

# APPROPRIATIONS

IOWA HOUSE OF REPRESENTATIVES

END OF SESSION, 2010

## BUDGET OVERVIEW

Iowa's economy, hit by the severe national recession, faced the same problems as most other states. After experiencing a steep revenue decline in fiscal year 2010 that exceeded \$500 billion, the Legislature took steps to reorganize state government to improve efficiencies and generate savings that helped balance the state budget without a tax increase. Democrats made education a priority, providing more funding for K-12 schools in a year when general fund spending declined from the previous year. Efforts to stimulate the economy by rebuilding and improving infrastructure throughout the state will help Iowa shake off the economic downturn and will create jobs that are needed to revitalize our communities.

## ADMINISTRATION AND REGULATION

The Administration and Regulation Appropriations Budget covers 13 departments, agencies, and offices. This fiscal year 2011 budget bill appropriates \$63.8 million, which is a \$2.9 million increase from the estimated FY 2010 budget after the 10% across the board cut ordered by Governor Culver. The increase is due primarily to a \$2 million shift in funding from the DHS Medicaid program to the Department of Inspections and Appeals and due to changes resulting from the reorganization bill (SF 2088). Full funding is provided for the Child Advocacy Board, which administers the Court Appointed Special Advocate (CASA) program. CASA trains volunteers to help protect the interests of abused and neglected children. The bill also restores funding to the Office of Drug Control Policy to insure that coordinated efforts to fight drug distribution and to treat drug users can continue.

(SF 2367, to Governor, effective 7/1/10)

## AGRICULTURE AND NATURAL RESOURCES

House File 2525 appropriates \$36 million from the general fund, a status quo budget. Of this total, approximately \$16.9 million is appropriated to the Department of Agriculture and Land Stewardship (IDALS). The bill appropriates \$15.6 million to the Department of Natural Resources. The budget continues the practice of providing both IDALS and DNR with a single appropriation, allowing them to manage that money as they believe is best. HF 2525 appropriates \$3.4 million to the Board of Regents for the Veterinary Diagnostic Lab at Iowa State University. This same amount went to the diagnostic lab last year, from all sources. The bill appropriates \$33 million from the Environment First Fund, including \$15 million for REAP. Additionally, there is approximately \$6.95 million in IJOBS funding for the Soil Conservation Cost Share program in IDALS.

(HF 2525 to Governor, effective 7/1/10)

## ECONOMIC DEVELOPMENT

House File 2522, the Economic Development Budget, provides more technical assistance to small businesses by increasing funding to the statewide MyEnterenet program at UNI, and the Small Business Development Centers at ISU. The proposal to expand MyEntre.Net will

be a live, online, competent and personable individual who has expertise to connect business owners with services and resources they need. The increase to Small Business Development Centers would provide more one-on-one counseling to assist in small business growth. The bill also backfills funding from the across the board cut made to the Labor Services Division and Workforce Centers. It also fully funds the Employee Misclassification Taskforce. HF 2522 would simplify the process for out of state contractor registration by requiring a \$25,000 surety bond yearly from the contractor if they are to work in Iowa. They must still comply with the contractor registration law, which requires proof of workers' compensation insurance.

(HF 2522 to Governor, effective 7/1/10)

## **EDUCATION**

The Education Appropriations bill provides \$844.4 million to the Department of the Blind, College Student Aid Commission, Department of Education, and the Board of Regents. This level of funding is \$12 million less than the final estimated net FY 2010 budget. Most appropriations are made at the Governor's recommended levels with a general 3.94 percent across-the-board reduction to meet target; however, some areas received a greater percentage reduction. Language is added to clarify the handling of teacher salary supplement dollars, to require the Iowa Association of Schools Boards to follow the requirement of the open records and open meetings laws, to study Area Education Agencies (AEAs), to fund all applications for voluntary preschools, and to instruct Library Service Areas to merge to six total areas from the current seven.

(SF 2376 to Governor; various effective dates)

## **HEALTH AND HUMAN SERVICES**

House File 2526 appropriates a total of \$954.3 million from the general fund to the Departments of Aging, Public Health, Human Services, Veterans Affairs, and the Iowa Veterans Home. Compared to last year, this is a decrease of \$169 million. The budget subcommittee had the following priorities when determining this budget: protect children and older Iowans, support court ordered services, maintain current services, maximize federal match, and defend direct services.

(HF 2526 to Governor; effective 7/1/10)

## **INFRASTRUCTURE AND CAPITALS**

Appropriates a total of \$153.2 million from the Rebuild Iowa Infrastructure Fund for FY 11. In addition, the IJOBS program is provided an additional \$45 million in bond proceeds for flood prevention efforts and investing in our state and local infrastructure. This brings our investment and job creation IJOBS program to a total of \$875 million over two years. The bill also provides \$5.2 million for our small business assistance program; \$25 million over five years to make improvements to our state parks, to get them in pristine condition to celebrate their 100<sup>th</sup> anniversary in the year 2020; \$38 million for our Grow Iowa Values Fund jobs incentive program; \$7.5 million to local communities to upgrade rail spurs near their own industrial rail parks to help wind energy and other manufacturers; an additional \$14 million to update our local main street projects; and an extra \$3.5 million to control soil erosion and improve water quality in Iowa. (SF 2389 Sent to Governor; various effective dates)

**JUDICIAL BRANCH** Appropriates a total of \$150 million from the general fund to the Judicial Branch for operations and salaries for FY 2011. Of that total amount, \$1.5 million is to be used for the jury and witness fund. An additional \$5.3 million is appropriated from the public safety enforcement fund in SF 2578, the Justice Systems Budget Bill.  
(SF 2377 to Governor; Effective 7-1-10)

**JUSTICE SYSTEMS** Appropriates a total of \$484 million from the general fund for FY 2011 to the Attorney General's Office; the Departments of Corrections, Inspections and Appeals, Public Defense, and Public Safety; the Iowa Law Enforcement Academy; Board of Parole; and the Civil Rights Commission. This represents an increase of \$18.5 million compared to net FY 2010. The bill appropriates \$9.1 million from the public safety enforcement fund to various state agencies and the Judicial Branch.  
(SF 2578 To Governor; Various Effective Dates)

**TRANSPORTATION** Appropriates a total of \$350.7 million to the Department of Transportation (DOT) for operations, capital projects, and special purpose items, which is a decrease of \$1.6 million (-0.5%) from FY 2010. This total includes \$48.9 million from the Road Use Tax Fund (RUTF), which is a 2% decrease from FY 2010, and \$301.8 million from the Primary Road Fund, which is a 0.2% decrease from FY 2010. The bill is at the Governor's and department's recommended level. These are non-general fund dollars that are constitutionally protected to be used only for roads, bridges, and other highway activities. Policy language is added to allow farmers to stop at a gas station on their ATV to get fuel and pop as part of their incidental use for agricultural purposes; and starting July 1, 2010, all kids under 18 will be required to use their seatbelts in the back seat of vehicles, unless all belts are being used and there is none available.  
(SF 2381 Sent to Governor, effective 7/1/10)

**STANDINGS** The standings bill makes adjustments to the standing appropriations that are in current law, makes salary adjustments for state employees, and makes a number of miscellaneous statutory changes as well as technical code editor corrections to bills that have already been approved by the General Assembly. The bill includes funding for K-12 schools and property tax credits. (HF 2531 To Governor, multiple effective dates.)

**DEBT COLLECTION** With an estimated \$525 million in outstanding court debt, Legislators created a new position assigned the task of collecting debt owed the state. The state debt coordinator will be part of the department of revenue and is expected to help collect \$5.6 million in Fiscal Year 2011 and \$4.46 million in fiscal year 2012. A Debt Amnesty Program is also created, running from September 1 through November 20, 2010. Under the program, up to 50% of debt to the state can be forgiven. In addition, beginning January 1, 2011, county treasurers will be able to collect money owed to the state when drivers come to register their vehicles.  
(SF 2383, to Governor, most sections effective upon signing)

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### **OTHER BILLS OF INTEREST**

HF 2519 Federal Block Grants, To Governor  
SF 2366 FY 2010 Supplemental Appropriations, Signed, multiple effective dates