvenile Home	\$ 6,667,121	\$ 6,927,794	\$ 6,985,684	\$ 57,890	0.8%
Human Services - Eldora Training School					
Eldora Training School	\$ 10,546,241	\$ 10,954,842	\$ 11,056,998	\$ 102,156	0.9%

Health and Human Services General Fund

	Actual	Estimated	Gov Rec	Gov Rec vs.	Percent
	FY 2006	FY 2007	FY 2008	Est. FY 2007	Change
	(1)	(2)	(3)	(4)	(5)
Human Services - Cherokee CCUSO					
Civil Commit. Unit for Sex Offenders	\$ 4,025,704	\$ 4,971,523	\$ 5,846,003	\$ 874,480	17.6%
Human Services - Cherokee					
Cherokee MHI	\$ 4,852,942	\$ 5,273,361	\$ 5,367,652	\$ 94,291	1.8%
Human Services - Clarinda					
Clarinda MHI	\$ 6,019,983	\$ 6,409,501	\$ 6,540,101	\$ 130,600	2.0%
Human Services - Independence					
Independence MHI	\$ 8,929,177	\$ 9,358,177	\$ 9,606,542	\$ 248,365	2.7%
Human Services - Mt Pleasant					
Mt Pleasant MHI	\$ 491,855	\$ 1,228,549	\$ 1,522,598	\$ 294,049	23.9%
Human Services - Glenwood					
Glenwood Resource Center	\$ 16,316,040	\$ 15,641,388	\$ 16,188,762	\$ 547,374	3.5%
Human Services - Woodward					
Woodward Resource Center	\$ 8,203,796	\$ 10,109,976	\$ 10,337,272	\$ 227,296	2.2%
Human Services - Assistance					
Family Investment Program/JOBS	\$ 40,461,923	\$ 42,608,263	\$ 42,101,768	\$ -506,495	-1.2%
Conners Training	42,623	42,623	42,623	0	0.0%
Child Care Assistance	15,800,752	21,801,198	40,430,988	18,629,790	85.5%
Medical Assistance	599,200,314	652,311,610	713,121,893	60,810,283	9.3%
Volunteers	109,568	109,568	109,568	0	0.0%
Child and Family Services	75,200,000	80,945,373	84,397,510	3,452,137	4.3%
Health Insurance Premium Payment	634,162	654,568	654,568	0	0.0%
Adoption Subsidy	32,250,000	31,446,063	31,972,681	526,618	1.7%
Family Support Subsidy	1,936,434	1,936,434	1,936,434	0	0.0%
Medical Contracts	14,711,985	14,417,985	15,217,985	800,000	5.5%
State Children's Health Insurance	16,568,275	19,703,715	23,200,622	3,496,907	17.7%
State Supplementary Assistance	19,810,335	18,710,335	17,210,335	-1,500,000	-8.0%
MI/MR/DD State Cases	10,864,619	12,286,619	13,067,178	780,559	6.4%
MH/DD Community Services	17,757,890	18,017,890	18,017,890	0	0.0%
MH/DD Growth Factor	28,507,362	38,888,041	46,480,140	7,592,099	19.5%
Health Care Transformation	35,289,068	0	0	0	0.0%
Total Human Services - Assistance	\$ 909,145,310	\$ 953,880,285	\$ 1,047,962,183	\$ 94,081,898	9.9%
Total Human Services, Department of	\$ 1,054,220,521	\$ 1,108,522,673	\$ 1,211,321,243	\$ 102,798,570	9.3%

Health and Human Services General Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
<u>Veterans Affairs, Department of</u>					
Veterans Affairs, Department of					
General Administration	\$ 332,114	\$ 532,651	\$ 813,457	\$ 280,806	52.7%
Iowa Veterans Home	15,446,049	15,030,248	15,030,248	0	0.0%
War Orphans Educational Assistance	0	27,000	27,000	0	0.0%
Injured Veterans Grant Program	1,000,000	0	0	0	0.0%
Home Ownership Assist. Prog.	2,000,000	0	0	0	0.0%
Veterans Trust Fund	0	4,500,000	4,500,000	0	0.0%
Veterans County Grants	0	1,000,000	1,000,000	0	0.0%
Total Veterans Affairs, Department of	\$ 18,778,163	\$ 21,089,899	\$ 21,370,705	\$ 280,806	1.3%
Total Health and Human Services	\$ 1,101,801,938	\$ 1,162,002,089	\$ 1,264,641,865	\$ 102,639,776	8.8%

Justice System

General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Justice, Department of</u>					
Justice, Department of					
General Office A.G.	\$ 8,329,413	\$ 8,617,205	\$ 8,667,205	\$ 50,000	0.6%
Victim Assistance Grants	5,000	5,000	5,000	0	0.0%
Legal Services Poverty Grants	900,000	900,000	900,000	0	0.0%
Farm Mediation Services	0	100,000	100,000	0	0.0%
Total Justice, Department of	\$ 9,234,413	\$ 9,622,205	\$ 9,672,205	\$ 50,000	0.5%
Consumer Advocate					
Consumer Advocate	\$ 3,015,887	\$ 2,985,115	\$ 2,985,115	\$ 0	0.0%
Total Justice, Department of	\$ 12,250,300	\$ 12,607,320	\$ 12,657,320	\$ 50,000	0.4%
<u>Civil Rights Commission</u>					
Civil Rights Commission					
Civil Rights Commission	\$ 985,753	\$ 1,165,322	\$ 1,262,647	\$ 97,325	8.4%
Total Civil Rights Commission	\$ 985,753	\$ 1,165,322	\$ 1,262,647	\$ 97,325	8.4%
<u>Corrections, Department of</u>					
Community Based Corrections District 1					
CBC District I	\$ 11,043,105	\$ 11,634,090	\$ 12,012,728	\$ 378,638	3.3%
Community Based Corrections District 2					
CBC District II	\$ 8,741,865	\$ 9,272,266	\$ 9,526,073	\$ 253,807	2.7%
Community Based Corrections District 3					
CBC District III	\$ 5,111,348	\$ 5,503,671	\$ 5,664,144	\$ 160,473	2.9%
Community Based Corrections District 4					
CBC District IV	\$ 4,677,523	\$ 4,954,395	\$ 5,054,664	\$ 100,269	2.0%
Community Based Corrections District 5					
CBC District V	\$ 14,922,909	\$ 16,669,970	\$ 17,115,974	\$ 446,004	2.7%
Community Based Corrections District 6					
CBC District VI	\$ 10,935,021	\$ 11,463,071	\$ 11,694,788	\$ 231,717	2.0%
Community Based Corrections District 7					
CBC District VII	\$ 6,148,378	\$ 6,516,029	\$ 6,713,412	\$ 197,383	3.0%

Justice System General Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
Community Based Corrections District 8					
CBC District VIII	\$ 6,209,818	\$ 6,554,177	\$ 6,794,585	\$ 240,408	3.7%
Corrections-Central Office					
County Confinement	\$ 799,954	\$ 799,954	\$ 1,199,954	\$ 400,000	50.0%
Federal Prisoners/ Contractual	241,293	241,293	241,293	0	0.0%
Corrections Administration	3,564,637	4,133,699	4,955,626	821,927	19.9%
Corrections Education	1,058,358	1,070,358	1,070,358	0	0.0%
Iowa Corrections Offender Network	427,700	427,700	427,700	0	0.0%
Hepatitis Treatment and Education	0	188,000	188,000	0	0.0%
Mental Health/Substance Abuse	25,000	25,000	25,000	0	0.0%
Transitional Housing - Comm. Based	0	20,000	20,000	0	0.0%
Total Corrections-Central Office	\$ 6,116,942	\$ 6,906,004	\$ 8,127,931	\$ 1,221,927	17.7%
Corrections - Fort Madison					
Ft. Madison Institution	\$ 42,046,828	\$ 43,704,446	\$ 43,191,909	\$ -512,537	-1.2%
Corrections - Anamosa					
Anamosa Institution	\$ 28,463,655	\$ 29,758,164	\$ 29,558,356	\$ -199,808	-0.7%
Corrections - Oakdale					
Oakdale Institution	\$ 26,361,205	\$ 29,951,547	\$ 54,703,304	\$ 24,751,757	82.6%
Corrections - Newton					
Newton Institution	\$ 26,045,390	\$ 26,962,398	\$ 26,264,334	\$ -698,064	-2.6%
Corrections - Mt Pleasant					
Mt. Pleasant Inst.	\$ 24,583,809	\$ 25,765,128	\$ 25,208,526	\$ -556,602	-2.2%
Corrections - Rockwell City					
Rockwell City Institution	\$ 8,475,178	\$ 8,820,356	\$ 8,706,242	\$ -114,114	-1.3%
Corrections - Clarinda					
Clarinda Institution	\$ 24,105,790	\$ 25,087,076	\$ 24,062,229	\$ -1,024,847	-4.1%
Corrections - Mitchellville					
Mitchellville Institution	\$ 14,545,770	\$ 15,449,597	\$ 15,294,520	\$ -155,077	-1.0%
Corrections - Fort Dodge					
Ft. Dodge Institution	\$ 27,643,927	\$ 28,559,289	\$ 28,322,064	\$ -237,225	-0.8%
Total Corrections, Department of	\$ 296,178,461	\$ 313,531,674	\$ 338,015,783	\$ 24,484,109	7.8%

Justice System

General Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
<u>Inspections & Appeals, Department of</u>					
Public Defender					
Public Defender	\$ 19,172,795	\$ 20,370,271	\$ 20,845,271	\$ 475,000	2.3%
Indigent Defense Appropriation	25,163,082	25,163,082	28,752,538	3,589,456	14.3%
Total Inspections & Appeals, Department of	\$ 44,335,877	\$ 45,533,353	\$ 49,597,809	\$ 4,064,456	8.9%
<u>Judicial Branch</u>					
Judicial Branch					
Judicial Branch	\$ 123,237,410	\$ 123,237,410	\$ 127,035,426	\$ 3,798,016	3.1%
Judicial Retirement	2,039,664	2,039,664	6,710,932	4,671,268	229.0%
Youth Enrichment Pilot Project	100,000	50,000	0	-50,000	-100.0%
Total Judicial Branch	\$ 125,377,074	\$ 125,327,074	\$ 133,746,358	\$ 8,419,284	6.7%
<u>Law Enforcement Academy</u>					
Law Enforcement Academy					
Iowa Law Enforcement Academy	\$ 1,134,189	\$ 1,225,985	\$ 1,218,985	\$ -7,000	-0.6%
Total Law Enforcement Academy	\$ 1,134,189	\$ 1,225,985	\$ 1,218,985	\$ -7,000	-0.6%
<u>Parole, Board of</u>					
Parole Board					
Parole Board	\$ 1,151,678	\$ 1,177,849	\$ 1,177,849	\$ 0	0.0%
Total Parole, Board of	\$ 1,151,678	\$ 1,177,849	\$ 1,177,849	\$ 0	0.0%
<u>Public Defense, Department of</u>					
Public Defense, Department of					
Public Defense, Department of	\$ 5,315,459	\$ 5,929,167	\$ 6,003,767	\$ 74,600	1.3%
Civil Air Patrol	100,000	100,000	100,000	0	0.0%
Total Public Defense, Department of	\$ 5,415,459	\$ 6,029,167	\$ 6,103,767	\$ 74,600	1.2%
Public Defense - Emergency Management Division					
Homeland Security & Emer. Mgmt.	\$ 1,253,414	\$ 1,601,033	\$ 2,201,033	\$ 600,000	37.5%
Total Public Defense, Department of	\$ 6,668,873	\$ 7,630,200	\$ 8,304,800	\$ 674,600	8.8%

Justice System

General Fund

	Actual	Estimated	Gov Rec	Gov Rec vs.	Percent
	FY 2006	FY 2007	FY 2008	Est. FY 2007	Change
	(1)	(2)	(3)	(4)	(5)
<u>Public Safety, Department of</u>					
Public Safety, Department of					
Public Safety Administration	\$ 3,591,874	\$ 3,806,840	\$ 4,097,900	\$ 291,060	7.6%
Public Safety DCI	16,261,477	19,003,941	20,512,962	1,509,021	7.9%
Narcotics Enforcement	4,896,396	5,550,724	5,963,415	412,691	7.4%
Public Safety Undercover Funds	123,343	123,343	123,343	0	0.0%
DPS Fire Marshal	2,321,122	2,667,566	3,057,454	389,888	14.6%
Fire Service	675,820	704,110	704,110	0	0.0%
Iowa State Patrol	43,735,918	45,956,927	47,976,059	2,019,132	4.4%
DPS/SPOC Sick Leave Payout	316,179	316,179	316,179	0	0.0%
Fire Fighter Training	699,587	699,587	699,587	0	0.0%
DCI - Crime Lab Equipment/Training	342,000	342,000	342,000	0	0.0%
Capital Building Security	775,000	775,000	0	-775,000	-100.0%
Total Public Safety, Department of	\$ 73,738,716	\$ 79,946,217	\$ 83,793,009	\$ 3,846,792	4.8%
Total Justice System	\$ 561,820,921	\$ 588,144,994	\$ 629,774,560	\$ 41,629,566	7.1%

Trans., Infra., and Capitals General Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
<u>Education, Department of</u>					
Iowa Public Television					
IPTV Mobile Production Unit	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	0.0%
Total Education, Department of	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	0.0%
Total Trans., Infra., and Capitals	\$ 0	\$ 0	\$ 1,000,000	\$ 1,000,000	0.0%

Unassigned Standing General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Administrative Services, Dept. of</u>					
State Accounting Trust Accounts					
Federal Cash Management	\$ 380,498	\$ 436,250	\$ 436,250	\$ 0	0.0%
Unemployment Compensation	383,076	538,750	538,750	0	0.0%
Mun. Fire & Police Retirement	<u>2,745,784</u>	<u>2,745,784</u>	<u>2,745,784</u>	<u>0</u>	<u>0.0%</u>
Total Administrative Services, Dept. of	\$ 3,509,358	\$ 3,720,784	\$ 3,720,784	\$ 0	0.0%
<u>Economic Development, Dept. of</u>					
Economic Development, Department of					
Community Attraction & Tourism	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 0	0.0%
Grow Iowa Values Fund	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>0</u>	<u>0.0%</u>
Total Economic Development, Dept. of	\$ 57,000,000	\$ 57,000,000	\$ 57,000,000	\$ 0	0.0%
<u>Public Health, Department of</u>					
Public Health, Department of					
Congenital/Inherited Disorders Reg.	\$ 194,677	\$ 200,000	\$ 200,000	\$ 0	0.0%
Total Public Health, Department of	\$ 194,677	\$ 200,000	\$ 200,000	\$ 0	0.0%
<u>Corrections, Department of</u>					
Corrections-Central Office					
State Cases Court Costs	\$ 0	\$ 66,370	\$ 66,370	\$ 0	0.0%
Total Corrections, Department of	\$ 0	\$ 66,370	\$ 66,370	\$ 0	0.0%
<u>Human Services, Department of</u>					
Human Services - General Administration					
Commission Of Inquiry	\$ 1,706	\$ 1,706	\$ 1,706	\$ 0	0.0%
Non Residents Transfers	82	82	82	0	0.0%
Non Resident Commitment Mentally Ill.	<u>174,704</u>	<u>174,704</u>	<u>174,704</u>	<u>0</u>	<u>0.0%</u>
Total Human Services - General Administration	\$ 176,492	\$ 176,492	\$ 176,492	\$ 0	0.0%

Unassigned Standing General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
Human Services - Assistance					
MH Property Tax Relief	\$ 95,000,000	\$ 95,000,000	\$ 95,000,000	\$ 0	0.0%
Child Abuse Prevention	234,676	240,000	240,000	0	0.0%
Total Human Services - Assistance	<u>\$ 95,234,676</u>	<u>\$ 95,240,000</u>	<u>\$ 95,240,000</u>	<u>\$ 0</u>	<u>0.0%</u>
Total Human Services, Department of	<u>\$ 95,411,168</u>	<u>\$ 95,416,492</u>	<u>\$ 95,416,492</u>	<u>\$ 0</u>	<u>0.0%</u>
<u>Education, Department of</u>					
Education, Department of					
Instructional Support	\$ 14,428,238	\$ 14,428,271	\$ 14,428,271	\$ 0	0.0%
Administrator Mentoring	0	250,000	250,000	0	0.0%
Child Development	11,271,000	11,271,000	11,271,000	0	0.0%
Nonpublic Transportation	8,273,763	8,604,714	8,604,714	0	0.0%
Early Intervention Block Grant	29,250,000	29,250,000	29,250,000	0	0.0%
State Foundation School Aid	1,963,203,523	2,048,342,863	2,143,542,863	95,200,000	4.6%
Teacher Excellence Program	55,469,053	55,469,053	55,469,053	0	0.0%
Total Education, Department of	<u>\$ 2,081,895,577</u>	<u>\$ 2,167,615,901</u>	<u>\$ 2,262,815,901</u>	<u>\$ 95,200,000</u>	<u>4.4%</u>
<u>Executive Council</u>					
Executive Council					
Court Costs	\$ 31,997	\$ 73,125	\$ 73,125	\$ 0	0.0%
Public Improvements	0	48,750	48,750	0	0.0%
Performance Of Duty	1,074,446	6,262,500	1,462,500	-4,800,000	-76.6%
Drainage Assessment	31,150	24,375	24,375	0	0.0%
Total Executive Council	<u>\$ 1,137,593</u>	<u>\$ 6,408,750</u>	<u>\$ 1,608,750</u>	<u>\$ -4,800,000</u>	<u>-74.9%</u>
<u>Legislative Branch</u>					
Legislative Services Agency					
Legislative Branch	\$ 27,251,359	\$ 32,409,632	\$ 35,490,681	\$ 3,081,049	9.5%
Total Legislative Branch	<u>\$ 27,251,359</u>	<u>\$ 32,409,632</u>	<u>\$ 35,490,681</u>	<u>\$ 3,081,049</u>	<u>9.5%</u>
<u>Governor</u>					
Governor's Office					
Interstate Extradition	\$ 0	\$ 3,710	\$ 3,710	\$ 0	0.0%
Total Governor	<u>\$ 0</u>	<u>\$ 3,710</u>	<u>\$ 3,710</u>	<u>\$ 0</u>	<u>0.0%</u>

Unassigned Standing General Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Public Defense, Department of</u>					
Public Defense, Department of Compensation and Expense	\$ 1,207,541	\$ 421,639	\$ 421,639	\$ 0	0.0%
Total Public Defense, Department of	\$ 1,207,541	\$ 421,639	\$ 421,639	\$ 0	0.0%
<u>Management, Department of</u>					
Management, Department of Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0	0.0%
Indian Settlement Officer	25,000	25,000	25,000	0	0.0%
Appeal Board Claims	11,088,153	4,387,500	4,387,500	0	0.0%
Property Tax Credit Fund	0	0	40,000,000	40,000,000	0.0%
Technology Reinvestment Fund	0	17,500,000	17,500,000	0	0.0%
Commercial Property Tax Relief	0	0	25,000,000	25,000,000	0.0%
Total Management, Department of	\$ 11,163,153	\$ 21,962,500	\$ 86,962,500	\$ 65,000,000	296.0%
<u>Revenue, Dept. of</u>					
Revenue, Department of Printing Cigarette Stamps	\$ 107,304	\$ 115,000	\$ 115,000	\$ 0	0.0%
Livestock Producers Credit	1,770,342	2,000,000	2,000,000	0	0.0%
Refund Cigarette Stamps	0	0	0	0	0.0%
Refund Income Corp & Franchise Sale	0	0	0	0	0.0%
Tobacco Products Tax Refund	0	0	0	0	0.0%
Inheritance Refund	0	0	0	0	0.0%
Collection Agencies	-35,062	0	0	0	0.0%
Tobacco Reporting Requirements	25,000	25,000	25,000	0	0.0%
Total Revenue, Dept. of	\$ 1,867,584	\$ 2,140,000	\$ 2,140,000	\$ 0	0.0%
<u>Secretary of State</u>					
Secretary of State Constitutional Amendments	\$ 0	\$ 1,000	\$ 0	\$ -1,000	-100.0%
Total Secretary of State	\$ 0	\$ 1,000	\$ 0	\$ -1,000	-100.0%
Total Unassigned Standing	\$ 2,280,638,009	\$ 2,387,366,778	\$ 2,545,846,827	\$ 158,480,049	6.6%

Summary Data

Other Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
Administration and Regulation	\$ 25,295,783	\$ 31,792,698	\$ 20,900,475	\$ -10,892,223	-34.3%
Ag. and Natural Resources	78,513,873	80,382,662	83,682,662	3,300,000	4.1%
Economic Development	62,027,655	62,896,000	62,896,000	0	0.0%
Education	2,283,250	2,433,250	29,587,834	27,154,584	1116.0%
Health and Human Services	282,532,672	244,802,163	225,171,008	-19,631,155	-8.0%
Justice System	3,191,285	3,986,474	3,676,474	-310,000	-7.8%
Trans., Infra., and Capitals	457,022,365	546,247,807	578,150,552	31,902,745	5.8%
Unassigned Standing	284,021,335	301,594,585	312,483,343	10,888,758	3.6%
Grand Total	\$ 1,194,888,218	\$ 1,274,135,639	\$ 1,316,548,348	\$ 42,412,709	3.3%

Administration and Regulation

Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Commerce, Department of</u>					
Professional Licensing and Regulation					
Real Estate Trust Account Audit	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0	0.0%
Total Commerce, Department of	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0	0.0%
<u>Management, Department of</u>					
Management, Department of					
Road Use Tax Salary Adjustment	\$ 1,635,317	\$ 1,416,695	\$ 0	\$ -1,416,695	-100.0%
Primary Road Salary Adjustment	9,233,486	9,593,363	0	-9,593,363	-100.0%
DOM RUT Appropriation	56,000	56,000	56,000	0	0.0%
Total Management, Department of	\$ 10,924,803	\$ 11,066,058	\$ 56,000	\$ -11,010,058	-99.5%
<u>Inspections & Appeals, Department of</u>					
Inspections and Appeals, Department of					
DIA - Use Tax	\$ 1,482,436	\$ 1,543,342	\$ 1,543,342	\$ 0	0.0%
DIA-Asst Living/Adult Day Care	758,474	790,751	790,751	0	0.0%
Total Inspections & Appeals, Department of	\$ 2,240,910	\$ 2,334,093	\$ 2,334,093	\$ 0	0.0%
<u>IPERS Administration</u>					
IPERS - Nonappropriated FTEs					
IPERS Administration	\$ 10,815,084	\$ 16,945,241	\$ 17,063,076	\$ 117,835	0.7%
Total IPERS Administration	\$ 10,815,084	\$ 16,945,241	\$ 17,063,076	\$ 117,835	0.7%
<u>Revenue, Dept. of</u>					
Revenue, Department of					
Motor Veh Fuel Tx-Admin Approp	\$ 1,252,669	\$ 1,291,841	\$ 1,291,841	\$ 0	0.0%
Total Revenue, Dept. of	\$ 1,252,669	\$ 1,291,841	\$ 1,291,841	\$ 0	0.0%
<u>Treasurer of State</u>					
Treasurer of State					
Funds for (I-3) Expenses - Road Use Tax	\$ 0	\$ 93,148	\$ 93,148	\$ 0	0.0%
Total Treasurer of State	\$ 0	\$ 93,148	\$ 93,148	\$ 0	0.0%
Total Administration and Regulation	\$ 25,295,783	\$ 31,792,698	\$ 20,900,475	\$ -10,892,223	-34.3%

Ag. and Natural Resources

Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Agriculture and Land Stewardship</u>					
Agriculture and Land Stewardship					
Cost Share-EFF	\$ 5,500,000	\$ 5,500,000	\$ 7,850,000	\$ 2,350,000	42.7%
Native Horse and Dog Program	305,516	305,516	305,516	0	0.0%
Watershed Protection Fund-EFF	2,700,000	2,700,000	2,700,000	0	0.0%
Open Feedlots Research Project	100,000	50,000	50,000	0	0.0%
Agricultural Drainage Wells-EFF	500,000	500,000	500,000	0	0.0%
Motor Fuel Inspection	0	300,000	300,000	0	0.0%
Conservation Reserve Prog.-EFF	2,000,000	2,000,000	2,000,000	0	0.0%
Farm Management Demo.-EFF	850,000	850,000	850,000	0	0.0%
Conservation Res. Enhance-EFF	1,500,000	1,500,000	1,500,000	0	0.0%
So. Iowa Cons. & Dev. Auth.-EFF	300,000	300,000	300,000	0	0.0%
Flood Prevention Study-EFF	0	0	150,000	150,000	0.0%
Total Agriculture and Land Stewardship	\$ 13,755,516	\$ 14,005,516	\$ 16,505,516	\$ 2,500,000	17.9%
Loess Hills Development & Conservation Authority					
Loess Hills-EFF	\$ 600,000	\$ 600,000	\$ 600,000	\$ 0	0.0%
Total Agriculture and Land Stewardship	\$ 14,355,516	\$ 14,605,516	\$ 17,105,516	\$ 2,500,000	17.1%
<u>Economic Development, Dept. of</u>					
Economic Development, Department of					
Brownfield Redevelopment Prog.-EFF	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0	0.0%
Total Economic Development, Dept. of	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0	0.0%
<u>Treasurer of State</u>					
Treasurer of State					
Watershed Protection-ENDW	\$ 0	\$ 5,000,000	\$ 5,000,000	\$ 0	0.0%
Watershed Improvement-UST	5,000,000	0	0	0	0.0%
Total Treasurer of State	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0	0.0%

Ag. and Natural Resources Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Natural Resources Capital</u>					
Natural Resources Capital					
REAP-EFF	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 0	0.0%
Water Quality Monitoring-EFF	2,955,000	2,955,000	2,955,000	0	0.0%
Marine Fuel Tax Projects-EFF	2,300,000	2,500,000	0	-2,500,000	-100.0%
Park Operations & Maint.-EFF	2,000,000	2,000,000	2,000,000	0	0.0%
Lake Dredging-EFF	1,500,000	975,000	975,000	0	0.0%
Water Quality Protection-EFF	500,000	500,000	500,000	0	0.0%
Air Quality Monitoring-EFF	0	275,000	325,000	50,000	18.2%
Air Quality Monitoring	275,000	0	0	0	0.0%
GIS Infor. for Watershed-EFF	195,000	195,000	195,000	0	0.0%
Volunteers/Keepers of Land-EFF	100,000	100,000	100,000	0	0.0%
Tire Reclamation-EFF	0	50,000	0	-50,000	-100.0%
Marine Fuel Tax Projects-MFT	0	0	2,300,000	2,300,000	0.0%
Total Natural Resources Capital	\$ 20,825,000	\$ 20,550,000	\$ 20,350,000	\$ -200,000	-1.0%
<u>Natural Resources, Department of</u>					
Natural Resources					
F&G-DNR Admin Expenses	\$ 32,677,525	\$ 35,371,314	\$ 36,371,314	\$ 1,000,000	2.8%
Snowmobile Registration Fees	100,000	100,000	100,000	0	0.0%
Boat Registration Fees	1,400,000	0	0	0	0.0%
UST Administration Match	200,000	200,000	200,000	0	0.0%
GWF-Storage Tanks Study-DNR	100,303	100,303	100,303	0	0.0%
GWF-Household Hazardous Waste-DNR	447,324	447,324	447,324	0	0.0%
GWF-Well Testing Admin 2%-DNR	62,461	62,461	62,461	0	0.0%
GWF-Groundwater Monitoring-DNR	1,686,751	1,686,751	1,686,751	0	0.0%
GWF-Landfill Alternatives-DNR	618,993	618,993	618,993	0	0.0%
GWF-Waste Reduction and Assistance	192,500	192,500	192,500	0	0.0%
GWF-Solid Waste Authorization	50,000	50,000	50,000	0	0.0%
GWF-Geographic Information System	297,500	297,500	297,500	0	0.0%
NPDES Permit Application Processing	0	600,000	600,000	0	0.0%
Total Natural Resources, Department of	\$ 37,833,357	\$ 39,727,146	\$ 40,727,146	\$ 1,000,000	2.5%
Total Ag. and Natural Resources	\$ 78,513,873	\$ 80,382,662	\$ 83,682,662	\$ 3,300,000	4.1%

Economic Development

Other Fund

	Actual	Estimated	Gov Rec	Gov Rec vs.	Percent
	FY 2006	FY 2007	FY 2008	Est. FY 2007	Change
	(1)	(2)	(3)	(4)	(5)
<u>Economic Development, Dept. of</u>					
Economic Development, Department of					
Workforce Development Aprpr	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0	0.0%
Renewable Fuels Infrastructure-GIVF	0	2,000,000	2,000,000	0	0.0%
Renewable Fuels Infrastructure-UST	0	3,500,000	3,500,000	0	0.0%
DED Programs-GIVF	35,000,000	33,000,000	33,000,000	0	0.0%
Regents Institutions-GIVF	5,000,000	5,000,000	5,000,000	0	0.0%
State Parks-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Cultural Trust Fund-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
Workforce and Econ. Dev.-GIVF	7,000,000	7,000,000	7,000,000	0	0.0%
Regional Financial Assistance-GIVF	1,000,000	1,000,000	1,000,000	0	0.0%
NPDES Elimin. Syst. Permits	0	100,000	100,000	0	0.0%
ICVS-Promise-HITT	0	125,000	125,000	0	0.0%
Total Economic Development, Dept. of	\$ 54,000,000	\$ 57,725,000	\$ 57,725,000	\$ 0	0.0%
<u>Iowa Finance Authority</u>					
Iowa Finance Authority					
Rent Subsidy Program-SLTF	\$ 700,000	\$ 700,000	\$ 700,000	\$ 0	0.0%
Total Iowa Finance Authority	\$ 700,000	\$ 700,000	\$ 700,000	\$ 0	0.0%
<u>Iowa Workforce Development</u>					
Iowa Workforce Development					
IWD Field Offices (SUI Reserve Interest)	\$ 0	\$ 4,000,000	\$ 4,000,000	\$ 0	0.0%
P & I Workers' Comp. Division	471,000	471,000	471,000	0	0.0%
ACS-Job Service Administration Fund	6,856,655	0	0	0	0.0%
Total Iowa Workforce Development	\$ 7,327,655	\$ 4,471,000	\$ 4,471,000	\$ 0	0.0%
Total Economic Development	\$ 62,027,655	\$ 62,896,000	\$ 62,896,000	\$ 0	0.0%

Education Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Blind, Iowa Commission for the</u>					
Blind, Department of					
Audio Info. Service for Blind-HITT	\$ 130,000	\$ 130,000	\$ 0	\$ -130,000	-100.0%
Total Blind, Iowa Commission for the	\$ 130,000	\$ 130,000	\$ 0	\$ -130,000	-100.0%
<u>Education, Department of</u>					
Education, Department of					
Before/After School Grants-HITT	\$ 0	\$ 150,000	\$ 150,000	\$ 0	0.0%
Community Empowerment-HITT	2,153,250	2,153,250	2,153,250	0	0.0%
Total Education, Department of	\$ 2,153,250	\$ 2,303,250	\$ 2,303,250	\$ 0	0.0%
<u>Regents, Board of</u>					
Regents, Board of					
BOR SUI Hospital & Clinics - ICA	\$ 0	\$ 0	\$ 27,284,584	\$ 27,284,584	0.0%
Total Regents, Board of	\$ 0	\$ 0	\$ 27,284,584	\$ 27,284,584	0.0%
Total Education	\$ 2,283,250	\$ 2,433,250	\$ 29,587,834	\$ 27,154,584	1116.0%

Health and Human Services Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Elder Affairs, Department of</u>					
Elder Affairs, Department of					
Elder Affairs Operations-SLTF	\$ 8,296,730	\$ 8,324,044	\$ 8,324,044	\$ 0	0.0%
Total Elder Affairs, Department of	\$ 8,296,730	\$ 8,324,044	\$ 8,324,044	\$ 0	0.0%
<u>Human Services, Department of</u>					
Human Services - Assistance					
General Administration-HITT	\$ 274,000	\$ 274,000	\$ 274,000	\$ 0	0.0%
POS Provider Increase-HITT	146,750	146,750	146,750	0	0.0%
CHIP Expan. to 200% of FPL-HITT	200,000	200,000	200,000	0	0.0%
Medical Supplemental-SLTF	69,000,490	65,000,000	65,000,000	0	0.0%
Other Service Providers Inc.-HITT	0	0	182,381	182,381	0.0%
Medical Supplemental Alt.-SLTF	1,033,406	0	0	0	0.0%
LTC Provider Rate/Meth Changes-SLTF	29,950,000	0	0	0	0.0%
Medical Assistance Combined-HITT	35,013,803	35,013,803	35,327,368	313,565	0.9%
SUI Hospital-ICA	37,862,932	27,284,584	10,000,000	-17,284,584	-63.3%
Broadlawns Hospital-ICA	40,000,000	40,000,000	37,000,000	-3,000,000	-7.5%
Medical Examinations-HCTA	136,500	556,800	556,800	0	0.0%
Medical Information Hotline-HCTA	150,000	150,000	150,000	0	0.0%
Insurance Cost Subsidy-HCTA	150,000	1,500,000	1,500,000	0	0.0%
Health Care Premium Impl.-HCTA	50,000	400,000	400,000	0	0.0%
Electronic Medical Records-HCTA	100,000	2,000,000	0	-2,000,000	-100.0%
Health Partnership Activities-HCTA	550,000	550,000	550,000	0	0.0%
Audits, Perf. Eval., Studies-HCTA	100,000	100,000	100,000	0	0.0%
IowaCare Admin. Costs-HCTA	910,000	930,352	930,352	0	0.0%
Acuity Based ICF-MR Case Mix-HCTA	0	150,000	0	-150,000	-100.0%
Provider Incentive Pmt Prog.-HCTA	0	50,000	400,000	350,000	700.0%
Medical Contracts Suppl.-Phar. Settle.	0	379,000	379,000	0	0.0%
State Hospital-Cherokee-ICA	9,098,425	9,098,425	9,098,425	0	0.0%
State Hospital-Clarinda-ICA	1,977,305	1,977,305	1,977,305	0	0.0%
State Hospital-Independence-ICA	9,045,894	9,045,894	9,045,894	0	0.0%
State Hospital-Mt Pleasant-ICA	5,752,587	5,752,587	5,752,587	0	0.0%
Child and Family Services-HITT	4,257,623	4,257,623	3,761,677	-495,946	-11.6%
Total Human Services, Department of	\$ 245,759,715	\$ 204,817,123	\$ 182,732,539	\$ -22,084,584	-10.8%

Health and Human Services

Other Fund

	Actual	Estimated	Gov Rec	Gov Rec vs.	Percent
	FY 2006	FY 2007	FY 2008	Est. FY 2007	Change
	(1)	(2)	(3)	(4)	(5)
<u>Veterans Affairs, Department of</u>					
Veterans Affairs, Department of					
Vets Home Ownership Prog.-VTF	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	0.0%
Enduring Freedom-VTF	0	0	2,000,000	2,000,000	0.0%
Total Veterans Affairs, Department of	\$ 0	\$ 0	\$ 4,000,000	\$ 4,000,000	0.0%
<u>Public Health, Department of</u>					
Public Health, Department of					
Ad. Dis.-Substance Abuse Treatment-GTF	\$ 1,690,000	\$ 1,690,000	\$ 1,690,000	\$ 0	0.0%
Ad. Dis.-Gambling Treatment Program-GTF	5,878,702	5,856,571	4,310,000	-1,546,571	-26.4%
Ad. Dis.-Tobacco Use Prevention/Control-HITT	5,011,565	5,928,465	5,928,465	0	0.0%
Ad. Dis.-Smoking Cessation Products-HITT	75,000	75,000	75,000	0	0.0%
Ad. Dis.-Substance Abuse Treatment-HITT	11,800,000	13,800,000	13,800,000	0	0.0%
Ad. Dis.-Sub. Abuse Prevention for Kids-HITT	200,000	1,050,000	1,050,000	0	0.0%
Ad. Dis.-Tobacco Prevention for Kids-HITT	400,000	0	0	0	0.0%
Ad. Dis.-Sub. Abuse Prevention/Mentoring-HITT	200,000	0	0	0	0.0%
Chr. Con.-PKU Assistance-HITT	60,000	100,000	100,000	0	0.0%
Chr. Con.-Iowa Stillbirth Evaluation Project-HITT	26,000	26,000	26,000	0	0.0%
Chr. Con.-AIDS Drug Assistance Program-HITT	275,000	275,000	275,000	0	0.0%
Pub. Pro.-External Defibrillator Grant-HITT	250,000	350,000	350,000	0	0.0%
Healthy Iowans 2010-HITT	2,509,960	2,509,960	2,509,960	0	0.0%
Capitol Complex Defibrillation-HITT	100,000	0	0	0	0.0%
Total Public Health, Department of	\$ 28,476,227	\$ 31,660,996	\$ 30,114,425	\$ -1,546,571	-4.9%
Total Health and Human Services	\$ 282,532,672	\$ 244,802,163	\$ 225,171,008	\$ -19,631,155	-8.0%

Justice System

Other Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
<u>Corrections, Department of</u>					
Community Based Corrections District 1					
CBC District I - HITT	\$ 100,000	\$ 228,216	\$ 228,216	\$ 0	0.0%
Community Based Corrections District 2					
CBC District II - HITT	\$ 396,217	\$ 406,217	\$ 406,217	\$ 0	0.0%
Community Based Corrections District 3					
CBC District III - HITT	\$ 200,359	\$ 200,359	\$ 200,359	\$ 0	0.0%
Community Based Corrections District 4					
CBC District IV - HITT	\$ 291,731	\$ 291,731	\$ 291,731	\$ 0	0.0%
Community Based Corrections District 5					
CBC District V - HITT	\$ 355,693	\$ 355,693	\$ 355,693	\$ 0	0.0%
Community Based Corrections District 6					
CBC District VI - HITT	\$ 100,000	\$ 164,741	\$ 164,741	\$ 0	0.0%
Community Based Corrections District 7					
CBC District VII - HITT	\$ 100,000	\$ 232,232	\$ 232,232	\$ 0	0.0%
Community Based Corrections District 8					
CBC District VIII - HITT	\$ 100,000	\$ 300,000	\$ 300,000	\$ 0	0.0%
Corrections - Fort Madison					
Ft. Madison CCU - HITT	\$ 1,187,285	\$ 1,497,285	\$ 1,497,285	\$ 0	0.0%
Corrections - Newton					
Newton Value Based Treatment-HITT	\$ 310,000	\$ 310,000	\$ 0	\$ -310,000	-100.0%
Total Corrections, Department of	\$ 3,141,285	\$ 3,986,474	\$ 3,676,474	\$ -310,000	-7.8%
<u>Public Safety, Department of</u>					
Public Safety, Department of					
Fire Marshal School Infrs.	\$ 50,000	\$ 0	\$ 0	\$ 0	0.0%
Total Public Safety, Department of	\$ 50,000	\$ 0	\$ 0	\$ 0	0.0%
Total Justice System	\$ 3,191,285	\$ 3,986,474	\$ 3,676,474	\$ -310,000	-7.8%

Trans., Infra., and Capitals

Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
Administrative Services - Capitals					
Administrative Services - Capitals					
Major Maintenance-VIF	\$ 5,623,200	\$ 10,000,000	\$ 40,000,000	\$ 30,000,000	300.0%
Statewide Major Maintenance-RIIF	291,891	0	0	0	0.0%
Major Renovation-RCF	3,000,000	0	0	0	0.0%
Routine Maintenance-RIIF	0	0	5,000,000	5,000,000	0.0%
Routine Maintenance-RIIF	0	2,536,500	0	-2,536,500	-100.0%
Routine Maintenance-RIIF	2,000,000	0	0	0	0.0%
New State Office Bldg-RIIF	0	0	16,100,000	16,100,000	0.0%
New State Office Bldg-RC2	0	37,585,000	0	-37,585,000	-100.0%
Toledo Powerhouse-RIIF	1,161,045	0	7,035,000	7,035,000	0.0%
Toledo Powerhouse-RC2	0	1,521,045	0	-1,521,045	-100.0%
Capitol Interior/Exterior-RIIF	0	0	6,300,000	6,300,000	0.0%
Capitol Interior-RC2	0	6,830,000	0	-6,830,000	-100.0%
Capitol Interior Restoration-RCF	4,500,000	0	0	0	0.0%
Complex Utility Tunnel-RIIF	0	0	5,309,200	5,309,200	0.0%
Cap Comp Elect Dist Upgrade-RIIF	1,843,878	0	4,260,960	4,260,960	0.0%
Cap Comp Elect Dist Upgrade-RCF	3,468,801	0	0	0	0.0%
Infor. Tech. Enter. Pooled Technology-TRF	0	3,358,334	3,792,200	433,866	12.9%
Technology Projects-RIIF	3,802,000	0	0	0	0.0%
Toledo Education & Infirmary-RIIF	0	0	3,100,000	3,100,000	0.0%
Toledo Education & Infirmary-RC2	0	5,030,668	0	-5,030,668	-100.0%
Leases/Assistance-RIIF	1,824,000	0	1,824,500	1,824,500	0.0%
Leases/Relocation Assistance-RIIF	0	1,824,500	0	-1,824,500	-100.0%
Sidewalk & Parking Lot Repairs-RIIF	0	0	1,650,000	1,650,000	0.0%
Parking Lot Repairs-RCF	1,545,000	0	0	0	0.0%
West Capitol Terrace-RIIF	0	0	1,600,000	1,600,000	0.0%
West Capitol Terrace-RCF	2,300,000	0	0	0	0.0%
Hoover Bldg HVAC Improve.-RIIF	0	0	1,320,000	1,320,000	0.0%
Property Acquisition-RIIF	0	0	1,000,000	1,000,000	0.0%
Property Acquisition-RC2	0	500,000	0	-500,000	-100.0%
Workforce Bldg Asbestos-RIIF	0	0	4,000,000	4,000,000	0.0%
Energy Plant & Additions-RIIF	0	0	998,000	998,000	0.0%
Vehicle Dispatch Fleet Relocation-RIIF	0	0	350,000	350,000	0.0%
Service Oriented Architecture-TRF	0	0	254,992	254,992	0.0%
Cap Comp Alternative Energy-RIIF	0	0	450,000	450,000	0.0%
Terrace Hill Maintenance-RIIF	571,000	75,000	0	-75,000	-100.0%

Trans., Infra., and Capitals Other Fund

	Actual FY 2006 (1)	Estimated FY 2007 (2)	Gov Rec FY 2008 (3)	Gov Rec vs. Est. FY 2007 (4)	Percent Change (5)
Woodward Wastewater Facility-RC2	0	2,443,000	0	-2,443,000	-100.0%
Records Center Remodel-RIIF	4,700,000	0	0	0	0.0%
Records & Prop. Bldg Remodel-RCF	2,200,000	0	0	0	0.0%
DHS-CCUSO Renovation-RIIF	1,400,000	0	0	0	0.0%
DHS-CCUSO Restoration-RCF	650,000	0	0	0	0.0%
Wallace Building-RIIF	625,000	0	0	0	0.0%
Workers' Monument-RIIF	0	0	200,000	200,000	0.0%
Enterprise Resource Plan (I-3)-RIIF	0	0	1,500,000	1,500,000	0.0%
Total Administrative Services - Capitals	\$ 41,505,815	\$ 71,704,047	\$ 106,044,852	\$ 34,340,805	47.9%
<u>Blind Capitals, Department for the</u>					
Department For The Blind Capitals					
Blind Building Renovation-RC2	\$ 0	\$ 4,000,000	\$ 0	\$ -4,000,000	-100.0%
Total Blind Capitals, Department for the	\$ 0	\$ 4,000,000	\$ 0	\$ -4,000,000	-100.0%
<u>Corrections Capital</u>					
Corrections Capital					
Fort Dodge CBC Facility-RIIF	\$ 50,000	\$ 0	\$ 2,450,000	\$ 2,450,000	0.0%
Fort Dodge CBC Facility-RC2	0	1,000,000	0	-1,000,000	-100.0%
Fort Dodge CBC Facility-RCF	1,400,000	0	0	0	0.0%
DOC Anamosa Dietary Renovation - RC2	0	0	1,400,000	1,400,000	0.0%
Anamosa Boiler-RIIF	0	0	2,000,000	2,000,000	0.0%
Security Audits-RIIF	0	0	2,000,000	2,000,000	0.0%
Water & Elect. Upgrades-RIIF	0	0	1,495,000	1,495,000	0.0%
CR Mental Health Facility-RIIF	0	0	1,000,000	1,000,000	0.0%
CR Mental Health Facility-RC2	0	1,000,000	0	-1,000,000	-100.0%
Iowa Corr. Offender Network-TRF	0	500,000	500,000	0	0.0%
ISP Electrical Lease-RIIF	333,168	333,168	0	-333,168	-100.0%
Davenport CBC Facility-RC2	0	3,750,000	0	-3,750,000	-100.0%
Davenport CBC Facility-RIIF	3,750,000	0	0	0	0.0%
Prison Systems Study-RIIF	0	500,000	500,000	0	0.0%
Oakdale 170 Bed-RCF	11,700,000	0	0	0	0.0%
Oakdale One-Time Costs-RCF	3,376,519	0	0	0	0.0%
Anamosa Kitchen-RCF	2,440,000	0	0	0	0.0%
Anamosa Dietary - RIIF	940,000	0	0	0	0.0%
Training Center/CBC VII Rent-RIIF	122,000	0	0	0	0.0%
Jesse Parker Bldg Rent - RIIF	105,300	0	0	0	0.0%
Total Corrections Capital	\$ 24,216,987	\$ 7,083,168	\$ 11,345,000	\$ 4,261,832	60.2%

Trans., Infra., and Capitals Other Fund

	Actual	Estimated	Gov Rec	Gov Rec vs.	Percent
	FY 2006	FY 2007	FY 2008	Est. FY 2007	Change
	(1)	(2)	(3)	(4)	(5)
<u>Cultural Affairs Capital</u>					
Cultural Affairs Capital					
Great Places Capitals-RIIF	\$ 0	\$ 0	\$ 3,000,000	\$ 3,000,000	0.0%
Great Places Capitals-RC2	0	3,000,000	0	-3,000,000	-100.0%
Historic Preservation-RIIF	0	800,000	800,000	0	0.0%
Historic Preservation-VIF	500,000	0	0	0	0.0%
Battle Flags-RIIF	220,000	220,000	220,000	0	0.0%
Veteran's Oral Histories-RIIF	0	1,000,000	0	-1,000,000	-100.0%
American Gothic Visitors Center-RIIF	0	250,000	0	-250,000	-100.0%
Total Cultural Affairs Capital	\$ 720,000	\$ 5,270,000	\$ 4,020,000	\$ -1,250,000	-23.7%
<u>Economic Development Capitals</u>					
Economic Development Capitals					
ACE Infrastructure-RC2	\$ 0	\$ 5,500,000	\$ 0	\$ -5,500,000	-100.0%
Port Authority-RIIF	0	80,000	0	-80,000	-100.0%
ACE Infrastructure-RCF	1,500,000	0	0	0	0.0%
Comm Attract/Tourism-RIIF	5,000,000	5,000,000	5,000,000	0	0.0%
Ferry Boat Study-RIIF	60,000	0	0	0	0.0%
Federal Enterprise Zone-RIIF	500,000	0	0	0	0.0%
ACE Infrastructure-VIF	4,000,000	0	0	0	0.0%
Targeted Industries Infrastructure-RIIF	0	0	10,555,000	10,555,000	0.0%
Total Economic Development Capitals	\$ 11,060,000	\$ 10,580,000	\$ 15,555,000	\$ 4,975,000	47.0%

Trans., Infra., and Capitals Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Education Capital</u>					
Education Capital					
ICN Part III Leases & Maint.-RIIF	\$ 2,727,000	\$ 0	\$ 0	\$ 0	0.0%
Community College Infra.-RIIF	2,000,000	0	2,000,000	2,000,000	0.0%
Community College Infra.-RC2	0	2,000,000	0	-2,000,000	-100.0%
Enrich Iowa-RIIF	900,000	1,200,000	1,000,000	-200,000	-16.7%
Iowa Learning Technologies-TRF	0	500,000	500,000	0	0.0%
Iowa Learning Technologies-RIIF	500,000	0	0	0	0.0%
Digital TV Conversion-TRF	0	2,300,000	0	-2,300,000	-100.0%
Digital TV Conversion-RIIF	8,000,000	0	0	0	0.0%
Analog Transmission-TRF	0	1,425,000	0	-1,425,000	-100.0%
Uninterruptible Power Supply-TRF	0	315,000	0	-315,000	-100.0%
IPTV Capitals-RIIF	2,000,000	0	1,275,000	1,275,000	0.0%
ICN Maint & Leases-TRF	0	2,727,000	2,727,000	0	0.0%
Education Data Warehouse-TRF	0	0	600,000	600,000	0.0%
Total Education Capital	\$ 16,127,000	\$ 10,467,000	\$ 8,102,000	\$ -2,365,000	-22.6%
<u>Ethics and Campaign Disclosure</u>					
Campaign Finance Disclosure Commission					
Electronic Filing-TRF	\$ 0	\$ 39,100	\$ 0	\$ -39,100	-100.0%
Total Ethics and Campaign Disclosure	\$ 0	\$ 39,100	\$ 0	\$ -39,100	-100.0%
<u>Human Rights, Department of</u>					
Human Rights, Department of					
Integrating Justice Data Systems-TRF	\$ 0	\$ 2,645,066	\$ 2,881,466	\$ 236,400	8.9%
Total Human Rights, Department of	\$ 0	\$ 2,645,066	\$ 2,881,466	\$ 236,400	8.9%
<u>Human Services Capital</u>					
Human Services - Capital					
Major Projects-RIIF	\$ 0	\$ 0	\$ 750,000	\$ 750,000	0.0%
Res. Treatment Center-RIIF	250,000	300,000	0	-300,000	-100.0%
Family Resource Center-RCF	250,000	0	0	0	0.0%
CSRU Payment Proc. Equip.-TRF	0	0	272,000	272,000	0.0%
Total Human Services Capital	\$ 500,000	\$ 300,000	\$ 1,022,000	\$ 722,000	240.7%

Trans., Infra., and Capitals Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Iowa Finance Authority</u>					
Iowa Finance Authority					
Water Quality Grants-RIIF	\$ 0	\$ 0	\$ 4,000,000	\$ 4,000,000	0.0%
Water Quality Grants-FedStim	0	4,000,000	0	-4,000,000	-100.0%
Transitional Housing-RIIF	<u>1,400,000</u>	<u>1,400,000</u>	<u>0</u>	<u>-1,400,000</u>	<u>-100.0%</u>
Total Iowa Finance Authority	\$ 1,400,000	\$ 5,400,000	\$ 4,000,000	\$ -1,400,000	-25.9%
<u>Iowa Telecommunications & Technology Commission</u>					
Iowa Communications Network					
ICN Equipment Replacement-TRF	\$ 0	\$ 1,997,500	\$ 2,067,000	\$ 69,500	3.5%
ICN Equipment Replacement-RCF	<u>1,704,719</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Iowa Telecom & Tech Commission	\$ 1,704,719	\$ 1,997,500	\$ 2,067,000	\$ 69,500	3.5%
<u>Iowa Workforce Development</u>					
Iowa Workforce Development					
Outcome Tracking System-TRF	\$ 0	\$ 0	\$ 600,000	\$ 600,000	0.0%
Auto. Wrkr's Comp Appeal Sys.-TRF	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>0.0%</u>
Total Iowa Workforce Development	\$ 0	\$ 0	\$ 1,100,000	\$ 1,100,000	0.0%
<u>Law Enforcement Academy</u>					
Law Enforcement Academy					
ILEA Technology Projects-TRF	\$ 0	\$ 50,000	\$ 0	\$ -50,000	-100.0%
Total Law Enforcement Academy	\$ 0	\$ 50,000	\$ 0	\$ -50,000	-100.0%

Trans., Infra., and Capitals Other Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
<u>Natural Resources Capital</u>					
Natural Resources Capital					
Lakes Restoration & Water Quality-RIIF	\$ 0	\$ 0	\$ 8,600,000	\$ 8,600,000	0.0%
Lakes Restoration-ENDW	0	8,600,000	0	-8,600,000	-100.0%
IA's Special Areas-RIIF	0	1,500,000	0	-1,500,000	-100.0%
Waubonsie State Park-RIIF	1,500,000	0	0	0	0.0%
State Parks Infra. Renov.-RIIF	0	0	1,000,000	1,000,000	0.0%
State Parks Infra. Renov.-RCF	1,000,000	0	0	0	0.0%
Resource, Cons. & Dev. Projects-FES	0	300,000	0	-300,000	-100.0%
Lake Darling State Park Shelter-RIIF	0	250,000	0	-250,000	-100.0%
Destination Park-RIIF	3,000,000	0	0	0	0.0%
Lewis & Clark Rural Water-RCF	2,500,000	0	0	0	0.0%
Fort Atkinson Restoration-RIIF	500,000	0	0	0	0.0%
Lake Corneila-RIIF	429,000	0	0	0	0.0%
Mid-America Port Commission-RIIF	80,000	0	0	0	0.0%
DNR-Destination Park-RCF	-3,000,000	0	0	0	0.0%
Total Natural Resources Capital	\$ 6,009,000	\$ 10,650,000	\$ 9,600,000	\$ -1,050,000	-9.9%
<u>Parole, Board of</u>					
Parole Board					
Technology Projects-TRF	\$ 0	\$ 75,000	\$ 0	\$ -75,000	-100.0%
Total Parole, Board of	\$ 0	\$ 75,000	\$ 0	\$ -75,000	-100.0%

Trans., Infra., and Capitals Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Public Defense Capital</u>					
Public Defense Capital					
STARCOMM-RIIF	\$ 0	\$ 1,000,000	\$ 2,000,000	\$ 1,000,000	100.0%
STARCOMM-RC2	0	600,000	0	-600,000	-100.0%
Facility/Armory Maintenance-RIIF	0	0	1,500,000	1,500,000	0.0%
Armory Maintenance-RCF	1,500,000	0	0	0	0.0%
Facility Maintenance-VIF	1,269,000	0	0	0	0.0%
W'loo Aviation Readiness Ctr-RIIF	0	0	1,500,000	1,500,000	0.0%
W'loo Aviation Readiness Ctr-RCF	399,000	0	0	0	0.0%
Waterloo Readiness Center-RC2	0	1,236,000	0	-1,236,000	-100.0%
Iowa City Readiness Center-RIIF	0	0	1,200,000	1,200,000	0.0%
Iowa City Readiness Center-RC2	0	1,444,288	0	-1,444,288	-100.0%
Ottumwa Armory-RIIF	0	0	1,000,000	1,000,000	0.0%
Law Enf./Natl Guard Shoot House-RIIF	0	0	500,000	500,000	0.0%
Newton Readiness Center-RIIF	0	0	400,000	400,000	0.0%
Eagle Grove Readiness Center-RIIF	0	0	400,000	400,000	0.0%
Camp Dodge Water Project-RIIF	0	0	400,000	400,000	0.0%
Camp Dodge Water Treatment-RCF	750,000	0	0	0	0.0%
Camp Dodge Water Treatment-VIF	1,939,800	0	0	0	0.0%
Technology Upgrades-TRF	0	75,000	111,000	36,000	48.0%
Camp Dodge Readiness Center-RIIF	0	100,000	50,000	-50,000	-50.0%
Spencer Armory-RC2	0	689,000	0	-689,000	-100.0%
Fort Dodge Readiness Center-VIF	608,000	0	0	0	0.0%
Total Public Defense Capital	\$ 6,465,800	\$ 5,144,288	\$ 9,061,000	\$ 3,916,712	76.1%
<u>Public Health, Department of</u>					
Public Health, Department of					
Regional Env. Hlth & Emer. Fac.-RIIF	\$ 0	\$ 100,000	\$ 0	\$ -100,000	-100.0%
Total Public Health, Department of	\$ 0	\$ 100,000	\$ 0	\$ -100,000	-100.0%

Trans., Infra., and Capitals Other Fund

	Actual	Estimated	Gov Rec	Gov Rec vs.	Percent
	FY 2006	FY 2007	FY 2008	Est. FY 2007	Change
	(1)	(2)	(3)	(4)	(5)
<u>Public Safety Capital</u>					
Public Safety Capital					
Technology Projects-TRF	\$ 0	\$ 943,000	\$ 1,900,000	\$ 957,000	101.5%
AFIS Lease Purchase-TRF	0	550,000	560,000	10,000	1.8%
AFIS Lease Purchase-RIIF	550,000	0	0	0	0.0%
Fire Service Training-RIIF	800,000	2,300,000	0	-2,300,000	-100.0%
Fire Service Training-RC2	0	2,000,000	0	-2,000,000	-100.0%
Law Enf. Training Track-RIIF	0	800,000	0	-800,000	-100.0%
Mason City Patrol Post-RCF	2,400,000	0	0	0	0.0%
Mason City Patrol Post-RIIF	0	0	2,400,000	2,400,000	0.0%
Dubuque Emer. Training Facility-RCF	100,000	0	0	0	0.0%
Fire Equip. Loan Fund-RIIF	500,000	0	0	0	0.0%
Total Public Safety Capital	\$ 4,350,000	\$ 6,593,000	\$ 4,860,000	\$ -1,733,000	-26.3%
<u>Regents Capital</u>					
Regents Capital					
ISU Chemistry Facilities-RIIF	\$ 0	\$ 0	\$ 2,192,000	\$ 2,192,000	0.0%
Fire Safety and Deferred Maint.-RIIF	6,250,000	0	0	0	0.0%
Major Renovation/Repairs-RIIF	0	6,200,000	0	-6,200,000	-100.0%
SUI Public Health Academic Bldg-RIIF	0	0	9,100,000	9,100,000	0.0%
SUI Hygienic Laboratory-RIIF	0	8,350,000	15,650,000	7,300,000	87.4%
UNI Electrical Distribution Loop-RIIF	0	0	625,000	625,000	0.0%
Major Renovation & Repairs-RC2	0	10,000,000	0	-10,000,000	-100.0%
Endowments & Salaries-RIIF	0	5,000,000	0	-5,000,000	-100.0%
Biosciences Infrastructure-VIF	0	5,000,000	0	-5,000,000	-100.0%
Biosciences Infrastructure-RIIF	0	1,800,000	0	-1,800,000	-100.0%
ISU Veterinary Laboratory-RIIF	0	2,000,000	0	-2,000,000	-100.0%
Novel Proteins Facility-RIIF	0	1,000,000	0	-1,000,000	-100.0%
UNI Playground Safety-RIIF	500,000	500,000	0	-500,000	-100.0%
Gilchrist Hall Repair-RIIF	2,000,000	0	0	0	0.0%
ISD/IBSSS Maintenance-RIIF	500,000	0	0	0	0.0%
Tuition Replacement-RIIF	0	0	10,329,981	10,329,981	0.0%
Center for Regenerative Med-RIIF	0	0	10,000,000	10,000,000	0.0%
Fire Safety and Deferred Maint.-VIF	0	0	10,000,000	10,000,000	0.0%
Total Regents Capital	\$ 9,250,000	\$ 39,850,000	\$ 57,896,981	\$ 18,046,981	45.3%

Trans., Infra., and Capitals Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Regents, Board of</u>					
Regents, Board of					
Tuition Replacement - RIF	\$ 0	\$ 10,329,981	\$ 0	\$ -10,329,981	-100.0%
Tuition Replacement-RCF	10,329,981	0	0	0	0.0%
Biosciences-RIF	0	8,200,000	0	-8,200,000	-100.0%
Total Regents, Board of	\$ 10,329,981	\$ 18,529,981	\$ 0	\$ -18,529,981	-100.0%
<u>Revenue, Dept. of</u>					
Revenue, Department of					
SAVE Appropriation-RIF	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 0	0.0%
Total Revenue, Dept. of	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 0	0.0%
<u>State Fair Authority Capital</u>					
State Fair Authority Capital					
State Fair Capitals-RIF	\$ 750,000	\$ 0	\$ 0	\$ 0	0.0%
State Fair Capitals-RC2	0	1,000,000	0	-1,000,000	-100.0%
Agri. Exhibition Center-RIF	0	0	3,000,000	3,000,000	0.0%
Total State Fair Authority Capital	\$ 750,000	\$ 1,000,000	\$ 3,000,000	\$ 2,000,000	200.0%
<u>Transportation, Department of</u>					
Transportation, Department of					
RUTF-Drivers' Licenses	\$ 2,820,000	\$ 2,820,000	\$ 3,047,000	\$ 227,000	8.0%
RUTF-Operations	5,548,160	5,667,786	6,237,000	569,214	10.0%
RUTF-Administrative Services	560,122	548,222	0	-548,222	-100.0%
RUTF-Planning & Programs	470,476	484,994	470,000	-14,994	-3.1%
RUTF-Motor Vehicle	32,040,203	33,205,657	33,347,113	141,456	0.4%
RUTF-DAS	140,616	140,000	145,000	5,000	3.6%
RUTF-Unemployment Compensation	17,000	17,000	17,000	0	0.0%
RUTF-Workers' Compensation	114,000	125,480	108,000	-17,480	-13.9%
RUTF-Indirect Cost Recoveries	102,000	102,000	102,000	0	0.0%

Trans., Infra., and Capitals Other Fund

	Actual	Estimated	Gov Rec	Gov Rec vs.	Percent
	FY 2006	FY 2007	FY 2008	Est. FY 2007	Change
	(1)	(2)	(3)	(4)	(5)
RUTF-Auditor Reimbursement	55,160	56,420	60,988	4,568	8.1%
RUTF-County Treasurers Support	1,268,000	2,064,000	1,832,000	-232,000	-11.2%
RUTF-Road/Weather Conditions Info	100,000	100,000	100,000	0	0.0%
RUTF-Mississippi River Park. Comm.	40,000	40,000	40,000	0	0.0%
RUTF - I-35 Corridor Coalition	50,000	50,000	50,000	0	0.0%
RUTF-DOT Reporting Database	0	500,000	0	-500,000	-100.0%
RUTF-IRP/IFTA	0	1,000,000	1,000,000	0	0.0%
PRF-Operations	34,081,559	35,016,403	38,311,652	3,295,249	9.4%
PRF-Administrative Services	3,473,167	3,400,067	0	-3,400,067	-100.0%
PRF-Planning & Program	8,978,251	9,227,088	8,920,908	-306,180	-3.3%
PRF-Highway	194,812,346	206,354,880	209,436,880	3,082,000	1.5%
PRF-Motor Vehicle	1,283,891	1,393,456	1,384,000	-9,456	-0.7%
PRF-DAS	863,497	860,000	888,000	28,000	3.3%
PRF-DOT Unemployment	328,000	328,000	328,000	0	0.0%
PRF-DOT Workers' Compensation	2,738,000	3,011,520	2,592,000	-419,520	-13.9%
PRF-Garage Fuel & Waste Mgmt.	800,000	800,000	800,000	0	0.0%
PRF-Indirect Cost Recoveries	748,000	748,000	748,000	0	0.0%
PRF-Auditor Reimbursement	338,840	346,580	376,212	29,632	8.5%
PRF-Transportation Maps	275,000	235,000	242,000	7,000	3.0%
PRF-Inventory & Equip.	0	2,250,000	2,250,000	0	0.0%
PRF-Biodiesel Fuel	1	0	0	0	0.0%
PRF-Field Facility Deferred Maint.	351,500	351,500	351,500	0	0.0%
Public Transit Infra.-RIIF	0	0	2,200,000	2,200,000	0.0%
Public Transit Infra.-RC2	0	2,200,000	0	-2,200,000	-100.0%
Rail Assistance Prog.-RIIF	35,959	235,000	2,000,000	1,765,000	751.1%
Recreational Trails-RIIF	1,000,000	0	2,000,000	2,000,000	0.0%
Recreational Trails-RC2	0	2,000,000	0	-2,000,000	-100.0%
Airport Improvements-SAF	0	0	1,600,000	1,600,000	0.0%
Aviation Improvements-RIIF	564,792	564,000	0	-564,000	-100.0%
Commercial Air Service-RIIF	0	0	1,500,000	1,500,000	0.0%
Commercial Air Service-RC2	0	1,500,000	0	-1,500,000	-100.0%
Commercial Air Service-RCF	1,500,000	0	0	0	0.0%
General Aviation Grants-RIIF	750,000	0	750,000	750,000	0.0%
General Aviation Grants-RC2	0	750,000	0	-750,000	-100.0%
Total Transportation, Department of	\$ 296,248,540	\$ 318,493,053	\$ 323,235,253	\$ 4,742,200	1.5%

Trans., Infra., and Capitals Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Transportation Capitals</u>					
Transportation Capital					
PRF-Utility Improvements	\$ 150,000	\$ 400,000	\$ 400,000	\$ 0	0.0%
PRF-Garage Roofing Projects	150,000	100,000	100,000	0	0.0%
PRF-HVAC Improvements	250,000	100,000	100,000	0	0.0%
RUTF-MVD Building	9,350,000	0	0	0	0.0%
PRF-Fairfield Garage	0	2,500,000	0	-2,500,000	-100.0%
PRF-ADA Improvements	0	200,000	200,000	0	0.0%
PRF-Pave Complex Parking Lot	0	200,000	0	-200,000	-100.0%
PRF-Ames Elevator Upgrade	0	100,000	100,000	0	0.0%
PRF-Clarinda Garage	0	0	2,300,000	2,300,000	0.0%
RUTF-Scale & Inspection Sites	2,133	0	0	0	0.0%
RUTF-Scale Maintenance	0	0	100,000	100,000	0.0%
Total Transportation Capitals	\$ 9,902,133	\$ 3,600,000	\$ 3,300,000	\$ -300,000	-8.3%
<u>Treasurer of State</u>					
Treasurer of State					
Prison Infrastructure Bonds-RIIF	\$ 0	\$ 5,416,604	\$ 0	\$ -5,416,604	-100.0%
Prison Infrastructure Bonds	5,422,390	0	0	0	0.0%
County Fair Improvements-RIIF	0	1,060,000	1,060,000	0	0.0%
County Fairs Improvements-VIF	1,060,000	0	0	0	0.0%
Total Treasurer of State	\$ 6,482,390	\$ 6,476,604	\$ 1,060,000	\$ -5,416,604	-83.6%
<u>Veterans Affairs Capitals</u>					
Veterans Affairs Capital					
Veterans Affairs Capitals-RC2	\$ 0	\$ 6,200,000	\$ 0	\$ -6,200,000	-100.0%
Total Veterans Affairs Capitals	\$ 0	\$ 6,200,000	\$ 0	\$ -6,200,000	-100.0%
Total Trans., Infra., and Capitals	\$ 457,022,365	\$ 546,247,807	\$ 578,150,552	\$ 31,902,745	5.8%

Unassigned Standing Other Fund

	Actual FY 2006 <u>(1)</u>	Estimated FY 2007 <u>(2)</u>	Gov Rec FY 2008 <u>(3)</u>	Gov Rec vs. Est. FY 2007 <u>(4)</u>	Percent Change <u>(5)</u>
<u>Human Services, Department of</u>					
Human Services - Assistance					
MH Costs for Children Under 18	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ 0	0.0%
Senior Living Trust Fund-ENDW	0	25,000,000	0	-25,000,000	-100.0%
Total Human Services, Department of	\$ 6,600,000	\$ 31,600,000	\$ 6,600,000	\$ -25,000,000	-79.1%
<u>Management, Department of</u>					
Management, Department of					
Environment First Fund-RIIF	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000	\$ 0	0.0%
Vertical Infrastructure Fund-RIIF	15,000,000	15,000,000	50,000,000	35,000,000	233.3%
State Appeal Board Claims	7,375	0	0	0	0.0%
Total Management, Department of	\$ 50,007,375	\$ 50,000,000	\$ 85,000,000	\$ 35,000,000	70.0%
<u>Natural Resources Capital</u>					
Natural Resources Capital					
Fish and Game-Capitals	\$ 8,500,000	\$ 0	\$ 0	\$ 0	0.0%
Total Natural Resources Capital	\$ 8,500,000	\$ 0	\$ 0	\$ 0	0.0%
<u>Revenue, Dept. of</u>					
Revenue, Department of					
Homestead Prop. Tax Credit-PTCF	\$ 102,945,379	\$ 102,945,379	\$ 102,658,781	\$ -286,598	-0.3%
Ag. Land & Family Farm Tax Credit-PTCF	34,610,183	34,610,183	34,610,183	0	0.0%
Military Service Tax Credit-PTCF	2,568,402	2,773,402	2,800,000	26,598	1.0%
Elderly & Disabled Tax Credit-PTCF	19,540,000	19,540,000	19,800,000	260,000	1.3%
Total Revenue, Dept. of	\$ 159,663,964	\$ 159,868,964	\$ 159,868,964	\$ 0	0.0%
<u>Transportation, Department of</u>					
Transportation, Department of					
Personal Delivery of Services-RUTF	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0	0.0%
County Treasurer Equipment-RUTF	650,000	650,000	650,000	0	0.0%
Total Transportation, Department of	\$ 875,000	\$ 875,000	\$ 875,000	\$ 0	0.0%

Unassigned Standing Other Fund

	Actual FY 2006	Estimated FY 2007	Gov Rec FY 2008	Gov Rec vs. Est. FY 2007	Percent Change
	(1)	(2)	(3)	(4)	(5)
Treasurer of State					
Treasurer of State					
Healthy Iowans Tobacco Trust-ENDW	\$ 58,374,996	\$ 59,250,621	\$ 60,139,379	\$ 888,758	1.5%
Total Treasurer of State	\$ 58,374,996	\$ 59,250,621	\$ 60,139,379	\$ 888,758	1.5%
Total Unassigned Standing	\$ 284,021,335	\$ 301,594,585	\$ 312,483,343	\$ 10,888,758	3.6%

APPENDIX B

PROJECTED FY 2008 BUILT-IN AND ANTICIPATED GENERAL FUND EXPENDITURES

(Dollars in Millions)

<u>Incremental Built-in Changes</u>	LSA		<u>Difference</u>
	<u>Estimates</u>	<u>Gov. Rec.</u>	
1. Revenue - Homestead Tax Credit	\$ 133.9	\$ 25.7 ¹	\$ -108.2
2. Education - K-12 School Foundation Aid	101.0	95.2	-5.8
3. Human Services - Medical Assistance	67.8	47.7	-20.1
4. Revenue - Agricultural Land Tax Credit	39.1	8.7 ¹	-30.4
5. Education - Teacher Quality/Student Achievement Act	35.0	35.0	0.0
6. Revenue - Elderly and Disabled Credit	19.8	4.9 ¹	-14.9
7. Education - Early Care, Health, Education Programs	5.0	0.0	-5.0
8. Management - State Appeal Board Claims	4.6	0.0	-4.6
9. Human Services - Mental Health Growth Factor	4.4	4.4	0.0
10. Revenue - Military Service Tax Credit	2.8	0.7 ¹	-2.1
11. College Aid - College Student Aid Work Study Program	2.7	0.1	-2.6
12. Public Health - Substance Abuse	2.0	0.0	-2.0
13. Education - Educational Excellence	1.4	0.0	-1.4
14. Education - At-Risk Early Childhood Education	1.3	0.0	-1.3
15. Education - Instructional Support	0.4	0.0	-0.4
16. Education - Early Intervention Block Grant	-29.3	0.0	29.3
Subtotal	\$ 391.9	\$ 222.4	\$ -169.5

PROJECTED FY 2008 BUILT-IN AND ANTICIPATED GENERAL FUND EXPENDITURES (CONTINUED)

(Dollars in Millions)

Incremental Anticipated Expenditure Changes	LSA		Difference
	Estimates	Gov. Rec.	
17. FY 2008 Collective Bargaining Salary Costs	\$ 89.1	\$ 0.0	\$ -89.1
18. Corrections - Oakdale Expansion Operating Costs	17.7	17.7	0.0
19. Human Services - Child Care Assistance	17.2	17.2	0.0
20. Human Services - State Cases	7.0	0.8	-6.2
21. Inspections & Appeals - Indigent Defense & Public Defender	4.3	4.1	-0.2
22. Judicial Branch - Retirement Fund Contribution	4.7	4.7	0.0
23. Human Services - Mental Health Growth Factor	3.2	3.2	0.0
24. Corrections - Increased Fuel, Food, and Pharmacy Costs	1.9	1.9	0.0
25. Corrections - Sex Offender Supervision	1.8	1.8	0.0
26. Human Services - State Resource Centers	1.1	1.1	0.0
27. Human Services - Field Operations	0.8	0.8	0.0
28. Public Safety - Burlington Casino	0.6	0.6	0.0
29. Corrections - Administrative Services Billings	0.6	0.6	0.0
30. Human Services - Civil Commitment Unit for Sexual Offender	0.5	0.5	0.0
31. Corrections - County Confinement	0.4	0.4	0.0
32. Public Safety - Fuel Costs	0.3	0.3	0.0
33. Public Safety - Administrative Services Billings	0.2	0.2	0.0
34. Veterans Affairs - Veterans Cemetery	0.1	0.1	0.0
35. Public Health - Influenza Pandemic Costs	-4.8	-4.8	0.0
Subtotal	\$ 146.7	\$ 51.2	\$ -95.5
TOTAL PROJECTED EXPENDITURE CHANGES	\$ 538.6	\$ 273.6	\$ -265.0

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

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
1. Revenue – 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 2007. • Assumes the Credit will be funded from the General Fund in FY 2008 as required by the <u>Code of Iowa</u>. • Estimate based on projected demand by the Department of Revenue. 	\$ 133.9	\$ 25.7	<ul style="list-style-type: none"> • The Governor is recommending a total of \$102.7 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 \$25.7 million is the proportion of the General Fund appropriation that would be applied to the Homestead Tax Credit. 	\$ -108.2

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
2. Education – K-12 School Foundation Aid <i>Standing Unlimited Appropriation</i>	The School Foundation Program establishes limits and controls on local school district spending authority. By formula, the Program determines the amount of State Aid and local property tax used in funding the majority of school district budgets.	Assumes the following: <ul style="list-style-type: none"> • 4.0% allowable growth rate. • Increase in taxable valuations of 2.6%. • Special education weightings increase of 2.0%. • 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 reduction to the statutory \$7.5 million for Area Education Agencies (AEA's). • Includes \$6.0 million increase for Adjusted Additional Property Tax Levy Aid. 	\$ 101.0	\$ 95.2	<ul style="list-style-type: none"> • The Governor is recommending 4.0% allowable growth with an additional \$6.0 million reduction in State Aid to the AEA's. 	\$ -5.8

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
3. 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 \$9.0 million to adjust the FY 2008 budget for the est. FY 2007 supplemental. (The built-in increase is compared to FY 2007 prior to the supplemental.) • Adds \$14.0 million for 1.7% caseload growth, \$7.7 million for 1.0% medical cost increases. • Adds \$500,000 to replace funds carried forward in the Field Operations. • Adds \$1.3 million for enrollment growth in the Medicaid for Young Adults (MYA) Program. • Adds \$11.7 million for annualized cost of transition to Rehabilitative Services Program and to fund new Habilitation Services. • Adds \$11.4 million for Federal Medicaid Assistance Percentage (FMAP) decrease of 0.6%. • Adds \$10.4 million to rebase nursing facilities and \$1.0 million to fund PERM audits. • Adds \$6.8 million for Medicare Buy-in. • Includes savings of \$6.0 million related to the Iowa Medicaid Enterprise. 	\$ 67.8	\$ 47.7	<ul style="list-style-type: none"> • The Governor recommends funding all of the estimated Medicaid costs for FY 2008 with the exception of the \$10.4 million for the statutorily-required nursing facility rebase. • The Governor recommends an additional \$13.1 million to increase the income disregard for parents of children on Medicaid, partially buy down the HCBS Waiver waiting lists, and increase enrollment of children already eligible for the Program. 	\$ -20.1

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
4. Revenue – 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 2007. • Assumes the Credit will be funded from the General Fund in FY 2008 as required by the <u>Code of Iowa</u>. 	\$ 39.1	\$ 8.7	• 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. However, the Governor is recommending \$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
5. Education – Teacher Quality/Student Achievement Program <i>Standing Unlimited Appropriation</i>	Provides funding to school districts to enhance teacher salaries, provide beginning teacher mentoring, enhance salaries for hard-to-staff teaching assignments, provide professional development, and explore pay-for-performance incentives. Provides funding to the Department of Education for the implementation of the Career Development Program, evaluator training, National Board Certification stipends, and administrative costs of the Program.	<ul style="list-style-type: none"> • HF 2792 appropriated \$139.3 million for FY 2007, \$174.3 million for FY 2008, and \$209.3 million in FY 2009 for this program. • An estimated \$3.0 million will be needed in FY 2008 to fund the minimum teacher salaries at the FY 2007 level. The increase results from the advancement of first-year and second-year beginning teachers to the next career level. 	\$ 35.0	\$ 35.0	• The Governor's recommendation maintains the statutory increase. The Governor is also recommending an increase of \$35.0 million for the Program above the statutory increase in the Education Appropriations Subcommittee section of the document.	\$ 0.0

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
6. Revenue – 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 2007. • Assumes the Credit will be funded from the General Fund in FY 2008 as required by the <u>Code of Iowa</u>. • Estimate based on historical claims. 	\$ 19.8	\$ 4.9	<ul style="list-style-type: none"> • The Governor is recommending a total of \$19.8 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 \$4.9 million is the proportion of the General Fund appropriation that would be applied to the Elderly and Disabled Tax Credit. 	\$ -14.9

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
7. Education – Early Care, Health, Education Programs <i>Standing Unlimited Appropriation</i>	The Community Empowerment Program provides funding to 58 local areas to support and facilitate coordination of services to children from birth to 5 years of age and their families.	<ul style="list-style-type: none"> • HF 2769 appropriated \$10.0 million from the General Fund in FY 2007 and \$15.0 million in FY 2008 and FY 2009 for School Ready Children Grants to Community Empowerment Areas. The funds were directed to preschool tuition assistance, quality improvement, and implementation of the recommendations of the Business Community Investment Advisory Council. • HF 2769 also appropriated \$5.0 million from the General Fund for FY 2007-FY 2009 for Community Empowerment Areas' parent support programs. • HF 2527 appropriated \$23.8 million in FY 2007 to the Community Empowerment Program's School Ready Children Grants. • HF 2743 appropriated \$2.2 million from the Healthy Iowans Tobacco Trust in FY 2007 for School Ready Children Grants. 	\$ 5.0	\$ 0.0	<ul style="list-style-type: none"> • The Governor does not recommend funding the statutory increase. 	\$ -5.0

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
8. Management – 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. • The average annual payment for Appeal Board claims from FY 1999 through FY 2006 was \$9.0 million (adjusted for large one-time payouts in FY 2004). • For FY 2007, \$4.4 million is budgeted for claims. This is under-estimated based on the level of historical claims. • The FY 2008 claims are estimated to be \$9.0 million. 	\$ 4.6	\$ 0.0	<ul style="list-style-type: none"> • The Governor's recommendation maintains funding at the FY 2007 level. 	\$ -4.6
9. Human Services – Mental Health Growth Factor <i>Appropriation</i>	<p>The Mental Health Growth Factor provides an increase for inflation applied on the sum of the county base expenditures for county Mental Health/Mental Retardation/Developmental Disabilities Services funds and the previous allowed growth appropriation.</p>	<ul style="list-style-type: none"> • The FY 2008 Growth Factor was established in HF 2797 (FY 2007 Standing Appropriations Act). This is an increase of \$4.4 million compared to the estimated FY 2007 appropriation. 	\$ 4.4	\$ 4.4	<ul style="list-style-type: none"> • The Governor's recommendation maintains funding at the statutory level. 	\$ 0.0

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
10. Revenue – 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 a 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 2007. Assumes the Credit will be funded from the General Fund in FY 2008 as required by the <u>Code of Iowa</u>. Estimate based on projected demand by the Department of Revenue. 	\$ 2.8	\$ 0.7	<ul style="list-style-type: none"> The Governor is recommending a total of \$2.8 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 Fund. The \$0.7 million is the proportion of the General Fund appropriation that would be applied to the Military Service Tax Credit. 	\$ -2.1
11. Education – College Student Aid Work Study Program <i>Standing Limited Appropriation</i>	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.	<ul style="list-style-type: none"> This Program was appropriated \$140,000 for FY 2007. 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's recommendation maintains funding at the FY 2007 level. 	\$ -2.6

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
12. 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"> • HF 2797 (FY 2007 Standing Appropriations Act) notwithstanding the FY 2007 appropriation requirement of \$2.0 million from the General Fund and instead funded the program from the Healthy Iowans Tobacco Trust (HITT) Fund for one year. • Under current law, the \$2.0 million will be appropriated from the General Fund in FY 2008. 	\$ 2.0	\$ 0.0	<ul style="list-style-type: none"> • The Governor is notwithstanding this appropriation for FY 2008, and maintains the funding from the HITT Fund. 	\$ -2.0
13. Education – 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 2007. The appropriation will return to \$56.9 million in FY 2008 unless legislative action is taken to change the amount. 	\$ 1.4	\$ 0.0	<ul style="list-style-type: none"> • The Governor's recommendation maintains funding at the FY 2007 level. 	\$ -1.4
14. 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 2007. The appropriation will return to \$12.6 million in FY 2008 unless legislative action is taken to change the amount. 	\$ 1.3	\$ 0.0	<ul style="list-style-type: none"> • The Governor's recommendation maintains funding at the FY 2007 level. 	\$ -1.3

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES

Built-In Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
15. Education – 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	\$ 0.0	<ul style="list-style-type: none"> The Governor's recommendation maintains funding at the FY 2007 level. 	\$ -0.4
16. 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. Funding for the Program has continued annually despite the sunset provision through legislative action. If action is not taken in FY 2008, the Program will not be funded. 	\$ -29.3	\$ 0.0	<ul style="list-style-type: none"> The Governor's recommendation continues the funding for the Early Intervention Block Grant Program for FY 2008. 	\$ 29.3

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
17. 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 State is currently in the process of negotiations with unions representing State employees for salaries and benefits for FY 2008 and FY 2009.</p>	<ul style="list-style-type: none"> A 1.0% increase in salaries for all State employees is estimated to cost the General Fund \$13.0 million. This estimated incremental increase, without any collective bargaining changes, is \$19.1 million for Non-Regents employees. Salary increases are subject to collective bargaining and represent the historical cost. The estimate is based on an increase of \$70.0 million for step increases, benefit enhancements, and a 2.0% across-the-board increase. Includes \$30.0 million for the Board of Regents. 	\$ 89.1	\$ 0.0	<ul style="list-style-type: none"> The Governor does not include a recommendation for salary increases due to current collective bargaining negotiations. The Governor's General Fund budget recommendation includes an estimated ending balance of \$188.9 million, which is sufficient to fund the negotiated increase for collective bargaining. 	\$ -89.1
18. Corrections – Iowa Medical Classification Center <i>Appropriation</i>	<p>The Department of Corrections will open a Special Needs Unit at Oakdale consisting of 178 new beds in FY 2007. The Unit is being built to comply with a federal court order related to mental health treatment of inmates.</p>	<ul style="list-style-type: none"> Includes \$17.4 million for the annualized costs of operating the 178-bed Unit for a full year. The DOC received \$2.3 million in FY 2007 that funded two pay periods for new staff. The estimate includes \$300,000 to re-establish centralized substance abuse assessment at Oakdale. 	\$ 17.7	\$ 17.7	<ul style="list-style-type: none"> The Governor recommends funding the estimated increase. 	\$ 0.0

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
19. Human Services – Child Care Assistance <i>Appropriation</i>	Provides child care provider reimbursement for eligible families.	<ul style="list-style-type: none"> • The 2007 General Assembly increased Child Care provider reimbursements, effective January 2007. The costs will have to be annualized in FY 2008 (\$2.9 million). • In previous years, the current Child Care Assistance caseload has been funded with federal carry-forward funds that are expected to be depleted in FY 2007 (\$10.5 million). • The caseload is also expected to increase by 1,624 in FY 2008 (\$3.7 million). • The General Assembly permitted Child Care funds previously appropriated in FY 2006 for the Quality Rating System (QRS) to carry forward and be used for the QRS in FY 2007 (\$125,000). 	\$ 17.2	\$ 17.2	<ul style="list-style-type: none"> • The Governor funds the estimated increase and provides an additional \$1.4 million to add additional providers and provider training under the Quality Rating System. 	\$ 0.0

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
20. Human Services – State Cases Program <i>Appropriation</i>	Provides the funding for the services to certain adults with disabilities and without a county of legal settlement.	<ul style="list-style-type: none"> Includes the carry forward of FY 2006 funds of \$400,000 to FY 2007. Includes the possible loss of Adult Rehabilitative Option (ARO) funds that are not replaced with habilitative services funding, pending federal approval. Annualizes the nine months of FY 2007 increase for additional costs when responsibility was transferred to counties. 	\$ 7.0	\$ 0.8	<ul style="list-style-type: none"> The Governor assumes approval of the pending request to the federal Centers for Medicare and Medicaid Services (CMS) for a new habilitative treatment option funding. 	\$ -6.2
21. 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 2008 estimate is based on FY 2006 actual expenditures. Provides an additional \$1.9 million to the State Public Defender's Office to fill all positions and fund increased case costs. Assumes current authorized FTE positions in the Public Defender's Office will be filled, thereby lowering the overall increase in funds. Provides an additional \$2.4 million to fund projected claims for the Indigent Defense Fund. 	\$ 4.3	\$ 4.1	<ul style="list-style-type: none"> The Governor's recommendation funds the estimated increase. The difference is based on differences between the two estimates. 	\$ -0.2

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
22. 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"> • House File 2557 (FY 2007 Judicial Branch Appropriations Act) reduced the employer's contribution rate to 9.2% for one year. • The judge's contribution rate is set by statute and was changed during the 2006 Legislative Session, from 5.0% of covered pay to 6.0%, but reduced to 2.3% because the rate is tied to the amount appropriated for the State share in FY 2007. • This estimate assumes restoration of the statutory contribution rate of 23.7%. 	\$ 4.7	\$ 4.7	<ul style="list-style-type: none"> • The Governor recommends funding the estimated increase. 	\$ 0.0
23. Human Services – 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 allowed growth appropriation.	<ul style="list-style-type: none"> • House File 2734 increased the FY 2007 appropriation by \$3.1 million above the level set in HF 882 (FY 2006 Standing Appropriations Act). • This estimate assumes the General Assembly will increase the FY 2008 appropriation by \$3.2 million to maintain the increased level of funding. 	\$ 3.2	\$ 3.2	<ul style="list-style-type: none"> • The Governor recommends funding the estimated increase. 	\$ 0.0

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
24. Corrections – Increased Fuel, Food, and Pharmacy Costs <i>Appropriation</i>	These fixed costs are approximately 54.0% 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 5.0% 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. 	\$ 1.9	\$ 1.9	• The Governor recommends funding the estimated increase.	\$ 0.0
25. Corrections – Sex Offender Treatment and Supervision <i>Appropriation</i>	These costs are the difference between what the Department received in FY 2007 to implement HF 619 (Sex Offender Act) and the estimated cost to implement the Act.	<ul style="list-style-type: none"> • Adds funds for treatment contracts and staff to supervise sex offenders. 	\$ 1.8	\$ 1.8	• The Governor recommends funding the estimated increase.	\$ 0.0
26. Human Services – Glenwood and Woodward State Resource Centers <i>Appropriation</i>	Provides the living and services arrangements for those with disabilities residing at these two facilities.	<ul style="list-style-type: none"> • Includes the carry forward of \$500,000 of FY 2006 funds to FY 2007. There will be no funds available in FY 2007 to carry forward into FY 2008 at Glenwood. • Includes the decrease in the FMAP rate for both Glenwood and Woodward. 	\$ 1.1	\$ 1.1	• The Governor recommends funding the estimated increase.	\$ 0.0
27. Human Services – Field Operations <i>Appropriation</i>	Provides the staff in 99 counties for operations of the DHS programs and services.	<ul style="list-style-type: none"> • The 2006 General Assembly utilized \$800,000 of FY 2006 carry-forward funds for FY 2007. 	\$ 0.8	\$ 0.8	• The Governor recommends funding the estimated increase.	\$ 0.0

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
28. Public Safety – Gambling Enforcement Officers <i>Appropriation</i>	This represents the seven additional staff requested for enforcement efforts at the new land-based casino in Burlington. The casino was granted a license to operate in May 2006. This estimate also includes one new staff for the Diamond Jo Worth County Casino, and 1.0 FTE position for additional background checks.	<ul style="list-style-type: none"> • The seven positions for the Burlington casino include 2.0 Special Agents and 5.0 Gaming Enforcement Officers. • The estimate includes 1.0 Gaming Enforcement Officer for the Worth County casino. • The estimate includes 1.0 Licensing Assistant to process the increase in background checks. 	\$ 0.6	\$ 0.6	<ul style="list-style-type: none"> • The Governor recommends funding the estimated increase. 	\$ 0.0
29. Corrections – Administrative Services Billings <i>Appropriation</i>	These costs include the fees assessed for information technology services, human resources, and general services.	<ul style="list-style-type: none"> • These are fixed costs. 	\$ 0.6	\$ 0.6	<ul style="list-style-type: none"> • The Governor recommends funding the estimated increase. 	\$ 0.0
30. Human Services – Sexual Predator Commitment Program <i>Appropriation</i>	Provides the security and mental health treatment components of former inmates that are civilly committed to the Program prior to release from prison.	<ul style="list-style-type: none"> • The number of clients within the Program and growth will require the utilization of additional space and staff within the facility. 	\$ 0.5	\$ 0.5	<ul style="list-style-type: none"> • The Governor recommends funding the estimated increase. 	\$ 0.0
31. Corrections – County Confinement <i>Appropriation</i>	This appropriation reimburses the counties for holding alleged violators of parole, work release, or OWI conditions of supervision.	<ul style="list-style-type: none"> • The FY 2008 estimate is based on actual historical growth in claims from the counties. 	\$ 0.4	\$ 0.4	<ul style="list-style-type: none"> • The Governor recommends funding the estimated increase. 	\$ 0.0

FY 2008 ESTIMATED GENERAL FUND EXPENDITURES
Anticipated Increases and Decreases

(Dollars in Millions)

Programs/Appropriation (1)	Description of Programs (2)	Factors (3)	Current Law FY 08 vs. FY 07 (4)	Gov. Rec. FY 08 vs. FY 07 (5)	Governor's Recommended Changes (6)	Current Law vs. Gov. Rec. Changes (7)
32. 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"> • The FY 2007 budget was based on \$1.70 per gallon, which does not include State and federal taxes. • This estimate assumes FY 2008 fuel costs of \$2.00 per gallon, and assumes the Department will use an estimated 800,000 gallons of fuel in FY 2008. 	\$ 0.3	\$ 0.3	• The Governor recommends funding the estimated increase.	\$ 0.0
33. Public Safety – DAS Billings <i>Appropriation</i>	These costs include the fees assessed for information technology services, human resources, and general services. The estimate includes new association fees for the building at E. 6 th Street and Grand Ave. in Des Moines.	<ul style="list-style-type: none"> • These are fixed costs. 	\$ 0.2	\$ 0.2	• The Governor recommends funding the estimated increase.	\$ 0.0
34. Veterans Affairs – Cemetery <i>Appropriation</i>	Provides for the operating costs associated with the State Veterans Cemetery, which will be operational in November of 2006.	<ul style="list-style-type: none"> • Includes the annualization of the Cemetery Director starting January 2007. • Includes two additional positions to begin October 2007. 	\$ 0.1	\$ 0.1	• The Governor recommends funding the estimated increase.	\$ 0.0
35. Public Health – Influenza Pandemic Costs <i>Appropriation</i>	The Department was appropriated \$4.8 million for FY 2007 for costs associated with the purchase, storing, and distribution of antiviral treatment courses for the prevention and treatment of pandemic influenza.	<ul style="list-style-type: none"> • This was a one-time appropriation for FY 2007. 	\$ -4.8	\$ -4.8	• The Governor does not recommend funding.	\$ 0.0

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
- Technology Reinvestment Fund
- Tobacco Settlement Fund – Endowment for Iowa’s Health Account
- Healthy Iowans Tobacco Trust Fund
- Senior Living Trust Fund
- Health Care Transformation Account
- IowaCare Account

Rebuild Iowa Infrastructure Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Resources			
Balance Forward	\$ 30,070,952	\$ 25,011,480	\$ 49,924,060
Revenue			
Wagering Taxes and Fees	83,260,002	118,216,928	191,157,971
License Fee Tax Credit	0	0	0
Riverboat Assessment	15,001,162	0	0
Riverboat License Fees	8,000,000	8,000,000	8,000,000
Interest	12,510,985	27,000,000	28,800,000
Marine Fuel Tax	2,359,956	2,500,000	0
Total Resources	\$ 151,203,057	\$ 180,728,408	\$ 277,882,031
Appropriations			
Administrative Services/General Services			
Routine Maintenance	\$ 2,000,000	\$ 2,536,500	\$ 5,000,000
Employee Relocation Expenses/Leases	1,824,000	1,824,500	1,824,500
Pool Tech/Data Warehouse Projects	3,802,000	0	0
Major Maintenance	291,891	0	0
Records and Property Building Remodel	4,700,000	0	0
Wallace Building	625,000	0	0
New Office Building	0	0	16,100,000
Toledo Juvenile Home Improvements	1,161,045	0	7,035,000
DHS Toledo-New Education & Infirmary Bldg.	0	0	3,100,000
Terrace Hill Maintenance	571,000	75,000	0
DHS - Civil Comm. Unit for Sex Offenders Renov.	1,400,000	0	0
Capitol Complex Electrical Distribution	1,843,878	0	4,260,960
Capitol Interior/Exterior	0	0	6,300,000
Capitol Complex Utility Tunnel	0	0	5,309,200
Sidewalk & Parking Lot Repairs	0	0	1,650,000
Enterprise Resource Planning (I/3)	0	0	1,500,000
West Capitol Terrace	0	0	1,600,000
Hoover Building HVAC Improvements	0	0	1,320,000
Property Acquisition	0	0	1,000,000
Workforce Building Asbestos	0	0	4,000,000
Energy Plant and Additions	0	0	998,000
Vehicle Dispatch Fleet Relocation	0	0	350,000
Capitol Complex Alternative Energy	0	0	450,000
Workers' Monument	0	0	200,000
Corrections			
Ft. Madison Electrical System Lease Purchase	333,168	333,168	0
Davenport CBC Facility Construction	3,750,000	0	0
Fort Dodge CBC Residential Facility	50,000	0	2,450,000
Anamosa Dietary Renovation	940,000	0	0
Jesse Parker Building Rent	105,300	0	0
Facility Leases	122,000	0	0
Prison System Study	0	500,000	0
6th District Mental Health Bldg	0	0	1,000,000
Security Audits	0	0	2,000,000
Anamosa Boiler Replacement	0	0	2,000,000
Newton Hot Water Loop	0	0	1,200,000
New Release Ctr. EI	0	0	295,000
DOC Prison Infrastructure Construction Planning	0	0	500,000

Rebuild Iowa Infrastructure Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Cultural Affairs			
Historical Preservation Grant Program	0	800,000	800,000
American Gothic Visitors Ed. Center	0	250,000	0
Great Places Initiative	0	0	3,000,000
Iowa Veterans Oral Histories	0	1,000,000	0
Iowa Battle Flags	220,000	220,000	220,000
Economic Development			
Community Attraction & Tourism Grants	5,000,000	5,000,000	5,000,000
Federal Enterprise Zone Matching Funds	500,000	0	0
Iowa Port Authorities	0	80,000	0
Targeted Industries Infrastructure	0	0	10,555,000
Ferryboat Study	60,000	0	0
Education			
Enrich Iowa Libraries	900,000	1,200,000	1,000,000
Iowa Learning Technologies	500,000	0	0
Community Colleges Infrastructure	2,000,000	0	2,000,000
ICN Part III Maintenance/Lease Costs	2,727,000	0	0
IPTV - Replace Transmitters	2,000,000	0	0
IPTV Capitals	0	0	1,275,000
IPTV - High Definition TV Conversion	8,000,000	0	0
Human Services			
Polk County Residential Treatment Facility	0	300,000	0
CCUSO Remodeling	0	0	750,000
Ames Residential Treatment Facility	250,000	0	0
Iowa Finance Authority			
Water Quality Grants	0	0	4,000,000
IFA Transitional Housing	1,400,000	1,400,000	0
Management			
Vertical Infrastructure Fund	15,000,000	15,000,000	50,000,000
Environment First Fund	35,000,000	35,000,000	35,000,000
Natural Resources			
Waubonsie State Park	1,500,000	0	0
Lake Darling State Park Shelter	0	250,000	0
Fort Atkinson Restoration	500,000	0	0
Mid-America Port Commission	80,000	0	0
Lake Cornelia	429,000	0	0
State Park Renovations	0	0	1,000,000
Lake Restoration & Water Quality	0	0	8,600,000
Destination Park	3,000,000	0	0
Iowa's Special Areas (GEMS)	0	1,500,000	0
State Fair			
Agriculture Exhibition Center	0	0	3,000,000
Fair Improvements	750,000	0	0
Public Health			
Environmental & Emergency Mgmt. Facility	0	100,000	0

Rebuild Iowa Infrastructure Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Public Defense			
Camp Dodge Armed Forces Readiness Center	0	100,000	50,000
STARCOMM	0	1,000,000	2,000,000
Iowa City Readiness Center	0	0	1,200,000
Waterloo Aviation Readiness Center	0	0	1,500,000
Camp Dodge Water Distribution System	0	0	400,000
Facility/Armory Maintenance	0	0	1,500,000
Ottumwa Armory Addition	0	0	1,000,000
Newton Readiness Center	0	0	400,000
Eagle Grove Readiness Center	0	0	400,000
ILEA/National Guard Shoot House	0	0	500,000
Public Safety			
AFIS Lease Purchase	550,000	0	0
Fire Equipment Revolving Loan Fund	500,000	0	0
Regional Fire Training Facilities	800,000	2,300,000	0
Law Enforcement Training Track	0	800,000	
Mason City Patrol Post	0	0	2,400,000
Revenue			
Secure an Advance Vision for Education (SAVE)	10,000,000	10,000,000	10,000,000
Transportation			
Aviation Improvement Program	564,792	564,000	0
Commercial Aviation Infrastructure	0	0	1,500,000
Rail Assistance	35,959	235,000	2,000,000
Recreational Trails	1,000,000	0	2,000,000
Public Transit Infrastructure	0	0	2,200,000
General Aviation Airport Grants	750,000	0	750,000
Treasurer			
County Fairs Infrastructure	0	1,060,000	1,060,000
Prison Infrastructure Fund	0	5,416,604	0
Regents			
Tuition Replacement	0	10,329,981	10,329,981
Gilchrist Hall Deductible - Supplemental	2,000,000	0	0
Major/Deferred Maintenance	6,250,000	6,200,000	0
SUI-College of Public Health Bldg	0	0	9,100,000
ISU-Chemistry Facilities	0	0	2,192,000
UNI-Electrical Distribution Loop	0	0	625,000
Iowa Center for Regenerative Medicine	0	0	10,000,000
Special School Maintenance	500,000	0	0
UNI - Program for Playground Safety	500,000	500,000	0
SUI Hygienic Laboratory	0	8,350,000	15,650,000
Ag Products/Novel Proteins	0	1,000,000	0
ISU Veterinary Laboratory	0	2,000,000	0
Bioscience Program Infrastructure	0	1,800,000	0
Endowment Salaries	0	5,000,000	0
Bioscience Program	0	8,200,000	0
Net Appropriations	<u>\$ 126,786,033</u>	<u>\$ 132,224,753</u>	<u>\$ 276,399,641</u>
Reversions	-594,456	-1,420,405	0
Ending Balance	<u><u>\$ 25,011,480</u></u>	<u><u>\$ 49,924,060</u></u>	<u><u>\$ 1,482,390</u></u>

Environment First Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Revenue			
Balance Forward	\$ 10,513	\$ 18,619	\$ 18,619
RIF Appropriation	35,000,000	35,000,000	35,000,000
Receipts Adjustment	8,106	0	0
Total	\$ 35,018,619	\$ 35,018,619	\$ 35,018,619
Appropriations			
Department of Agriculture			
Soil Conservation Cost Share	\$ 5,500,000	\$ 5,500,000	\$ 7,850,000
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
Flood Prevention Study	0	0	150,000
Total Department of Agriculture	\$ 13,950,000	\$ 13,950,000	\$ 16,450,000
Department of Natural Resources			
REAP Program	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
Marine Fuel Tax Capital Projects	2,300,000	2,500,000	0
Park Operations and Maintenance	2,000,000	2,000,000	2,000,000
Volunteer Water Quality Initiative	100,000	100,000	100,000
Air Quality Monitoring Program	0	275,000	325,000
Water Quality Protection	500,000	500,000	500,000
Geographic Information System Development	195,000	195,000	195,000
Water Quality Monitoring Stations	2,955,000	2,955,000	2,955,000
Tire Reclamation	0	50,000	0
Lake Dredging	1,500,000	975,000	975,000
Total Department of Natural Resources	\$ 20,550,000	\$ 20,550,000	\$ 18,050,000
Department of Economic Development			
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	\$ 18,619	\$ 18,619	\$ 18,619

Vertical Infrastructure Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Resources			
Balance Forward	\$ 0	\$ 23	\$ 23
RIF Appropriation	15,000,000	15,000,000	50,000,000
Total Available Resources	<u>\$ 15,000,000</u>	<u>\$ 15,000,023</u>	<u>\$ 50,000,023</u>
Appropriations			
Dept. of Administrative Services			
Major Maintenance	\$ 5,623,200	\$ 10,000,000	\$ 40,000,000 ¹
Dept. of Cultural Affairs			
Historical Site Preservation Grant	500,000	0	0
Dept. of Economic Development			
Accelerated Career Ed. (ACE) Prog.	4,000,000	0	0
Board of Regents			
Fire Safety and Maintenance	0	0	10,000,000
Bioscience Program Infrastructure	0	5,000,000	0
Department of Public Defense			
Fort Dodge Readiness Center	608,000	0	0
Camp Dodge Water Treatment	1,939,800	0	0
Facility Maintenance	1,269,000	0	0
Treasurer of State			
County Fair improvements	1,060,000	0	0
Total Appropriations	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 50,000,000</u>
Reversions	-23	0	0
Ending Balance	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 23</u>

¹ Appropriated in the 2005 Legislative Session.

Tobacco Settlement Trust Fund Restricted Capital Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Resources			
Balance Forward	\$ 55,768,475	\$ 423,101	\$ 423,101
Interest	4,487,364	200,000	0
Reimbursements	148,293	0	0
TSA Operations & Enforcement Acct Exp.	-315,455	-200,000	-200,000
Total Available Resources	\$ 60,088,677	\$ 423,101	\$ 223,101
Appropriations			
Dept. of Economic Development			
Accelerated Career Education (ACE) Program	\$ 1,500,000	\$ 0	\$ 0
Enterprize Resource Planning (I-3) - Deappropriation	0	-1,500,000	0
Terrace Hill Roof - Supplemental		700,000	
Electrical Distribution - Supplemental		800,000	
Telecommunication and Tech. Commission			
ICN - Equipment Replacement	1,704,719	0	0
Dept. of Administrative Services			
Major Maintenance	3,000,000	0	0
Capitol Interior Renovation	4,500,000	0	0
Capitol Complex Electrical Distribution	3,468,800	0	0
Records Center Remodeling	2,200,000	0	0
Repairs to Parking Lots at Capitol Complex	1,545,000	0	0
West Capitol Terrace Restoration	2,300,000	0	0
DHS - Civil Comm. Unit for Sex Offenders Renovation	650,000	0	0
Dept. of Natural Resources			
State Park Infrastructure Renovations	1,000,000	0	0
Lewis & Clark Rural Water System	2,500,000	0	0
Dept. of Public Defense			
Waterloo Aviation Readiness Center Addition	399,000	0	0
Camp Dodge Waste Water Treatment Upgrade	750,000	0	0
Facility Maintenance	1,500,000	0	0
Dept. of Public Safety			
Dubuque Fire Training Facility	100,000	0	0
Mason City Patrol Post	2,400,000	-2,400,000	0
Property Acquisition - Supplemental		1,200,000	
Radio Consoles - Supplemental		1,000,000	
Public Safety Building Furnishings - Supplemental		200,000	
Dept. of Transportation			
Commercial Aviation Infrastructure	1,500,000	0	0
Dept. of Corrections			
Anamosa Dietary Renovation	600,000	0	0
Anamosa Dietary Renovation - Supplemental	1,840,000	0	0
Ft. Dodge CBC Facility	1,400,000	0	0
Oakdale Equipment	3,376,519	0	0
Oakdale Bed Expansion	11,700,000	0	0
Dept. of Human Services			
Family Resource Center - Davenport	250,000	0	0

**Tobacco Settlement Trust Fund
Restricted Capital Fund**

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Board of Regents			
Regents - Tuition Replacement	10,329,981	0	0
<hr style="border-top: 1px dashed black;"/>			
Treasurer of State			
Prison Construction Debt Service	5,422,390	0	0
Total Appropriations	<u>\$ 65,936,409</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reversions	-2,137	0	0
Deappropriations	-6,268,696	0	0
Ending Balance	<u><u>\$ 423,101</u></u>	<u><u>\$ 423,101</u></u>	<u><u>\$ 223,101</u></u>

Tobacco Settlement Trust Fund
Endowment for Iowa's Health Restricted Capital Fund (RC2)

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Resources			
Balance Forward	\$ 0	\$ 102,397,765	\$ 818,764
Tax-Exempt Bond Proceeds	100,493,926	0	0
Interest	1,903,839	2,200,000	1,000,000
Total Available Resources	\$ 102,397,765	\$ 104,597,765	\$ 1,818,764
Appropriations			
Department of Administrative Services			
DHS - Toledo Juvenile Home	\$ 0	\$ 1,521,045	\$ 0
DHS - Toledo Education & Infirmary Bldg.	0	5,030,668	0
Capitol Interior Restoration	0	6,830,000	0
Woodward Resource Center Wastewater Treatment	0	2,443,000	0
New Office Building	0	37,585,000	0
Property Acquisition	0	500,000	0
Department of the Blind			
Building Renovation	0	4,000,000	0
Dept. of Economic Development			
Accelerated Career Education (ACE) Program	0	5,500,000	0
State Fair Board			
Capitals	0	1,000,000	0
Department of Corrections			
Davenport CBC Facility	0	3,750,000	0
Fort Dodge CBC Facility	0	1,000,000	0
Cedar Rapids CBC Mental Health Facility	0	1,000,000	0
Anamosa Dietary Renovation	0	0	1,400,000
Department of Cultural Affairs			
Great Places	0	3,000,000	0
Dept. of Education			
Community College Infrastructure	0	2,000,000	0
Department of Public Defense			
Iowa City Readiness Center	0	1,444,288	0
Waterloo Aviation Readiness Center Addition	0	1,236,000	0
Spencer Readiness Center	0	689,000	0
STARCOMM Project	0	600,000	0
Department of Public Safety			
Regional Fire Training Facilities	0	2,000,000	0
Board of Regents			
Construction Projects	0	10,000,000	0
Dept. of Transportation			
Commercial Aviation Infrastructure	0	1,500,000	0
Public Transit Infrastructure	0	2,200,000	0
Recreational Trails	0	2,000,000	0
General Aviation Airport Grants	0	750,000	0
Iowa Veterans Home			
Capital Projects	0	6,200,000	0
Total Appropriations	\$ 0	\$ 103,779,001	\$ 1,400,000
Ending Balance	\$ 102,397,765	\$ 818,764	\$ 418,764

Technology Reinvestment Fund

	Estimated FY 2007	Gov. Rec. FY 2008
Resources		
General Fund Appropriation	\$ 17,500,000	\$ 17,500,000
Total Available Resources	<u>\$ 17,500,000</u>	<u>\$ 17,500,000</u>
Appropriations		
Dept. of Administrative Services		
Technology Projects	\$ 3,358,334	\$ 3,792,200
Service Oriented Architecture	0	254,992
Dept. of Corrections		
Offender Management System	500,000	500,000
Dept. of Education		
IPTV - HDTV Conversion	2,300,000	0
ICN Part III & Maintenance & Leases	2,727,000	2,727,000
IPTV-Replace Analog Transmitters	1,425,000	0
Iowa Learning Technologies	500,000	500,000
Statewide Education Data Warehouse	0	600,000
Uninterruptible Power Supply	315,000	0
Ethics and Campaign Finance		
Technology Upgrades	39,100	0
Department of Human Rights		
Criminal Justice Information System Integration	2,645,066	2,881,466
Department of Human Services		
Child Support Recovery Unit Payment Process. Equip.	0	272,000
Iowa Telecom. and Technology Commission		
ICN Equipment Replacement	1,997,500	2,067,000
Iowa Workforce Development		
Automated Worker's Comp. Appeal System.	0	500,000
Outcome Tracking System	0	600,000
Law Enforcement Academy		
Technology Enhancements	50,000	0
Department of Public Defense		
Technology Enhancements	75,000	111,000
Department of Public Safety		
Technology Enhancements	943,000	1,900,000
Auto. Fingerprint Info. System (AFIS) Lease Purchase	550,000	560,000
Parole Board		
Technology Enhancements	75,000	0
Total Appropriations	<u>\$ 17,500,000</u>	<u>\$ 17,265,658</u>
Reversions	0	0
Ending Balance	<u>\$ 0</u>	<u>\$ 234,342</u>

**Tobacco Settlement Trust Fund
Endowment for Iowa's Health Account**

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Resources			
Balance Forward	\$ 38,301,245	\$ 109,724,840	\$ 89,021,220
Wagering Tax Allocation	70,000,000	70,000,000	0
General Fund Appropriation	29,562,000	17,773,000	0
Taxable Bond Proceeds	50,176,574	0	0
Master Settlement Agreement Payments	14,445,847	15,572,000	20,896,000
Interest Earned	2,776,170	2,500,000	2,250,000
General Fund Deappropriation	-29,562,000	-17,773,000	0
Total	\$ 175,699,836	\$ 197,796,840	\$ 112,167,220
Appropriations/Transfers			
Healthy Iowans Tobacco Trust Standing	58,374,996	59,250,620	60,139,379
Healthy Iowans Tobacco Trust Approp.	7,600,000	10,925,000	9,100,000
Transfer to Rebuild Iowa Infrastructure Fund	0	0	0
Senior Living Trust Fund	0	25,000,000	0
Lake Restoration	0	8,600,000	0
Watershed Protection	0	5,000,000	5,000,000
Total	\$ 65,974,996	\$ 108,775,620	\$ 74,239,379
Ending Balance	\$ 109,724,840	\$ 89,021,220	\$ 37,927,841

Healthy Iowans Tobacco Trust Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Resources			
Balance Forward	\$ 681,002	\$ 1,063,021	\$ 807,317
Endowment for Iowa's Health Account	58,374,996	59,250,621	60,139,379
Endowment Transfer	7,600,000	10,925,000	9,100,000
Interest Earned	184,106	120,000	120,000
Miscellaneous	3,905	0	0
Total Available Resources	\$ 66,844,009	\$ 71,358,642	\$ 70,166,696
Appropriations			
Dept. of Public Health			
Tobacco Use Prevention/Control	\$ 5,011,565	\$ 5,928,465	\$ 5,928,465
Substance Abuse Prevention	200,000	0	0
Substance Abuse	11,800,000	13,800,000	13,800,000
Sub. Abuse Prevention - Boys and Girls Clubs	200,000	0	0
Substance Abuse Prevention - Children	400,000	1,050,000	1,050,000
Healthy Iowans 2010	2,509,960	2,509,960	2,509,960
Smoking Cessation Products	75,000	75,000	75,000
Defibrillator Grant Program	250,000	350,000	350,000
Capitol Complex Defibrillator	100,000	0	0
Phenylketonuria (PKU) Assistance	60,000	100,000	100,000
AIDS Drug Assistance Program	275,000	275,000	275,000
Birth Defects Institute	26,000	26,000	26,000
Dept. of Human Services			
Medicaid Supplement (Medical Assistance)	35,013,803	35,013,803	35,327,368
CHIP Expansion to 200% of Fed. Poverty Level	200,000	200,000	200,000
Child and Family Services	4,257,623	4,257,623	3,761,677
Purchase of Service Provider	146,750	146,750	146,750
General Administration	274,000	274,000	274,000
Other Provider Services	0	0	182,381
Dept. of Corrections			
CBC District I	100,000	228,216	228,216
CBC District II	396,217	406,217	406,217
CBC District III	200,359	200,359	200,359
CBC District IV	291,731	291,731	291,731
CBC District V	355,693	355,693	355,693
CBC District VI	100,000	164,741	164,741
CBC District VII	100,000	232,232	232,232
CBC District VIII	100,000	300,000	300,000
Fort Madison Special Needs Unit	1,187,285	1,497,285	1,497,285
Mitchellville Value-Based Program	60,000	60,000	0
Newton Value Based Program	310,000	310,000	0

Healthy Iowans Tobacco Trust Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Dept. of Education			
Before and After School Program Grants	0	150,000	150,000
Iowa Empowerment Fund	2,153,250	2,153,250	2,153,250
Dept. for the Blind			
Newslines for the Blind	130,000	130,000	0
Dept. of Economic Development			
Iowa Promise & Mentoring Partnership	0	125,000	125,000
Dept. of Management			
Appeal Board Claims - Standing	7,375	0	0
Total Appropriations	\$ 66,291,611	\$ 70,611,325	\$ 70,111,325
Reversions	-510,623	-60,000	0
Ending Balance	\$ 1,063,021	\$ 807,317	\$ 55,371

Senior Living Trust Fund

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Revenues			
Beginning Balance	\$ 152,571,703	\$ 57,679,053	\$ 64,438,768
Medicaid Transfer	10,625,889	0	0
General Fund Transfer	0	49,900,000	53,500,000
Economic Emergency Fund Transfer	0	6,000,000	44,900,000
Endowment - Taxable Bonds	0	25,000,000	0
Interest	4,975,527	4,677,043	4,894,770
Total Revenues	\$ 168,173,119	\$ 143,256,096	\$ 167,733,538
Expenditures			
IFA - Rent Subsidy Program	\$ 647,314	\$ 700,000	\$ 700,000
DHS Grants and Services			
NF Conversion Grants/LTC HCBS Funds	\$ 1,081,401	\$ 0	\$ 0
NF Conversion Grant Carry Forward	0	4,002,533	0
Medicaid	99,660,490	65,000,000	65,000,000
DHS Administration & Contracts	109,064	0	0
DHS Total	\$ 100,850,955	\$ 69,002,533	\$ 65,000,000
DEA Service Delivery	\$ 8,237,323	\$ 8,324,044	\$ 8,324,044
DIA - Asst'd. Living & Adult Day Care Oversight	\$ 758,474	\$ 790,751	\$ 790,751
Total Expenditures	\$ 110,494,066	\$ 78,817,328	\$ 74,814,795
Ending Balance	\$ 57,679,053	\$ 64,438,768	\$ 92,918,743

Health Care Transformation Account (HCTA)

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Revenues			
Balance Forward	\$ 0	\$ 34,158,746	\$ 25,970,946
Transfer (Rev. 301)	35,289,068	0	0
Insurance Premiums (Rev. 738)	971,339	971,339	971,339
Interest (Rev. 410)	228,013	228,013	228,013
Federal Aid-Categorical (Rev. 220)	-390,002	0	0
	<u>\$ 36,098,418</u>	<u>\$ 35,358,098</u>	<u>\$ 27,170,299</u>
Appropriations			
Medical Exams and Personal Health Plans	\$ 136,500	\$ 556,800	\$ 556,800
Medical Information Hotline	150,000	150,000	150,000
Insurance Cost Subsidy Program	150,000	1,500,000	1,500,000
Health Care Account Program Option	50,000	400,000	400,000
Electronic Medical Records	100,000	2,000,000	0
Case Mix ICF/MR Development	0	150,000	0
Provider Incentive Payment Program	0	50,000	400,000
Other Health Partnership Activities	550,000	550,000	550,000
Audits, Performance Evaluations, and Studies	100,000	100,000	100,000
DHS Administrative Costs	910,000	930,352	930,352
<i>IowaCare Appropriations/Transfers</i>			
Broadlawns and UIHC Appropriations	4,000,000	3,000,000	0
Total Appropriations/Requests	<u>\$ 6,146,500</u>	<u>\$ 9,387,152</u>	<u>\$ 4,587,152</u>
Reversions	4,206,827	0	0
Balance	<u>\$ 34,158,746</u>	<u>\$ 25,970,946</u>	<u>\$ 22,583,147</u>

ICF/MR = Intermediate Care Facility for the Mentally Retarded

IowaCare Account (ICA)

	Actual FY 2006	Estimated FY 2007	Gov. Rec. FY 2008
Resources			
Balance Forward	\$ 0	\$ 0	\$ 490,043
County Contributions	34,000,000	34,000,000	34,000,000
Federal Aid-Categorical	61,715,340	56,250,076	64,101,424
Intra-State Receipts	1,327,364	3,000,000	3,000,000
Interest	0	398,762	400,000
	<u>\$ 97,042,704</u>	<u>\$ 93,648,838</u>	<u>\$ 101,991,467</u>
Appropriations			
UI Hospital	\$ 34,168,493	\$ 27,284,584	\$ 10,000,000
Regents - UI Hospital	0	0	27,284,584
Broadlawns Hospital	37,000,000	40,000,000	37,000,000
State Hospital-Cherokee	9,098,425	9,098,425	9,098,425
State Hospital-Clarinda	1,977,305	1,977,305	1,977,305
State Hospital-Independence	9,045,894	9,045,894	9,045,894
State Hospital-Mt Pleasant	5,752,587	5,752,587	5,752,587
Total Appropriations	<u>\$ 97,042,704</u>	<u>\$ 93,158,795</u>	<u>\$ 100,158,795</u>
Balance	<u>\$ 0</u>	<u>\$ 490,043</u>	<u>\$ 1,832,672</u>

APPENDIX D

FY 2008 PURCHASING RESULTS

When the FY 2008 budget requests were submitted in October, former Governor Vilsack required State agencies to use the “Purchasing Results” budgeting process. Under this process, all State spending is tied to buying results that are aligned with the seven joint appropriation subcommittees established by the General Assembly. The process and documents for “Purchasing Results” are provided as reference below. Governor Culver did not use the "Purchasing Results" process when making FY 2008 budget decisions.

Requests for Results (RFRs)

The Requests for Results (RFRs) is made up of three parts:

- 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, that encourages a strategic decision on the focus for the result. Offers show contributions to accomplishing the result. Any data departments have on the past performance of the 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 shows the priorities among the factors that produce that result.
- The third part of the RFR is a listing of the purchasing strategies. These include the purchasing strategies and characteristics of each offer.

The following is a list of the Request for Results and Strategy Maps by Appropriations Subcommittee. Additional information is available by clicking on the Request for Results or the Strategy Map link.

- Administration and Regulation
 - ✦ [Request for Results and Strategy Map](#)

- Agriculture and Natural Resources
 - ◆ [Request for Results](#)
 - ◆ [Strategy Map](#)
- Economic Development
 - ◆ [Request for Results](#)
 - ◆ [Strategy Map](#)
- Education
 - ◆ [Request for Results](#)
 - ◆ [Strategy Map](#)
- Health and Human Services
 - ◆ [Request for Results](#)
 - ◆ [Strategy Map](#)
- Justice
 - ◆ [Request for Results and Strategy Map](#)
- Transportation, Infrastructure, and Capitals
 - ◆ [Request for Results](#)
 - ◆ [Strategy Map](#)

APPENDIX E

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, background information, 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 2006 Legislative Session or Interim and are or will be available on the LSA web site.

- Child Care Assistance Program
- Courthouse Security
- Community College Programming for High School Students
- Enhanced 911 System Update
- I/3 System Review
- IowaCare
- Iowa Ethics and Campaign Disclosure Board
- Iowa Great Places Program
- Iowa Public Employees' Retirement System (IPERS)
- Iowa Student Loan Liquidity Corporation
- Iowa's Expenditure Limitation Process
- Individual Development Accounts
- LiDAR Interactive Mapping Technology
- Sexual Predator Commitment Program
- State Fleet Update
- Shelter Care
- Special License Plates
- Tax Increment Financing Outstanding Obligations Report - 2005
- The Institute for Tomorrow's Workforce
- Transportation Costs Impact on School Budgets
- Road Use Tax Fund Update
- Undocumented Immigrants' Cost to the State
- Watershed Improvement Review Board
- Women Offenders

APPENDIX F

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:

[Administrative Rules Fiscal Impact](#) – Analysis of the fiscal impact of proposed department rules.

[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.

[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.

[Topic Presentations](#) – Powerpoint presentations explaining various aspects of State government..

[Tracking](#) – Status and amounts of appropriations as bills progress through the appropriations process.

APPENDIX G

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 Executive Orders establishing across-the-board reductions; Governor Branstad issued four, and Governor Vilsack 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 Review 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. Buying Teams were not established for the FY 2008 budgeting process.

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 2007 include: the Departments of Corrections, Human Services, Natural Resources, Revenue, the Alcoholic Beverages Division, and the Iowa Veterans Home.

Contract Personnel: Additional workers hired by departments 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. The Drilling Platform is not being utilized for the FY 2008 budgeting process.

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 that contains receipts not earmarked for dedicated purposes and 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 Governor Vilsack and Lieutenant Governor Pederson 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 of 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. The most recent December REC estimate must be used unless the Legislature adopts a resolution permitting the use of a more current estimate.

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 for aid to dependent families. In Iowa, the TANF block grant provides funding for the Family Investment Program (FIP) and other support programs for FIP recipients.

APPENDIX H

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	Deb 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 310
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 312

Kerri Johannsen

281-4611

Capitol – Room 312

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
281-5279Capitol – Room 312
Miller – Room 209
Capitol – Room G01**EDUCATION STANDING COMMITTEES**

School Finance

Dwayne Ferguson
Shawn Snyder281-6561
281-7799Capitol – Room 312
Miller – Room 209**GOVERNMENT OVERSIGHT COMMITTEE**Douglas Wulf
Sam Leto281-3250
281-6764Miller – Room 209
Miller – Room 209**LEGISLATIVE FISCAL COMMITTEE**Sue Lerdal
David Reynolds281-7794
281-6934Capitol – Room 312
Miller – Room 209**WAYS AND MEANS STANDING COMMITTEES**Jeff Robinson
Shawn Snyder281-4614
281-7799Capitol – Room 315
Miller – Room 209**ADMINISTRATIVE STAFF**Sandra Laust
Charlotte Mosher
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281-6766
281-5279Capitol – Room G01
Capitol – Room 310
Miller – Room 209
Capitol – Room G01