



BILL SUMMARY

Administration and Regulation Budget HF 659

Status of Bill: House Appropriations Calendar
 Committee: House Appropriations Committee (14-11)
 Lead Democrats: Rep. Dan Kelley
 Floor Manager: Rep. John Landon
 Research Analyst: Kelsey Thien 515-281-2061
kelsey.thien@legis.iowa.gov

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Summary

This budget covers many of the administrative and regulatory departments and agencies in the executive branch. The total Administration and Regulation general fund budget for FY 15 was \$51.8 million. The FY 16 general fund budget proposed by the House is \$49.8 million. This is a decrease of \$2 million. To reach the overall budget number, the House Republicans took the FY 15 numbers, and deducted all the dues and SERIP (State Employee Retirement Incentive Programs) funds from each agency. Each agency was then reduced by \$1.255% to match leadership targets.

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
Total Administrative Services, Dept. of	\$ 7,132,747	\$ 7,042,747	\$ 7,000,118	\$ -42,629
Total Auditor of State	\$ 914,506	\$ 944,506	\$ 921,302	\$ -23,204
Total Ethics and Campaign Disclosure	\$ 490,335	\$ 550,335	\$ 501,262	\$ -49,073
Total Commerce, Dept. of	\$ 1,821,928	\$ 1,821,928	\$ 1,721,254	\$ -100,674
Total Governor	\$ 2,289,566	\$ 2,289,566	\$ 2,085,162	\$ -204,404
Total Governor's Office of Drug Control Policy	\$ 241,134	\$ 241,134	\$ 238,023	\$ -3,111
Total Human Rights, Dept. of	\$ 1,252,261	\$ 1,252,261	\$ 1,216,214	\$ -36,047
Total Inspections & Appeals, Dept. of	\$ 12,891,142	\$ 12,891,142	\$ 12,585,658	\$ -305,484
Total Management, Dept. of	\$ 2,550,220	\$ 2,550,220	\$ 2,443,056	\$ -107,164
Total Public Information Board	\$ 350,000	\$ 350,000	\$ 345,528	\$ -4,472
Total Revenue, Dept. of	\$ 17,880,839	\$ 17,880,839	\$ 16,870,646	\$ -1,010,193
Total Secretary of State	\$ 2,896,699	\$ 2,896,699	\$ 2,811,406	\$ -85,293
Total Treasurer of State	\$ 1,084,392	\$ 1,084,392	\$ 1,060,371	\$ -24,021
Total Administration and Regulation	\$ 51,795,769	\$ 51,795,769	\$ 49,800,000	\$ -1,995,769

Department of Administrative Services

The Department of Administrative Services (DAS) is allocated \$7 million in FY 16. This is a reduction of \$43,000 from FY 15. DAS encompasses personnel, information technology, and general services functions for state government. DAS is primarily fee-based and customers (other state agencies) are billed for the services they receive. DAS is organized into enterprises - the General Services Enterprise, the Human Resource Enterprise, and the Information Technology Enterprise.

	Actual	Estimated	House Subcom	FY 16 House Subcom vs.
	FY 2014	FY 2015	FY 2016	Est FY15
	(1)	(2)	(3)	(4)
Administrative Services, Dept. of				
Administrative Services				
Administrative Services, Dept.	\$ 4,067,924	\$ 4,067,924	\$ 3,970,972	\$ -96,952
Utilities	2,658,909	2,568,909	2,536,701	-32,208
Terrace Hill Operations	405,914	405,914	492,445	86,531
Total Administrative Services, Dept. of	\$ 7,132,747	\$ 7,042,747	\$ 7,000,118	\$ -42,629

The \$43,000 reduction includes a decrease of \$36,919 in SERIP savings, a decrease of \$9,819 for organizational dues, and a general decrease of \$89,002. There is also a transfer of \$86,531 to the DAS Terrance Hill Operations from the Governor's office budget.

Auditor of State

The Auditor of State is allocated \$921,000 in FY 16. This is a reduction of \$23,000 from FY 15. The Auditor of State is responsible for conducting annual audits of all state departments and agencies as well as audits of counties, cities, school districts and other governmental subdivisions as requested. The office is also responsible for conducting performance audits of state agencies and the programs they administer, and conducts special studies assigned by the State Auditor or requested by the Legislature.

	Actual	Estimated	House Subcom	FY 16 House Subcom vs.
	FY 2014	FY 2015	FY 2016	Est FY15
	(1)	(2)	(3)	(4)
Auditor of State				
Auditor Of State				
Auditor of State - General Office	\$ 914,506	\$ 944,506	\$ 921,302	\$ -23,204
Total Auditor of State	\$ 914,506	\$ 944,506	\$ 921,302	\$ -23,204

The \$23,000 reduction includes a decrease of \$6,579 in SERIP savings, a decrease of \$4,865 for organizational dues, and a general decrease of \$11,760.

Ethics and Campaign Finance

The Ethics and Campaign Finance Disclosure Board is allocated \$501,262 in FY 16. This is a reduction of \$49,073 from FY 15. The Board administers the campaign finance laws, which apply to candidates running for state and local offices. The Board also administers the ethics laws, which apply to candidates for and officials and employees of the Executive Branch of state government.

	Actual	Estimated	House Subcom	FY 16 House Subcom vs.
	FY 2014	FY 2015	FY 2016	Est FY15
	(1)	(2)	(3)	(4)
Ethics and Campaign Disclosure				
Campaign Finance Disclosure				
Ethics & Campaign Disclosure Board	\$ 490,335	\$ 550,335	\$ 501,262	\$ -49,073
Total Ethics and Campaign Disclosure	\$ 490,335	\$ 550,335	\$ 501,262	\$ -49,073

The \$49,000 reduction includes a decrease of \$42,727 in SERIP savings and a general decrease of \$6,346.

Department of Commerce

The Department of Commerce’s general fund is allocated \$1,721,254 in FY 16. This is a reduction of \$100,000 from FY 15. The Department of Commerce is made up of the five divisions: Alcoholic Beverages, Banking, Credit Union, Insurance and Utilities. Each division is responsible for the regulation of an industry or group of industries and is funded in whole, or in part, by fees and assessments levied on the regulated industries. Starting in FY 10, the Legislature created revolving funds for the banking, credit union, insurance oversight and utilities divisions. By creating the revolving funds, these divisions are “off budget” and are not subject to any across the board cuts by the Governor.

GENERAL FUND

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
	(1)	(2)	(3)	(4)
Commerce, Dept. of				
Alcoholic Beverages				
Alcoholic Beverages Operations	\$ 1,220,391	\$ 1,220,391	\$ 1,156,717	\$ -63,674
Professional Licensing and Reg.				
Professional Licensing Bureau	\$ 601,537	\$ 601,537	\$ 564,537	\$ -37,000
Total Commerce, Dept. of	\$ 1,821,928	\$ 1,821,928	\$ 1,721,254	\$ -100,674

The \$100,000 reduction in the general fund allocation includes a decrease of \$44,462 in SERIP savings, a decrease of \$34,228 for organizational dues, and a general decrease of \$21,984.

OTHER FUND

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
	(1)	(2)	(3)	(4)
Commerce, Dept. of				
Banking Division				
Banking Division - CMRF	\$ 9,167,235	\$ 9,317,235	\$ 9,667,235	\$ 350,000
Credit Union Division				
Credit Union Division - CMRF	\$ 1,794,256	\$ 1,794,256	\$ 1,869,256	\$ 75,000
Insurance Division				
Insurance Division - CMRF	\$ 5,032,989	\$ 5,099,989	\$ 5,325,889	\$ 225,900
Utilities Division				
Utilities Division - CMRF	\$ 8,179,405	\$ 8,329,405	\$ 8,560,405	\$ 231,000
Professional Licensing and Reg.				
Field Auditor - Housing Impr. Fund	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0
Total Commerce, Dept. of	\$ 24,236,202	\$ 24,603,202	\$ 25,485,102	\$ 881,900

The bill appropriates \$881,900 more in other funds to the Department of Commerce. The bill allocates an extra \$350,000 in FY 16 for the Banking Division. This will allow for three new banking examiners to be hired in 2016. The total appropriation for the banking division is \$9.6 million in FY 16.

The bill allocates an extra \$75,000 in FY 16 for the Credit Union Division to hire another credit union examiner. The total budget for the Credit Union Division is \$1.87 million in FY 16.

The bill allocates an extra \$226,000 in FY 16 for the Insurance Division to hire a Compliance Office 2, a Special Investigator, and for two Secretary 1 positions. The total budget for the Insurance Division is \$5.3 million in FY 16.

The bill allocates an extra \$231,000 in FY 16 for the Utilities Division to cover the salaries and cost of training for three new staff members. The total budget for the Utilities Division is \$8.56 million in FY 16.

Governor’s Office

The Governor’s Office is allocated \$2.1 million in FY 16. This is a reduction of \$111,000 from FY 15. Funding for the Governor’s office includes the Governor and Lt. Governor’s office, Terrace Hill, Administrative Rules Coordinator, National Governor’s Association dues, and the State-Federal Relations Office.

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
Governor’s Office				
Governor/Lt. Governor’s Office	\$ 2,196,455	\$ 2,196,455	\$ 2,085,162	\$ -111,293
Terrace Hill Quarters	93,111	93,111	0	-93,111
Total Governor	\$ 2,289,566	\$ 2,289,566	\$ 2,085,162	\$ -204,404

The \$111,000 reduction includes a decrease of \$84,800 for organizational dues and a general decrease of \$26,493. Also, \$93,111 is taken from this budget and moved to the DAS Terrace Hill Operations.

Governor’s Office of Drug Control Policy

The Governor’s Office of Drug Control Policy is allocated \$238,023 in FY 16. This is a general reduction of \$3,000 from FY 15. The office coordinates multi-jurisdictional drug task forces across Iowa. The drug task forces have been paid through federal funds. This office creates drug control policy and strategy for the state and also identifies and administers federal grants.

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
Governor’s Office of Drug Control Policy				
Office of Drug Control Policy				
Drug Policy Coordinator	\$ 241,134	\$ 241,134	\$ 238,023	\$ -3,111
Total Governor’s Office of Drug Control Policy	\$ 241,134	\$ 241,134	\$ 238,023	\$ -3,111

Department of Human Rights

The Department of Human Rights is allocated \$1.2 million in FY 16. This is a reduction of \$36,000 from FY 15. The Department of Human Rights works to ensure that every Iowan is equally protected and respected. Included in this department are the Central Administration Division and the Community Advocacy and Services Division.

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
Human Rights, Dept. of				
Human Rights, Department of				
Central Administration	\$ 224,184	\$ 224,184	\$ 214,314	\$ -9,870
Community Advocacy and Services	1,028,077	1,028,077	1,001,900	-26,177
Total Human Rights, Dept. of	\$ 1,252,261	\$ 1,252,261	\$ 1,216,214	\$ -36,047

The \$36,000 reduction includes a decrease of \$20,455 in SERIP savings and a general decrease of \$15,592.

Department of Inspections and Appeals

The Department of Inspections and Appeals general fund is allocated \$12.5 million in FY 16. This is a reduction of \$305,000 from FY 15. The Department of Inspections and Appeals (DIA) is a regulatory agency charged with protecting the health, safety, and well-being of Iowans. The department is organized into four major divisions:

- Administration Division – oversees the day-to-day operations of the agency.
- Administrative Hearings Division – conducts quasi-judicial contested case hearings involving lowans who disagree with an administrative ruling issued by a state government agency.
- Health Facilities Division – responsible for the regulation of more than 4,000 health care providers and suppliers in Iowa. Regulation includes periodic inspections, complaint investigations, state licensing/certification, certification under the Medicare and Medicaid program, and enforcement.
- Investigations Divisions – investigates alleged fraud in the state’s public assistance programs, investigates Medicaid fraud by health care providers, and conducts professional practice investigations on behalf of state licensing boards.
- Employment Appeal Board – this three-member board hears appeals of rulings of OSHA, rulings of the Iowa Department of Administrative Services (DAS), and rulings of IPERS (Iowa Public Employees Retirement System).
- Child Advocacy Board – works to ensure that Iowa’s foster children are well cared for and that the system designed to meet their needs is doing so in the most effective manner possible. The board oversees the Foster Care Review program, the Foster Care Registry, and the Court Appointed Special Advocate program (CASA), which works with abused and neglected children.
- Food and Consumer Safety - charged with administering and enforcing the state’s food and sanitation laws.

GENERAL FUND

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
<u>Inspections & Appeals, Dept. of</u>				
Inspections and Appeals, Dept. of				
Administration Division	\$ 545,242	\$ 545,242	\$ 529,681	\$ -15,561
Administrative Hearings Division	678,942	678,942	662,567	-16,375
Investigations Division	2,573,089	2,573,089	2,504,737	-68,352
Health Facilities Division	5,092,033	5,092,033	5,009,379	-82,654
Employment Appeal Board	42,215	42,215	41,590	-625
Child Advocacy Board	2,680,290	2,680,290	2,608,576	-71,714
Food and Consumer Safety	1,279,331	1,279,331	1,229,128	-50,203
Total Inspections & Appeals, Dept. of	\$ 12,891,142	\$ 12,891,142	\$ 12,585,658	\$ -305,484

The \$305,000 reduction includes a decrease of \$135,418 in SERIP savings, a decrease of \$8,968 for organizational dues, and a general decrease of \$160,098.

OTHER FUND

	Actual	Estimated	House Subcom	FY 16 House Subcom vs.
	FY 2014	FY 2015	FY 2016	Est FY15
	(1)	(2)	(3)	(4)
Inspections & Appeals, Dept. of				
Inspections and Appeals, Dept. of				
DIA - RUTF	\$ 1,623,897	\$ 1,623,897	\$ 1,623,897	\$ 0
Medicaid Fraud Annual Conference - MFF	6,500	0	0	0
Total Inspections and Appeals, Dept. of	\$ 1,630,397	\$ 1,623,897	\$ 1,623,897	\$ 0
Racing Commission				
Pari-Mutuel Regulation GRF	\$ 3,068,492	\$ 3,068,492	\$ 0	\$ -3,068,492
Gaming Regulation (Riverboat) - GRF	3,045,719	3,045,719	6,114,211	3,068,492
Socioeconomic Gambling Study - GRF	125,000	0	0	0
Total Racing Commission	\$ 6,239,211	\$ 6,114,211	\$ 6,114,211	\$ 0
Total Inspections & Appeals, Dept. of	\$ 7,869,608	\$ 7,738,108	\$ 7,738,108	\$ 0

In addition, the Racing Commission, which is housed under the DIA, receives money from the Pari-Mutuel Regulation Fund and Riverboat Regulation Fund. Starting in FY 16, these funds will be added together into one budget. The total allocation of other funds in FY 16 is \$6.1 million.

Department of Management

The Department of Management general fund is allocated \$2.4 million in FY 16. This is a reduction of \$107,000 from FY 15. The Iowa Department of Management (DOM) is the planning and budgeting agency within the executive branch of Iowa state government. The director of the department serves as the Governor's chief financial advisor.

GENERAL FUND

	Actual	Estimated	House Subcom	FY 16 House Subcom vs.
	FY 2014	FY 2015	FY 2016	Est FY15
Management, Dept. of				
Department Operations	\$ 2,550,220	\$ 2,550,220	\$ 2,443,056	\$ -107,164
Total Management, Dept. of	\$ 2,550,220	\$ 2,550,220	\$ 2,443,056	\$ -107,164

The \$107,000 reduction includes a decrease of \$58,111 in SERIP savings, a decrease of \$18,030 for organizational dues, and a general decrease of \$31,023.

OTHER FUND

	Actual	Estimated	House Subcom	FY 16 House Subcom vs.
	FY 2014	FY 2015	FY 2016	Est FY15
	(1)	(2)	(3)	(4)
Management, Dept. of				
Management, Dept. of				
DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0
Total Management, Dept. of	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0

Each year DOM receives an appropriation from the Road Use Tax Fund (RUTF) for salaries, support, maintenance and miscellaneous purposes. The total allocation for other funds in FY 16 is \$56,000.

Public Information Board

The Public Information Board is allocated \$345,528 in FY 16. This is a general reduction of \$4,472 from FY 15. The Public Information Board was started on July 1, 2013 and offers informal advice and declaratory orders regarding the state's open meetings and records laws. It also offers training, disseminates information, investigates complaints, seeks resolution of disputes, and acts to enforce the law.

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
Public Information Board				
Public Information Board				
Iowa Public Information Board	\$ 350,000	\$ 350,000	\$ 345,528	\$ -4,472
Total Public Information Board	\$ 350,000	\$ 350,000	\$ 345,528	\$ -4,472

Department of Revenue

The Department of Revenue is allocated \$16.87 million in FY 16. This is a reduction of 1,000,000 from FY 15. The Department of Revenue is responsible for revenue collection and tax law compliance.

GENERAL FUND

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
Revenue, Dept. of				
Revenue, Dept. of				
Revenue, Department of	\$ 17,880,839	\$ 17,880,839	\$ 16,870,646	\$ -1,010,193
Total Revenue, Dept. of	\$ 17,880,839	\$ 17,880,839	\$ 16,870,646	\$ -1,010,193

The \$1,000,000 reduction includes a decrease of \$716,289 in SERIP savings, a decrease of \$80,253 for organizational dues, and a general decrease of \$213,651.

OTHER FUND

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
	(1)	(2)	(3)	(4)
Revenue, Dept. of				
Revenue, Dept. of				
Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0
Total Revenue, Dept. of	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0

Each year DOR receives an appropriation from the Motor Vehicle Fuel Tax Fund for administrative support of the Motor Fuel and Special Fuel taxes program and the Motor Vehicle Use Tax program. The total allocation for other funds in FY 16 is \$1.3 million.

Secretary of State

The Secretary of State is allocated \$2.8 million in FY 16. This is a reduction of \$85,000 from FY 15. The Secretary of State is responsible for filing corporate and lien documents such as Uniform Commercial Code financing statements, trademarks, business entity documents and other statutorily required special filings. The office supervises and coordinates elections and maintains the voter registration program.

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
Secretary of State				
Secretary of State				
Secretary of State - Operations	\$ 2,896,699	\$ 2,896,699	\$ 2,811,406	\$ -85,293
Total Secretary of State	\$ 2,896,699	\$ 2,896,699	\$ 2,811,406	\$ -85,293

The \$85,000 reduction includes a decrease of \$42,597 in SERIP savings, a decrease of \$7,010 for organizational dues, and a general decrease of \$35,686.

Treasurer of Iowa

The Treasurer of Iowa is allocated \$1.06 million in FY 16. This is a reduction of \$24,000 from FY 15. The State Treasurer Office receives all revenues from state agencies and the federal government and is responsible for all bank relations. The treasurer is the investor and custodian of the state's general fund, the reserve funds, and the road use tax fund operating funds. These funds are pooled and invested together. The office also provides clerical support for the executive council.

GENERAL FUND

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
Treasurer of State				
Treasurer of State				
Treasurer - General Office	\$ 1,084,392	\$ 1,084,392	\$ 1,060,371	\$ -24,021
Total Treasurer of State	\$ 1,084,392	\$ 1,084,392	\$ 1,060,371	\$ -24,021

The \$24,000 reduction includes a decrease of \$10,500 for organizational dues and a general decrease of \$13,521.

OTHER FUND

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
	(1)	(2)	(3)	(4)
Treasurer of State				
Treasurer of State				
I-3 Expenses - RUTF	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0
Total Treasurer of State	\$ 93,148	\$ 93,148	\$ 93,148	\$ 0

Each year the Treasurer of State is appropriated funds from the Road Use Tax Fund (RUTF) for use of the Integrated Information of Iowa (I/3) Resource Planning System. The total allocation for other funds in FY 16 is \$93,000.

IPERS Administration

The IPERS Administration is allocated \$17.686 million in FY 16. This is an increase of \$2 million from FY 15 for software upgrades. Included in the Administration and Regulation budget is funding for the Iowa Public Employees' Retirement System (IPERS) for the purposes of salaries, support, maintenance, and other operational needs. The IPERS Administration is funded from the IPERS Trust Fund and not general fund dollars.

	Actual FY 2014	Estimated FY 2015	House Subcom FY 2016	FY 16 House Subcom vs. Est FY15
	(1)	(2)	(3)	(4)
IPERS Administration				
IPERS Administration				
IPERS Administration	\$ 17,686,968	\$ 15,686,968	\$ 17,686,968	\$ 2,000,000
Total IPERS Administration	\$ 17,686,968	\$ 15,686,968	\$ 17,686,968	\$ 2,000,000

Miscellaneous Provisions

- **Section 3. State Employee Health Insurance Administration**-For the fiscal year 2016 the Department of Administrative Services is authorized to assess a fee of \$2 to all health insurance plans administered by the department.
- **Section 6. Office of the Chief Information Officer**- For the fiscal year 2016 the CIO may bill other government entities for the services they provide. Also, the first \$750,000 that the Department of Transpor-

tation collects from certified driver's records has to be allocated to the lowAccess Revolving Fund to expand government records access.

- **Section 13. Department of Inspections and Appeals-** For the fiscal year 2016 the department can collect license fees for municipal corporation inspections.
- **Section 26. Iowa Products-**Any agency receiving an appropriation from this budget must give first preference to Iowa products. Second preference shall be given to products made in the United States.
- **Section 27. Personnel Settlement Agreement Payments-**Any agency receiving an appropriation from this budget may not use monies to pay a personnel settlement agreement with a State employee that has a confidentially agreement.
- **Section 55. Division III, Audit Expenses-**This section expands the list of agencies that the Auditor's Office can bill to include the Office of the Chief Information officer.