



BILL SUMMARY

Administration and Regulation Budget SF 2342

Status of Bill: House Debate Calendar
 Committee: Appropriations (passed Senate 26-21; passed House Appropriations 15-10)
 Lead Democrats: Rep. Dan Kelley
 Floor Manager: Rep. Ralph Watts
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Summary

The Administration and Regulation Appropriations Budget covers 14 departments, agencies, and offices. The Senate Administration and Regulation budget proposal for FY 2015 is \$51.8 million. This is a decrease of \$1 million compared to FY 2014. While the total budget is the same from the Senate and the House amendment, the Senate proposal appropriates \$10,000 of the money for the Auditor as a supplemental appropriation to FY 2014.

	Est. Net FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Gov Rec	Senate Act. FY 2015 vs. Est. Net FY 2014	House Amend vs. Est. Net FY 2014
Total Administrative Services, Dept. of	\$ 7,132,747	\$ 7,132,747	\$ 7,042,747	\$ -90,000	\$ -90,000	\$ -30,000
Total Auditor of State	\$ 914,506	\$ 944,506	\$ 944,506	\$ 0	\$ 20,000	\$ 30,000
Total Ethics and Campaign Disclosure	\$ 490,335	\$ 550,335	\$ 550,335	\$ 0	\$ 60,000	\$ 0
Total Commerce, Dept. of	\$ 1,821,928	\$ 1,821,928	\$ 1,821,928	\$ 0	\$ 0	\$ 0
Total Iowa Tele & Tech Commission	\$ 992,913	\$ 0	\$ 0	\$ 0	\$ -992,913	\$ -992,913
Total Governor	\$ 2,289,566	\$ 2,289,566	\$ 2,289,566	\$ 0	\$ 0	\$ 0
Total Governor's Office of Drug Control Policy	\$ 241,134	\$ 241,134	\$ 241,134	\$ 0	\$ 0	\$ 0
Total Human Rights, Dept. of	\$ 1,252,261	\$ 1,326,261	\$ 1,252,261	\$ -74,000	\$ 0	\$ 0
Total Inspections & Appeals, Dept. of	\$ 12,891,142	\$ 12,891,142	\$ 12,891,142	\$ 0	\$ 0	\$ 0
Total Management, Dept. of	\$ 2,550,220	\$ 2,550,220	\$ 2,550,220	\$ 0	\$ 0	\$ 0
Total Public Information Board	\$ 350,000	\$ 350,000	\$ 350,000	\$ 0	\$ 0	\$ 0
Total Revenue, Dept. of	\$ 17,880,839	\$ 17,880,839	\$ 17,880,839	\$ 0	\$ 0	\$ 0
Total Secretary of State	\$ 2,896,699	\$ 2,896,699	\$ 2,896,699	\$ 0	\$ 0	\$ 0
Total Treasurer of State	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0	\$ 0	\$ 0
Total Administration and Regulation	\$ 52,798,682	\$ 51,959,769	\$ 51,795,769	\$ -164,000	\$ 1,002,913	\$ -992,913

Department of Administrative Services

The Department of Administrative Services 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.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Administrative Services					
Administrative Services, Dept	\$ 4,067,924	\$ 4,067,924	\$ 4,067,924	\$ 0	\$ 0
Utilities	2,658,909	2,658,909	2,568,909	-90,000	-90,000
Terrace Hill Operations	405,914	405,914	405,914	0	0
Total Administrative Services, Dept. of	\$ 7,132,747	\$ 7,132,747	\$ 7,042,747	\$ -90,000	\$ -90,000

SF 2342 decreases the appropriation to DAS by \$90,000. With the demolition of the Iowa Building, there are no longer the same utility expenses for the building.

Auditor of State

The Auditor's office has three divisions. The Administration Division is responsible for the general management of the office. The Financial Audit Division is responsible for conducting annual audits of Iowa's Comprehensive Annual Financial Report and its Single Audit Report is responsible for all state departments and agencies, as well as audits of counties, cities, school districts, and other governmental subdivisions as requested.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Auditor of State					
Auditor Of State					
Auditor of State - General Office	\$ 924,506	\$ 944,506	\$ 944,506	\$ 20,000	\$ 0
Total Auditor of State	\$ 924,506	\$ 944,506	\$ 944,506	\$ 20,000	\$ 0

The Senate appropriated a total of \$30,000 to the Auditor, with \$10,000 as a FY 2014 supplemental appropriation and \$20,000 to FY 2015.

The \$20,000 appropriation in SF 2342 is meant to restore a portion of the FY 2010 reduction and allow for an increase of 3.25 FTE positions.

The \$10,000 supplemental appropriation to FY 2014 is to provide funding for the requirement that the Auditor conduct an audit concerning non-disclosed settlement agreements made by the state with terminated state employees since January 2011.

Ethics and Campaign Finance

The Ethics and Campaign Disclosure 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.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Ethics and Campaign Disclosure					
Campaign Finance Disclosure					
Ethics & Campaign Disclosure Board	\$ 490,335	\$ 550,335	\$ 550,335	\$ 60,000	\$ 0
Total Ethics and Campaign Disclosure	\$ 490,335	\$ 550,335	\$ 550,335	\$ 60,000	\$ 0

Appropriates an additional \$60,000 and 1 FTE to perform auditing responsibilities.

Department of Commerce

The Department of Commerce is made up of five divisions: Alcoholic Beverages, Banking, Credit Union, Insurance, and Utilities. Each division is responsible for the regulation of an industry. Although all five divisions receive some fees, the banking, credit union, and utilities division are supported only by fees and assessments. The

Department of Commerce Revolving Fund was created in 2009 so that funding, and therefore fees, would not be cut to the banking, credit union, insurance, and utility board divisions.

GENERAL FUND

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Commerce, Dept. of					
Alcoholic Beverages					
Alcoholic Beverages Operations	\$ 1,220,391	\$ 1,220,391	\$ 1,220,391	\$ 0	\$ 0
Professional Licensing and Reg.					
Professional Licensing Bureau	\$ 601,537	\$ 601,537	\$ 601,537	\$ 0	\$ 0
Total Commerce, Dept. of	\$ 1,821,928	\$ 1,821,928	\$ 1,821,928	\$ 0	\$ 0

OTHER FUND

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Commerce, Dept. of					
Banking Division					
Banking Division - CMRF	\$ 9,167,235	\$ 9,317,235	\$ 9,317,235	\$ 150,000	\$ 0
Credit Union Division					
Credit Union Division - CMRF	\$ 1,794,256	\$ 1,794,256	\$ 1,794,256	\$ 0	\$ 0
Insurance Division					
Insurance Division - CMRF	\$ 5,032,989	\$ 5,099,989	\$ 5,099,989	\$ 67,000	\$ 0
Utilities Division					
Utilities Division - CMRF	\$ 8,179,405	\$ 8,179,405	\$ 8,329,405	\$ 150,000	\$ 150,000
Professional Licensing and Reg.					
Field Auditor - Housing Impr. Fund	\$ 62,317	\$ 62,317	\$ 62,317	\$ 0	\$ 0
Total Commerce, Dept. of	\$ 24,236,202	\$ 24,453,202	\$ 24,603,202	\$ 367,000	\$ 150,000

SF 2342 appropriates an additional \$150,000 to the Banking Division for the purpose of making the entry-level banking examiner classification salaries competitive. The entry level salary will increase from \$40,000 to \$51,000 and will affect 8 vacant positions and 5 currently filled positions. The FTE positions will not change.

The Insurance Division will see an increase of \$67,000 to account for increased rent for the move to Two Ruan Building.

SF 2342 increases the appropriation to the Utilities Division by \$150,000 for the hiring of an engineer for electric transmission projects. In addition, SF 2342 permits the Division to spend up to \$10,000 for a cost-benefit analysis of the energy efficiency of the solar panels on the Division building.

Iowa Telecommunication and Technology Commission

The Iowa Telecommunications and Technology commission manages the development, and operation of the Iowa Communications Network. The Regional Telecommunication Councils provides technical assistance for network classrooms, scheduling video sites and provides assistance for local area networks.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Iowa Tele & Tech Commission					
Iowa Communications Network					
Regional Telecom Councils	\$ 992,913	\$ 0	\$ 0	\$ -992,913	\$ 0
Total Iowa Tele & Tech Commission	\$ 992,913	\$ 0	\$ 0	\$ -992,913	\$ 0

For FY 13 and 14, the regional telecommunication councils were funded in this budget. In FY 15, the appropriation has been requested by the Department of Education, showing a \$992,913 decrease to the Administration and Regulation Budget.

Governor’s Office

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.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Governor					
Governor’s Office					
Governor/Lt. Governor’s Office	\$ 2,196,455	\$ 2,196,455	\$ 2,196,455	\$ 0	\$ 0
Terrace Hill Quarters	93,111	93,111	93,111	0	0
Total Governor	\$ 2,289,566	\$ 2,289,566	\$ 2,289,566	\$ 0	\$ 0

SF 2342 provides for a status quo budget in FY 15.

Governor’s Office of Drug Control Policy

The office coordinates 23 multi-jurisdictional drug task forces covering 71 counties in Iowa. This office creates the drug control policy and strategy for the State, and identifies and administers federal grants.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Governor’s Office of Drug Control Policy					
Office of Drug Control Policy					
Drug Policy Coordinator	\$ 241,134	\$ 241,134	\$ 241,134	\$ 0	\$ 0
Total Governor’s Office of Drug Control Policy	\$ 241,134	\$ 241,134	\$ 241,134	\$ 0	\$ 0

SF 2342 appropriates a status quo budget for FY 15.

Department of Human Rights

The Department of Human Rights (DHR) works to ensure that every Iowan is protected and respected. The offices of Deaf Services, Asian and Pacific Islanders, Persons with Disabilities, Latino Affairs, Status of Women, Status of African Americans, and Native American Affairs are funded under the Community Advocacy and Services division. The Criminal and Juvenile Justice Division is funded separately.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Human Rights, Dept. of					
Human Rights, Department of					
Central Administration	\$ 224,184	\$ 240,184	\$ 224,184	\$ 0	\$ -16,000
Community Advocacy and Services	1,028,077	1,086,077	1,028,077	0	-58,000
Individual Development Accounts	0	0	0	0	0
Total Human Rights, Dept. of	\$ 1,252,261	\$ 1,326,261	\$ 1,252,261	\$ 0	\$ -74,000

SF 2342 appropriates a status quo budget for FY 15.

Department of Inspections and Appeals

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 Iowans 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

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Inspections & Appeals, Dept. of					
Inspections and Appeals, Dept. of					
Administration Division	\$ 545,242	\$ 545,242	\$ 545,242	\$ 0	\$ 0
Administrative Hearings Division	678,942	678,942	678,942	0	0
Investigations Division	2,573,089	2,573,089	2,573,089	0	0
Health Facilities Division	5,092,033	5,092,033	5,092,033	0	0
Employment Appeal Board	42,215	42,215	42,215	0	0
Child Advocacy Board	2,680,290	2,680,290	2,680,290	0	0
Food and Consumer Safety	1,279,331	1,279,331	1,279,331	0	0
Total Inspections & Appeals, Dept. of	\$ 12,891,142	\$ 12,891,142	\$ 12,891,142	\$ 0	\$ 0

Also located in the Department of Inspections Appeals is the Iowa Racing and Gaming Commission, which regulates pari-mutuel dog and horse racing and gambling facilities in Iowa. Members are appointed by the Governor. The commission adopts standards for the licensing of the racing industry as well as standards for the operation of all races and facilities. Iowa Racing and Gaming is currently in a revolving fund.

OTHER FUND

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Inspections & Appeals, Dept. of					
Inspections and Appeals, Dept. of					
DIA - RUTF	\$ 1,623,897	\$ 1,623,897	\$ 1,623,897	\$ 0	\$ 0
Medicaid Fraud Annual Conference	6,500	0	0	-6,500	0
Health Facilities - MFF	0	0	0	0	0
EBT Investigations - MFF	0	0	0	0	0
Dependent Adult - MFF	0	0	0	0	0
Boarding Homes - MFF	0	0	0	0	0
Dependent Adult Abuse - MFF	0	0	0	0	0
Assisted Living - MFF	0	0	0	0	0
Total Inspections and Appeals, Dept. of	\$ 1,630,397	\$ 1,623,897	\$ 1,623,897	\$ -6,500	\$ 0
Racing Commission					
Pari-Mutuel Regulation Fund	\$ 3,068,492	\$ 3,068,492	\$ 3,068,492	\$ 0	\$ 0
Riverboat Regulation Fund	3,045,719	3,045,719	3,045,719	0	0
Socioeconomic Gambling Study	125,000	0	0	-125,000	0
Total Racing Commission	\$ 6,239,211	\$ 6,114,211	\$ 6,114,211	\$ -125,000	\$ 0
Total Inspections & Appeals, Dept. of	\$ 7,869,608	\$ 7,738,108	\$ 7,738,108	\$ -131,500	\$ 0

For FY 15, there are two changes from the FY 14 budget appropriations. Both the Medicaid Fraud Annual Conference and the socioeconomic gambling study were one-time appropriations for FY 14.

SF 2342 creates a one-day interim study on food inspections, but provides for a status quo budget in FY 15.

Department of Management

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

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Management, Dept. of					
Management, Dept. of					
Department Operations	\$ 2,550,220	\$ 2,550,220	\$ 2,550,220	\$ 0	\$ 0
Total Management, Dept. of	\$ 2,550,220	\$ 2,550,220	\$ 2,550,220	\$ 0	\$ 0

OTHER FUND

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Management, Dept. of					
Management, Dept. of					
DOM Operations - RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	\$ 0
Total Management, Dept. of	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0	\$ 0

SF 2342 plans for a status quo budget in FY 15 for both the General Fund and Other Fund.

Public Information Board

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.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Public Information Board					
Public Information Board					
Iowa Public Information Board	\$ 350,000	\$ 350,000	\$ 350,000	\$ 0	\$ 0
Total Public Information Board	\$ 350,000	\$ 350,000	\$ 350,000	\$ 0	\$ 0

SF 2342 offers a status quo budget for FY 15.

Department of Revenue

The Department of Revenue is responsible for revenue collection and tax law compliance.

GENERAL FUND

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Revenue, Dept. of					
Revenue, Dept. of					
Revenue, Department of	\$ 17,880,839	\$ 17,880,839	\$ 17,880,839	\$ 0	\$ 0
Total Revenue, Dept. of	\$ 17,880,839	\$ 17,880,839	\$ 17,880,839	\$ 0	\$ 0

OTHER FUND

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Revenue, Dept. of					
Revenue, Dept. of					
Motor Fuel Tax Admin - MVFT	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0	\$ 0
Total Revenue, Dept. of	\$ 1,305,775	\$ 1,305,775	\$ 1,305,775	\$ 0	\$ 0

SF 2342 provides for a status quo budget in FY 15.

Secretary of State

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.

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Secretary of State					
Secretary of State					
Secretary of State - Operations	\$ 2,896,699	\$ 2,896,699	\$ 2,896,699	\$ 0	\$ 0
Total Secretary of State	\$ 2,896,699	\$ 2,896,699	\$ 2,896,699	\$ 0	\$ 0

SF 2342 provides a status quo budget for FY 15.

Treasurer of Iowa

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

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Treasurer of State					
Treasurer of State					
Treasurer - General Office	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0	\$ 0
Total Treasurer of State	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0	\$ 0

OTHER FUND

	Estimated FY 2014	Gov Rec FY 2015	Senate Action FY 2015	Senate Act. FY 2015 vs. Est. Net FY 2014	Senate Act. FY 2015 vs. Gov Rec
Treasurer of State					
Treasurer of State					
Treasurer - General Office	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0	\$ 0
Total Treasurer of State	\$ 1,084,392	\$ 1,084,392	\$ 1,084,392	\$ 0	\$ 0

SF 2342 provides a status quo budget for FY 15.

IPERS Administration

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.

	Estimated	Gov Rec	Senate Action	Senate Act. FY 2015	Senate Act. FY 2015
	FY 2014	FY 2015	FY 2015	vs. Est. Net FY 2014	vs. Gov Rec
IPERS Administration					
IPERS Administration					
IPERS Administration	\$ 17,686,968	\$ 15,686,968	\$ 15,686,968	\$ -2,000,000	\$ 0
Total IPERS Administration	\$ 17,686,968	\$ 15,686,968	\$ 15,686,968	\$ -2,000,000	\$ 0

Following a major computer upgrade that will only require maintenances going forward, SF 2342 decreases the budget by \$2 million for FY 15.

Amendment Summary

H-8228 by the Committee on Appropriations – House Democrats requested a division of the amendment.

The first and second operations replace the \$60,000 taken from DAS for Ethics and Campaign Disclosure back to DAS.

The third operation changes the Senate’s proposal for an interim committee on food inspections to a department-led task force.

The fourth operation strikes the \$10,000 supplemental appropriation for the State Auditor’s FY 2014 budget, which was meant to provide the funding for a request to examine personnel settlement agreements dating back to 2011.

The fifth operation requires the Auditor’s examination of personnel settlement agreements to go back to 2004.

The sixth operation prohibits any of the agencies or departments in the budget from using any funds appropriated in this bill to pay a personnel settlement that contains a confidentiality provision. This operation was voted on separately as division B.

The seventh operation strikes the retroactive applicability from the legislation.

The eighth and ninth operations change the title of the bill and allow for renumbering.

Division A passed 14-11 and included everything except for the sixth operation of the amendment.

Division B passed 25-0 and only included the language that prohibits an agencies or departments from using funds in the budget to pay personnel settlement that contains a confidentiality provision.