

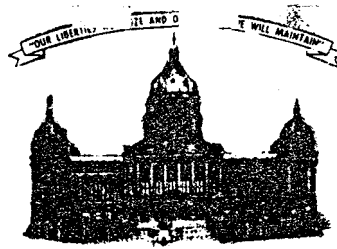
# 1988 SESSION FISCAL REPORT

72nd General Assembly

State of Iowa

Legislative Fiscal Bureau

June, 1988



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DIRECTOR  
515/281-5279

STATE CAPITOL  
DES MOINES, IOWA  
50319

STATE OF IOWA  
LEGISLATIVE FISCAL BUREAU

June 1, 1988

Members of the 72nd General Assembly of Iowa  
and Other Interested Citizens:

The Fiscal Report, issued by the Legislative Fiscal Bureau contains a comprehensive summary of fiscal information and legislation passed by the 1987 First and Second Extraordinary Sessions and the 1988 Session of the 72nd General Assembly.

Included in this comprehensive report is the following information: appropriations summary, General Fund balance sheet, appropriations subcommittee review, fee increases, miscellaneous appropriation bills (salary adjustment, block grants, lottery, FY 1988 supplementals, petroleum overcharge, etc.), ways and means bills, education summaries, and program evaluations.

This report is intended to provide interested persons and parties with information on General Fund and non-General Fund appropriations, receipts, and bill summaries which have a significant fiscal impact upon the State of Iowa.

The Legislative Fiscal Bureau staff is available to answer any questions concerning the contents of this document.

Yours truly,

Dennis C. Prouty  
Director

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# General Fund Estimated Receipts

Other Receipts (Millions)

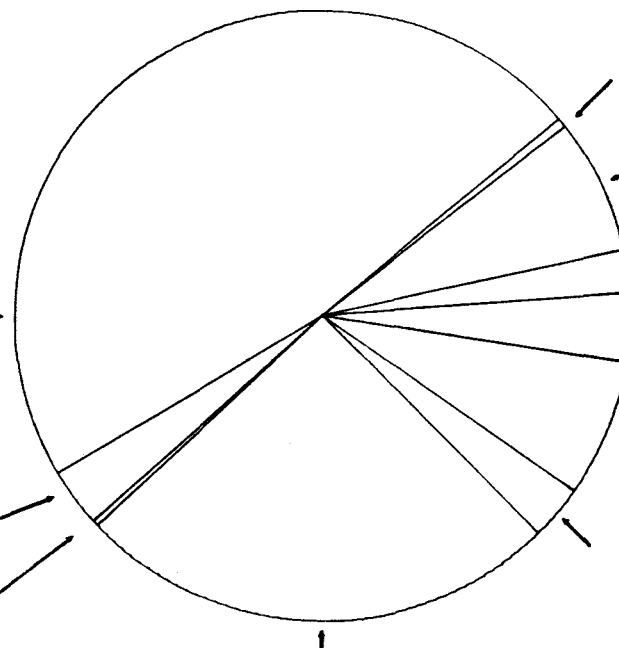
Fiscal Year 1988

Miscellaneous Receipts	\$12.0
County Reimbursement	\$45.8
Third Party Payments	<b>\$48.3</b>
Pari-mutuel Receipts	\$10.8
Judicial Revenue	<b>\$30.0</b>
Liquor Transfers	\$12.0
Transfers	<b>\$4.80</b>
Interest	<b>\$14.9</b>
Fees	<b>\$16.0</b>

Personal Income Tax  
\$1,229,000,000 (44.48%)

Insurance Premiums  
\$80,000,000 (3.09%)

Franchise &  
Miscellaneous  
\$7,700,000 (0.29%)



Beer & Liquor  
\$12,900,000 (0.49%)

Corporate Income Tax  
\$186,000,000 (7.18%)

Inheritance Tax  
\$58,500,000 (2.26%)

Use Tax  
\$95,000,000 (3.67%)

Other Receipts  
\$194,600,000 (7.50%)

Cigarette & Tobacco  
\$73,900,000 (2.85%)

Sales Tax  
\$656,000,000  
(25.34%)

**Total: \$2,593,600,000**

As Estimated By April 5, 1988 Revenue Estimating Conference

# General Fund Estimated Receipts

Fiscal Year 1989

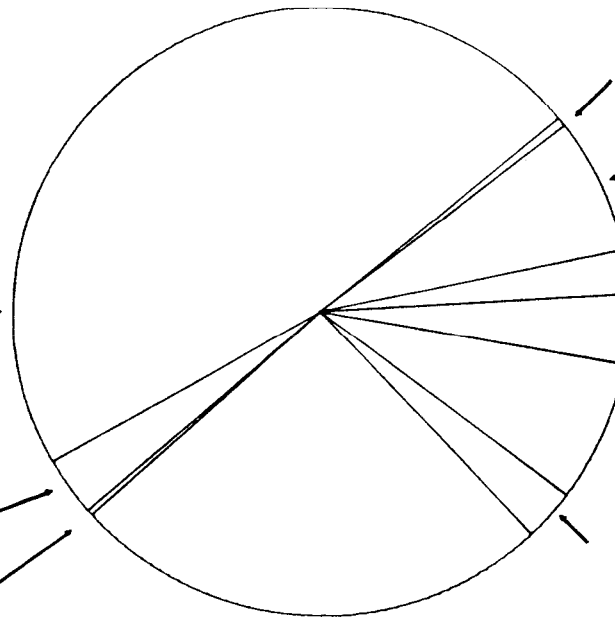
Other Receipts (Millions)

Miscellaneous Receipts	\$12.5
County Reimbursement	\$47.7
Third Party Payments	\$50.3
Pari-mutuel Receipts	\$12.8
Judicial Revenue	\$30.2
Liquor Transfers	\$12.0
Transfers	\$4.80
Interest	\$15.0
Fees	\$16.6

Personal Income Tax  
\$1,261,000,000 (47.13%)

Insurance Premiums  
\$83,800,000 (3.13%)

Franchise & Miscellaneous  
\$7,900,000 (0.29%)



Liquor Tax  
\$13,000,000 (0.48%)

Corporate Income Tax  
\$195,000,000 (7.28%)

Inheritance  
\$63,000,000 (2.35%)

Use Tax  
\$100,000,000 (3.73%)

Other Receipts  
\$201,900,000 (7.54%)

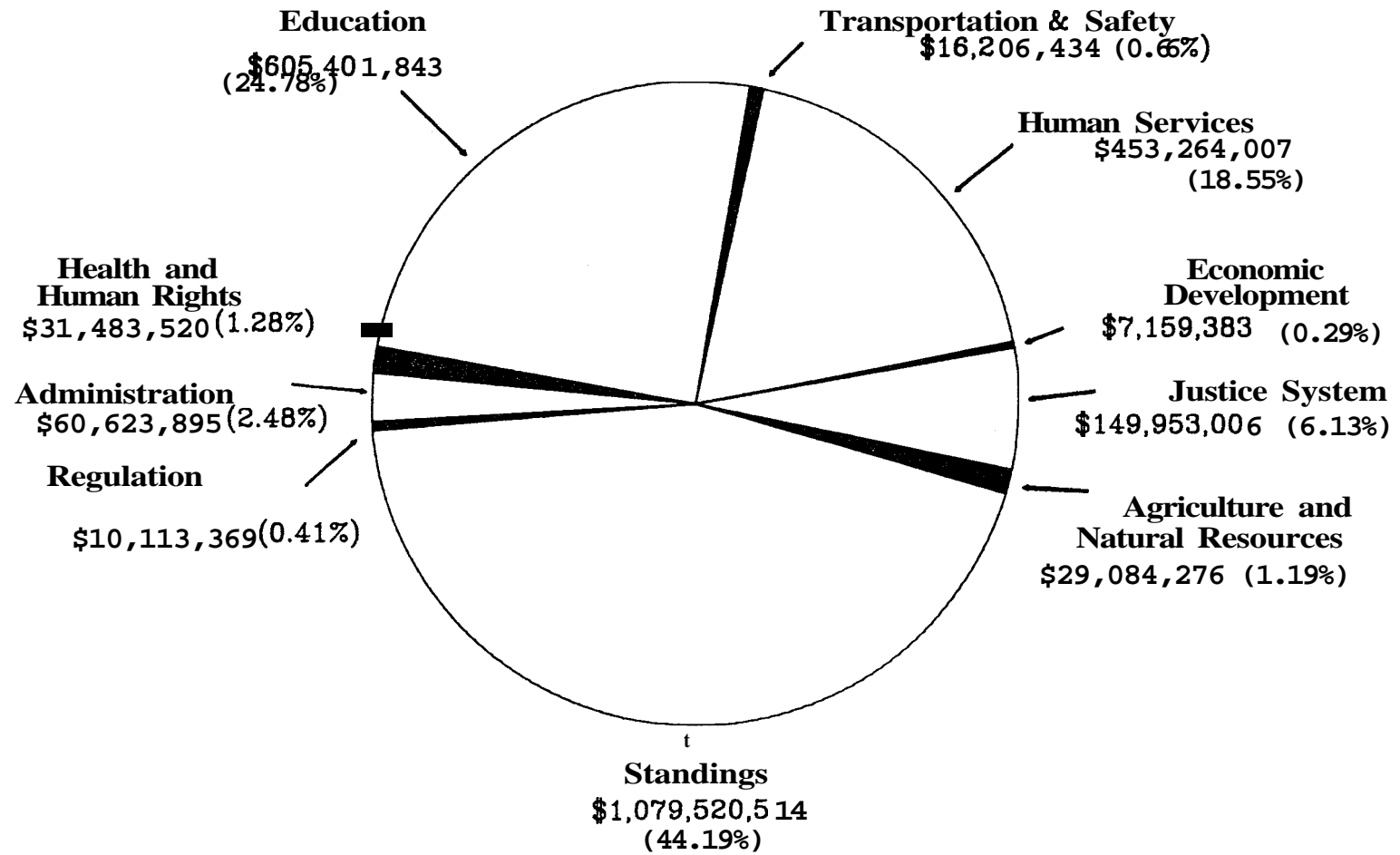
Cigarette & Tobacco  
\$72,800,000 (2.72%)

Sales Tax  
\$677,000,000 (25.30%)

**Total: \$2,675,400,000**

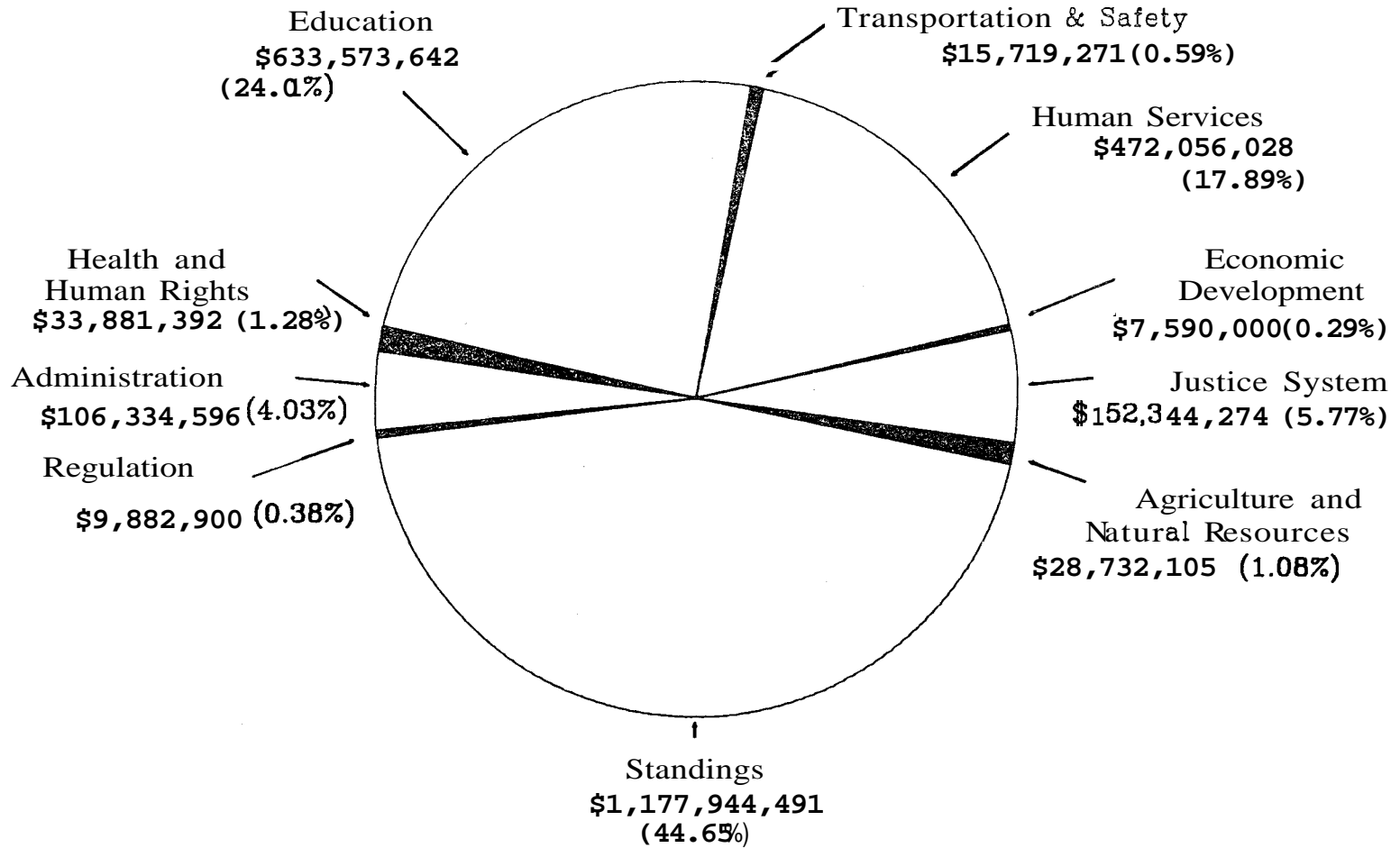
As Estimated By April 5, 1988 Revenue Estimating Conference

# General Fund Appropriations Fiscal Year 1988



**Total: \$2,442,810,247**

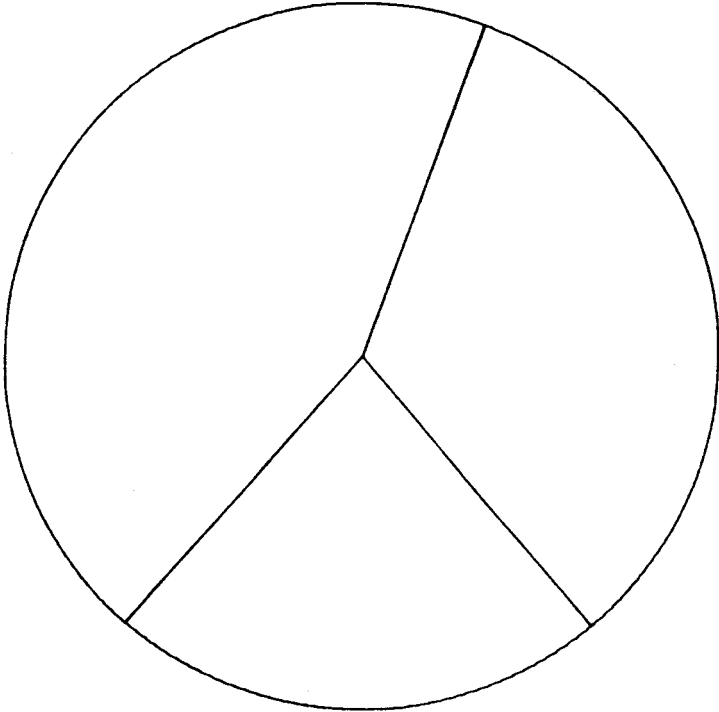
# General Fund Appropriations Fiscal Year 1989



**Total: \$2,638,058,699**

# General Fund Appropriations Fiscal Year 1988

Standings  
\$1,079,520,514  
(44.19%)



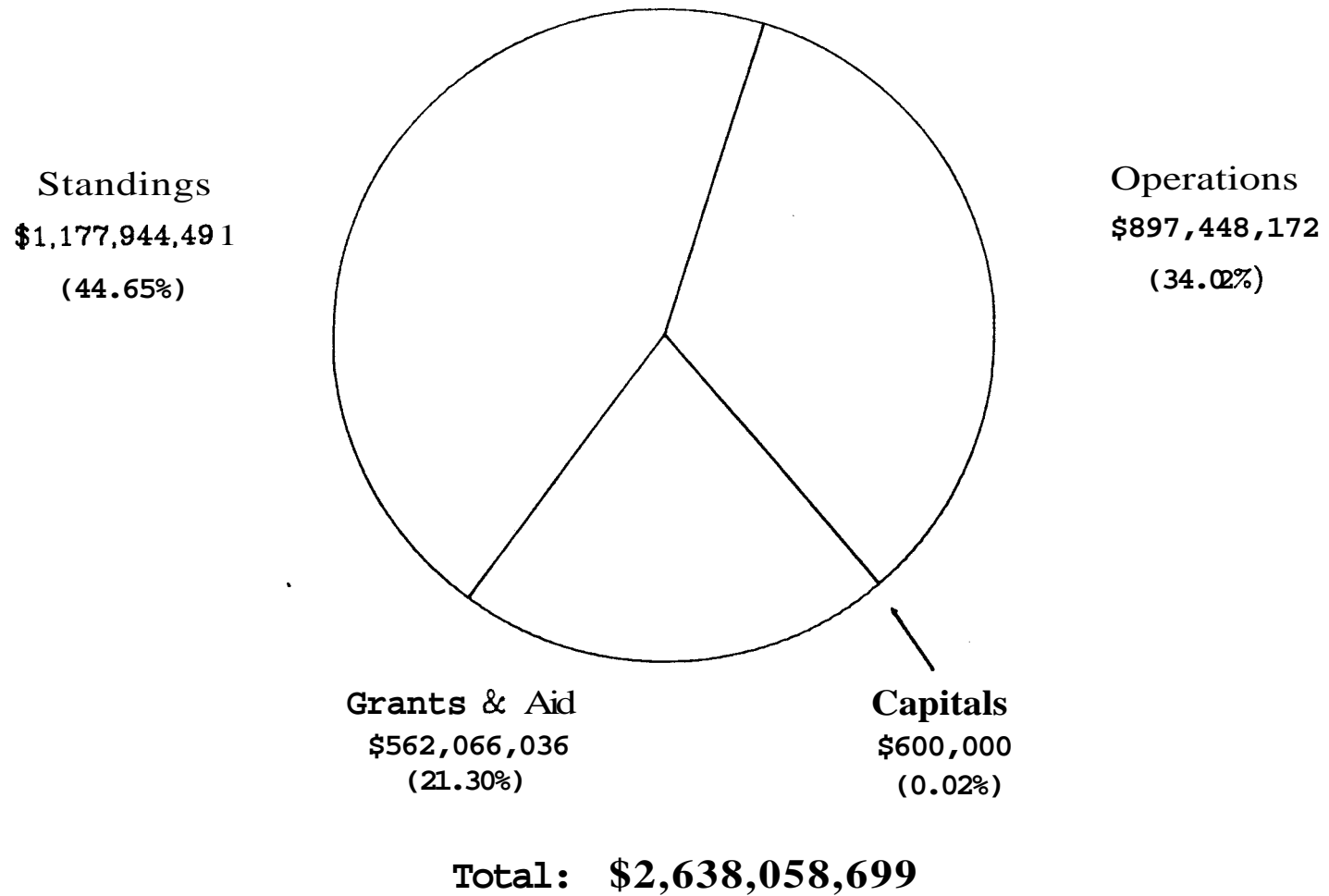
Operations  
\$812,199,572  
(33.25%)

Grants & Aid  
\$551,090,161  
(22.56%)

**Total: \$2,442,810,247**

# General Fund Appropriations

Fiscal Year 1989



STATE OF IOWA  
GENERAL FUND BALANCE  
(Dollars in Millions)

	Fiscal Year 1988			Fiscal Year 1989		
	Governor's Recommendation	Governor's Revised Recommendation	Legislative Action	Governor's Recommendation	Governor's Revised Recommendation	Legislative Action
Estimated Funds Available:						
Beginning Balance	\$ 67.9	67.9	67.9	\$ 39.1	61.7	61.7
Estimated Receipts						
Revenue Estimating Conference:	2,553.0	2,584.0	2,584.0	2,642.7	2,663.5	2,663.5
Changes to Current Law:						
Cigarette Tax	9.0 (D)	6.6	6.6	29.5 (D)	19.7	19.7 (1)
Tobacco Tax	0.3 (D)	0.2	0.2	0.9 (D)	.6	0.6 (2)
Liquor Tax (wine)	0.9 (E)	0.0	0.0		0.0	0.0 (3)
Sales Tax (aviation)	0.0	0.0		-0.2 (E)	-0.2	-0.3 (4)
Corporate Tax	0.0	0.0		6.0 (B)	6.0	6.0
Insurance Premium offset	0.0	0.0		-1.8 (C)	-0.1	0.0 (5)
Franchise Tax	0.0	0.0		9.6 (F)	9.6	9.6
Liquor Profits	0.0	0.0		19.6 (H)	19.6	19.6
Interest	0.0	0.0		1.2 (I)	1.2	1.2
Judicial Revenue	0.0	0.0		8.4 (J)	1.6	1.6 (6)
Fees					6.0 (7)	6.0
Recalculations:						
County Reimbursements	2.0 (G)	2.0	2.0	2.1 (G)	2.1	2.1
Third-Party Payment	2.8 (K)	2.8	2.8	8.0 (K)	7.0	2.8 (8)
Pari-Mutuel Receipts				2.0 (L)	2.0	2.0
Refunds	-220.1	-220.1	-220.1	-219.0	-219.0	-219.0
Accruals	11.3	11.3	11.3	26.7 (N)	26.7	26.7
Transfers	4.8	4.8	4.0	14.8 (M)	14.8	14.8
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 2,431.9</b>	<b>2,459.5</b>	<b>2,459.5</b>	<b>\$ 2,591.8</b>	<b>2,623.6</b>	<b>2,623.6</b>
Estimated Appropriations						
General Fund 10/31/87	\$ 2,419.1	2,419.1	2,419.1	\$ 2,605.4	2,637.8	2,638.1
Appropriation Adjustments:						
Personal Property						
Tax Replacement	-1.5	-1.5	-1.5			
IPERS Standing	-4.3	-4.3	-4.3			
Appeal Board Claims	1.8	1.8	1.8			
Human Services	20.0	23.6	23.6			
School Aid Special						
Education Balance	-1.4	-1.4	-1.4			
Reversions:						
Regular	-25.0	-23.6	-23.6	-15.0	-15.0	-15.0
Item Veto	-15.9	-15.9	-15.9			
<b>NET APPROPRIATIONS</b>	<b>\$ 2,392.8</b>	<b>2,397.8</b>	<b>2,397.8</b>	<b>\$ 2,590.4</b>	<b>2,622.8</b>	<b>2,623.1</b>
<b>ENDING BALANCE</b>	<b>\$ 39.1</b>	<b>61.7</b>	<b>61.7*</b>	<b>\$ 1.4</b>	<b>0.8</b>	<b>0.5</b>

GENERAL FUND BALANCE EXPLANATIONS

- \* FV 1988 Ending Balance: S.F. 2312 makes a FY 1988 appropriation of \$11.1 million to U.N.I. for a power plant addition if the FV 1988 ending balance is greater than \$61.7 million and the Governor certifies that the estimated budget resources are sufficient to fund all other FY 1988 appropriations. The following FY 1989 appropriations are made if the FV 1988 ending balance is greater than \$61.7 million, \$11.1 million has been appropriated for the U.N.I. power plant, and the Governor certifies that the estimated budget resources are sufficient to fund all other FY 1989 appropriations:
- 1) \$ 1.0 million to the three state universities for fire and safety deficiency corrections:
  - 2) \$ .8 million for Community Based Corrections:
  - 3) \$ .7 million to the Department of Corrections for planning purposes;
  - 4) \$ 1.3 million to the Department of Corrections (non-specified): and
  - 5) \$ 1.5 million to the Department of General Services for Capitol Restoration.

Footnotes for Governor's Recommendation:

- A. Sales tax on jet fuel shifted to fuel tax plus elimination of sales tax exemption on casual sales of aircraft.
- O. Internal Revenue Code Update.
- C. Repeal 2% insurance premium tax on non qualified annuities.
- D. Increase Cigarette tax \$.12 cents per pack effective March 1, 1988 and increase tobacco tar proportionately.
- E. Change the tax on wine coolers from a beer tax to a wine tax.
- F. Eliminate the revolving fund and deposit in the General Fund.
- G. Increase to reflect distribution of salary adjustment funds.
- H. Transfer funds for cities and towns (\$12.8 million) and military tax credit (\$6.4million) to General Fund. Also. increase profit (\$.4 million) due to greater efficiencies within the Division.
- i. Increase due to the addition of a full-time investment manager.
- J. Fee increases for funding additional court expenses.
- K. Increase to reflect distribution of salary adjustment funds; \$2.8 million in FY 1988 and \$3.0 million in FV 1989. Third party payments for special education programs: \$5.0 million in FV 1989.
- L. Open new tracks.
- M. Comprised of revolving fund balances. \$155,000; management training balance. \$150,000; telephone balance, \$350,000, franchise tax balance. \$5,700,000; military tax credit balance, \$1,700,000; 10% liquor profit balance. \$5,300,000; and miscellaneous fund balances. \$1,445,000.
- N. Accrual of Corporate Income Tax receipts.

Footnotes for FV 1989 Legislative Action:

- (1) Increased Cigarette tax \$.08 cents per pack effective March 1, 1988.
- (2) Increased tax on tobacco products from 15% to 19%.
- (3) Did not change the tax on wine coolers from a beer tax to a wine tax.
- (4) Revised estimate. The Governor's estimate did not include the loss of interest to the General Fund.
- (5) Information provided by the Insurance Division indicates that added income and sales taxes will largely offset the loss of insurance premium tax associated with the repeal of tax on nonqualified annuities.
- (6) Increased court filing fees to fund judges salary increases.
- (7) Fee increases and fund balance transfers: (by subcommittee):
 

Administration	\$ .7 million
Agriculture & Natural Resources	.4
Health & Human Rights	.3
Regulation	1.0
Transportation (Abstract Fee Fund)	3.6
Total	\$ 8.0 million
- (8) Revised estimate of dollars to be recovered from third parties by Area Education Agencies.
- (9) The Revenue Estimating Conference endorsed the "recalculations" relating to county reimbursements, third party payments, and pari-mutuel receipts. The recalculations (\$11.90million) have been included in the Revenue Estimating Conference total for receipts and transfers (\$2,675,400,000).



Legislative Fiscal Bureau

General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Administration	60,623,895	107,195,262	106,264,596	106,334,596	0	106,334,596	
Agriculture & Natural Res	29,084,276	27,852,286	28,732,105	28,732,105	0	28,732,105	
Economic Development	7,159,383	10,529,833	7,625,000	7,590,000	0	7,590,000	
Education	605,401,843	626,351,719	633,690,801	633,573,642	0	633,573,642	
Health & Human Rights	31,483,520	32,279,615	33,741,392	33,881,392	0	33,881,392	
Human Services	453,264,007	441,613,613	472,043,700	472,056,028	0	472,056,028	
Justice System	149,953,006	158,665,388	152,279,274	152,344,274	0	152,344,274	
Regulation	10,113,369	10,303,427	9,842,900	9,882,900	0	9,882,900	
Transportation and Safety	16,206,434	16,569,271	15,969,271	15,719,271	0	15,719,271	
Standings	1,079,520,514	1,174,369,776	1,177,607,591	1,177,944,491	0	1,177,944,491	
	2,442,810,247	2,605,730,190	2,637,796,630	2,638,058,699	0	2,638,058,699	
Operations	812,199,572	900,086,405	893,984,844	897,448,172	0	897,448,172	
Grant and Aid	551,090,161	531,274,009	565,604,195	562,066,036	0	562,066,036	
Capitals	0	0	600,000	600,000	0	600,000	
Standings	1,079,520,514	1,174,369,776	1,177,607,591	1,177,944,491	0	1,177,944,491	
	2,442,810,247	2,605,730,190	2,637,796,630	2,638,058,699	0	2,638,058,699	

## Leyislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Administration							
Executive Council							
General Office	43,251	38,379	38,379	38,379	0	38,379	52311
Legislative Branch							
House of Representatives							
NCSL	60,844	64,701	64,701	64,701	0	64,701	52311
Legislative Service Bur							
Pioneer Lawmakers	0	700	700	700	0	700	52311
Uniform Laws Commission							
Uniform State Laws Comm.	18,273	12,100	12,100	12,100	0	12,100	52311
Leyislative Branch	79,117	77,501	77,501	77,501	0	77,501	
General Services, Dept of							
General Operations	5,238,165	5,479,837	5,246,497	5,246,497	0	5,246,497	52311
Information Services Div	5,500,733	5,762,599	5,404,470	5,404,470	0	5,404,470	52311
Utilities	1,581,484	1,697,000	1,667,302	1,667,302	0	1,667,302	52311
Rental Space	667,106	667,106	655,431	655,431	0	655,431	52311
Risk Management	18,481	0	0	0	0	0	
Capitol Planning Comm.	1,569	1,571	1,542	1,542	0	1,542	52311
General Services, Dept of	13,007,538	13,608,113	12,975,242	12,975,242	0	12,975,242	
Governor							
General Office	779,114	728,028	728,028	728,028	0	728,028	52311
Expense of Office	5,434	5,434	5,434	5,434	0	5,434	52311
Ad Hoc Committee	15,690	15,690	8,009	8,009	0	8,009	52311
Terrace Hill Quarters	82,231	82,676	82,676	82,676	0	82,676	52311
National Governor's Assoc	0	68,980	68,980	68,980	0	68,980	52311
Administrative Rules Coord	88,438	89,350	86,898	86,898	0	86,898	52311
Governor	970,907	990,158	980,025	980,025	0	980,025	
Governor, Lieutenant Office	124,664	124,664	124,664	124,664	0	124,664	52311
Management, Department of							
General Office	1,427,106	1,485,851	1,485,851	1,485,851	0	1,485,851	52311
Salary Adjustment	260,522	24,011,295	24,011,295	24,081,295	0	24,081,295	52322
FY89 27th Pay Period Adj.	0	16,000,000	16,000,000	16,000,000	0	16,000,000	52322
Council of State Govt.	52,447	55,900	55,900	55,900	0	55,900	52311
Sal Adj - Judges & Ct Adm	0	1,600,000	1,600,000	1,600,000	0	1,600,000	52322
Sal Adj - Regents	0	24,903,705	24,903,705	24,903,705	0	24,903,705	52322
Management, Department of	1,740,075	68,056,751	68,056,751	68,126,751	0	68,126,751	

Legislative Fiscal Bureau

General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Administration</b>							
Personnel. Department of Operations	3,186,450	3,525,976	3,386,654	3,386,654	0	3,386,654	S2311
FOAB & IOASI Admin.	155,485	104,343	102,517	102,517	0	102,517	S2311
IOOP-Fed. Funds Reimburs.	0	0	50,000	50,000	0	50,000	S2311
Personnel. Department of	3,341,935	3,630,319	3,539,171	3,539,171	0	3,539,171	
<b>Revenue &amp; Finance. Dept</b>							
Department Operations	17,954,088	18,382,938	18,130,891	18,130,891	0	18,130,891	S2311
County Assistance	5,291,203	0	0	0	0	0	
Municipal Assistance	14,488,996	0	0	0	0	0	
Revenue & Finance. Dept	37,734,287	18,382,938	18,130,891	18,130,891	0	18,130,891	
<b>Secretary of State</b>							
General Office	1,337,929	1,391,070	1,450,437	1,450,437	0	1,450,437	S2311
Official Register Prtg.	0	72,470	72,470	72,470	0	72,470	S2311
Secretary of State	1,337,929	1,463,540	1,522,907	1,522,907	0	1,522,907	
<b>State-Federal Relations</b>							
Office of	189,844	190,356	186,522	186,522	0	186,522	S2311
<b>Treasurer of State</b>							
Office	580,823	632,543	632,543	632,543	0	632,543	S2311
Moneys and Credit Replmnt	1,473,525	0	0	0	0	0	
Treasurer of State	2,054,348	632,543	632,543	632,543	0	632,543	
<b>Operations</b>							
Grant and Aid	39,370,171	107,195,262	106,264,596	106,334,596	0	106,334,596	
Administration	21,253,724	0	0	0	0	0	
Administration	60,623,895	107,195,262	106,264,596	106,334,596	0	106,334,596	

## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Agriculture & Natural Res							
Agriculture & Land Stwd							
Agriculture & Land Stwd							
Administrative Division	961,644	908,311	968,311	968,311	0	968,311	ti2440
Farm Commodity Division	727,295	735,270	985,270	985,270	0	985,270	H2440
Farmer's Market Coupon	0	100,000	100,000	100,000	0	100,000	H2440
Regulatory Division	3,568,350	3,590,918	3,910,737	3,910,737	0	3,910,737	H2440
Laboratory Division	592,984	596,283	596,283	596,283	0	596,283	H2440
Multiflora Rose	59,940	0	0	0	0	0	
	5,910,213	5,930,782	6,560,601	6,560,601	0	6,560,601	
Ag. - Soil Conservation							
Soil Conservation Oper.	4,401,726	4,347,061	4,347,061	4,347,061	0	4,347,061	H2440
Soil Cons. Cost Share	6,539,972	6,539,972	6,789,972	6,789,972	0	6,789,972	H2440
	10,941,698	10,887,033	11,137,033	11,137,033	0	11,137,033	
Agriculture & Land Stwd	16,851,911	16,817,815	17,697,634	17,697,634	0	17,697,634	
Natural Resources, Dept							
DNR Operations	10,529,892	10,570,488	10,570,488	10,570,488	0	10,570,488	H2440
Pine Lake Study	39,960	0	0	0	0	0	
Reimbursement To USGS	185,983	185,983	185,983	185,983	0	185,983	H2440
Green Thumb Program	199,800	200,000	200,000	200,000	0	200,000	H2440
Sewage Works-5% Grants	1,276,730	0	0	0	0	0	
Low-Level Radioactive Wst	0	78,000	78,000	78,000	0	78,000	H2440
Natural Resources, Dept	12,232,365	11,034,471	11,034,471	11,034,471	0	11,034,471	
Operations	21,267,574	21,234,314	21,864,133	21,864,133	0	21,864,133	
Grant and Aid	7,816,702	6,617,972	6,867,972	6,867,972	0	6,867,972	
Agriculture & Natural Res	29,084,276	27,852,286	28,732,105	28,732,105	0	28,732,105	

Legislative Fiscal Bureau

General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Economic Development</b>							
<b>Economic Devel.. Dept of</b>							
<b>Economic Development</b>							
General Office	803,388	746,827	266,827	266,827	0	266,827	\$2309
Tourism Admin	1,441,533	1,441,870	926,533	926,533	0	926,533	\$2309
Ambassador Program	0	250,000	0	0	0	0	
International Trade	1,058,552	1,057,629	403,669	403,669	0	403,669	82309
Export Finance	0	0	400,000	0	0	0	
Rural Development	0	365,000	0	0	0	0	
Mississippi River Parkway	14,535	14,535	14,535	19,535	0	13,535	\$2309
Iowa Promotion	0	3,000,000	1,000,000	0	0	0	
National Marketing Admin	960,623	1,023,650	716,623	716,623	0	716,623	52309
Small Business Programs	342,094	343,272	342,094	302,094	0	302,094	\$2309
Community Progress	426,768	458,740	426,768	426,768	0	426,768	\$2309
Tourism Advertising	0	0	515,000	915,000	0	915,000	\$2309
Multi State Tourism	0	0	5,000	5,000	0	5,000	\$2309
National Marketing Advts	0	0	190,000	790,000	0	790,000	\$2309
German Trade Office	0	0	195,350	195,350	0	195,350	52309
Hong Kong Trade Office	0	0	163,939	163,939	0	163,939	\$2309
Asian Trade Office	0	0	290,709	290,709	0	290,709	52309
Ay Product Advisory Cncl	0	0	4,885	4,885	0	4,885	\$2309
Film Office	0	0	114,000	114,000	0	114,000	52309
Export Trade Activities	0	0	0	400,000	0	400,000	\$2309
Childcare/displaced Hmkr	727,272	921,577	727,272	727,272	0	727,272	52309
Community Oevel Bk Grant	55,509	55,509	55,509	55,509	0	55,509	52309
Job Training Partnership	959,191	480,000	480,000	480,000	0	480,000	\$2309
Iowa Youth Corp	369,918	371,224	286,287	286,287	0	286,287	52309
	7,159,383	10,529,833	7,525,000	7,490,000	0	7,490,000	
<b>Financial Authority</b>							
Homeless Shelter Grants	0	0	100,000	100,000	0	100,000	52309
Economic Devel., Dept of	7,159,383	10,529,833	7,625,000	7,590,000	0	7,590,000	
<b>Operations</b>							
Grant and Aid	5,047,493	8,701,523	5,975,932	5,940,932	0	5,940,932	
	2,111,890	1,828,310	1,649,068	1,649,068	0	1,649,068	
Economic Development	7,159,383	10,529,833	7,625,000	7,590,000	0	7,590,000	

## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FV 1989	Govn Revised FV 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Education							
College Aid Commission							
Scholarship and Grant Adm	265,813	264,751	279,251	279,251	0	279,251	S2312
Subvention Program	724,685	725,410	715,000	715,000	0	715,000	S2312
IA Tuition Grts-Standing	24,294,765	28,908,450	28,908,450	28,894,765	0	28,894,765	S2312
Scholar Program-Standing	399,600	750,000	750,000	750,000	0	750,000	S2037
Voc. Tech. Tuition Grants	645,935	646,582	644,294	644,294	0	644,294	S2312
Guaranteed Loan Payments	84,915	85,000	84,699	84,699	0	84,699	S2312
Science & Math Loans	49,950	50,000	25,000	0	0	0	
Supplemental Grant Prog.	799,200	450,000	450,000	450,000	0	450,000	S2037
College Work-Study Prog.	2,147,850	2,150,000	2,650,000	2,650,000	0	2,650,000	S2312
College Aid Commission	29,412,713	34,030,193	34,506,694	34,468,009	0	34,468,009	
Cultural Affairs. Dept of							
Cultural Affairs, Dept of							
Iowa Arts Council	469,820	469,820	493,069	493,069	0	493,069	S23 2
State Historical Scty	1,509,812	2,049,128	1,899,128	1,899,128	0	1,859,128	S23 2
State Library	1,081,445	1,082,379	1,177,842	1,177,842	0	1,177,842	S23 2
Terrace Hill	156,343	166,000	179,284	179,284	0	179,284	S23 2
IA Tomorrow: 2010 Project	0	100,000	100,000	100,000	0	100,000	S23 2
Cultural Affairs - Admn	270,386	274,160	273,190	273,190	0	273,190	S23 2
Regional Library System	1,464,165	1,464,164	1,458,985	1,458,985	0	1,458,985	S23 2
Historical Capitals	0	0	600,000	600,000	0	600,000	S2312
	4,951,971	5,605,651	6,181,498	6,181,498	0	6,181,498	
Cultural Affairs IPT							
IA Public Broadcasting	5,979,419	6,053,113	6,030,706	6,280,706	0	6,280,706	S2312
Cultural Affairs. Dept of	10,931,390	11,658,764	12,212,204	12,462,204	0	12,462,204	

Legislative Fiscal Bureau

General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Education</b>							
Education, Department of							
Education, Dept. of							
Dept of Education Admin	5,247,785	5,181,271	5,337,825	5,371,825	0	5,371,825	S2312
Voc Education Admin	894,270	847,670	844,671	844,671	0	844,671	S2312
Pre Kindergarten	0	150,000	0	0	0	0	
Teacher Preparation	0	750,000	750,000	750,000	0	750,000	S2312
Effective Tchng Methods	0	250,000	0	0	0	0	
Prof Teaching Prac Comm	66,454	86,454	66,454	66,454	0	66,454	52312
Talented And Gifted	0	75,000	0	0	0	0	
Educational Aid To Indian	99,900	99,900	0	0	0	0	
Self Esteem Programming	0	111,500	0	0	0	0	
Science, Academy Of	57,437	57,494	50,000	50,000	0	50,000	52312
Voc Vth Organization Fund	9,243	9,243	9,000	9,000	0	9,000	S2312
School Food Service	3,169,950	3,169,958	3,146,215	3,146,215	0	3,146,215	S2312
Txtbks-Nonpub School Stdt	349,650	349,650	348,413	348,413	0	348,413	S2312
Vocational Educ Secondary	3,679,378	3,679,378	3,666,360	3,666,360	0	3,666,360	S2312
MAS - General Aid	52,724,532	54,207,598	57,295,827	57,295,827	0	57,295,827	52312
MAS-FV 89 4th Qtr Aid	14,129,593	22,618,845	22,618,845	22,618,845	0	22,618,845	S 511
Nonenylsh Speaking Stdts	149,850	149,850	150,000	150,000	0	150,000	52312
MAS Property Tax Rplcment	0	087,152	828,012	828,012	0	828,012	S2312
Prog For Educ Excellence	92,007,985	92,007,985	92,007,985	92,007,985	0	92,007,985	S2312
MAS - Formula Prop Tax	0	0	588,246	411,772	0	<del>411,772</del>	52312
	172,586,035	184,688,948	187,707,853	187,565,379	0	187,565,379	
<b>Vocational Rehabilitation</b>							
Vocational Rehabilitation	2,736,954	2,741,954	2,732,253	2,732,253	0	2,732,253	52312
Independent Living	0	17,778	17,715	17,715	0	17,715	S2312
	2,736,954	2,759,732	2,749,968	2,749,968	0	<del>2,749,968</del>	
Education, Department of	175,322,989	187,448,680	190,457,821	190,315,347	0	190,315,347	

## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Education							
Regents, Board of							
Regents Board Office	511,770	516,272	516,272	516,272	0	516,272	S2312
SUI-General University	137,458,712	138,262,377	138,262,377	138,376,377	0	138,376,377	S2312
ISU-General University	112,784,533	113,234,916	116,234,916	116,234,916	0	116,234,916	S2312
UNI-General University	44,378,747	44,836,113	45,136,113	45,136,113	0	45,136,113	S2312
IBSSS	2,789,660	2,742,752	2,742,752	2,742,752	0	2,742,752	S2312
Iowa School For The Deaf	4,959,422	4,957,177	4,957,177	4,957,177	0	4,957,177	52312
SUI-Ag Health And Safety	59,940	59,940	59,940	59,940	0	59,940	52312
Indigent Patient Program	26,577,151	26,836,103	26,199,603	25,899,603	0	25,899,603	52312
Psychiatric Hospital	5,960,880	6,014,532	6,014,532	6,014,532	0	6,014,532	S2312
university Hygienic Lab.	2,470,956	2,507,968	2,507,968	2,507,968	0	2,507,968	S2312
Hospital School	4,488,973	4,542,607	4,542,607	4,542,607	0	4,542,607	S2312
Oakdale Campus	2,478,059	2,498,481	2,498,481	2,498,481	0	2,498,481	S2312
Family Practice Program	1,507,793	1,511,061	1,511,061	1,511,061	0	1,511,061	S2312
SCHS - Hemophilia, Cancer	333,057	337,256	337,256	337,256	0	337,256	S2312
Rural Concern Hotline	89,910	90,000	90,000	90,000	0	90,000	S2312
ISU: Ag. Experiment Sta.	13,065,582	13,556,178	13,556,178	13,556,178	0	13,556,178	S2312
ISU: Coop. Extension	13,125,525	13,317,224	13,317,224	13,317,224	0	13,317,224	52312
Tuition Replacement	16,204,725	17,003,669	17,003,669	17,003,669	0	17,003,669	S2312
ISU Water Res. Research	99,900	0	0	0	0	0	
ISU Fire Service Inst.	389,456	389,456	389,456	389,456	0	389,456	52312
SUI - Library Acquisition	0	0	341,250	341,250	0	341,250	S2312
ISU - Library Acquisition	0	0	234,400	234,400	0	234,400	52312
UNI - Library Acquisition	0	0	60,850	60,850	0	60,850	52312
Regents, Board of	389,734,751	393,214,082	396,514,082	396,328,082	0	396,328,082	
Operations	408,570,589	414,042,454	416,745,470	416,843,470	0	416,843,470	
Grant and Aid	196,831,254	212,309,265	216,345,331	216,130,172	0	216,130,172	
Capitals	0	0	600,000	600,000	0	600,000	
Education	605,401,843	626,351,719	633,690,801	633,573,642	0	633,573,642	



## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	8111
<b>Health &amp; Human Rights</b>							
Civil Rights Commission							
General Office	848,760	875,260	875,000	875,000	0	875,000	\$2310
<b>Elder Affairs, Oept of</b>							
State Administration	342,892	329,779	319,000	319,000	0	319,000	\$2310
Area Agencies on Aging	114,134	114,134	114,000	114,000	0	114,000	\$2310
Elderly Services	1,076,118	1,376,118	1,316,000	1,356,000	0	1,356,000	\$2310
Senior Legislature	12,940	12,940	13,000	13,000	0	13,000	\$2310
Retired Iowan Employment	104,760	104,780	104,000	104,000	0	104,000	\$2310
Alzheimer's Support Prog	69,930	0	0	0	0	0	
R.S.V.P.	14,264	14,264	14,000	14,000	0	14,000	\$2310
Elder Law Program	0	0	100,000	100,000	0	100,000	\$2310
<b>Elder Affairs, Oept of</b>	<b>1,735,038</b>	<b>1,951,995</b>	<b>1,980,000</b>	<b>2,020,000</b>	<b>0</b>	<b>2,020,000</b>	
<b>Health, Dept of Public</b>							
Central Administration	860,577	788,714	737,000	737,000	0	737,000	\$2310
Professional Licensure	468,247	461,256	461,000	461,000	0	461,000	\$2310
Health Planning	1,350,127	1,234,950	1,222,000	1,222,000	0	1,222,000	\$2310
Disease Prevention	1,627,157	1,717,355	1,717,000	1,717,000	0	1,717,000	\$2310
Substance Abuse	481,321	471,576	471,000	471,000	0	471,000	\$2310
Family & Community Health	2,181,769	2,160,282	2,210,000	2,210,000	0	2,210,000	\$2310
Dental Examiners	120,261	168,680	168,000	168,000	0	168,000	\$2310
Medical Examiners	063,700	084,813	884,000	004,000	0	884,000	\$2310
Nursing Board	540,235	700,697	708,000	700,000	0	708,000	\$2310
Pharmacy Examiners	381,173	516,449	516,000	516,000	0	516,000	\$2310
Alliance on Subst Abuse	0	45,000	45,000	45,000	0	45,000	\$2310
SIDS Autopsies	14,264	14,264	14,000	14,000	0	14,000	\$2310
Well Elderly Clinics	300,576	494,423	474,000	494,000	0	494,000	\$2310
Public Health Nursing	2,175,581	2,175,501	2,175,000	2,175,000	0	2,175,000	\$2310
Homemaker	7,417,044	7,417,044	7,707,000	7,787,000	0	7,787,000	\$2310
Substance Abuse Grants	7,021,092	7,021,090	7,021,000	7,021,000	0	7,021,000	\$2310
Decentralized OB Care Pro	699,300	1,070,000	770,000	770,000	0	770,000	\$2310
Health Data Clearinghouse	249,750	0	250,000	250,000	0	250,000	\$2310
Emergency Medical Service	0	0	1,000,000	1,000,000	0	1,000,000	\$2310
<b>Health, Oept of Public</b>	<b>26,040,254</b>	<b>27,350,174</b>	<b>28,550,000</b>	<b>28,650,000</b>	<b>0</b>	<b>28,650,000</b>	

Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Health 8 Human Rights							
Human Rights, Dept of							
Administration	144,052	99,227	104,000	104,000	0	104,000	52310
Div for the Blind	1,253,661	1,281,106	0	0	0	0	
Children, Youth, Families	134,137	134,138	134,000	134,000	0	134,000	52310
Deaf Services Div	231,215	238,527	238,000	238,000	0	238,000	52310
Persons with Disabilities	125,969	125,969	125,000	125,000	0	125,000	52310
Spanish Speaking Peoples	60,280	60,280	60,000	60,000	0	60,000	52310
Status of Women Div	110,154	110,154	110,000	110,000	0	110,000	52310
Status of Blacks Div	0	52,785	52,000	52,000	0	52,000	52310
C&JJPA	0	0	215,392	215,392	0	215,392	52310
Human Rights, Dept of	2,059,468	2,102,186	1,038,392	1,038,392	0	1,038,392	
Blind, Department for the General Office	0	0	1,298,000	1,298,000	0	1,298,000	52310
Operations	12,133,767	12,464,997	12,669,392	12,669,392	0	12,669,392	
Grant and Aid	19,349,753	19,814,618	21,072,000	21,212,000	0	21,212,000	
Health 8 Human Rights	31,483,520	32,279,615	33,741,392	33,881,392	0	33,881,392	

Legislative Fiscal Bureau

General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govri Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Human Services</b>							
Human Services, Dept. of							
Central Office							
General Administration	6,991,581	6,789,000	6,841,245	6,841,245	0	6,841,245	H2447
Bill ut Rights	0	0	1,300,000	1,300,000	0	1,300,000	H2447
	<u>6,991,581</u>	<u>6,789,000</u>	<u>8,141,245</u>	<u>8,141,245</u>	<u>0</u>	<u>8,141,245</u>	
<b>Community Services, Divis</b>							
Community Services							
Child Support Recovery	30,404,663	31,786,000	31,890,603	31,890,603	0	31,890,603	H2447
Collection Serv Center	1,025,960	1,012,000	1,012,000	1,012,000	0	1,012,000	H2447
Child Suppt Coll Fund	737,329	724,672	724,672	0	0	0	
	0	0	0	700,000	0	700,000	H2452
	<u>32,167,952</u>	<u>33,522,672</u>	<u>33,627,275</u>	<u>33,602,603</u>	<u>0</u>	<u>33,602,603</u>	
<b>Institutions</b>							
Juvenile Institutions	8,925,698	9,912,000	10,062,000	10,062,000	0	10,062,000	H2447
Marshalltown Vets Home	22,991,375	22,681,000	23,181,000	23,181,000	0	23,181,000	H2447
Mental Health Institutes	37,835,837	38,153,000	38,153,000	38,153,000	0	38,153,000	H2447
State Hospital Schools	60,365,910	59,918,000	59,918,000	59,918,000	0	59,918,000	H2447
	<u>130,118,820</u>	<u>130,664,000</u>	<u>131,314,000</u>	<u>131,314,000</u>	<u>0</u>	<u>131,314,000</u>	

## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Human Services							
Social Services							
Child Care Assistance	0	0	0	3,500,000	0	3,500,000	H2447
Institutional Pop Reduct	599,400	0	0	0	0	0	
Aid To Indians	34,965	34,965	34,965	34,965	0	34,965	H2447
Aid To Dependent Children	61,938,000	46,521,000	48,328,449	48,328,449	0	48,328,449	H2447
Medical Assistance	152,461,500	148,432,000	163,290,645	163,290,645	0	163,290,645	H2447
State Supp. Assistance	12,489,000	13,093,000	14,995,600	14,995,600	0	14,995,600	H2447
Medical Contracts	2,547,450	2,592,000	2,527,045	2,527,045	0	2,527,045	ti2447
Work Incentive Program	0	1,202,794	1,202,794	1,202,794	0	1,202,794	H2447
Volunteers	67,932	67,932	67,932	67,932	0	67,932	H2447
Foster Care	34,803,170	37,809,000	38,247,000	38,247,000	0	38,247,000	H2447
Community Based Programs	2,777,520	6,573,500	4,682,014	4,682,014	0	4,682,014	H2447
Home-Based Services	6,393,600	6,495,000	6,974,800	6,974,800	0	6,974,800	H2447
Food Stamp Employ & Train	459,540	246,550	246,550	246,550	0	246,550	H2447
Social Serv Block Grant	4,385,610	2,488,200	6,564,000	3,064,000	0	3,064,000	H2447
MH/MR Services Fund	3,329,667	3,330,000	3,205,000	3,205,000	0	3,205,000	ti2447
Juv Justice-County Based	1,198,800	1,752,000	2,502,000	2,502,000	0	2,502,000	H2447
Teenage Pregnancy Prevent	499,500	0	0	0	0	0	
Child Development Grant	0	0	1,175,700	1,175,700	0	1,175,700	H2447
Family Development Grants	0	0	690,000	690,000	0	690,000	H2447
Supp. Child Care Assistan	0	0	2,100,000	2,100,000	0	2,100,000	H2447
Resource and Referral	0	0	150,000	150,000	0	150,000	ti2447
SQBRA	0	0	608,000	608,000	0	608,000	ti2447
Foster Home Ins. Pool	0	0	165,000	165,000	0	165,000	ti2447
Supp Payments Foster Care	0	0	450,000	450,000	0	450,000	H2447
Addtl FC Services	0	0	240,000	240,000	0	240,000	H2447
Foster Parent Inservice	0	0	200,000	200,000	0	200,000	ti2447
Child Abuse Prev Grants	0	0	313,686	350,686	0	350,686	H2447
	283,985,654	270,637,941	298,961,180	298,998,180	0	298,998,180	
Human Services, Dept. of	453,264,007	441,613,613	472,043,700	472,056,028	0	472,056,028	
Operations	169,278,353	170,975,672	173,082,520	176,557,848	0	176,557,848	
Grant and Aid	283,985,654	270,637,941	298,961,180	295,498,180	0	295,498,180	
Human Services	453,264,007	441,613,613	472,043,700	472,056,028	0	472,056,028	

Legislative Fiscal Bureau

General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Justice System</b>							
Justice, Department of							
Justice, Department of							
General Office	3,692,010	3,643,490	3,692,010	3,692,010	0	3,692,010	H2443
Farmers Legal Assistance	60,000	0	60,000	60,000	0	60,000	H2443
Farmers Mediation Service	299,700	200,000	200,000	200,000	0	200,000	H2443
Loyal Cnsl for DED	0	0	0	65,000	0	65,000	52344
Prosecutor Internship	44,955	44,955	44,955	44,955	0	44,955	H2443
	4,096,665	3,888,445	3,996,965	4,061,965	0	4,061,965	
Prosecuting Attorney Trng							
Pros. Attorney Training	87,277	87,301	87,277	87,277	0	87,277	H2443
Justice, Department of	4,183,942	3,975,746	4,084,242	4,149,242	0	4,149,242	
<b>Corrections, Dept of</b>							
CBC District 1							
CEC District 1	3,017,311	3,097,993	3,164,940	3,164,940	0	3,164,940	H2443
CBC District 2							
CBC District 2	2,475,824	2,522,906	2,564,278	2,564,278	0	2,564,278	H2443
CEC District 3							
CEC District 3	1,449,684	1,467,707	1,470,782	1,470,782	0	1,470,782	H2443
CBC District 4							
CBC District 4	1,337,072	1,373,176	1,382,001	1,382,001	0	1,382,001	H2443
CEC District 5							
CEC District 5	4,231,378	4,294,591	4,440,969	4,440,969	0	4,440,969	H2443
CBC District 6							
CBC District 6	3,090,976	3,141,954	3,232,178	3,232,178	0	3,232,178	H2443
CEC District 7							
CBC District 7	2,584,271	2,644,735	2,738,028	2,738,028	0	2,738,028	H2443
CBC District 8							
CEC District 8	1,223,374	1,253,984	1,333,719	1,333,719	0	1,333,719	H2443
CBC Statewide							
CBC Statewide	89,137	89,137	86,445	86,445	0	86,445	H2443
Corrections-Cent. Office							
Central Office Corr.	1,681,680	1,734,135	1,693,744	1,693,744	0	1,693,744	H2443
Jail Inspections	80,884	0	0	0	0	0	
Federal Prisoners	354,645	300,000	300,000	300,000	0	300,000	H2443
County Confinemerrt	64,935	119,580	119,580	119,580	0	119,580	H2443
Roof Repairs	115,584	0	115,584	115,584	0	115,584	H2443
Inmate Tort Claims	1,498	0	0	0	0	0	
	2,299,226	2,153,715	2,228,908	2,228,908	0	2,228,908	
Corr. Training Academy							
Training Center	288,249	279,731	279,731	279,731	0	279,731	H2443

## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	tionv Rev sed FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Justice System							
Corr. - Fort Madison							
Ft. Madison	16,952,913	17,126,365	17,126,365	17,126,365	0	17,126,365	H2443
Corr. - Anamosa							
Anamosa	11,754,324	11,925,005	11,925,005	11,925,005	0	11,925,005	H2443
Corr. - Oakdale							
Oakdale	8,017,101	8,380,765	8,380,765	8,380,765	0	8,380,765	H2443
Corr. - Newton							
Newton	2,059,215	2,108,172	2,108,172	2,108,172	0	2,108,172	H2443
Corr. - Mt Pleasant							
Mt Pleasant	8,830,980	9,106,787	9,106,787	9,106,787	0	9,106,787	H2443
Corr. - Rockwell City							
Rockwell City	2,239,243	2,244,481	2,244,481	2,244,481	0	2,244,481	H2443
Corr. - Clarinda							
Clarinda	3,185,190	3,280,232	3,280,232	3,280,232	0	3,280,232	H2443
Corr. - Mitchellville							
Mitchellville	2,702,028	2,713,841	2,713,841	2,713,841	0	2,713,841	H2443
Corrections. Dept of	77,827,496	79,205,277	79,807,627	79,807,627	0	79,807,627	
Judicial Branch							
Juvenile Vict. Rest.	115,000	115,000	115,000	115,000	0	115,000	H2443
Operations	57,590,415	62,885,207	58,159,405	58,159,405	0	58,159,405	H2443
Indigent Defense	8,200,000	9,575,087	8,000,000	8,000,000	0	8,000,000	H2443
Juvenile Indigent Defense	1,500,000	2,295,685	1,500,000	1,500,000	0	1,500,000	H2443
Judicial Branch	67,405,415	74,870,979	67,774,405	67,774,405	0	67,774,405	
Parole. Board of							
Parole Board	536,153	613,386	613,000	613,000	0	613,000	H2443
Operations	130,227,007	138,614,670	131,585,815	131,650,815	0	131,650,815	
Grant and Aid	19,725,999	20,050,718	20,693,459	20,693,459	0	20,693,459	
Justice System	149,953,006	158,665,388	152,279,274	152,344,274	0	152,344,274	

Legislative Fiscal Bureau

General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Regulation							
Auditor of State General Office	1,759,018	1,533,442	1,473,442	1,473,442	0	1,473,442	H2444
Campaign Finance Discl. General Office	179,699	178,599	178,599	178,599	0	178,599	ti2444
Admin Intern	0	0	8,100	8,100	0	8,100	H2444
Campaign Finance Discl.	179,699	178,599	186,699	186,699	0	186,699	
Commerce, Department of Admin Services Div General Office-Startup	179,820	0	0	0	0	0	
Insurance Division General Office-Startup	149,850	0	0	0	0	0	
Professional License Div General Office-Startup	642,322	654,027	100,000	100,000	0	100,000	ti2444
Commerce, Department of	971,992	654,027	100,000	100,000	0	100,000	
Employment Services, Dept Industrial Services Div	1,124,889	1,323,371	1,427,071	1,427,071	0	1,427,071	H2444
Labor Services Div	1,743,423	1,862,968	1,867,668	1,867,668	0	1,867,668	H2444
Admin Services	93,880	0	0	0	0	0	
Employment Services, Dept	2,962,192	3,186,339	3,294,739	3,294,739	0	3,294,739	
Inspections/Appeals, Dept General Office	3,326,151	3,920,680	3,920,680	3,960,680	0	3,960,680	H2444
Foster Care Review Board	186,178	193,781	193,781	193,781	0	193,781	ti2444
Employment Appeals Board	30,879	32,154	32,154	32,154	0	32,154	H2444
Demonstration Waiver Proj	111,776	0	0	0	0	0	
Bingo Audits	0	0	37,000	37,000	0	37,000	H2444
Inspections/Appeals, Dept	3,654,984	4,146,615	4,183,615	4,223,615	0	4,223,615	
Public Employ Relation Bd General Office	585,484	604,405	604,405	604,405	0	604,405	H2444
Operations	10,113,369	10,303,427	9,842,900	9,882,900	0	9,882,900	
Regulation	10,113,369	10,303,427	9,842,900	9,882,900	0	9,882,900	

## Layislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Transportation and Safety							
Education, Department of							
Perm. School Fund	0	0	0	55,000	0	55,000	52314
Law Enforcement Academy							
Operations	773,501	707,165	707,165	707,165	0	707,165	52314
Public Defense, Dept of							
Operations	3,295,400	3,363,546	3,256,709	3,256,709	0	3,256,709	S2314
Emergency Resp Planning	0	0	106,837	106,837	0	106,837	52314
War Orphans Education Aid	15,185	15,185	15,185	15,185	0	15,185	S2314
Public Defense, Dept of	3,310,585	3,378,731	3,378,731	3,378,731	0	3,378,731	
Public Safety, Dept of							
Administration	2,013,257	1,990,608	1,990,608	1,935,608	0	1,935,608	S2314
Communications	2,670,064	2,825,292	2,825,292	2,825,292	0	2,825,292	52314
Investigation, OCI	5,231,238	4,303,108	3,703,108	3,453,108	0	3,453,108	52314
Pari-Mutuel Enforcement	181,273	227,665	227,665	227,665	0	227,665	S2314
Narcotics Enforcement	0	969,015	969,015	969,015	0	969,015	52314
Fire Marshal	1,167,924	1,191,395	1,191,395	1,191,395	0	1,191,395	S2314
Capitol Security	858,592	976,292	976,292	976,292	0	976,292	S2314
Public Safety, Dept of	12,122,348	12,483,375	11,883,375	11,578,375	0	11,578,375	
Operations	16,191,249	16,554,086	15,954,086	15,704,086	0	15,704,086	
Grant and Aid	15,185	15,185	15,185	15,185	0	15,185	
Transportation and Safety	16,206,434	16,569,271	15,969,271	15,719,271	0	15,719,271	



Legislative Fiscal Bureau

General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Finl Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Standings							
Auditor of State Board Rryents Audit	0	0	0	330,000	0	330,000	S2312
Corrections, Dept of State Cases	124,875	125,000	125,000	125,000	0	125,000	
Education, Department of School Foundation Aid Trans. of Nonpublic Stdt	814,284,900 6,143,850	874,800,000 6,099,419	876,500,000 6,099,419	876,500,000 6,099,419	0 0	876,500,000 6,099,419	
Education, Department of	820,428,750	880,899,419	882,599,419	882,599,419	0	882,599,419	
Employment Services, Oept Workers Comp-Peace Office	10,989	11,000	11,000	11,000	0	11,000	
Executive Council Court Costs Public Improvements Habeas Corpus Performance of Duty	84,915 44,955 94,905 499,500	85,000 40,000 95,000 250,000	85,000 40,000 95,000 250,000	85,000 40,000 95,000 250,000	0 0 0 0	85,000 40,000 95,000 250,000	
Executive Council	724,275	470,000	470,000	470,000	0	470,000	

## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FV 1989	Govn Revised FV 1989	Final Action FV 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Standings							
Legislative Branch							
House of Representatives							
House Of Representatives	4,767,000	5,016,612	5,612,700	5,612,700	0	5,612,700	
Senate							
Senate	2,856,440	2,999,262	2,999,262	2,999,262	0	2,999,262	
Joint Expenses of Legis.							
Joint Expenses	250,000	272,700	481,000	481,000	0	481,000	
Administrative Rules Rev	45,000	55,619	60,200	60,200	0	60,200	
	295,000	328,319	541,200	541,200	0	541,200	
Citizens' Aide, Office of							
Citizens' Aide	307,828	385,543	434,160	434,160	0	434,160	
Code Editor							
Code Editor	1,006,285	0	0	0	0	0	
Leg. Computer Support Bur							
Legislative Computer Supp	903,297	908,152	1,238,961	1,238,961	0	1,238,961	
Legislative fiscal Bureau							
Legislative Fiscal Bureau	871,960	1,024,618	1,095,000	1,095,000	0	1,095,000	
Legislative Service Bur							
Legislative Service Bur	1,284,936	2,832,662	3,111,700	3,111,700	0	3,111,700	
Legislative Branch	12,292,746	13,495,168	15,032,983	15,032,983	0	15,032,983	
General Services, Dept of							
Salary report	0	0	0	6,900	0	6,900	\$2311
Governor							
Interstate Extradition	3,996	3,500	3,500	3,500	0	3,500	
Presidential Electors	0	600	600	600	0	600	
Governor	3,996	4,100	4,100	4,100	0	4,100	
Human Services, Dept. of							
Commission Of Inquiry	999	1,000	1,000	1,000	0	1,000	
Non Res Tran Mentally Ill	4,995	5,000	5,000	5,000	0	5,000	
Non Resident Commitment	64,935	65,000	65,000	65,000	0	65,000	
Human Services. Dept. of	70,929	71,000	71,000	71,000	0	71,000	

## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Standings</b>							
Management, Department of Indian Settlement Officer Appeal Board	3.362 1,998,000	3,365 2,000,000	3,365 2,000,000	3,365 2,000,000	0 0	3,365 2,000,000	H2457
Management, Department of	2,001,362	2,003,365	2,003,365	2,003,365	0	2,003,365	
Personnel, Department of Teachers Retirement Bene Ipers 30 Vr. Incr. Bene. Ipers Ps & Ms Incr. Bene. Worker's Compensation Ipass Increased Benefits Ipers-legislative Buy-in	149.850 4.495 3,996,000 3,496,500 109,890 9.990	0 0 0 3,465,000 0 50,000	0 0 0 3,465,000 0 50,000	0 0 0 3,465,000 0 50,000	0 0 0 0 0 0	0 0 0 3,465,000 0 50,000	
Personnel, Department of	7,766,725	3,515,000	3,515,000	3,515,000	0	3,515,000	
Public Defense, Dept of Comperisation & Expense	39,960	40,000	40,000	40,000	0	40,000	
Regents, Board of Livestock Disease Res. ISO-Clothing And Trans. ISO-Tuition & Trans. IBSSS-Clothing And Trans. Excess Quota Patients	299,700 3.996 0 499 100	300,000 3,000 5,000 500 0	300,000 3,000 5,000 500 0	300,000 3,000 5,000 500 0	0 0 0 0 0	300,000 3,000 5,000 500 0	
Regents, Board of	304,295	308,500	308,500	308,500	0	308,500	
Revenue & Finance, Dept Ag Land Tax Credit Pers Property Tax Repl Pers Prop. Tax Repl. Lvst Property Tax Replacement Printing Cigarette Stamps Sales Tax Fees And Cost Homestead Tax Credit Aid Extraordinary Prop. Tax Peace Officer Retirement Unemployment Compensation Mach & Comp Tax Repl Franchise Tax Reimburs. Military Service Tax Cred	43,456,500 58,941,000 7,992,000 0 129,870 54,945 93,406,500 9,990,000 3,296,700 1,498,500 16,983,000 0 0	43,500,000 32,500,000 0 67,736,924 130,000 55,000 93,500,000 10,000,000 3,300,000 600,000 13,500,000 5,400,000 3,200,000	43,500,000 32,500,000 0 67,736,924 130,000 55,000 93,500,000 10,000,000 3,300,000 600,000 13,500,000 5,400,000 3,200,000	43,500,000 32,500,000 0 67,736,924 130,000 55,000 93,500,000 10,000,000 3,300,000 600,000 13,500,000 5,400,000 3,200,000	0 0 0 0 0 0 0 0 0 0 0 0 0	43,500,000 32,500,000 0 67,736,924 130,000 55,000 93,500,000 10,000,000 3,300,000 600,000 13,500,000 5,400,000 3,200,000	H2457
Revenue & Finance, Dept	235,749,015	273,421,924	273,421,924	273,421,924	0	273,421,924	

## Legislative Fiscal Bureau

## General Fund Appropriations

	Estimated FY 1988	Govn Original FV 1989	Govn Revised FV 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Standings							
Secretary of State							
Iowa Servicernens Ballot	2,098	2,100	2,100	2,100	0	2,100	
Constitutional Amendments	0	2,700	2,700	2,700	0	2,700	
Secretary of State	2,098	4,800	4,800	4,800	0	4,800	
Treasurer of State							
Unclaimed Fee Refunds	499	500	500	500	0	500	
Standings	1,079,520,514	1,174,369,776	1,177,607,591	1,177,944,491	0	1,177,944,491	
Standings	1,079,520,514	1,174,369,776	1,177,607,591	1,177,944,491	0	1,177,944,491	

Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Hevisad FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Administration	11,589,184	43,748,197	43,748,197	43,842,025	0	43,842,025	
Agriculture & Natural Res	28,977,584	28,581,724	28,581,724	30,001,724	1,000,000	29,001,724	
Economic Development	33,156,972	35,035,000	35,035,000	35,283,000	0	35,283,000	
Education	4,314,583	4,183,606	4,183,606	4,008,606	0	4,008,606	
Health & Human Rights	67,000	1,146,280	1,146,280	146,000	0	146,000	
Human Services	0	0	0	1,392,000	0	1,392,000	
Justice System	1,154,475	1,144,856	1,144,856	1,144,856	0	1,144,856	
Regulation	20,872,129	25,585,786	25,585,786	26,408,813	0	26,408,813	
Transportation and Safety	191,179,494	196,545,400	197,145,400	199,276,400	0	199,276,400	
	291,311,421	335,970,849	336,570,849	341,503,424	1,000,000	340,503,424	
	=====	=====	=====	=====	=====	=====	=====
Other	291,311,421	335,970,849	336,570,849	341,503,424	1,000,000	340,503,424	
	291,311,421	335,970,849	336,570,849	341,503,424	1,000,000	340,503,424	
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## Legislative Fiscal Bureau

## Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Administration</b>							
General Services. Oept of General Services, Oept of Cent Pur Adm-Rev. Fund	487,350	469,058	469,058	492,886	0	492.886	S2311
Gen. Serv - Vehicle Oisp GS Gen Off-Veh Oisp Rev.	444.169	442,028	442.028	442.028	0	442.020	S2311
Centralized Printing Cent Printing Rev. Fund	753.504	751,500	751,500	751,500	0	751,500	S2311
General Services. Oept of	1,685,031	1,662,586	1,662,586	1,686,414	0	1,686,414	
<b>Management, Department of</b>							
Sal Aaj-Local Prg/Libr	0	30,800	30,800	30,800	0	30,800	S2322
Sal Adj-Local Prg/Sub Ab	0	194,000	194,000	194,000	0	194,000	S2322
Sal Adj-Local Prg/Pub Hlt	0	60,200	60,200	60,200	0	60,200	S2322
Sal Adj-Local Prg/Hmemkr	0	201,200	201,200	201,200	0	201,200	S2322
RUTF Sal Adj/27th pay pd	0	1,200,901	1,200,901	1,200,901	0	1,200,901	S2322
PRF Sal Adj/27th pay pd	0	3,610,055	3,610,055	3,610,055	0	3,610,055	S2322
Sal Adj-Selected Oepts	0	26,025,095	26,025,095	26,095,095	0	26,095,095	S2322
Management, Department of	0	31,322,251	31,322,251	31,392,251	0	31,392,251	
<b>Personnel. Department of</b>							
IPERS Fund - Ipers Admin	2,138,396	2,306,059	2,306,059	2,306,059	0	2,306,059	S2311
<b>Revenue &amp; Finance, Oept</b>							
Revenue & Finance. Oept MVFT Unapportioned	1,014,799	1,032,836	1,032,836	1,032,836	0	1,032,836	S2311
<b>Lottery Division Oper</b>							
Lottery Fund-Lottery Oper	6,750,958	7,424,465	7,424,465	7,424,465	0	7,424,465	S2311
<b>Revenue &amp; Finance, Oept</b>							
	7,765,757	8,457,301	8,457,301	8,457,301	0	8,457,301	
<b>Other</b>							
	11,589,184	43,748,197	43,748,197	43,842,025	0	43,842,025	
<b>Administration</b>							
	11,589,184	43,748,197	43,748,197	43,842,025	0	43,842,025	

Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Agriculture &amp; Natural Res</b>							
<b>Agriculture &amp; Land Stwd</b>							
Dairy Fund - Administ	86,321	86.813	86.813	86.813	0	86.813	H2440
Corn Feed Fd - Administ	46,888	51.100	51.100	51.100	0	51,100	H2440
Fert Fund - Administ	46,888	51,100	51,100	51,100	0	51,100	H2440
Com Feed Fd - Lab Div	776.521	811,527	811,527	811,527	0	811,527	H2440
Pest Fund - Lab Div	486,608	495.517	495.517	495.517	0	4115,517	H2440
Fert Fund - Lab Oiv	820.654	832.356	832,356	832.356	0	832.356	H2440
Horse/Dog Br- Nat Horse	112,000	116,571	116,571	116.571	0	116,571	ti2440
<b>Agriculture &amp; Land Stwd</b>	<b>2,375,880</b>	<b>2,444,984</b>	<b>2,444,984</b>	<b>2,444,984</b>	<b>0</b>	<b>2,444,984</b>	
<b>Economic Oevel.. Dept of</b>							
<b>Oil Overcharge - Semicond</b>							
	0	500,000	500,000	500.000	0	500,000	H2469
<b>Human Rights. Dept of</b>							
<b>Oil Overcharge - Low Inc</b>							
	1,586,934	3,000,000	3,000,000	3,000,000	0	3,000,000	H2469
<b>Oil Overcharge - Utility</b>							
	0	0	0	350.000	0	350,000	H2469
<b>Human Rights. Dept of</b>	<b>1,586,934</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,350,000</b>	<b>0</b>	<b>3,350,000</b>	
<b>Natural Resources. Dept</b>							
<b>Marine Fuel - Capitals</b>							
	1,317,000	0	0	0	0	0	
<b>Fish &amp; Game - DNR Oper</b>							
	13,297,434	13,505,148	13,505,148	13,505,148	0	13,505,148	ti2440
<b>Groundwater - DNR Big Spg</b>							
	681,001	681,000	681,000	681,000	0	681,000	H 631
<b>Groundwater - DNR General</b>							
	716.250	716.250	716.250	716,250	0	716.250	H 631
<b>Groundwater - DNR Lndfill</b>							
	194.026	335.995	335,995	335,995	0	335.995	H 631
<b>Groundwater - DNR Lndfill</b>							
	100.000	100.000	100,000	100,000	0	100,000	H 631
<b>Groundwater - DNR Rural</b>							
	293,706	532,176	532,176	532,176	0	532.176	H 631
<b>Groundwater - DNR Stor Tk</b>							
	260.211	260.211	260.211	260.211	0	260.211	H 631
<b>Groundwater - DNR Well Ts</b>							
	34,796	52.316	52.316	52.316	0	52.316	ti 631
<b>Groundwater - DNR GWTA</b>							
	260.880	289.880	289,880	289,880	0	289,880	H 631
<b>Groundwater - DNR WMAD</b>							
	98,385	98,385	98,385	98,385	0	98,385	H 631
<b>Marine Fuel - DNR Oper</b>							
	397.179	397.179	397.179	397.179	0	397.179	ti2440
<b>Snowmobile Program</b>							
	145,000	150,000	150,000	150,000	0	150,000	H2440
<b>Boating Program</b>							
	950,000	1,000,000	1,000,000	1,000,000	0	1,000,000	H2440
<b>Navigation Laws &amp; Safety</b>							
	100,000	150,000	150,000	150,000	0	150,000	ti2440
<b>Oil Overcharge - Grndwter</b>							
	5,530.000	4,000,000	4,000,000	4,000,000	0	4,000,000	H2469
<b>Oil Overcharge - Energy</b>							
	118.500	118,500	118,500	118.500	0	118,500	H2469
<b>Oil Overcharge - Extensn</b>							
	49,700	49,700	49,700	119,700	0	119,700	H2469
<b>Oil Overcharge - Financin</b>							
	270.702	0	0	1,000,000	1,000,000	0	H2469
<b>Oil Overcharge - Admin.</b>							
	200,000	200,000	200,000	200,000	0	200,000	H2469
<b>Natural Resources, Dept</b>	<b>25,014,770</b>	<b>22,636,740</b>	<b>22,636,740</b>	<b>23,706,740</b>	<b>1,000,000</b>	<b>22,706,740</b>	
<b>Other</b>	<b>28,977,584</b>	<b>28,581,724</b>	<b>28,581,724</b>	<b>30,001,724</b>	<b>1,000,000</b>	<b>29,001,724</b>	
<b>Agriculture &amp; Natural Res</b>	<b>28,977,584</b>	<b>28,581,724</b>	<b>28,581,724</b>	<b>30,001,724</b>	<b>1,000,000</b>	<b>29,001,724</b>	

Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Economic Development							
Lottery Appropriations							
Agriculture & Land Stwd							
Public/Private Partnershp	300,000	0	0	150,000	0	150,000	52328
Water Protection Fund	100,000	0	0	500,000	0	500,000	52328
Lamb and Wool Education	0	0	0	100,000	0	100,000	52328
	400,000	0	0	750,000	0	750,000	
College Aid Commission							
Summer Institute Program	581,972	1,000,000	1,000,000	0	0	0	
Corrections-Departmental							
Prison Construction	0	2,000,000	2,000,000	0	0	0	
Cultural Affairs, Dept of							
Historical Bldg Exhibits	0	600,000	600,000	0	0	0	
Community Cultural Grants	675,000	560,000	560,000	650,000	0	650,000	52328
Town Square	0	100,000	100,000	0	0	0	
Artist Endowment	0	150,000	150,000	0	0	0	
	675,000	1,410,000	1,410,000	650,000	0	650,000	
Economic Development							
Comm Econ Betterment Acnt	10,000,000	11,000,000	11,000,000	4,650,000	0	4,650,000	52328
Comm Rural Oevl Loan Prg	0	0	0	4,650,000	0	4,650,000	52328
Bus Dev Finance Corps.	0	0	0	4,650,000	0	4,650,000	52328
Welcome Centers	2,000,000	700,000	700,000	700,000	0	700,000	52328
Business Incubators	300,000	250,000	250,000	250,000	0	250,000	52328
Rural Business Incubators	0	0	0	150,000	0	150,000	52328
Satellite Center Network	935,000	1,110,000	1,110,000	935,000	0	935,000	52328
Rural Development Program	190,000	250,000	250,000	80,000	0	80,000	52328
Fed Procurement Center	100,000	100,000	100,000	100,000	0	100,000	52328
Main Street Program	275,000	425,000	425,000	393,000	0	393,000	52328
Sm Bus Innovation Rsrch	250,000	165,000	165,000	0	0	0	
Product Development Fund	1,500,000	1,500,000	1,500,000	1,250,000	0	1,250,000	52328
Labor Management Councils	125,000	125,000	125,000	100,000	0	100,000	52328
Conservation Corps	750,000	625,000	625,000	800,000	0	800,000	52328
Research/Development Grnt	7,000,000	7,000,000	7,000,000	7,000,000	0	7,000,000	52328
Local Econ Dvlp Pilot Prj	0	0	0	50,000	0	50,000	52328
Tourism Advertising	0	0	0	793,000	0	793,000	52328
Nat'l Marketing Advert.	0	0	0	1,207,000	0	1,207,000	52328
	23,425,000	23,250,000	23,250,000	27,758,000	0	27,750,000	
Education, Dept. of							
Equipment Purchases	1,000,000	0	0	750,000	0	750,000	52328
Small Bus Job Training	1,000,000	835,000	835,000	750,000	0	750,000	52328
	2,000,000	835,000	835,000	1,500,000	0	1,500,000	
Peace Institute Corp							
Peace Institute	250,000	210,000	210,000	0	0	0	



Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Economic Development							
General Services, Dept of Capitol Complex Projects	2,750,000	1,000,000	1,000,000	1,500,000	0	1,500,000	S2328
Regents. Board of							
ISU Small Bus Dvlp Centers	825,000	750,000	750,000	825,000	0	825,000	S2328
ISD-Construction Planning	0	80,000	00,000	0	0	0	
ISU - Agronomy Bldg Equip	0	1,000,000	1,000,000	0	0	0	
ISU - Livestock Facilities	0	2,000,000	2,000,000	0	0	0	
ISU-Water Research Inst.	150,000	0	0	0	0	0	
	975,000	3,830,000	3,830,000	825,000	0	825,000	
Natural Resources							
Recreation/Parks Grants	2,000,000	1,000,000	1,000,000	2,000,000	0	2,000,000	S2328
Public Defense, Dept. of							
Algona Armory	50,000	0	0	0	0	0	
Denison Armory	50,000	0	0	0	0	0	
Armory Planning	0	0	0	50,000	0	50,000	S2328
	100,000	0	0	50,000	0	50,000	
Public Safety, Dept. of							
Computer Equipment - AFIS	0	500,000	500,000	250,000	0	250,000	S2328
Lottery Appropriations	33,156,972	35,035,000	35,035,000	35,283,000	0	35,283,000	
Other	33,156,972	35,035,000	35,035,000	35,283,000	0	35,283,000	
Economic Development	33,156,972	35,035,000	35,035,000	35,283,000	0	35,283,000	

Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Fina FY	Act ion 1989	Governor's veto	Net FY 1989 Approp.	Bill
<b>Education</b>								
College Aid Commission								
GSL Administration	2,146,275	2,202,606	2,202,606	2,202,606		0	2,202,606	S2312
GSL Consolidation Serv	375,000	375,000	375,000	200,000		0	200,000	S2312
College Aid Commission	2,521,275	2,577,606	2,577,606	2,402,606		0	2,402,606	
<b>Regents, Board of</b>								
Groundwater - ISWRRRI	120,000	100,000	100,000	100,000		0	100,000	H 631
Groundwater - Leopold Cen	800,000	0	0	0		0	0	
Groundwater - Health Cent	79,000	230,760	230,760	230,760		0	230,760	H 631
Groundwater - Leopold Cen	635,385	897,400	897,400	897,400		0	637,400	H 631
Groundwater - Well Test	108,923	153,840	153,840	153,840		0	153,840	H 631
Groundwater - Small Bus	50,000	224,000	224,000	224,000		0	224,000	H 631
Regents. Board of	1,793,308	1,606,000	1,606,000	1,606,000		0	1,606,000	
Other	4,314,583	4,183,606	4,183,606	4,008,606		0	4,008,606	
Education	4,314,583	4,183,606	4,183,606	4,008,606		0	4,008,606	

Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's veto	Net FY 1989 Approp.	Bill
Health & Human Rights							
Health, Dept of Public							
Disease Prev-Groundwater	12,000	20,000	20,000	20,000	0	20,000	H 631
Sex Abuse Investigations	55,000	76,280	76,280	76,000	0	76,000	S2310
EMS Fund	0	1,000,000	1,000,000	0	0	0	
Health, Dept of Public	67,000	1,096,280	1,096,280	96,000	0	36,000	
Human Rights, Dept of Deaf Interp Services Fund	0	50,000	50,000	50,000	0	50,000	S2310
Other	67,000	1,146,280	1,146,280	146,000	0	146,000	
Health & Human Rights	67,000	1,146,280	1,146,280	146,000	0	146,000	

Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Human Services							
Treasurer of State							
Child Supp Rec Fd to OHS	0	0	0	501,000	0	501,000	H2452
Child Supp Rec Fd to Crts	0	0	0	891,000	0	891,000	H2452
Treasurer of State	0	0	0	1,392,000	0	1,392,000	
Other	0	0	0	1,392,000	0	1,392,000	
Human Services	0	0	0	1,392,000	0	1,392,000	

Legislative Fiscal Bureau

Other Funds

	Est mated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Fina Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Justice System Justice. Department of Consumer Advocate	1,154,475	1,144,856	1,144,056	1,144,056	0	1,144,856	H2443
Other	1,154,475	1,144,856	1,144,856	1,144,856	0	1,144,856	
Justice System	1,154,475	1,144,856	1,144,856	1,144,856	0	1,144,856	

## Legislative Fiscal Bureau

## Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Regulation							
Commerce, Department of Admin Services Oiv General Office	1,367,720	1,377,154	1,377,154	1,377,154	0	1,377,154	H2444
Alcoholic Beverages Div General Office	3,997,846	4,495,755	4,495,755	4,495,755	0	4,495,755	H2444
Banking Division General Office	4,798,160	4,914,362	4,914,362	4,960,362	0	4,960,362	H2444
Credit Union Division General Office	703,479	706,119	786,119	819,119	0	819,119	H2444
Insurance Division Ground Water General Office	25,000 3,206,993	0 3,457,300	0 3,457,300	0 3,547,300	0 0	0 3,547,300	0 H2444
	3,231,993	3,457,300	3,457,300	3,547,300	0	3,547,300	
Professional License Div General Office	0	0	0	654,027	0	654,027	ti2444
Savings and Loan Division General Office	270,400	207,060	287,060	287,060	0	207,060	H2444
Utilities Division General Office	4,294,407	4,478,319	4,478,319	4,478,319	0	4,478,319	H2444
Commerce, Department of	18,672,005	19,796,069	19,796,069	20,619,096	0	20,619,096	
Employment Services, Dept Job Service-Bidg & Equip Job Service-Rural Office Div Approved Training	550,000 1,300,000 0	502,500 3,743,151 1,149,209	502,500 3,743,151 1,149,209	502,500 3,743,151 1,149,209	0 0 0	502,500 3,743,151 1,149,209	H2444 H2444 H2444
Employment Services, Dept	1,850,000	5,394,860	5,394,860	5,394,860	0	5,394,860	
Inspections/Appeals, Dept Appeal/Hearing Div-RUTF RUT FUND- Sal Adj RUT Fund Supplemental	326,000 0 24,124	364,857 30,000 0	364,857 30,000 0	364,857 30,000 0	0 0 0	364,857 30,000 0	H2444 52322 H2444
Inspections/Appeals, Dept	350,124	394,057	394,857	394,057	0	394,857	
Other	20,872,129	25,585,786	25,585,786	26,408,813	0	26,408,813	
Regulation	20,872,129	25,585,786	25,585,786	26,408,813	0	26,408,813	

Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
<b>Transportation and Safety</b>							
Law Enforcement Academy							
L ENF TR REIM- Jud Shtg T	35,000	0	0	0	0	0	
L ENF TR REIM- ILEA Cap	28,200	0	0	0	0	0	
Law Enforcement Academy	63,200	0	0	0	0	0	
Public Defense, Dept of							
L ENF TR REB- Water Cont.	0	0	0	86,000	0	86,000	S23 4
<b>Public Safety, Dept of</b>							
Road Use Tax Fund							
RUT FUND- Highway Patrol	19,917,918	19,899,351	9,899,351	19,899,351	0	19,899,351	523 4
RUT FUND- IHP Workers Com	0	55,544	55,544	55,544	0	55,544	523 4
RUT FUND- IHP Merit Syst.	0	50,000	50,000	50,000	0	50,000	523 4
RUT FUND- venicle Apeatr	840,000	920,000	920,000	920,000	0	920,000	523 4
RUT FUND- New Patrol Post	0	0	0	600,000	0	600,000	S23 4
	20,757,918	20,924,895	20,924,895	21,524,895	0	21,524,895	
Abstract Fee Fund							
ABSTRACT FEE FUND- DCI	0	0	600,000	850,000	0	850,000	52314
Public Safety, Dept. of							
L ENF TR REIM- Investigat	200,000	200,000	200,000	200,000	0	200,000	523 14
L ENF TR REIM- Undercover	200,000	200,000	200,000	200,000	0	200,000	52314
L ENF TR REIM- AFIS	500,000	0	0	0	0	0	
RUT FUND- Sal Adj	0	921,170	921,170	921,170	0	921,170	52322
RUT Fund Sal Adj Suppl.	500,000	0	0	0	0	0	52314
	1,400,000	1,321,170	1,321,170	1,321,170	0	1,321,170	
Public Safety, Dept of	22,157,918	22,246,065	22,846,065	23,696,065	0	23,696,065	

Legislative Fiscal Bureau

Other Funds

	Estimated FY 1988	Govn Original FY 1989	Govn Revised FY 1989	Final Action FY 1989	Governor's Veto	Net FY 1989 Approp.	Bill
Transportation and Safety							
Transportation. Dept of							
Road Use Tax Fund							
RUT FUND - Administration	2,693,697	3,068,632	3,068,632	3,068,632	0	3,068,632	\$2314
RUT FUND - Gen Counsel	122,052	148,151	148,151	148,151	0	148,151	\$2314
RUT FUND - Planning	289,533	2136,216	286,216	286,216	0	286,216	52314
RUT FUND - Aeronautics	158,379	199,673	199,673	199,673	0	199,673	\$2314
HUT FUND - Motor Vehicle	14,832,383	15,156,250	15,156,250	15,156,250	0	15,156,250	52314
RUT FUND - Rail & Water	504,278	506,878	586,878	586,870	0	506,078	52314
RUT FUND - Personnel Reim	16,000	16,000	16,000	16,000	0	16,000	52314
RUT FUND - Unemployment	12,250	12,250	12,250	12,250	0	12,250	\$2314
RUT FUND - Workers Comp	35,080	35,080	35,080	35,080	0	35,080	\$2314
RUT FUND - Air Pool Imprv	750,000	0	0	0	0	0	
RUT FUND - Sal Adj to DOT	0	848,182	848,182	848,182	0	848,182	52322
HUT FUND - Weather Study	0	0	0	200,000	0	200,000	52314
RUT FUND - Air Terminals	0	0	0	250,000	0	250,000	52314
RUT FUND Salary Adj Suppl	400,000	0	0	0	0	0	\$2314
RUT FUND Comp Update Supp	400,000	0	0	0	0	0	52314
	20,293,652	20,357,312	20,357,312	20,807,312	0	20,807,312	
Primary Road Fund							
PRIMARY ROAD- Inventory	2,000,000	2,000,000	2,000,000	2,000,000	0	2,000,000	52314
PRIMARY ROAD- Area Garage	3,510,500	0	0	0	0	0	
PRIMARY ROAD- Warehouse	150,000	0	0	0	0	0	
PRIMARY ROAD- Administrat	16,700,749	18,817,617	18,817,617	18,802,617	0	18,802,617	52314
PRIMARY ROAD- Gen Counsel	722,378	876,849	876,049	876,049	0	876,849	\$2314
PRIMARY ROAD- Planning	5,503,697	5,438,109	5,438,109	5,438,109	0	5,438,109	52314
PRIMARY ROAD- Aeronautics	150,379	199,673	199,673	199,673	0	199,673	\$2314
PRIMARY ROAD- Highway	115,681,435	117,667,377	117,667,377	117,552,075	0	117,652,377	52314
PRIMARY ROAD- Motor Vehic	510,057	529,015	529,015	529,015	0	529,015	52314
PRIMARY ROAD- Rail & Wat	247,691	248,793	248,793	248,793	0	248,793	\$2314
PRIMARY ROAD- Personnel	304,000	304,000	304,000	304,000	0	304,000	52314
PRIMARY ROAD- Unemploymen	232,750	232,750	232,750	232,750	0	232,750	\$2314
PRIMARY ROAD- Workers Com	666,540	666,540	666,540	666,540	0	666,540	\$2314
PRIMARY ROAD- Area Garage	0	1,380,000	1,300,000	2,055,000	0	2,055,000	\$2314
PRIMARY ROAD- Lab Lot Rep	0	150,000	150,000	150,000	0	150,000	\$2314
PRIMARY ROAD- Sal to DOT	0	5,082,646	5,082,646	5,082,646	0	5,082,646	\$2322
PRIMARY ROAD Sal Adj Supp	2,000,000	0	0	0	0	0	52314
	148,388,176	153,593,369	153,593,369	154,238,369	0	154,238,369	
Aviation Fund							
AVIATION FND- Aeronautics	276,540	348,654	348,654	340,654	0	348,654	\$2314
Transportation, Dept of							
RUT FUND- Recreation Trls	0	0	0	100,000	0	100,000	\$2314
Transportation. Dept of	168,958,376	174,299,335	174,299,335	175,494,335	0	175,494,335	
Other							
	191,179,494	196,545,400	197,145,400	199,276,400	0	199,276,400	
Transportation and Safety	191,179,494	196,545,400	197,145,400	199,276,400	0	199,276,400	



## APPROPRIATIONS SUBCOMMITTEE SUMMARY

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APPROPRIATIONS SUBCOMMITTEE SUMMARY

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AGRICULTURE & LAND STEWARDSHIP. DEPT OF  
 AGRICULTURE & LAND STEWARDSHIP  
 n. F. 2440

SEC. 1.1A ADMINISTRATIVE DIVISION

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	961,644	968,311	968,311
FTE	42.24	42.24	42.24

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for operations of the Administrative Division. The legislative action represents a .68% increase from FY 1988.

SEC. 1.1B FERTILIZER FUND TRANSFER TO ADMIN. DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	46,888	51,100	51,100

EXPLANATION

Funds are appropriated from the Fertilizer Fund and transferred to the Administrative Division for operations of the Division. The legislative action represents an 8.24% increase from FY 1988.

SEC. 1.1C DAIRY TRADE FUND TRANSFER TO ADMIN. DIVISION

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	86,321	86,813	86,813

EXPLANATION

Funds are appropriated from the Dairy Trade Practices Trust Fund and transferred to the Administrative Division for operations of the Division. The legislative action represents a 0.56% increase from FY 1988.

SEC. 1.1D COMMERCIAL FEED FUND TRANSFER TO ADMIN. DIV

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	46,888	51,100	51,100

EXPLANATION

Funds are appropriated from the Commercial Feed Fund and transferred to the Administrative Division for operations of the Division. The legislative action represents an 8.24% increase from FY 1988.

SEC. 1.1E STATISTICS BUREAU

INTENT LANGUAGE

This Subsection contains language stating that, of the appropriation to the Administrative Division, \$60,000 shall be allocated for the operations of the Statistics Bureau.

SEC. 1.1F ANNUAL SUBSCRIPTION FEES

INTENT LANGUAGE

This Subsection contains language stating that the Department shall establish annual subscription fees for the regular and periodic publications of the Department. The FY 1989 legislative action raised the subscription price of the Livestock Market Summary from \$5 per year to \$10 per year and the subscription price of Sheep Clippings from \$2 per year to \$4 per year. This increase in subscription fees will raise an estimated \$8,725 in additional revenue per year. Fees collected shall be deposited in the General Fund.

SEC. 1.1G PROGRAMMING AND PLANNING ADMINISTRATOR II

INTENT LANGUAGE

This Subsection states that the Department shall fund, from monies appropriated to the Administrative Division, the salary and support for the position of Programming and Planning Administrator II.

SEC. 1.1H ADMINISTRATIVE DIVISION FTE CAP

INTENT LANGUAGE

This Subsection contains language stating thdt funds appropriated for the Administrative Division are for the salaries and support of not more than 42.24 FTE positions.

SEC. 1.2A FARM COMMODITY DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	727.295	905,270	985.270
FTE	19.00	23.00	23.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for operations of the Farni Commodity Division. The legislative action represents a 26.2% increase from FV 1988.

INTENT LANGUAGE

This Subsection contains language stating that the tunds appropriated to the Farm Commodity Division are for the salaries and support of not more than 23.00 FTE positions.

SEC. 1.2B AGRICULTURAL DIVERSIFICATION PROGRAM

INTENT LANGUAGE

This Subsection contains language stating that, of the appropriation to the Farm Commodity Division, \$346.379 shall be allocated to the Horticultural Bureau for the continuation of the Agricultural Diversification Program.

SEC. 1.3 FARMER'S MARKET COUPON PROGRAM

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1909</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	100,000	100.000

EXPLANATION

Funds are appropriated to continue and expand the Farmer's Market Coupon Program by providing Federal Special Supplemental Food Program (WIC) recipients with coupons redeemable at farmer's markets.

SEC. 1.4A REGULATORY DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	3,568,350	3,910,737	3,910,737
FTE	151.20	149.20	149.20

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for operations of the Regulatory Division. The legislative action represents an 8.75% increase from FY 1988.

INTENT LANGUAGE

This Section contains language stating that the funds appropriated to the Regulatory Division are for the salaries and support of not more than 149.20 FTE positions.

SEC. 1.4B GRAIN WAREHOUSE BUREAU

INTENT LANGUAGE

This Subsection contains lanyuaye stating that, of the appropriation to the Regulatory Division, \$149,790 shall be allocated for the operations of the Grain Warehouse Bureau.

SEC. 1.4C REGULATORY DIVISION BUREAU FUNDING

INTENT LANGUAGE

This Subsection contains lanyuaye stating that, of the appropriation to the Regulatory Division, \$22,620 shall be allocated to the Animal Health Bureau, \$41,859 shall be allocated to the Grain Wdrehouse Bureau, \$52,870 shall be allocated to the Meat and Poultry Bureau, and \$52,680 shall be allocated to the Weights and Measures Bureau for the operations of those bureaus.

**SEC. 1.5A LABORATORY DIVISION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	592,984	596,283	596,283
FTE	91.00	90.00	90.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance and miscellaneous purposes for operations of the Laboratory Division. The legislative action represents a .55% increase from FV 1988.

**SEC. 1.50 COMMERCIAL FEED FUND TRANSFER TO LAB. DIV.**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	776,521	811,527	811,527

EXPLANATION

Funds are appropriated from the Commercial Feed Fund and transferred to the Laboratory Division for operations of the Division. The legislative action represents a 4.3% increase from FY 1988.

**SEC. 1.5C PESTICIDE FUND TRANSFER TO LAB. DIVISION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	486,608	495.5 17	495.5 17

EXPLANATION

Funds are appropriated from the Pesticide Fund and transferred to the Laboratory Division for operations of the Division. The legislative action represents a 1.79% increase from FV 1988.

**SEC. 1.5D FERTILIZER FUND TRANSFER TO THE LAB. DIV.**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	820,654	832,356	832,356

EXPLANATION

Funds are appropriated from the Fertilizer Fund and transferred to the Laboratory Division for operations of the Division. The legislative action represents a 1.4% increase from FV 1988.

**SEC. 1.5E LABORATORY DIVISION FTE CAP**INTENT LANGUAGE

This Subsection contains language stating that funds appropriated to the Laboratory Division are for the salaries and support of not more than 90.00 FTE positions.

**SEC. 1.6B SOIL SURVEYS OF IOWA LANDS**EXPLANATION

Funds are appropriated to the Soil Conservation Division. in the amount of \$303,436, to conduct soil surveys in conjunction with Federal, State, and local agencies in Iowa.

**SEC. 2 HORSE AND DOG BREEDERS PROGRAM**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	112,000	116,571	116,571
FTE	3.00	3.00	3.00

EXPLANATION

This Section appropriates unclaimed pari-mutuel winnings for not more than 3.00 FTE positions for administration of the Horse and Dog Breeders Program. The legislative action represents a 3.92% increase from FY 1988.

**SEC. 3            AGRXCULTURAL TRUSTS - TRANSFER NOTIFICATION**

INTENT LANGUAGE

This Section contains language stating that the Department shall notify, in writing, the chairpersons and ranking members of the Agriculture and Natural Resources Appropriations Subcommittee regarding the fund transfers from the Dairy Trade Practices Fund, the Commercial Feed Fund, the Fertilizer Fund, and the Pesticide Fund.

**SEC. 12            PRIVATE POUND REGISTRATION FEE INCREASE**

CODE CITATION

This Section amends Section 162.3, Code of Iowa, by adding a private pound registration fee. Legislative action adds a license fee of \$15. This addition will raise an estimated \$1,035 in additional revenue per year.

**SEC. 13            PET SHOP LICENSE FEE INCREASE**

CODE CITATION

This Section amends Section 162.5, Code of Iowa, by raising the pet shop license fee. The current license fee is \$40 per year. Legislative action raises the license fee to \$50 per year. This increase will raise an estimated \$1,900 in additional revenue per year.

**SEC. 14            COMMERCIAL KENNELS & PUBLIC AUCTION FEES**

CODE CITATION

This Section amends Section 162.6, Code of Iowa, by raising the commercial kennel license fee. The current license fee is \$25 per year. Legislative action raises the license fee to \$40 per year. This increase will raise an estimated \$5,760 in additional revenue per year. This Section also raises the public auction license fee from \$25 per year to \$40 per year. This increase will raise an estimated \$15 in additional revenue per year.

**SEC. 45            DEALER LICENSE FEE INCREASE**

CODE CITATION

This Section amends Section 162.7, Code of Iowa, by raising the dealer's license fee. The current license fee is \$50 per year. Legislative action raises the license fee to \$100 per year. This increase will raise an estimated \$4,500 in additional revenue per year.

**SEC. 16            COMMERCIAL BREEDER'S & FEDERAL LICENSEES**

CODE CITATION

This Section amends Section 162.8, Code of Iowa, by raising the commercial breeder's license fee. The current license fee is \$25 per year. Legislative action raises the license fee to \$40 per year. This Section also raises the registration of federal licensees fee from \$5 per year to \$20 per year. These increases will raise an estimated \$16,620 in additional revenue per year.

**SEC. 17            BOARDING KENNEL LICENSE FEE INCREASE**

CODE CITATION

This Section amends Section 162.9, Code of Iowa, by raising the boarding kennel license fee. The current license is \$15 per year. Legislative action raises the license fee to \$30 per year. This increase will raise and estimated \$2,025 in additional revenue per year.

**SEC. 18            HOBBY KENNEL OWNER'S LICENSE FEE INCREASE**

CODE CITATION

This Section amends Section 162.10, Code of Iowa, by raising the hobby kennel owner's license fee. The current license fee is \$2 per year. Legislative action raises the license fee to \$30 per year. This increase will raise an estimated \$7,700 in additional revenue per year. Hobby kennel owner's license fees were eliminated in S.F. 394.



SEC. 19 NURSERY STOCK GROWERS a DEALER'S FEESCODE CITATION

This Section amends Section 177A.9, Code of Iowa, by raising the nursery stock growers inspection fee. The current fee is \$15 per year plus 31 per acre. Legislative action raises the inspection fee to 825 per year plus \$5 per acre. This Section raises the nursery dealer's license fee from 315 per year to 325 per year. These increases will raise an estimated 324,330 in additional revenue per year.

SEC. 20 SEED PERMIT FEE INCREASECODE CITATION

This Section amends Section 199.15, Code of Iowa, by raising the seed permit fee. The current fee schedule has a minimum fee of 310 and increases the fee by 310 increments up to a maximum of 3500. Legislative action raises the minimum fee to 330 and increases the fee by \$30 increments up to a maximum of 31,500. This increase will raise an estimated \$54,600 in additional revenue per year.

SEC. 21 GAS PUMPS a REFINED FUEL TRUCK METERS FEESCODE CITATION

This Section amends Section 214.3, Code of Iowa, by raising the gas pump registration and the refined fuel truck meter inspection fee. The current fee is 32 per year. Legislative action raises the fee to 36 per year. This increase will raise an estimated 3116.200 in additional revenue per year.

SEC. 22 RAILROAD TRACK SCALE INSPECT. FEE INCREASECODE CITATION

This Section amends Section 215.2, Code of Iowa, by raising the railroad track scale inspection fee. The current license fee is 350 per year. Legislative action raises the license fee to 365 per year. This increase will raise an estimated \$44,895 in additional revenue per year.

SEC. 73 LIQUID PETROLEUM GAS METER FEE INCREASECODE CITATION

This Section amends Section 215.20, Code of Iowa, by raising the liquid petroleum gas meter inspection fee. The current inspection fee is 310 per year. Legislative action raises the inspection fee to \$35 per year. This increase will raise an estimated 352.625 in additional revenue per year.

## AG. - SOIL CONSERVATION

S. F. 2314

SEC. 28 ROAD USE TAX FUNDS - WIND EROSION CONTROLCODE CITATION

This Section amends Section 312.2(9), Code Supplement 1987, by reducing the standing limited appropriation, for wind erosion control, to the Department of Agriculture and Land Stewardship by \$100,000.

## SEC. 48

EXPLANATION

This Section amends Chapter 233, Section 120, Subsections 2, 3 and 4, Acts of 1987, by increasing the appropriation for salary adjustment from the Road Use Tax Fund from 3296,045 to 3696.045 and from the Primary Road Fund from \$2,159,713 to \$4,159,713 to the Department of Transportation, and in Subsection 3 increases the salary adjustment for Public Safety from \$565,918 to \$1,065,918.

ti. F. 2440

SEC. 1.6A SOIL CONSERVATION OPERATIONS

	FY 1988 <u>Approp.</u>	FY 1989 <u>Gov. Revised</u>	FY 1989 <u>Leg. Action</u>
3	4,401,726	4,347,061	4,347,061
FTE	181.47	175.78	175.78

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for operations of the Soil Conservation Division. The legislative action represents a 1.24% decrease from FY 1988.

INTENT LANGUAGE

This Subsection contains language stating that the funds appropriated to the Soil Conservation Division are for the salaries and support of not more than 175.78 FTE positions.

SEC. 1.6C SOIL CONSERVATION COST SHARE FY 1989

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	6,539,972	6,789,972	6,789,972

EXPLANATION

Funds are appropriated to provide financial incentives for soil conservation practices. The legislative action represents a 3.7% increase from FV 1988.

SEC. 1.6D COST-SHARE REQUIREMENTS

INTENT LANGUAGE

This Subsection contains language stating that the following requirements apply to the funds appropriated for Soil Conservation Cost-Share:

1. Not more than 5% may be allocated for cost sharing to abate complaints filed under Sections 467A.47-48, Code of Iowa;
2. Not more than 10% may be allocated for financial incentives not exceeding 75% of the approved cost of permanent soil conservation practices on watersheds above publicly-owned lakes;
3. Financial incentives not exceeding 60% of the cost of permanent soil conservation practices may be allocated for special watershed practices or summer construction incentives;
4. Except for the allocations subject to subparagraphs 1, 2, and 3, these funds shall not be used alone or in combination with other public funds to provide a financial incentive payment greater than 50% of the approved cost of voluntary permanent soil conservation practices and priority shall be given to family-operated farms;
5. Funds may be allocated to conduct research and demonstration projects to promote conservation tillage and nonpoint sources pollution control practices;
6. Not more than 30% of a district's allocation may be used for the establishment of management practices to control soil erosion on land that is now row cropped; and
7. Financial payments may be used in combination with Department of Natural Resources funds.

SEC. 1.6E COST SHARE REVERSION CLAUSE

INTENT LANGUAGE

This Subsection contains language stating that the unencumbered or unobligated Cost-Share funds remaining on June 30, 1992, from funds appropriated for FY 1989, shall revert to the General Fund on September 30, 1992.

SEC. 4 COAL MINE PERMIT FEE INCREASE

INTENT LANGUAGE

This Section contains language stating that the Soil Conservation Division shall increase the coal mine permit fee. The current fee is \$5 per acre covering a five year period. The legislative action raises the coal mine permit fee to \$15 per acre covering a five year period. This increase will raise an estimated \$3,600 in additional revenue per year.

AUDITOR OF STATE  
S. F. 2312

SEC. 62 COST OF EXAMINATIONS - BOARD OF REGENTS

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	0	330.00

INTENT LANGUAGE

This Section contains language stating that the Auditor of State shall monitor the costs of performing examinations of the State Board of Regents and shall seek reimbursement under Chapter 11.5A, Code Supplement 1987 if enacted. This Section notwithstanding H.F. 2444. Section

H. F. 2444

SEC. 1 GENERAL OFFICE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	1,759,018	1,473,442	1,473,442
FTE	111.00	90.50	90.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the State Auditor. Legislative action reflects the following differences from FY 1988:

- A. Deletes \$60,000 and 2 FTE positions (auditors) due to the auditing of certain state agencies every other year instead of

- annually.
- B. Deletes \$189,145 and b FTE positions (1 word processor-\$27,561. 5 auditors-\$161,584) due to increasing the workload standard for auditors. from 1700 hours to 1803 hours annually.
- C. Allows the State Auditor to replace worn carpeting in room 112 within the funds appropriated. Replacement cost is estimated at \$2,000.
- D. Requires the State Auditor to direct bill certain state agencies which results in a reduction of \$332,325 and a net savings to the General Fund of \$180,000.
- E. Adds \$295,894 for inflationary/support costs and annualization of FY 1988 salary adjustment.
- F. The Department's FV 1989 request did not include funding for 12.5 FTE positions which were established during FV 1988 (for one year only) to eliminate all prior year audits by June 30, 1988.

INTENT LANGUAGE

This Section adds language stating that the State Auditor shall direct bill the following state agencies: Department of Agriculture and Land Stewardship, Department of Economic Development, Department of Education, Department of Employment Services, and the Department of Natural Resources in addition to state agencies already being billed directly. The direct billings are to take advantage of federal funding and funds other than the General Fund.

This Section adds language stating that the State Auditor shall audit, every other year, certain state agencies that receive no federal funding. The Auditor is required to report to the Legislative Fiscal Bureau and the Department of Management, which agencies will be audited every other year instead of annually.

This Section adds language stating that the Auditor shall collect information relating to the number of hours and the associated cost to provide assistance to CPA firms and others regarding local audits not conducted by the State Auditor.

**BLIND. DEPARTMENT FOR THE**

S. F. 2310

**SEC. 3                      GENERAL OFFICE**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	1,298,000	1,298,000
FTE	.00	102.50	102.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the General Office. Legislative action represents a 4% increase and reflects the following differences from FV 1988, when the Blind was a Division of the Department of Human Rights:

- A. Removes the Division for the Blind from the Department of Human Rights and creates the Department for the Blind.
- B. Adds \$17,856 and 1 FTE due to not transferring a fiscal person to the Administration Division of the Department of Human Rights.
- C. Subtracts \$962 due to roundiny.

INTENT LANGUAGE

This Section contains intent language stating that the establishment of the Department for the Blind is conditional upon the inclusion of statutory language under this Act.

**SEC. 20                      DEPARTMENT FOR THE BLIND**

CODE CITATION

This Section, which amends Section 7E.5(1)T, Code of Iowa, eliminates as a responsibility of the Department of Human Rights, services relating to blind persons.

**SEC. 21                      DEPARTMENT FOR THE BLIND**

CODE CITATION

This Section, which amends Section 7E.5, Code of Iowa, gives as a responsibility of the newly created Department for the Blind, services related to blind persons.

SEC. 23      DEPARTMENT FOR THE BLIND

CODE CITATION

This Section, which amends Section 18.31(1 and 2) of the Code of Iowa, makes technical name changes from the Commission for the Blind to the Department for the Blind.

SEC. 24      DEPARTMENT FOR THE BLIND

CODE CITATION

This Section, which amends Section 18.8. Code of Iowa, makes technical changes regarding services provided by the Department of General Services to the Department for the Blind.

SEC. 25      DEPARTMENT FOR THE BLIND

CODE CITATION

This Section, which amends Section 18.12(2). Code of Iowa, makes technical changes regarding services provided by the Department of General Services to the Department for the Blind.

SEC. 29      DEPARTMENT FOR THE BLIND

CODE CITATION

This Section, which amends Section 601K.121. Code of Iowa, makes technical name changes from the Division for the Blind to the Department for the Blind and Administrator of the Division to Director of the Department.

SEC. 31      DEPARTMENT FOR THE BLIND

INTENT LANGUAGE

This Section contains language stating that the Code editor shall renumber Sections 601K.121 through 601K.127. Code of Iowa, which are the Sections dealing with the responsibilities of the Division for the Blind, to reflect the new Chapter 601L, which is the Department for the Blind.

CAMPAIGN FINANCE DISCLOSURE COMMISSION

H t. 2444

SEC. 2.1      GENERAL OFFICE

	FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
\$	179,699	178,599	178,599
FTE	4.00	4.00	4.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Campaign Finance Disclosure Commission. The legislative action represents a .61% decrease in funding from FY 1988.

SEC. 2.2      ADMINISTRATIVE INTERN

	FV 1988 Approp.	FV 1989 Gov. Revised	FV 1989 Leg. Action
\$	0	8,100	8,100
FTE	.00	.75	.75

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Campaign Finance Disclosure Commission for .75 FTE position of an administrative intern to develop rules and perform other administrative functions.

CIVIL RIGHTS COMMISSION

S F. 2310

SEC. 1      GENERAL OFFICE

	FY 1988 Approp.	FV 1989 Gov. Revised	FV 1989 Leg. Action
\$	848,760	875,000	875,000
FTE	30.00	31.00	31.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Civil Rights Commission. Legislative action represents a 3% increase and reflects the following differences from FV 1988:

- A. Adds 1 FTE position and \$26,500 for an investigator to alleviate backlogs.
- B. Subtracts \$260 due to rounding.

COLLEGE AID COMMISSION  
S. F. 2312

**SEC. 9 SCHOLARSHIP AND GRANT ADMINISTRATION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	265.813	279,251	279.251
FTE	5.12	5.32	5.32

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for administration of student aid programs. The Legislative action reflects the following differences from FV 1988:

- A. 34,500 increase for office equipment.
- 0.** 310.000 is intended for the Occupational Therapist Loan Repayment Program established in Sections 20 and 30 of this bill.

INTENT LANGUAGE

This Section contains language stating that funds appropriated shall be expended for the Occupational Therapist Loan Repayment Program established in Section 261.46, Code of Iowa.

**SEC. 10 UNIV. OF OSTEOP. MED. - SUBVENTION PROGRAM**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
3	724,685	715.000	715,000

EXPLANATION

Funds are appropriated to the College Aid Commission for the Subvention Program, The legislative action reflects a \$9.685 (1.34%) decrease from the FV 1988 appropriation.

INTENT LANGUAGE

This Section contains language stating that subvention shall be used for admission and education of students enrolled in each of the four years of classes.

**SEC. 11.1 GUARANTEED STUDENT LOAN - ADMINISTRATION**

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	2,146,275	2,202,606	2,202,606
FTE	25.92	26.80	26.80

EXPLANATION

Funds are appropriated from the Guaranteed Student Loan Reserve Fund for operating costs, including salaries and support. for administering the Guaranteed Student Loan Program.

**SEC. 11.2 GUARANTEED STUDENT LOAN CONSOL. SERVICES**

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	375.000	375,000	200,000

EXPLANATION

Funds are appropriated from the Guaranteed Student Loan Reserve Fund for loan consolidation services. Since interest in this service has not been as high as anticipated. the Legislature determined that this appropriation level would be more than adequate to fund consolidation services.

**SEC. 12 MINORITY STUDENT AND FACULTY PLANS**

INTENT LANGUAGE

This Section contains language stating that as a condition of the appropriation made for the Iowa Tuition Grant Program, colleges that enroll recipients of Iowa Tuition Grants shall provide the College Aid Commission information on the numbers of minority students and faculty and proposed or existing plans for minority student and faculty recruitment and retention as well as plans to serve nontraditional students. The College Aid Commission is required to compile and report the information to the Legislature by February 1, 1989.

SEC. 13            VOCATIONAL TECHNICAL TUITION GRANT-STANDING

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	645,935	644,294	644,294

EXPLANATION

Funds are appropriated for the Vocational-Technical Tuition Grant Program. The legislative action represents a \$1,641 (0.25%) decrease from the FV 1988 appropriation.

SEC. 14            GUARANTEED LOAN PAYMENT PROGRAM-STANDING

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	84,915	84,699	84,699

EXPLANATION \_\_\_\_\_

Funds are appropriated for reimbursement payments for the Guaranteed Loan Payment Program. The legislative action represents a \$216 (0.25%) decrease from the FV 1988 appropriation.

SEC. 15            SCIENCE & MATHEMATICS LOAN PROGRAM-STANDING

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	49,950	25,000	0

EXPLANATION

The legislative action reflects a determination that the goals of the Science and Mathematics Loan Program can be served through other programs such as the Summer Institute Program and the Educational Excellence Program.

SEC. 16            GUARANTEED STUDENT LOAN HCSERV FUND STUDY

INTENT LANGUAGE

This Section contains language stating that the Legislative Fiscal Bureau shall study the options for providing guaranteed student loan services to eligible borrowers and make recommendations to the chairpersons and ranking members of the Education Appropriations Subcommittee not later than November 1, 1988.

SEC. 17            TUITION GRANT APPLICATION DEADLINE STUDY

INTENT LANGUAGE

This Section contains language stating that the College Aid Commission shall study the impact of the Commission rule extending the deadline for applications for the Iowa Tuition Grant Program.

SEC. 18            SUMMER INSTITUTE LANGUAGE

CODE CITATION

This Section amends the Section 99E.31(4), Code Supplement 1987, to make the intent language from Chapter 233, Section 418, Acts of 1987, permanent. A summer institute program will consist of an intensive immersion of at least eight weeks in duration in a subject area and requires preference be given to those programs that allow a teacher to gain teaching endorsements in other subject areas or add to endorsements in mathematics, science, foreign languages, and other areas the Department of Education determines are or will be teacher shortage areas. It requires that the Council for Postsecondary Education select the institutions that conduct summer institutes based upon the recommendations of the Department of Education.

SEC. 19            APPROPRIATION FOR SUMMER INSTITUTE PROGRAM

CODE CITATION

This Section amends Section 99E.32(4), paragraph c, Code Supplement 1987, making no appropriation to the Summer Institute Program for FV 1988 and FY 1989 and allowing funds to be transferred into the Program for FV 1988 and FY 1989 pursuant to Section 99E.32, paragraph a.

**SEC. 20 ADMIN. OF OCCUPATIONAL THERAPIST LOAN PROG.**CODE CITATION

This Section amends the Code of Iowa, by adding new Subsection 261.2(10) which requires the College Aid Commission to prepare and administer the Occupational Therapist Loan Program established under Section 261.46, Code of Iowa, and Section 30 of this bill.

**SEC. 21 EEO/AA COMPLIANCE REVIEW**CODE CITATION

This Section amends Section 261.2, Code of Iowa, by adding new Subsection 261.2(11), which requires the College Aid Commission to review reports filed by accredited private institutions to determine compliance with the EEO/AA requirements established in this Section.

**SEC. 22 STUDENT DEFINITIONS FOR IOWA TUITION GRANTS**CODE CITATION

This Section amends Section 261.9(4), Code Supplement 1987. This Section defines a qualified student for eligibility for an Iowa Tuition Grant.

**SEC. 23 AFFIRMATIVE ACTION FOR PRIVATE INSTITUTIONS**CODE CITATION

This Section amends Section 261.9(5), Code Supplement 1987. This Section adds language that an accredited private institution is one which promotes equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel at the institution.

**SEC. 24 DEFINITIONS FOR IOWA TUITION GRANTS**CODE CITATION

This Section amends Section 261.9(7), Code Supplement 1987. This Section defines part-time resident students and courses of study for eligibility for Iowa Tuition Grants.

**SEC. 25 IOWA TUITION GRANTS FOR PART-TIME STUDENTS**CODE CITATION

This Section amends Section 261.10, Code of Iowa. This Section allows Iowa Tuition Grants to be awarded to part-time, as well as full-time students, at an accredited private institution.

**SEC. 26 EXTENT OF IOWA TUITION GRANTS**CODE CITATION

This Section amends Section 261.11, Code of Iowa. This Section allows a part-time resident student to receive tuition grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent.

**SEC. 27 IOWA TUITION GRANT AMOUNT SPECIFIED**CODE CITATION

The Section amends Section 261.12(2), Code of Iowa. This Section states that the amount of a tuition grant to a part-time student enrolled for at least six semester hours shall be one-half the amount which would be paid for a full-time student. The amount of a tuition grant to a part-time student enrolled for at least three, but less than six semester hours, shall be one-fourth the amount which would be paid for a full-time student.

**SEC. 28 TUITION GRANT PROGRAM-STANDING**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 24,294,765	28,908,450	28,894,765

CODE CITATION

This Section amends Section 261.25(1), Code Supplement 1987. This Section increases the standing limited appropriation for Iowa Tuition Grants by \$4,600,000 (18.93%). The legislative action subtracts \$13.685 due to rounding.

SEC. 29 ENROLLMENT AND PLACEMENT STATISTICS

CODE CITATION

This Section amends Section 261.37(8), Code Supplement 1987, to require the College Aid Commission to provide enrollment and placement statistics in addition to past default rates of borrowers by postsecondary institution to applicants for students loans.

SEC. 30 OCCUPATIONAL THERAPIST LOAN PAYMENTS

CODE CITATION

This Section adds Section 261.46, Code of Iowa, which establishes the requirements for qualification and participation in the Occupational Therapist Loan Payment Program to be administered by the College Aid Commission. This Section limits the annual reimbursement amount to \$4,000 and the maximum amount allowable under the program to \$8,000 over a two year period for the reimbursement of payments of guaranteed student loans or Iowa PLUS loans for practicing occupational therapists residing and employed in Iowa.

SEC. 31 IOWA WORK-STUDY OFF-CAMPUS EXPANSION

CODE CITATION

This Section amends Section 261.81, Code of Iowa, by requiring that an eligible postsecondary institution that is allocated at least \$20,000 for the work-study program shall allocate at least 10% of the funds for student employment in Department of Human Services and Department of Corrections approved public or private nonprofit agencies and organizations.

SEC. 32 COLLEGE WORK-STUDY PROGRAM

	FV 1988 Approp.	FV 1989 Gov. Revised	FV 1989 Leg. Action
\$	2,147,850	2,650,000	2,650,000

CODE CITATION

This Section amends Section 261.85, Code Supplement 1987, increasing the standing limited appropriation from \$2,150,000 to \$2,650,000 (23.26%) and allocates \$1,500,000 to Regents institutions and Merged Area Schools and the remaining amount according to the portion of the federal formula that relates to the current need of institutions.

COMMERCE, DEPARTMENT OF  
COMMERCE COMMISSION  
H. F. 2444

SEC. 16 ADMINISTRATIVE SERVICES DIVISION

	FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
\$	1,367,720	1,377,154	1,377,154
FTE	45.00	44.50	44.50

EXPLANATION

Funds are appropriated from the Administrative Services Trust Fund for salaries, support, maintenance, and miscellaneous purposes for the Administrative Services Division of the Department of Commerce. This Section adds \$9,434 for inflationary/support costs and annualization of FY 1988 salary adjustment.

SEC. 48 SUNSET REPEAL

INTENT LANGUAGE

This Section repeals the Department of Commerce sunset provision contained in the Chapter 1245, Section 763, Acts of 1986.

ALCOHOLIC BEVERAGES

SEC. 17 ALCOHOLIC BEVERAGES DIVISION - TRUST FUND

	FV 1988 Approp.	FV 1989 Gov. Revised	Leg. Action
\$	3,997,846	4,495,755	4,495,755
FTE	93.16	83.86	83.86

EXPLANATION

Funds are appropriated from the Beer and Liquor Control Fund to the Division for salaries, support, and maintenance. Funds appropriated under this Section shall not be used for the lease/purchase of cash registers. Legislative action reflects the following differences from FY 1988:

- A. Deletes 1 clerical position and \$26,239 due to state reorganization refinement.
- B. Deletes salary and support for 1 management analyst (vacant/funded) and 1 PSE II position (state reorganization refinement) for a savings of \$113,750.
- C. Deletes 6 customer service reps and support due to the elimination of state retail liquor stores for a savings of \$330,924.
- D. Deletes .30 FTE liquor store managers that was needed to phase out the state's retail liquor operation for a savings of \$40,000.



- E. Adds **\$967,000** to reimburse Administrative Services which was funded in FY 1988 from unappropriated trust funds.
- F. Adds **\$41.822** for inflationary/support costs and annualization of FY 1988 salary adjustment.

INTENT LANGUAGE

This Section contains language requiring the Division to transfer its share of the estimated cost of consolidated administrative services to the Administrative Services Trust Fund.

This Section contains language stating that the Division may expend additional funds for the orderly and efficient operation of the liquor system, subject to the approval of the Department of Management. The Department of Management shall notify the Legislative Fiscal Committee of the need for additional funds.

SEC. 18 ALCOHOLIC BEVERAGES DIV - WHOLESALE STUDY

INTENT LANGUAGE

This Section contains language stating that the Legislative Fiscal Bureau shall prepare a study that examines the feasibility of eliminating the Alcoholic Beverage Division's wholesale operation. A report is required by January 10, 1989.

SEC. 19 ALCOHOLIC BEVERAGES DIV - HIRING PREFERENCE

INTENT LANGUAGE

This Section contains language requiring the State to continue the hiring preference to employees of the Alcoholic Beverages Division who were terminated when the state liquor stores were eliminated.

BANKING DIVISION

SEC. 20 BANKING DIVISION - TRUST FUND

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	4,798,160	4,914,362	4,960,362
FTE	118.50	118.50	118.50

EXPLANATION

Funds are appropriated from the Banking Trust Fund for salaries, support, maintenance, and miscellaneous purposes for the Banking Division. Legislative action reflects the following differences from FY 1988:

- A. Adds **\$46,000** for automating the field auditing operation.
- B. Adds **\$74,202** for inflationary/support cost

and annualization of FY 1988 salary adjustment.

- C. Adds **\$42,000** to reimburse the Administrative Services Division for Administrative Services. The reimbursement to Administrative Services was funded from unappropriated trust funds in FY 1988.

INTENT LANGUAGE

This Section contains language requiring the Division to transfer its share of the estimated cost of consolidated administrative services to the Administrative Services Trust Fund.

This Section contains language allowing the Division to expend additional funds for bank examinations with the approval of the Department of Management.

CREDIT UNION DIVISION

SEC. 21 CREDIT UNION DIVISION - REVOLVING FUND

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	703,479	786,119	819,119
FTE	18.00	18.00	18.00

EXPLANATION

Funds are appropriated from the Credit Union Revolving Fund for salaries, support, maintenance and miscellaneous purposes for the Credit Union Division of the Department of Commerce. Legislative action reflects the following differences from FY 1988:

- A. Adds **\$66,000** for 16 lap computers/printers to increase field auditing efficiency.
- B. Adds **338,640** for inflationary costs and annualization of FY 1988 salary adjustment.
- C. Adds **\$11,000** to reimburse the Administrative Services Division for administrative services which was funded from unappropriated trust funds during FY 1988.

INTENT LANGUAGE

This Section contains language requiring the Division to transfer its share of the estimated cost of consolidated administrative services to the Administrative Services Trust Fund.

This Section contains language allowing the Division to expend additional funds for credit union examinations with the approval of the Department of Management.

INSURANCE DIVISION  
SEC. 23      INSURANCE DIVISION - TRUST FUND

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	3,206,993	3,457,300	3,547,300
FTE	84.33	87.33	87.33

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Insurance Division. Legislative action reflects the following differences from FY 1988:

- A. Adds \$45,000 for reimbursement to the Attorney General for securities enforcement.
- B. Adds \$45,000 to automate the continuing education certification process.
- C. Adds \$93,156 and 3 FTE positions to administer the prearranged funeral and residential contract responsibilities of the Division.
- D. Adds \$47,151 for inflationary/support costs and annualization of FY 1988 salary adjustment to maintain the current level.
- E. Adds \$110,000 to reimburse the Administrative Services Division for administrative services, which was funded from unappropriated trust funds during FY 1988.

INTENT LANGUAGE

This Section contains language requiring the Insurance Division to transfer 60% of the funds deposited in the Insurance Division Trust Fund to the General Fund, contingent upon the increase in licensing fees. If the increase in fees is not approved, the Division is required to transfer 55% of the funds deposited in the Insurance Division Trust Fund to the General Fund.

This Section contains language requiring the Division to transfer \$45,000 to the Attorney General to provide reimbursement for one assistant attorney general for securities enforcement. This Section requires the Division to use \$45,000 of the funds appropriated to the Division for the computerization of the continuing education files.

This Section contains language requiring the Division to transfer its share of the estimated cost of consolidated administrative services to the Administrative Services Trust Fund.

This Section contains language allowing the Division to expend additional funds for insurance examinations with the approval of the Department of Management.

SEC. 24.1      INSURANCE DIVISION - AGENT LICENSE FEE

INTENT LANGUAGE

This Section contains language requiring the Insurance Division to increase insurance agent and securities broker/dealer license fees as follows:

- A. Increases insurance agent fees from \$10 annually to \$50 for a 3 year license, and requires a \$10 annual fee for continuing education certification. The increased fees will generate an additional \$400,000 annually.
- B. Increases securities broker/dealer license fees from \$20 annually to \$30 annually. The increased fees will generate an additional \$200,000 annually.

Approximately \$510,000 of the additional revenue is deposited in the General Fund and \$90,000 is retained in the Insurance Trust Fund.

SEC. 24.2      INSURANCE AGENT LICENSE FEE - RULES

INTENT LANGUAGE

This Subsection contains language which requires the Insurance Division to implement the insurance and securities licensing fee schedules by administrative rule.

PROFESSIONAL LICENSING & REG.

SEC. 13.1      PROFESSIONAL LICENSING DIV - TRUST FUND

INTENT LANGUAGE

This Subsection contains language creating a revolving trust fund for the Professional Licensing Division of the Department of Commerce.

SEC. 13.2      PROFESSIONAL LICENSING - START UP MONEY

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	642,322	100,000	100,000
FTE	9.00	9.00	9.00

EXPLANATION

Funds are appropriated to the Professional Licensing Division of the Department of Commerce for start up purposes for the Professional Licensing Division Trust Fund.

**SEC. 13-3 PROFESSIONAL LICENSING - REPAYMENT TO G.F.**INTENT LANGUAGE

This Subsection contains language stating that the Professional Licensing Division shall repay the General Fund for start up funds appropriated to the Professional Licensing Revolving Fund. The Division is required to reimburse the General Fund by June 30, 1989.

**SEC. 13.4 PROFESSIONAL LICENSING DIVISION**

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	0	654.027
FTE	.00	.00	9.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Professional Licensing Division. Legislative action reflects the following decisions:

- A. Transferred the Division from a General Fund appropriation to a trust fund appropriation.
- B. Adds \$4,100 to reimburse the Administrative Services Division for administrative services, which was funded from unappropriated trust funds during FY 1988.

INTENT LANGUAGE

This Section contains language requiring the Division to transfer its share of the estimated cost of consolidated administrative services to the Administrative Services Trust Fund.

**SEC. 13.5 PROFESSIONAL LICENSING DIV-TRANSFER TO G.F.**INTENT LANGUAGE

This Subsection contains language requiring the Professional Licensing Division to retain 80% of the licensing fees in the Professional Licensing Revolving Fund and transfer the remaining 20% to the General Fund.

**SEC. 14 PROFESSIONAL LIC - FINANCIAL RESPONSIBILITY**INTENT LANGUAGE

This Section contains language requiring the Professional Licensing Division to study the feasibility of adopting financial responsibility rules for professionals under the jurisdiction of the Division and submit a report by January 15, 1989. Rules shall be based on the following criteria:

- A. The rules shall require a member of a regulated profession to carry errors and omissions insurance to cover all regulated activities of the profession, or similar professional malpractice insurance;
- B. The rules shall permit the Administrator to contract with an insurance provider for a group policy for each of all professions regulated by the Administrator;
- C. A group policy obtained under Subsection 1 shall be made available to all members for the regulated professions with no right on the part of the insurance provider to cancel coverage for any member;
- D. A member of a profession shall have the option of obtaining insurance independently, but the coverage must meet the minimum requirements established by the Administrator;
- E. The Administrator shall determine the terms and conditions of coverage for the annual policy at least thirty days prior to the annual policy renewal date;
- F. If the Administrator is unable to obtain a group policy of errors and omissions insurance coverage at a reasonable premium to insure all members of a regulated profession who choose to participate in the group insurance program, the insurance or proof of financial responsibility requirement shall not be applicable to that profession during the applicable contract year.

The study shall include an evaluation of the availability of a group policy meeting the listed criteria, and an estimate of the premium cost for a member of each regulated profession. The study shall also describe the availability and cost of currently available insurance programs for each profession, both group and individual..

SEC. 15      REAL ESTATE BOARD - NAME CHANGE

INTENT LANGUAGE

This Section contains language which requires the Code Editor to change all references to the "Real Estate Examining Board" to read "Real Estate Commission."

SEC. 35      BOARD OF ACCOUNTANCY - BIENNIAL REPORT

CODE CITATION

This Section amends Section 116.3(3), Code Supplement 1987, by eliminating the requirement that the Board submit a biennial report to the Governor.

SEC. 36      REAL ESTATE BOARD - NAME CHANGE

CODE CITATION

The Section amends Section 117.8. Code Supplement 1987, by changing the name of the "Real Estate Examining Board" to the "Real Estate Commission."

SEC. 37      INTERIOR DESIGNER - DEFINITION

CODE CITATION

This Section amends Section 118.16, Code Supplement 1907, by defining an "interior designer" as a person using such designation in the performance of interior design services. Interior designers either passed the National Council for Interior Design Qualifications (NCIDQ) prior to or subsequent to enactment of this Act. or who were qualified under established NCIDQ criteria to take the examination as of the date of enactment of this Act. This Section allows interior designers to perform customary interior design services including the nonstructural aspects of interior space.

SEC. 41      PROFESSIONAL LICENSING DIVISION

CODE CITATION

This Section amends Section 546.10. Code Supplement 1987, by allowing certain Licensing Boards under the Professional Licensing Division to expend additional funds for examinations with the approval of the Department of Management. The Professional Licensing Division is authorized to expend the additional funds for examinations and not the individual licensing boards.

SEC. 49      PROFESSIONAL LIC DIV - BD OF ENGINEERING

CODE CITATION

This Section repeals Section 114.23. Code Supplement 1987, which requires the Department of Revenue and Finance to issue warrants for the payment of expenses and compensation relating to the Board of Engineering Examiners.

SAVINGS AND LOAN DIVISION

SEC. 22      SAVINGS & LOAN DIVISION - TRUST FUND

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	278,400	207,060	207,060
FTE	6.00	6.00	6.00

EXPLANATION

Funds are appropriated from the Savings and Loan Division Trust Fund for salaries, support, maintenance, and miscellaneous purposes for the Savings and Loan Division. Legislative action reflects the following differences from FV 1988:

- A. Adds \$4,000 to reimburse the Administrative Services Division for Administrative Services.
- B. Adds \$4.660 for inflationary/support costs and annualization of FV 1988 salary adjustment.

INTENT LANGUAGE

This Section adds language requiring the Division to transfer its share of the estimated cost of consolidated administrative services to the Administrative Services Trust Fund.

This Section adds language that allows the Division to expend additional funds for savings and loan examinations with the approval of the Department of Management.

UTILITIES DIVISION

SEC. 25 UTILITIES DIVISION - TRUST FUND

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Lev. Action</u>
8	4,294,407	4,478,319	4,478,319
FTE	102.50	96.50	96.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Utilities Division. Legislative action reflects the following differences from FV 1988:

- A. Deletes \$151,318 and 4 FTE positions, which were funded but not filled.
- B. Deletes \$94,426 and 2 FTE positions due to reorganization refinement.
- C. Adds \$192,656 for inflationary/support costs and annualization of FV 1988 salary adjustment.
- D. Adds \$237,000 to reimburse the Administrative Services Division for administrative services which was funded from unappropriated trust funds during FY 1988.

INTENT LANGUAGE

This Section contains language which requires the Division to transfer its share of the estimated cost of consolidated administrative services to the Administrative Services Trust Fund.

**CORRECTIONS. DEPARTMENT OF**

CBC DISTRICT 1

H. F. 2443

SEC. 4.2 EDUCATION PROGRAM

INTENT LANGUAGE

This Subsection contains language stating that the Department of Corrections shall report to the General Assembly and the Legislative Fiscal Bureau if it implements its Education Programming proposal. The proposal consists of pooling all Education funding at the Correctional Institutions and contracting out with a community college through the bidding process. This should lead to a more consistent Education Program at the Institutions, increase leverage to attract federal funds, and improve record keeping of inmates' records.

SEC. 6.1A CBC DISTRICT 1

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Lev. Action</u>
\$	3,017,311	3,164,940	3,164,940
FTE	103.36	105.36	105.36

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the First Judicial District Department of Correctional Services. Legislative action reflects the following differences from FV 1988:

- A. Reduces the Governor's original recommendation by 3%.
- B. Funds the Intensive Supervision Program (\$60,420 and 2 FTE positions).
- C. Adds salary money the Governor reduced in the FY 1989 base budget request (\$100,086).

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, \$60,420 shall be used for the Intensive Supervision Program.

SEC. 6.2 CBC INTENT LANGUAGE

INTENT LANGUAGE

This Subsection contains language stating that the Department of Corrections shall not change the appropriations either to the CBC Districts or the Institutions unless notice of the revisions is given prior to their effective date to the Legislative Fiscal Bureau. The notice shall include information on the Department's rationale for making the changes and details concerning the workload and performance measures upon which the changes are based.

SEC. 6.3      CBC INTENT LANGUAGE

INTENT LANGUAGE

This Subsection contains language stating that the Department of Corrections shall report to the Legislative Fiscal Bureau on a monthly basis the current expenditures and FTE positions of the Department's various allocations with a comparison of actual to budgeted expenditures and FTE positions. Also included is intent language stating that the Department shall furnish performance measure data designed to enable comparison of this data with historical spending information. The Department shall assist the Legislative Fiscal Bureau in developing information to be used in legislative oversight of all programs operated by the Department.

SEC. 6.4      CBC INTENT - OWI PROGRAM

INTENT LANGUAGE

This Subsection contains language stating that the Department shall continue the OWI facilities in each Judicial District as established in Chapter 1246, Section 402, Acts of 1986.

SEC. 11      INMATE TORT CLAIMS NON-REVERSIONS

INTENT LANGUAGE

This Section contains language stating that the Inmate Tort Claim Fund shall not revert at the end of FY 1988. This Section, being deemed of immediate importance, takes effect upon enactment.

CBC DISTRICT 2

SEC. 6.1B      CBC DISTRICT II

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	2,475,824	2,564,278	2,564,278
FTE	82.94	84.94	84.94

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Second Judicial District Department of Correctional Services. Legislative action reflects the following differences from FY 1988:

- A. Reduces the Governor's original recommendation by 3%.
- B. Funds the Sex Offender Program (\$97,384 and 2 FTE positions).

- C. Adds salary money the Governor reduced in the FY 1989 base budget request (\$20,180).

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, \$97,384 shall be used for the Sex Offender Program.

CBC DISTRICT 3

SEC. 6.1C      CBC DISTRICT 111

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,449,684	1,470,782	1,470,782
FTE	44.86	44.86	44.86

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Third Judicial District Department of Correctional Services. Legislative action reflects the following differences from FY 1988:

- A. Reduces the Governor's original recommendation by 3%.
- B. Funds the Sex Offender Program (\$24,000).
- C. Adds salary money the Governor reduced in the FY 1989 base budget request (\$23,400).

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, \$24,000 shall be used for the Sex Offender Program (purchase-of-service contract).

CBC DISTRICT 4

SEC. 6.1D      CBC DISTRICT IV

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,337,072	1,382,001	1,382,001
FTE	44.50	44.50	44.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Fourth Judicial District Department of Correctional Services. Legislative action reflects the following differences from FY 1988:

- A. Reduces the Governor's original

- recommendation by 3%.
- B. Funds the Sex Offender Program (\$16,340).
- C. Adds salary money the Governor reduced in the FY 1989 base budget request (\$33,955).

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, \$16,340 shall be used for the Sex Offender Program (purchase-of-service contract

CBC DISTRICT 5

SEC. 6.1E CBC DISTRICT V

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	4,231,378	4,440,969	4,440,969
FTE	142.49	147.49	147.49

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Fifth Judicial District Department of Correctional Services. Legislative action reflects the following differences from FY 1988:

- A. Reduces the Governor's original recommendation by 3%.
- B. Funds the Intensive Supervision Program (\$170,058 and 5 FTE positions).
- C. Adds salary money the Governor reduced in the FY 1989 base budget request (\$106,017).

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, \$170,058 shall be used for the Intensive Supervision Program.

CBC DISTRICT 6

SEC. 6.1F CBC DISTRICT VI

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	3,090,976	3,232,178	3,232,178
FTE	104.01	107.01	107.01

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Sixth Judicial District Department of Correctional Services. Legislative action reflects the following differences

from FY 1988:

- A. Reduces the Governor's original recommendation by 3%.
- B. Funds the Intensive Supervision Program (\$104,259 and 3 FTE positions).
- C. Adds salary money the Governor reduced in the FY 1989 base budget request (\$80,852).

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, \$104,259 shall be used for the Intensive Supervision Program.

CBC DISTRICT 7

SEC. 6.1G CBC DISTRICT VII

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	2,584,271	2,738,028	2,738,028
FTE	80.10	82.10	82.10

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Seventh Judicial District Department of Correctional Services. Legislative action reflects the following differences from FY 1988:

- A. Reduces the Governor's original recommendation by 3%.
- B. Funds the Intensive Supervision Program (873,696 and 2 FTE positions).
- C. Adds salary money the Governor reduced in the FY 1989 base budget request (\$99,468).

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, \$73,696 shall be used for the Intensive Supervision Program.

CBC DISTRICT 8

SEC. 6.1H CBC DISTRICT VIII

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,223,374	1,333,719	1,333,719
FTE	40.11	42.11	42.11

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Eighth Judicial District Department of Correctional Services. Legislative action reflects the following differences from FY 1988:

- A. Reduces the Governor's original recommendation by 3%.
- B. Funds the Intensive Supervision Program (\$73,752 and 2 FTE positions).
- C. Adds salary money the Governor reduced in the FY 1989 base budget request (\$43,853).

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, 573.752 shall be used for the Intensive Supervision Program.

CBC STATEWIDE

SEC. 6.11 CBC STATEWIDE

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	89,137	86,445	86,445

EXPLANATION

Funds are appropriated for the Community Based Corrections Statewide account. This appropriation funds activities which are in support of the Eight Judicial Districts Departments of Correctional Services. It includes support for such items as centralized data processing, evaluation projects, major medical bills for work release, accreditation and clothing allowance. Legislative action represents a 3% decrease from FY 1988.

CORRECTIONS CENTRAL OFFICE

SEC. 4.3 INMATE TORT CLAIMS

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,498	0	0

INTENT LANGUAGE

This Subsection contains language stating that the Inmate Tort Claim Fund shall not revert at the end of FY 1989. Also included in this Subsection is language stating that the Anamosa correctional facility shall employ a substance abuse counselor at Luster Heights.

SEC. 5.1 CENTRAL OFFICE CORRECTIONS

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,681,680	1,693,744	1,693,744
FTE	38.52	37.52	37.52

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Central Office of the Department of Corrections. Legislative action reflects the following differences from FY 1988:

- A. Transfers into Central Office 2 FTE positions and \$80,884 for Jail Inspections.
- B. Transfers out of Central Office 3 FTE positions and \$120,399 to the Iowa Department of Personnel due to refinement of state government reorganization.
- C. Transfers out of Central Office 1 FTE position and \$40,392 for the Statistical Analysis Center to the Criminal and Juvenile Justice Planning Division, Department of Human Rights.
- D. Adds \$23,320 as 25% match money for a federal anti-drug abuse grant.
- E. Adds \$48,651 for salary annualization.
- F. Increases the reimbursement contract to the Attorney General's Office by \$20,000.

The \$23,320 is to be used as a match to federal anti-drug abuse funds (\$70,000) from the Governor's Alliance on Substance Abuse. The grants are to be used to provide treatment for substance abusers at Mt. Pleasant and Luster Heights.



INTENT LANGUAGE

This Subsection contains language stating that the Department of Corrections and Board of Parole shall issue a joint report to the General Assembly regarding the Interstate Compact. The Department of Corrections shall provide a monthly statement to the Legislative Fiscal Bureau regarding the number of Iowa offenders participating in the Interstate Compact. This Subsection also contains language stating that the Department of Human Services shall continue to provide for the mailing of vendor warrants for the Department of Corrections.

SEC. 5.2 COUNTY CONFINEMENT

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	64,935	119,580	119,580

EXPLANATION

Funds are appropriated for reimbursements paid to the counties for temporary confinement of work release and parole violators. Legislative action reflects an increase in the account by \$54,645 from FY 1988. This increase is offset by a \$54,645 decrease in the Federal Prisoners/Contractual account.

SEC. 5.3 FEDERAL PRISONERS/CONTRACTUAL

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	354,645	300,000	300,000

EXPLANATION

Funds are appropriated for payments to the federal prison system for boarding inmates under the custody of the Iowa Department of Corrections, as well as miscellaneous contracts (including a Muslim imam). Legislative action reflects a decrease in this account by \$54,645 from FY 1988. The County Confinement account is increased by \$54,645.

INTENT LANGUAGE

This Subsection contains language stating that the Department shall use funds appropriated by this Subsection to continue to contract for the service of a Muslim imam.

SEC. 5.5 ROOF REPAIRS

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	115,584	115,584	115,584

EXPLANATION

Funds are appropriated for roof repairs and related expenses for the correctional institutions. Legislative action reflects funding at the FY 1988 level.

SEC. 14 INTERIM COMMITTEEINTENT LANGUAGE

This Section establishes a Corrections Task Force Committee to study and make recommendations for the improvement of the Corrections System. The Committee shall be composed of five members from each House and one representative from each of the following: Department of corrections, Board of Parole, and the District Departments of Correctional Services. The Task Force is authorized to contract with Corrections experts in order to issue a long-term Master Plan.

The Master Plan shall include two year, five year, and ten year goals and a comprehensive ten year master plan for the Corrections System. The Master Plan shall include a study and evaluation of the custody classification system regarding the availability of minimum, medium and maximum security beds in the correctional institutions and Community Based Corrections (CBC) Districts.

The classification study shall include a comparison of Iowa's classification system with the National Institute of Corrections and the Federal Board of Parole. The classification study shall include a profile of the State's prison population, a determination of whether an identifiable group of inmates exists which could be placed in alternative correctional settings without increasing the risk to public safety, an examination of the current aggregate custody needs involving the State's prison population to estimate prison capacity needs by custody level, and a determination of over- or under-use of bed space at the various custody levels.

The Master Plan shall include an evaluation of the risk assessment model used by the Board of Parole in comparison with other available models, including the Rand Study Model. The Master Plan shall include recommendations relating to sentencing patterns and practices, release criteria, and resource allocation.

The Master Plan shall include recommendations regarding the use of diversion and community service programs and the use of alternative and intermediate sanction programs. Recommendations shall also include institutional staffing levels and training programs for correctional officers. Correctional policy alternatives with cost-benefit analyses regarding those alternatives shall be provided.

The Master Plan shall project prison populations for the next five years and it necessary, make recommendations concerning the construction and maintenance of additional prison space. In regards to additional prison space, recommendations shall include the location(s) of bed space and the extent alternative or intermediate sanctions can reduce the need for additional space. The Master Plan shall address programs targeted towards Operating While Intoxicated (OWI) offenders, substance abusers and sex offenders, and shall include the cost effectiveness of lease-purchase arrangements to build any new prison space. The Task Force shall recommend a five to ten year maintenance program for the correctional institutions in Iowa.

The Task Force shall report to the Legislative Council and the General Assembly by January 15, 1989, in regards to its findings concerning the custody classification system and the risk assessment model. The Master Plan shall be completed and a report made to the Legislative Council and General Assembly by January 1, 1990.

CORR. TRAINING ACADEMY  
SEC. 5.4 CORRECTIONS TRAINING CENTER

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	288,249	279,731	279,731
FTE	6.31	6.31	6.31

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes--for the Training Center. Legislative action reflects the FY 1988 funding level, less a reduction in the Utilities budget.

COHH. - FORT MADISON  
SEC. 4.1A FT. MADISON INST.

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	16,952,913	11,126,365	17,126,365
FTE	486.50	477.50	477.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Ft. Madison correctional facility. Legislative action reflects funding at the FY 1988 level plus 3173.452 for salary annualization.

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, Ft. Madison shall employ 290 correctional officers. There may be a vacancy factor in correctional officer FTE positions due to a normal turnover, e.g., resignations or retirements.

CORR. - ANAMOSA  
SEC. 4.16 ANAMOSA INST.

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
3	11,754,324	11,925,005	11,925,005
FTE	314.00	309.00	309.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Anamosa correctional facility. Legislative action reflects funding at the FY 1988 level plus \$170,681 for salary annualization.

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation Anamosa shall employ 178 correctional officers. here may be a vacancy factor in correctional officer FTE positions due to a normal turnover, e.g., resignations or retirements.

CORR. - OAKDALE

SEC. 4.1C OAKDALE INST.

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
8	8,017,101	8,380,765	8,380,765
FTE	248.50	244.50	244.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Oakdale correctional facility. Legislative action reflects funding at the FY 1988 level plus \$363.664 for salary annualization.

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, Oakdale shall employ 124 correctional officers. There may be a vacancy factor in correctional officer FTE positions due to normal turnover, e.g., resignations or retirements.

CORR. - NEWTON

SEC. 4.1D NEWTON INST.

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	2,059,215	2,108,172	2,108,172
FTE	54.50	56.00	56.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Newton correctional facility. Legislative action reflects funding at the FV 1988 level plus 848.957 for salary annualization.

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, Newton shall employ 18 correctional officers. There may be a vacancy factor in correctional officer FTE positions due to a normal turnover, e.g., resignations or retirements.

CORR. - MI PLEASANT

SEC. 4.1E MT. PLEASANT INST.

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	8,830,980	9,106,787	9,106,787
FTE	250.28	252.28	252.28

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Mt. Pleasant correctional facility. Legislative action reflects funding at the FY 1988 level plus \$275.807 for salary annualization.

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, Mt. Pleasant shall employ 134 correctional officers. There may be a vacancy factor in correctional officer FTE positions due to a normal turnover, e.g., resignations or retirements.

CORR. - ROCKWELL CITY

SEC. 4.1F ROCKWELL CITY INST.

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	2,239,243	2,244,481	2,244,481
FTE	64.00	64.00	64.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Rockwell City correctional facility. Legislative action reflects funding at the FV 1988 level plus \$5,238 for salary annualization.

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, Rockwell City shall employ 36 correctional officers. There may be a vacancy factor in correctional officer FTE positions due to a normal turnover, e.g., resignations or retirements.

CORR. - CLARINDA  
SEC. 4.1G CLARINDA INST.

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	3,185,190	3,280,232	3,280,232
FTE	104.55	102.65	102.65

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Clarinda correctional facility. Legislative action reflects funding at the FY 1988 level plus \$95,042 for salary annualization.

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, Clarinda shall employ 59 correctional officers. There may be a vacancy factor in correctional officer FTE positions due to a normal turnover, e.g., resignations or retirements.

CORR. - MITCHELLVILLE  
SEC. 4.1H MITCHELLVILLE INST.

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	2,702,028	2,713,841	2,713,841
FTE	82.00	82.00	82.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Mitchellville correctional facility for women. Legislative action reflects funding at the FY 1988 level plus \$11,813 for salary annualization.

INTENT LANGUAGE

This Subsection contains language stating that as a condition, limitation, and qualification of this appropriation, Mitchellville shall employ 44 correctional officers. There may be a vacancy factor in correctional officer FTE positions due to a normal turnover, e.g., resignations or retirements.

CULTURAL AFFAIRS, DEPARTMENT OF  
 CULTURAL AFFAIRS, DEPT OF  
 S. F. 2312

SFC. 1.1 ADMINISTRATION DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	270,386	273,190	273,190
FTE	8.00	8.00	8.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Administration Division. This legislative action represents a \$2,804 (1.04%) increase from the FV 1988 appropriation.

SEC. 1.2 ARTS DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	469,820	493,069	493,069
FTE	10.00	10.00	10.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Arts Division. The \$23,249 (4.95%) increase is part of the \$25,000 required as match to obtain a \$20,000 grant from the National Endowment for the Arts.

INTENT LANGUAGE

This Subsection contains language stating that the Arts Division shall expend the required amount to qualify for matching funds from the National Endowment for the Arts (NEA). The Arts Division shall work cooperatively with the Department of Education to utilize these moneys For the development of a basic art education curriculum as required by the NEA grant. Receipt of this grant makes the Arts Council eligible for other grants for which it would not otherwise be eligible.

SEC. 1.3A HISTORICAL DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,509,812	1,899,128	1,899,128
FTE	45.75	57.00	57.00

EXPLANATION

Funds are appropriated for Salaries. support. maintenance. and miscellaneous purposes for the Historical Division. This legislative action represents a 3389.316 (25.79%) increase from FV 1988 and adds 11.25 FTE positions for additional clerical staff (e.g., mail clerk, clerk typists) and professional staff (e.g., artifacts conservator. curators. archivist. marketer).

INTENT LANGUAGE

This Subsection contains language stating that one of these FTE positions will be assigned marketing responsibilities for programs and events within both the Historical Division and the other divisions of the Department of Cultural Affairs. This Subsection is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

SEC. 1.38 HISTORICAL CAPITALS

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
	3	0	600,000
			600,000

EXPLANATION

Funds are appropriated for equipment, planning and construction for exhibits in the State Historical Museum.

INTENT LANGUAGE

This Subsection is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

SEC. 1.4 LIBRARY DIVISION

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,081,445	1,177,842	1,177,842
FTE	40.50	40.50	40.50

EXPLANATION

funds are appropriated for salaries. support, maintenance, and miscellaneous purposes for the Library Division. The legislative action represents a \$96,397 (8.91%) increase from the FY 1988 appropriation.

INTENT LANGUAGE

This Subsection contains language stating that the Library Division shall expend funds for three projects: open access to libraries; library cooperation grants; and the blue ribbon task force on library cooperation. It is the intent that 3100.000 be expended tor these purposes. This Subsection is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

SEC. 1.6 TERRACE HILL COMMISSION

	<u>FY 1988</u> <u>Approp.</u>	<u>FY</u> <u>Gov. Revised</u>	<u>Leg. Action</u>
3	156,343	179,284	179,284
FTE	5.25	5.25	5.25

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the operation of Terrace Hill and for conducting tours. This legislative action represents a 322,941 ( 4.67%) increase from the FV 1988 appropriation.

INTENT LANGUAGE

This Subsection contains language stating tha funds are to be spent to repair or replace all of the Terrace Hill porches: \$19,284 was included for this purpose. This Subsection is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements:

SEC. 1.7 REGIONAL LIBRARY SYSTEM

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 1,464,165	1,458,985	1,458,985

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Regional Library System. This legislative action represents a \$5.180 (0.35%) decrease from the FY 1988 appropriation.

SEC. 1.8 IOWA TOMORROW: 2010 PROJECT

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 0	100,000	100,000

EXPLANATION

Funds are appropriated to assist the Iowa Newspaper Association in funding the Iowa Tomorrow: 2010 Project. These monies will be administered by the Administration Division of the Department of Cultural Affairs.

INTENT LANGUAGE

This Subsection contains language stating that the \$100,000 appropriated here shall be used to assist the Iowa Newspaper Association in funding the Iowa Tomorrow: 2010 Project. The goal of this project is to evaluate economic growth alternatives, through a town-meeting process develop consensus among Iowans as to which alternative or alternatives to pursue, and encourage concerted, goal-directed actions to achieve the economic future Iowans desire.

SEC. 2 SOLICITATION OF CONTRIBUTIONS BY HIST DIV

INTENT LANGUAGE

This Section contains language stating that the Historical Division shall solicit voluntary contributions at the entrances and other locations within the Historical Building. These contributions and the entrance fees collected at the Montauk Governor's Mansion are to be used to repay the principal and interest on the amount borrowed from the Permanent School Fund.

SEC. 3 HISTORICAL DIV--REPAY PERMANENT SCHOOL FUND

INTENT LANGUAGE

This Section contains language stating that the interest earned on the Permanent School Fund that is not transferred to the FINE Foundation and the National Center for the Gifted and Talented will be used to pay off the interest and principal borrowed by the Historical Division from the Permanent School Fund.

SEC. 4 BLUE RIBBON TASK FORCE--LIBRARY COOPERATION

INTENT LANGUAGE

This Section contains language stating that the Library Division shall establish a blue ribbon task force to examine the potential for cooperation among various libraries and media centers. The task force will evaluate new technology and the potential for cooperative use of the technology; will examine problem areas from the user's perspective for the establishment of cooperative programs; develop a comprehensive long-range plan for library cooperation and sharing of resources and technology. The task force will submit its report to the Governor and the General Assembly by December 1, 1988.

SEC. 5 PUBLIC BROADCASTING ENERGY CONSERVATION

INTENT LANGUAGE

This Section contains language stating that the Public Broadcasting Division may obtain funds through the Iowa Facilities Improvement Corporation to purchase energy efficiency packages for its ultrahigh frequency transmitters. IPTV is exempted from meeting the requirements of Section 19.34, Code of Iowa, and thus is not required to go before the Executive Council for approval; may perform its own engineering analysis rather than using the outside consultant retained by the Iowa Facilities Improvement Corporation; and is not limited to only those improvements yielding an aggregate six year payback. The funds obtained under this Section will be combined with those appropriated under Section 1.5 of this bill as the match requirement for the federal grant. This Section is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it would require a diversion of operating funds from the IPTV budget for debt service, and that issuing bonds for energy conservation projects with longer than six-year paybacks is unwise financial strategy.

FISCAL EFFECT OF VETO

There is no immediate fiscal effect of this veto on the General Fund inasmuch as this Section simply authorized funds for energy conservation and made no direct appropriation. However, given that the payback for the UHF transmitter efficiency upgrade is between six and seven years, after 1995 Iowa Public Broadcasting will be paying approximately \$138,000 more annually for electricity than it would otherwise. In addition, elimination of this funding source means Iowa Public Broadcasting will not have sufficient matching funds to apply for a competitive federal grant. This in turn means there is no opportunity to obtain nearly \$500,000 in federal money to pay almost two thirds of the cost of a new Channel 12 transmitter.

SEC. 6 NONREVERSION 1986 ARTS COUNCIL PROJECTSINTENT LANGUAGE

This Section contains language stating that monies appropriated in FY 1986 for certain projects administered by the Arts Division, but not yet spent or encumbered on June 30, 1988, shall not revert to the General Fund but shall remain available for expenditure for the specified purposes. This Section is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

SEC. 7 COMMUNITY CULTURAL GRANTS ADMIN. BY I.A.C.CODE CITATION

This Section amends Section 99E.32(3)c, Code Supplement 1987. This Section changes the administration of the Lottery funds for the Community Cultural Grants Program from the Department of Cultural Affairs to the Arts Division within the Department, thereby allowing this spending to be reported as part of the Arts Council's expenditures when compiling national statistical reports.

SEC. 0 RETENTION OF MONTAUK FEES BY HISTORICAL DIVCODE CITATION

This Section amends Section 303.9(1), Code of Iowa, which lists the revenue sources to be credited to the Historical Division's account. The entrance fees for the Montauk Governor's Mansion are specifically excluded from the monies retained by the Division. This Section deletes the language that excepts the entrance fees collected at the Montauk Governor's Mansion from becoming a part of the Historical Division's budget. This change means that the entrance fees for the Montauk Governor's Mansion collected by the Historical Division will be credited to the Department's account instead of being reverted to the General Fund. Section 3 of this bill requires these fees be used to help repay the loan from the Permanent School Fund.

CULTURAL AFFAIRS IPT  
SEC. 1.5 PUBLIC BROADCASTING DIVISION

	FV 1988 <u>Approp.</u>	FV 1989 <u>Gov. Revised</u>	FY 1989 <u>Leg. Action</u>
\$	5,979,419	6,030,706	6,280,706
FTE	100.00	100.00	100.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Public Broadcasting Division. This legislative action represents a \$301,287 (5.04%) increase from the FY 1988 appropriation.

INTENT LANGUAGE

This Subsection contains language stating that the Public Broadcasting Division shall expend funds for the replacement of the Channel 12 transmitter located at West Branch, Iowa, and/or narrowcast production facilities. It is the intent of the General Assembly to allow the Public Broadcasting Division to pursue various options to replace the Channel 12 transmitter, including application for a federal grant to pay for a portion of the transmitter and/or lease-purchase arrangements. Legislative intent is for not more than \$280,000 to be expended for this purpose. Given the timeframe for the grant application, these funds may be carried forward into FY 1990. Funds not expended on the transmitter are to be applied to Warrowcast costs. This Subsection is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

ECONOMIC DEVELOPMENT. DEPARTMENT OF  
ECONOMIC DEVELOPMENT, DEPT OF  
S. F. 2309

SEC. 1.1      GENERAL OFFICE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	803,388	266,827	266,827
FTE	22.80	21.50	21.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for general office functions: administration, communications, information processing, and planning.

The legislative action represents a net \$56,561, (7.0%), decrease from FV 1988 and reflects the following differences from FV 1988:

- A. Up to \$480,000 of FV 1988 unobligated funds for the Export Finance Program is transferred to General Administration for FV 1989 expenditures (See Section 15 of this bill).
- B. \$77,956 reduction by eliminating 1.3 FTE positions and reducing funds for outside consulting.
- C. \$21,395 addition for reimbursing the State Auditor.

SEC. 1.2      TOURISM ADMINISTRATION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	1,441,533	926,533	926,533
FTE	15.40	15.90	15.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Tourism Program Administration. Legislative action creates separate line item appropriations for Tourism Administration and for Tourism Advertising. (See Section 1.3 for the Tourism Advertising appropriation).

The legislative action reduces the FY 1988 funding level by \$515,000, the amount identified as actual advertising funds, and allocates the amount to tourism advertising in Section 1.3. Legislative action results in funding the Tourism Administration at the FV 1988 level.

The legislative action reduces the FV 1988 authorized FTE positions by 0.40, and increased the FTE positions

in National Marketing Programs by 0.40 to accurately assign the number of positions to the respective appropriation (See Section 1.5 of this bill).

INTENT LANGUAGE

This Subsection contains language stating that the Department shall evaluate the feasibility of providing assistance to local tourism organizations for promoting local tourism attractions at the Iowa State Fair. The Department shall report findings from the evaluation to the General Assembly by February 15, 1989.

SEC. 1.3      TOURISM ADVERTISING

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	515,000	915,000

EXPLANATION

Funds are appropriated for in-state and out-of-state tourism, marketing, and promotion advertising contracts for electronic media and printed materials.

The legislative action separates funding for tourism advertising and tourism administration. Legislative action results in a \$400,000 (78%) increase from the actual FV 1988 level of \$515,000.

Note: In addition, \$793,000 is appropriated from lottery proceeds for the same purposes in this Subsection.

INTENT LANGUAGE

This Subsection contains language which requires that \$30,000 shall be used for promoting state-owned historical attractions and \$30,000 for promoting other cultural attractions determined by the Department of Cultural Affairs.

This Subsection contains language stating that the Department shall, to the fullest extent, develop partnerships with the private sector, and to the fullest extent possible, match contributions from other sources on a dollar-for-dollar basis.



SEC. 1.4      MULTI STATE TOUHISM

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	5,000	5,000

EXPLANATION

Funds are appropriated for developing, printing, and distributing tourism materials in cooperation with tourism efforts of Nebraska, Kansas, and Missouri for promoting an identified multi-state region.

The legislative action represents funding of a new program.

SEC. 1.5      NATIONAL MARKETING ADMINISTRATION

	<u>FV 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	960.623	716.623	716.623
FTE	13.35	12.75	12.75

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for National Marketing Program Administration. Legislative action creates separate line item appropriations for National Marketing Administration, National Marketing Advertising, and the Film Office. (See Subsection 1.6 for Film Office and 1.7 for National Marketing Advertising).

Legislative action reflects the following differences from FY 1988:

- A. Subtracts \$54,000, the amount identified as Film Office funds which has a separate appropriation for FV 1989 in Section 1.6.
- B. Subtracts \$190,000, the amount identified as actual advertising funds which has a separate appropriation for FV 1989 in Section 1.7.
- C. 1.00 FTE position decrease, identified with the Film Office which has a separate appropriation for FV 1989 in Section 1.6.
- O. **0.40** FTE position increase, to reflect a transfer of activities from Tourism Administration to National Marketing Administration.

SEC. 1.6      FILM OFFICE

	<u>FV 1988</u>	<u>FY 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	114,000	114,000
FTE	.00	1.00	1.00

EXPLANATION

Funds are appropriated for salaries, support, operations, and maintenance of the Film Office. Legislative action represents a \$60,000 (111%) increase from the FY 1988 level of \$54,000.

SEC. 1.7      NATIONAL MARKETING ADVERTISING

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	190,000	790,000

EXPLANATION

Funds are appropriated for out-of-state National Marketing Advertising contracts for electronic media and printed materials.

The legislative action separates the funding for National Marketing Administration and National Marketing Advertising and results in a 3600.000 (316%) increase from the actual FY 1988 level of \$190,000.

Note: In addition, \$1,207,000 is appropriated from lottery proceeds for the same purposes in this Subsection.

INTENT LANGUAGE

This Subsection contains language stating that the Department shall, to the fullest extent, develop partnerships with the private sector, and, to the fullest extent possible, match contributions from other sources on a dollar-for-dollar basis.

SEC. 1.8      INTERNATIONAL TRADE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	1,058,552	403,669	403,669
FTE	10.50	6.00	6.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for International Trade Programs.

The legislative action creates separate line item appropriations for International Trade Programs, German Trade Office, Hong Kong Trade Office, Asian Trade Office, and the Agricultural Product Advisory Council. (See Subsections 1.10 - 1.13).

The legislative action reduces the FV 1988 funding level by \$654,883, which represents the FV 1988 funds for the trade offices and the advisory council presented in Subsections 1.10 - 1.13. Legislative action results in funding the International Trade Programs at the **FY 1988** level.

INTENT LANGUAGE

This Section contains language stating that the Department shall give attention to using a portion of the funds for developing an international trade network with alumni of Iowa universities and colleges.

SEC. 1.9      EXPORT TRADE ACTIVITIES

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	0	400,000
FTE	.00	1.00	.00

EXPLANATION

Funds are appropriated for providing assistance to businesses to participate in trade shows and missions, leasing space in trade centers, providing assistance to foreign investors and buyers, developing an export trading company, and other assistance activities.

The legislative action represents funding of a new program.

SEC. 1.10      GERMAN TRADE-OFFICE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	195,350	195,350
FTE	.00	1.50	1.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Trade Office.

The legislative action creates a separate line item appropriation for the Trade Office and results in funding it at the FV 1988 level.

SEC. 1.11      HONG KONG TRADE OFFICE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	163,939	163,939
FTE	.00	2.00	2.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Trade Office.

The legislative action creates a separate line item appropriation for the Trade Office and results in funding it at the FV 1988 level.

SEC. 1.12      ASIAN TRADE OFFICE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	290,709	290,709
FTE	.00	2.00	2.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Trade Office.

The legislative action creates a separate line item appropriation for the Trade Office and results in funding it at the FV 1988 level.

SEC. 1.13 AGRICULTURAL PRODUCT ADVISORY COUNCIL

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	4.885	4,885

EXPLANATION

Funds are appropriated for support, maintenance, and miscellaneous purposes for the Council.

The legislative action creates a separate line item appropriation for the Council and results in funding it at the FV 1988 level.

SEC. 1.14 SMALL BUSINESS PROGRAMS

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	342,094	342,094	302,094
FTE	6.00	6.00	5.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for small business programs.

The legislative action represents a **12%** decrease from FV 1988. This reduction of \$40,000 reflects the transfer of the certification process of Targeted Small Businesses from the Department of Economic Development to the Department of Inspections and Appeals. Accordingly, the Department of Inspections and Appeals was appropriated an additional \$40,000.

SEC. 1.15 COMMUNITY PROGRESS

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	426,768	426,768	426,768
FTE	8.50	8.50	8.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Programs.

The legislative action **funds** the Programs at the FV 1988 level.

SEC. 1.16 CHILDCARE/DISPLACED HOMEMAKER

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	727.272	727,272	727.272
FTE	.75	.75	.75

EXPLANATION

Funds are appropriated for additional and supplemental funding for Child Care Services, the Displaced Homemakers Program, and Child Care Start-up Grants.

The legislative action funds the Programs at the FV 1988 level.

SEC. 1.17 MISSISSIPPI RIVER PARKWAY COMMISSION

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	14,535	14,535	19,535

EXPLANATION

Funds are appropriated for support, maintenance, and miscellaneous purposes for the Commission.

The legislative action represents a **34%** increase from FV 1988.

SEC. 1.18 COMMUNITY DEVELOPMENT

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	55,509	55,509	55,509
FTE	14.00	13.50	13.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the administration of the Community Development Block Grant Program and related housing and urban development programs.

The legislative action funds the programs at the FV 1988 level.

**SEC. 1.19      JOB TRAINING PARTNERSHIP ACT**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	959.191	480.000	480,000
FTE	28.50	28.50	28.50

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance and miscellaneous purposes relating to the Displaced Workers Program.

The legislative action represents a 50% decrease from FY 1988 and reflects the following differences from FY 1988:

- A. Requires the Department to carry forward an estimated \$250,000 of FY 1988 unobligated funds into FY 1989.
8. Requires the local Service Delivery Areas to provide more in-kind match to be counted in place of the state funds.

**SEC. 1.20      IOWA YOUTH CORP**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	369.918	286,287	286,287
FTE	2.00	2.00	2.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for administering the Youth Corps Programs.

The legislative action represents a 23% decrease from FY 1988.

**SEC. 2            JTPA BALANCE FORWARD TO FY 1989**

**EXPLANATION**

This Section amends Chapter 233, Section 301, Acts of 1987, and requires the Department to carry forward an estimated \$250,000 of unobligated funds from the FY 1988 appropriation for JTPA administration, to FY 1989 for funding JTPA administration.

**SEC. 6            TARGETED SMALL BUS. FINANCIAL ASSISTANCE**

**CODE CITATION**

This Subsection amends Section 15.108(7)c, Code Supplement 1987, and deletes references to the Targeted Small Business Loan Guarantee Program and replaces them with references to the Targeted Small Business Financial Assistance Program.

**SEC. 7            TARGETED SMALL BUSINESS-SET ASIDE**

**CODE CITATION**

This Subsection amends Section 15.108(7)c, Code Supplement 1987, strikes subparagraph 4, and deletes references to the Department of Economic Development for certification of small businesses for the Targeted Small Business Procurement Set-Aside Program.

**SEC. 8            TARGETED SMALL BUSINESS-SET ASIDE**

**CODE CITATION**

This Section amends Section 15.108(7g)1, Code Supplement 1987, and deletes references to the certification of participants for the Targeted Small Business Set-Aside Program performed by the Department of Economic Development.

**SEC. 9            TARGETED SMALL BUS. FINANCIAL ASSISTANCE**

**CODE CITATION**

This Section creates Section 15.111, Code of Iowa, and establishes the Targeted Small Business Financial Assistance Program.

**SEC. 10          AMBASSADOR'S PROGRAM DUTIES**

**CODE CITATION**

This Section adds Section 15.235, Code of Iowa, and contains the duties of the Ambassadors Program for FY 1989. These duties include: matching private contributions on a dollar for dollar basis; developing state and national marketing programs; and implementing statewide initiatives utilizing a toll-free phone number, billboards, a direct marketing program, a trade and marketing institute, and an "Invest in Iowa" program.

**SEC. 11      TARGETED SMALL BUSINESS--SET ASIDE**CODE CITATION

This Section amends Section 73.16(2), Code of Iowa, and deletes references to the Department of Economic Development and inserts references to the Department of Inspections and Appeals for administration of the Targeted Small Business Procurement Set-Aside Program.

**SEC. 12      TARGETED SMALL BUSINESS--SET ASIDE**CODE CITATION

This Section amends Section 73.18, Code of Iowa, and deletes references to the Department of Economic Development and inserts references to the Department of Inspections and Appeals for administration of the Targeted Small Business Procurement Set-Aside Program.

**SEC. 13      AMBASSADOR'S CONTRACTS**INTENT LANGUAGE

This Section contains language stating that the Department shall honor contracts during FY 1989 that were executed before the enactment of this Act if the contracts are consistent with the duties of the Ambassador's Program contained in Section 10 of this bill.

**SEC. 14      AMBASSADORS CARRY FORWARD INTO FY 1989**EXPLANATION

This Section amends Chapter 233, Section 303, Acts of 1987, and requires the Department to carry forward an estimated \$251.415 of FY 1988 unobligated funds into FY 1989 for funding the FY 1989 Program's operations.

**SEC. 15      EXPORT FINANCE BALANCE FORWARD INTO FY 1989**EXPLANATION

This Section amends Chapter 1246, Section 1, Subsection 6, Acts of 1987, and limits the Department to carry forward up to \$500,000 of FY 1987 unobligated funds into FY 1988. **This** Section also amends Chapter 233, Section 305, Acts of 1987, and requires the Department to carry forward up to \$480,000 of FY 1988 unobligated funds into FY 1989 and transfer the funds for general administration functions of the Department contained in Section 1.1 of this bill.

GOVERNOR'S VETO

The Governor vetoed intent language which limited the amount of unobligated funds brought forward from FY 1987 to FY 1988 to \$500,000. The Department actually brought forward \$720,595 to FY 1988. The veto corrected a drafting error and enables the Department to carry forward the total 8720,595 into FY 1988 and enables the Department to carry forward an estimated \$480,000 into FY 1989.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

**SEC. 18      TARGETED SMALL BUSINESS LOAN/EQUITY GRANTS**CODE CITATION

This Section repeals Section 15.110, Code Supplement 1987, (Targeted Small Business Loan and Equity Grant Program), and Section 220.111, Code of Iowa, (Targeted Small Business Loan Guarantee Program).

**SEC. 19      TARGETED SMALL BUSINESS LOAN GUARANTEES**EXPLANATION

This Section requires uncommitted funds within the Targeted Small Business Loan Guarantee Program transferred to the Department of Economic Development to be used for case management assistance programs for low-income persons starting or expanding small businesses.

**SEC. 20      TARGETED SMALL BUSINESS LOAN GUARANTEES**INTENT LANGUAGE

This Section requires the Department of Economic Development to continue the administration of the loans and loan guarantees made prior to the repeal of the Targeted Small Business Loan and Equity Grant Program and the Targeted Small Business Loan Guarantee Program which need to be maintained during FY 1989.

FINANCIAL AUTHORITY

SEC. 1.21 FINANCE AUTHORITY-HOMELESS SHELTER GRANTS

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 0	100,000	100,000

EXPLANATION

Funds are appropriated to the Housing Trust Fund Program to provide grants for the construction, rehabilitation, or expansion of group home shelters for the homeless.

The legislative action represents funding of a new program.

EDUCATION, DEPARTMENT OF  
EDUCATION, DEPT. OF  
S. F. 2312

SEC. 33.1 GENERAL ADMINISTRATION

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 5,247,785	5,337,825	5,371,825
FTE 120.09	121.00	121.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for general administration. The legislative action represents a 2.36% increase from the FY 1988 appropriation. This increase comes from funds appropriated to provide for the following programs: the Summer Gifted and Talented Program, the Lift-Up Program, pilot projects for women and minority advancement, and the development of model human growth and development curricula.

INTENT LANGUAGE

This Subsection contains language stating that:

- A. The Department, with the College Aid Commission, will survey a sample of high school graduates during the school year beginning July 1, 1987 to determine why they are choosing not to pursue further education or technical training and to identify the unmet needs for postsecondary education. The survey results will be reported to the General Assembly by November 1, 1989.
- B. The intent of the Legislature is that the

Department shall spend \$70,000 for a summer residence program for gifted and talented elementary and secondary school students, and \$25,000 to support existing law-related education centers, for training seminars and workshops in law-related education, summer institutes relating to law-related education and methodology and substance, mock trial competitions for junior and senior high school students, and the legislative lawmaking process. Educational materials relating to the legislative lawmaking process will be developed by the law-related education centers in consultation with the Legislative Council.

- C. The intent of the Legislature is that the Department shall spend \$40,000 for the Lift-Up Program, administered by the Fifth Judicial District Department of Correctional Services, to assist clients to obtain high school equivalency diplomas. The Department of Correctional Services will submit a report of the program to the chairpersons and ranking members of the Education Appropriations Subcommittee and to the Legislative Fiscal Bureau no later than February 1, 1989.
- D. The intent of the Legislature is that the Department shall spend \$15,000 for funding pilot projects of school corporations to encourage the advancement of women and minorities to administrative positions within that school corporation. Each school corporation receiving moneys for a pilot project will submit a written report to the Department analyzing the results no later than October 1, 1989.
- E. The intent of the Legislature is that the Department shall spend \$90,000 for the development of model human growth and development curricula for grades kindergarten through twelve and for the identification and dissemination of information about early intervention programs for at-risk students.

SEC. 33.2 TEACHER PREPARATION

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	750.000	750,000

EXPLANATION

funds are appropriated for funding of Teacher Preparation programs. The Department of Education will use the monies for the following:

- A. To develop model training and incentive programs for cooperating teachers;
- B. To develop criteria for enhancing clinical experiences of prospective teachers and for grants for projects that designate certain schools as clinical schools;
- C. For grants for pilot projects that enhance the interaction between faculty of approved teacher education institutions and teachers in school districts that accept student teachers from that institution;
- D. To develop an evaluation system for teachers after the initial certification and before advancement to the next certification level;
- E. To develop model systems for evaluating student teachers and for self-evaluation systems for student teachers and teachers;
- F. To develop, in conjunction with the University of Northern Iowa, a networking system that translates effective teaching methods through a computer conferencing system;
- G. For grants for projects for approved teacher education institutions to develop instructional programs that will instruct teachers in the use of electronic technologies. These projects may include a demonstration project that involves teachers and student teachers in the use of instructional technologies;
- H. To conduct a feasibility study of the establishment of five-year teacher education programs.

Also, the Department of Education may employ a full-time equivalent individual to help fulfill the requirements of this new Section. Funds for this

project will not revert to the General Fund until June 30, 1990.

SEC. 33.3 VOCATIONAL EDUCATION ADMINISTRATION

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 894,270	844,671	844,671
FTE 44.50	44.00	44.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Vocational Education Administration. This legislative action represents a 5.54% decrease from the FY 1988 appropriation.

SEC. 33.4 VOCATIONAL EDUCATION SECONDARY

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 3,679,378	3,666,360	3,666,360

EXPLANATION

Funds are appropriated for vocational aid to the secondary schools. This legislative action represents a 0.35% decrease from the FV 1988 appropriation.

SEC. 33.5 VOCATIONAL YOUTH ORGANIZATION FUND

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 9,243	9,000	9,000

EXPLANATION

Funds are appropriated to assist in the operation of various vocational youth organizations. This legislative action represents a 2.63% decrease from the FV 1988 appropriation.

**SEC. 33.3 SCHOOL FOOD SERVICE**

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	3,169,958	3,146,215	3,146,215
FTE	16.00	16.00	16.00

EXPLANATION

Funds are appropriated for students enrolled in public school districts and nonpublic schools of the State for breakfasts, lunches and minimal equipment programs. The funds are state matching funds for federal programs and will be disbursed according to federal regulations. This legislative action represents a 0.75% decrease from the FV 1988 appropriation.

**SEC. 33.7 TEXTBOOKS FOR NONPUBLIC SCHOOL STUDENTS**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	340.650	348.413	348,413

EXPLANATION

Funds are appropriated to provide textbooks to each resident pupil who attends a nonpublic school or is authorized by Section 301.1, Code of Iowa. This legislative action represents a 0.35% decrease from the FV 1988 appropriation.

**SEC. 33.8 PROFESSIONAL TEACHING PRACTICES COMMISSION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	66.454	66,454	66,454
FTE	1.46	1.46	1.46

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Commission.

**SEC. 33.9 ACADEMY OF SCIENCE**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	57.437	50.000	50.000

EXPLANATION

Funds are appropriated for support for the Academy of Science. The legislative action represents a 12.95% decrease from the FV 1988 appropriation due to rounding.

INTENT LANGUAGE

This Subsection contains language stating that the Iowa Academy of Science shall annually submit a report of its activities, including a report of its expenditures, income from all sources, and asset and liability base, for each fiscal year beginning with FV 1988, to the Legislative Fiscal Bureau not later than September 15 of the following fiscal year.

**SEC. 33.10 NON ENGLISH SPEAKING STUDENTS**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	149.850	150,000	150,000

EXPLANATION

Funds are appropriated to public schools and for nonpublic school students attending approved nonpublic schools for special instruction. This legislative action represents a 0.10% increase from the FV 1988 appropriation.

**SEC. 33.12A MERGED AREA SCHOOLS - GENERAL AID**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	52,724,532	57,295,827	57,295,827

EXPLANATION

Funds are appropriated for general state aid to merged areas for Vocational Education Programs to purchase instructional equipment and for salary increases. This legislative action represents 70% in FV 1989 of the amount generated by the MAS formula. The appropriation is allocated to each of the 15 MAS in this Section. An additional \$3,500,000 is appropriated in FV 1989 for salary increases for full and part-time non-administrative certificated faculty members. The



amount in the MAS formula to make up for a loss in property tax valuations (\$588,246) was removed to be allocated by the Department of Education based upon final property tax information

INTENT LANGUAGE

This Subsection contains language stating that \$3,500,000 shall be expended by the MAS for salary increases for full and part-time non-administrative certificated faculty members.

**SEC. 33.12B MAS - FORMULA PROPERTY TAX REPLACEMENT**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	588,246	411,772

EXPLANATION

This Subsection removes \$411,772 from the MAS State Aid Formula allocation that makes up for decreased property tax valuations and requires the Department of Education to allocate it based upon actual property tax valuation increases and decreases by MAS. This shifts the formula property tax allocation from 100% to 70% in FY 1989.

**SEC. 33.13 MAS PERSONAL PROPERTY TAX REPLACEMENT**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 0	828.012	828.012

EXPLANATION

Funds are appropriated for general aid to MAS in lieu of personal property replacement payments under Section 427A.13, Code of Iowa. The legislative action represents a shift in the Governor's recommended allocation of personal property replacement from 75% to 70% for FY 1989.

**SEC. 34.1 MAS - GENERAL AID - FOURTH QUARTER**

EXPLANATION

Funds are appropriated in the amount of \$27,103,800 for general state aid to each of the 15 MAS for Vocational Education Programs and to purchase instructional equipment. This legislative action represents 30% of the MAS formula funding for fourth quarter general aid in FY 1990.

**SEC. 34.2 MAS - FORMULA PROP. TAX REPL. - 4TH QTR.**

EXPLANATION

Funds are appropriated for 70% of the MAS formula property tax replacement. This Subsection requires the Department of Education to allocate \$176,474 to each of the 15 MAS based upon actual property tax valuation increases and decreases.

**SEC. 35 MAS - PERSONAL PROP. TAX REPL. - 4TH QTR**

EXPLANATION

Funds are appropriated in the amount of \$354,860 for general aid to each of the 15 MAS in lieu of personal property replacement payments under Section 427A.13, Code of Iowa. This legislative action represents a shift in the Governor's recommended allocation of personal property replacement from 25% to 30% for FY 1990.

**SEC. 36 MAS - PAYMENT SCHEDULE**

EXPLANATION

This Section provides that the allocation of moneys to MAS under Subsections 23.11 and 23.12 of this bill shall be paid by the Department of Revenue and Finance in installments due on or about November 15, February 15, and May 15 of FY 1989. This Section requires that payments received by the MAS on or about August 15, 1989, under Sections 24 and 25 of this bill are accounts receivable for FY 1989. All installment payments shall be as nearly equal as possible as determined by the Department of Management, taking into consideration the relative budget and cash position of the State.

SEC. 37 MERGED AREA SCHOOL CONTACT HOUR REVIEW

INTENT LANGUAGE

This Section contains language stating that the Education Appropriations Subcommittee shall review the method of calculating total contact hours for purposes of Chapter 286A, Code of Iowa, for consistency with the method of calculating enrollment for school districts under the revision of Chapter 442, Code of Iowa, and report the results to the General Assembly in 1990.

SEC. 38 LITERACY STUDY

EXPLANATION

This Section contains language that allows the Department of Education to solicit gifts and grants to be used to finance the costs of conducting a study of the literacy of Iowa's young adults. If moneys are received for the study, the Department shall award the contract to an independent testing corporation located in this State.

SEC. 39 PROGRAM FOR EDUCATIONAL EXCELLENCE

	FY 1988 <u>Approp.</u>	FY 1989 <u>Gov. Revised</u>	FV 1989 <u>Leg. Action</u>
\$	92,007,985	92,007,985	92,007,985

EXPLANATION

Legislative action notwithstanding the standing limited appropriation of \$92,100,085 and appropriates the same amount as the FY 1988 appropriation and the FY 1989 Governor's recommendation.

SEC. 40 NON-ENGLISH SPEAKING WEIGHTING FOR FV 1989

INTENT LANGUAGE

This Section contains language stating that for FV 1989, the weighted enrollment calculation under Section 442.4(6), Code of Iowa, does not include application of the non-english speaking weighting plan in Section 280.4, Code of Iowa.

SEC. 41 MAS RECLASSIFICATION AND STUDY

INTENT LANGUAGE

This Section contains language stating that the State Board of Education may approve the request to reclassify an area vocational school to an area community college, however, the State Board shall not allow an area school to create an associate of arts program leading to an associate of arts degree until the requirements of this Section have been met. This Section allows reclassified schools to contract with accredited private institutions to enroll students in courses leading to an associate for arts degree. This Section requires the Legislative Fiscal Bureau and the Department of Management to jointly conduct a fiscal impact study relating to the effect on the state budget of reclassification of an area vocational school to an area community college, and the creation of a separate arts and sciences division at the area community college. Also, the Department of Education is directed to conduct educational impact studies on the effect of reclassification and the effect of the creation of the separate division on enrollment at other postsecondary institutions located in the merged area, student access to educational opportunity, and the number of students within the school's service area in need of the expanded services. The written reports of each study will be considered by the General Assembly, State Board of Education, and the Postsecondary Education Task Force created in Section 65 of this Act.

SEC. 42 STATE EEO/AA POLICY

CODE CITATION

This Section amends Section 19B.11(1) and (2), Code of Iowa, which clarify the state policy relating to equal employment opportunity (EEO) and affirmative action (AA) in school districts, area education agencies, and merged area schools. This Section requires the Department of Education to adopt rules requiring specific steps to accomplish affirmative action and equal employment opportunity goals in the recruitment, appointment, assignment, and advancement of personnel.

**SEC. 43** EDUCATIONAL AID TO TEACHERS SALARY SCHEDULECODE CITATION

This Section amends Section 256.30, Code Supplement 1987, to state that the Sac and Fox tribal council will use the proposed salary schedule for the current school year in determining the amount of education aid to be used for salaries rather than the salary schedule for FY 1988.

**SEC. 44** NATIONAL CENTER FOR GIFTED & TALENTEDCODE CITATION

This Section adds Section 263.8A, Code of Iowa, which directs the Board of Regents to establish a National Center for Talented and Gifted Education at the University of Iowa to provide programs to assist classroom teachers to teach gifted and talented students. A national center endowment fund is established. gifts and grants shall be deposited in the fund, and interest earned on moneys in the fund may be expended for purposes which the National Center was established.

**SEC. 45** MENTAL RETARDATION CURRICULUM NONREVERSIONINTENT LANGUAGE

This Section notwithstanding Chapter 1246, Section 105.1c, Acts of 1986, allowing the moneys appropriated to the Department of Education for the development of a mental retardation model curriculum not to revert to the General Fund on June 30, 1988, but remain available for expenditure until June 30, 1989.

**SEC. 46** EXTRACURRICULAR CONTRACTS - SPORTSCODE CITATION

This Section amends Section 279.198, Code of Iowa, to state that the board directors of a school district may offer an extracurricular contract for varsity head coach for the interscholastic athletic activity of cross country to **noncertificated personnel**.

**SEC. 47** MERGED ARLA SCHOOLS SISTER STATES LANGUAGECODE CITATION

This Section amends Section 280A.23, Code Supplement 1987, by adding Subsection 14, allowing the MAS. at their discretion, to classify residents of Iowa's sister states as residents or nonresidents for tuition and fee purposes.

**SEC. 48** SCHL DSTRCT REIMBURSEMENTS FOR FOSTER KIDSCODE CITATION

This Section amends Section 282.31(1)b, Code Supplement 1987, to allow school districts that enroll nonresident children living in licensed child foster care facilities in the district to be reimbursed for the costs of education of those children who were enrolled in the district but not counted in enrollment in the September enrollment count. The districts submit a claim to the Department of Revenue and Finance which pays the district and then deducts the total of the payments from the total state foundation aid remaining to be paid to all school districts for that year and reduces each school district's state aid payments proportionately.

**SEC. 49** SUMMER SCHOOL PROGRAMS OPEN TO NON-PUB STDTCODE CITATION

This Section amends Section 294A.14, Code Supplement 1987, to state that a summer school program where the teacher's salary is paid or supplemented under a supplemental pay plan is open to nonpublic students in the manner provided in Section 256.12, Code of Iowa.

**SEC. 51** PERMANENT SCHOOL FUND INTEREST TRANSFERCODE CITATION

This Section amends Section 302.1A, Code Supplement 1987, as amended by S.F. 2036, 1988 Iowa Acts. to allow for the interest earned on the permanent school fund to be transferred to the First In The Nation In Education (FINE) Foundation and to the National Center for Gifted and Talented Education created in Section 44 of this bill.

**SEC. 70      SPECIAL EDUCATION ADVANCES**

CODE CITATION

This Section amends Section 442.4(1), Code Supplement 1987, to remove the reference that a school district is entitled to an advance for special education and adds the definition for additional enrollment for special education found in Section 442.38, Code of Iowa.

**SEC. 71      WEIGHTED ENROLLMENT CALCULATION**

CODE CITATION

This Section amends Section 442.4(6), Code Supplement 1987, to change the citation for weighted enrollment from Section 442.38, Code of Iowa, to Section 442.4(1), Code Supplement 1987.

**SEC. 72      AEA - WEIGHTED ENROLLMENT USE**

CODE CITATION

This Section amends Section 442.4(6), Code Supplement 1987, by adding a new unnumbered paragraph. Weighted enrollment as calculated in this Section will not be used in calculations pertaining to special education support services costs.

**SEC. 73      AEA - WEIGHTED ENROLLMENT CALCULATION**

CODE CITATION

This Section amends Section 442.4, Code Supplement 1987, by adding a new Subsection. For the school year beginning July 1, 1988, and each subsequent school year, weighted enrollment for special education support services costs is the sum of the budget enrollment and the additional enrollment because of special education defined in Section 442.38, Code of Iowa.

**SEC. 74      AEA - SPECIAL EDUCATION SERVICES COST**

CODE CITATION

This Section amends Section 442.7(7), paragraphs g and h, Code Supplement 1987. For the school year beginning July 1, 1988, and each subsequent school year, the amount included in the special education support services district cost per pupil is the amount included in the special education support services district cost per pupil in the base year plus the allowable growth added to special education support services state cost per pupil for the budget year. Also, the Director of the Department may direct the Department of Management to increase or reduce the allowable growth included in special education support services for a budget year

for special education support services costs.

**SEC. 75      AEA - ALLOWABLE GROWTH CALCULATION**

CODE CITATION

This Section amends Section 442.7(8), Code Supplement 1987. For the school year beginning July 1, 1988, and each subsequent school year, the allowable growth added to special education support services state cost per pupil is the amount included in the special education support services state cost per pupil for the base year times the state percent of growth for the budget year.

**SEC. 76      AEA - STATE COST PER PUPIL**

CODE CITATION

This Section amends Section 442.8, unnumbered paragraph 1, Code of Iowa. The state cost per pupil for the school year beginning July 1, 1987 is set at \$2,706. Of this, \$116.02 is special education support services state cost per pupil. The state costs per pupil for the school year beginning on July 1, 1988, and each subsequent year, is the sum of the base year's regular program state cost per pupil plus the allowable growth for the budget year and the base year's special education support services state cost per pupil plus the allowable growth for the budget year.

**SEC. 77      AEA - DISTRICT COST REFERENCE**

CODE CITATION

This Section amends Section 442.9(1), Code of Iowa, to redefine district cost per pupil to be the sum of the regular program district cost per pupil and special education services cost per pupil.

**SEC. 70      ELIMINATE SPECIAL EDUCATION ADVANCES**

CODE CITATION

This Section amends Section 442.26, Code of Iowa, to eliminate the special education advance monthly installment state aid payments to a school district.

SEC. 79      AEA - DISTRICT COST PER PUPIL REFERENCECODE CITATION

This Section amends Section 442.28, unnumbered paragraph 1, Code of Iowa, by changing it to reflect the definition changes in Section 54 of this Act.

SEC. 80      ALLOWABLE GROWTH FOR GIFTED **a** TALENTEDCODE CITATION

This Section amends Section 442.31. Code of Iowa, to remove the limitation on a school district not to identify more than 3% of its budget enrollment as gifted and talented, if the district is requesting the use of additional allowable growth to finance the Program.

SEC. 81      BUDGET FOR GIFTED **a** TALENTEDCODE CITATION

This Section amends Section 442.35, Code of Iowa, to state that the approved budget for a gifted and talented children program shall **not** exceed an amount equal to 1.2% of the district cost per pupil of the district multiplied by the budget enrollment of the district.

SEC. 82      REPEALS CODE FOR SPECIAL EDUCATION ADVANCESCODE CITATION

This Section repeals Section 442.38. Code of Iowa, which allows for advances for special education.

SEC. 85      FORMULA COMPUTATIONSINTENT LANGUAGE

This Section contains language stating that Sections 40 and 70 through 82 of this Act apply to computations required under Chapter 442, Code of Iowa, for FV 1989.

## S. F. 2314

SEC. 24      PERM. SCHOOL FUND - ALLOWS CREDITSCODE CITATION

This Section of the bill amends Section 302.1, Code Supplement 1987, by adding a Subsection 6 which allows moneys to be credited to the Permanent School Fund.

SEC. 52      APPROPRIATION TO THE PERM. SCHOOL FUNDEXPLANATION

This Section appropriates \$55,000 from the General Fund to the Permanent School Fund for repayment of moneys spent to provide security for the State Historical Museum in FY 1988.

## VOCATIONAL REHABILITATION

## S. F. 2312

SEC. 33.11A      VOCATIONAL REHABILITATION DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	2,736,954	2,732,253	2,732,253
FTE	308.50	308.50	308.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Vocational Rehabilitation Division. This legislative action represents a 0.17% decrease from the FV 1988 appropriation.

SEC. 33.11B      INDEPENDENT LIVING

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	17.715	17.715
FTE	.00	1.50	1.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes as matching funds for programs to enable severely physically or mentally disabled persons to function more independently.

**SEC. 50 EDUCATIONAL AID TO INDIANS**

CODE CITATION

This Section amends Section 294A.25(3A), Code Supplement 1987, which establishes the appropriation for the Educational Excellence Program by allowing \$100,000 to be spent on educational aid to the Sac and Fox Indian Settlement School. Beginning in FY 1989, \$100,000 will be paid to the tribal council of the Sac and Fox Indian settlement for teacher salaries and educational programs as specified in Section 256.30. Code Supplement 1987. Section 256.30. Code Supplement 1987, contains language stating that the tribal council shall administer the moneys distributed to it by the Department and shall submit an annual report and other reports as required by the Department on the expenditure of the moneys.

**ELDER AFFAIRS. DEPARTMENT OF S. F. 2310**

**SEC. 4.1 STATE ADMINISTRATION**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	342.892	319.000	319.000
FTE	29.89	28.00	28.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the State Administration Division. Legislative action represents a 7% decrease and reflects the following differences from FY 1988:

- A. Adds \$15,000 and .5 FTE position for an Alzheimer's Task Force.
- B. Subtracts \$35,551 and 2.39 FTE positions due to a **loss** of a Department of Economic Development grant, **an** information specialist, and a clerk typist.
- C. Subtracts \$2,562 due to the Department not requesting a return to the FY 1988 funding level.
- D. Subtracts \$779 due to rounding.

INTENT LANGUAGE

This Section contains language stating that the Department shall employ an alternative housing/long-term care coordinator as *one* of the FTE positions, and establish an Alzheimer's Disease Task Force, whose members shall be reimbursed for actual and necessary expenses incurred by them in the discharge of their official duties.

**SEC. 4.2 AREA AGENCIES ON AGING**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	114.134	114.000	114.000

EXPLANATION

Funds are appropriated for the Area Agencies on Aging. Legislative action subtracts \$134 from FY 1988 due to rounding.

**SEC. 4.3 RETIRED IOWAN EMPLOYMENT PROGRAM**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	104.760	104,000	104,000

EXPLANATION

Funds are appropriated for the Retired Iowan Employment Program. Legislative action subtracts \$760 from FY 1988 due to rounding.

**SEC. 4.4 OLDER IOWANS LEGISLATURE**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	12.940	13.000	13.000

EXPLANATION

Funds are appropriated for the Senior Legislature. Legislative action adds \$60 to FY 1988 due to rounding.

SEC. 4.5 RETIRED SENIOR VOLUNTEER PROGRAM

<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 14,264	14,000	14,000

EXPLANATION

Funds are appropriated for the Retired Senior Volunteer Program. Legislative action subtracts \$264 from FV 1988 due to rounding.

INTENT LANGUAGE

This Section contains language stating that funds shall be divided equally among the existing programs as of July 1, 1988, and shall not be used for administrative purposes within the Department of Elder Affairs.

SEC. 4.6 ELDERLY SERVICES PROGRAM

<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 1,076,118	1,316,000	1,356,000

EXPLANATION

Funds are appropriated for the Elderly Services Program. Legislative action represents a 26% increase and reflects the following differences from FV 1988:

- A. Adds \$180,000 to establish a Case Management Program.
- B. Adds 3100.000 to expand Respite Care.
- C. Subtracts \$118 due to rounding.

INTENT LANGUAGE

This Subsection contains language stating that all funds received shall be disbursed by the Director of Elder Affairs for the Elderly Services Program, and shall not be used for administrative purposes, and shall be used for citizens of Iowa over sixty years of age. Funds under this Subsection may be used to supplement federal funds under federal regulations. Area Agencies on Aging shall expend no less than the same amount expended on Adult Day Care Programs in FV 1989 than during FV 1988. \$150,000 is allocated for a Respite Care Program. Funds may be used for elderly services not specifically enumerated in this Subsection, only if approved by an area agency. The existing case management projects in Linn and Cerro Gordo counties are each appropriated \$35,000; \$10,000 for evaluation of the existing projects aforementioned; and \$100,000 for funding additional case management pilot projects. The Department shall establish grant

application and acceptance criteria. A prescreening process is required of persons before admittance to an intermediate care facility to determine alternative care services.

SEC. 4.7 ELDER LAW PROGRAM

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	100,000	100,000

EXPLANATION

Funds are appropriated for the Elder Law Education Program.

INTENT LANGUAGE

This Section contains intent language stating that the appropriation to the Elder Law Education Program shall be used for contractual services.

EMPLOYMENT SERVICES. DEPARTMENT OF

H. F. 2444

SEC. 3 FY 88 FUNDING FOR RURAL JOB SERVICE OFFICESEXPLANATION

This Section appropriates \$1,300,000 from the Administrative Surcharge Fund for the operations of the Rural Job Service Offices for FV 1988.

SEC. 4.1 LABOR SERVICES DIVISION - GENERAL OFFICE

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 1,743.423	1,867,668	1,867,668
FTE 81.00	84.85	84.85

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Labor Services Division. Legislative action reflects the following differences from FV 1988:

- A. Adds \$4.700 to reimburse the State Auditor for mandated state audits.
- B. Adds \$119.545 for inflationary/support costs and annualization of FV 1988 salary adjustment.

SEC. 4.2      INDUSTRIAL SERVICES DIV - GENERAL OFFICE

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,124,889	1,427,071	1,427,071
FTE	32.50	36.95	36.95

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Industrial Services Division of the Department of Employment Services. Legislative action reflects a 26.9% increase and the following differences from FY 1988:

- A. Adds \$100,000 for 3 FTE positions to expedite the Worker Coinpensation hearing process, and to reduce case backlog. The additional staff is expected to result in the following:
  - a. Hear 20% more cases per year, or 72 additional cases based on this years filings.
  - b. Render 20% more decisions per year, or 72 additional decisions based on this years filings.
  - c. Goal -- To complete a case within 90 days from the date of hearing to the date a decision is filed.
  - d. The Legislative Fiscal Bureau, the Industrial Services Division, and the Department of Management shall develop additional performance measures during the 1988 interim.
- B. Adds \$3,700 to reimburse the State Auditor for performing mandated audits.
- C. Adds \$48,000 to upgrade the computer capabilities of the Division.
- D. Adds \$150,482 for inflationary/support cost and annualization of FY 1988 salary adjustment.

INTENT LANGUAGE

This Subsection contains language requiring the Industrial Services Division to add 3 FTE positions to expedite the Workers Compensation hearing process and to reduce case backlog. This Section also requires the Division to establish a \$65 filing fee for workers compensation cases. The fee relates to arbitration cases and case reopenings identified in Section 85.26, Code of Iowa. The fee will generate approximately \$150,000 annually for the General Fund.

SEC. 5      CONTRACTOR REGISTRATION PROGRAM

INTENT LANGUAGE

The Section contains language which allows the Division of Labor Services to expend up to \$50,000 out of the funds collected under the contractor registration requirements for the implementation and administration of the Contractor Registration Program.

SEC. 6.1      SPECIAL EMPLOYMENT CONTINGENCY FUND

INTENT LANGUAGE

This Subsection contains language allowing the Division of Job Services to expend funds from the Special Employment Security Contingency Fund during FY 1989. Moneys in the Special Employment Security Contingency Fund on June 30, 1988, shall not be transferred by the State Treasurer to either the Temporary Emergency Surcharge Fund or the Unemployment Compensation Fund but shall be available to the Division of Job Service of the Department of Employment Services for FY 1989.

SEC. 6.2      BLDG/EQUIP EXP, ECON DEV TEAMS, TRAINING

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	550,000	502,500	502,500

EXPLANATION

Funds are appropriated from the Special Employment Security Contingency Fund to the Division of Job Service for roof repair, support of economic development teams, and Division approved training.

INTENT LANGUAGE

This Subsection contains language allowing the following actions:

- A. This Subsection adds language allowing the Division to expend up to \$50,000 from the Special Employment Security Contingency Fund for replacing the roof of the State Administrative Office Building.
- El. This Subsection adds language allowing the Division to expend up to \$452,500 from the Special Employment Security Contingency Fund for the support of the County. labor survey, and economic development teams.
- C. This Subsection adds language allowing any balance in the Special Employment Security Contingency Fund to be deposited in the Division Approved Training Fund to pay for the instructional cost of training.



- D. This Subsection adds language stating that up to \$40,000 from the Division Approved Training Fund may be expended for administrative cost.
- E. This Subsection adds language requiring payment from the Division Approved Training Fund directly to the institution or person providing the approved training.

**SEC. 7 RURAL OFFICE STUDY**

INTENT LANGUAGE

This Section contains language which establishes a Rural Job Service Office study committee. Items 1 through 4 establish the membership of the study committee and items "a" through "e" outline the issues that are to be studied. The study is to include: staffing methods, level and method of service, the organizational staffing methods, level and method of service, and the organizational structure of rural Job Service offices. The Legislative Fiscal Bureau is to provide staff assistance.

**SEC. 8.1 DIVISION OF JOB SERVICE - RURAL OFFICES**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,300,000	3,743,151	3,743,151
FTE	.00	108.52	108.52

EXPLANATION

Funds are appropriated from the Administrative Surcharge Fund for salaries, support, maintenance, and miscellaneous purposes for the Division of Job Services to fund rural Job Service offices. FY 1988 funding for rural offices was provided from federal dollars that are no longer available due to federal budget reductions.

**SEC. 8.2 DIVISION OF JOB SERVICE - APPROVED TRAINING**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	1,149,209	1,149,209

EXPLANATION

Funds are appropriated to the Division of Job Service for the Division Approved Training Program to reimburse schools, colleges, universities, and vocational training institutions for providing training to unemployed persons. Funding for the Approved Training Program during FV 1988 was appropriated from the

Penalty and Interest Fund

INTENT LANGUAGE

This Subsection adds language stating that as a condition of the appropriation all Job Service offices which were open and operating on June 30, 1988, shall remain open and operational during FY 1989. This provision shall not prevent the consolidation of offices within the same city or colocation of Job Service offices with other state agency offices.

**SEC. 27 INDUSTRIAL SERVICES DIV - MERIT EXEMPTION**

CODE CITATION

This Section amends Section 19A.3, Code Supplement 1987, by exempting the position of Chief Deputy Industrial Commissioner from the merit system.

**SEC. 28 ADMINISTRATIVE SURCHARGE FD - TRAINING**

CODE CITATION

This Section amends Section 96.7(12)c, Code Supplement 1987, by allowing funds to be spent from the Administrative Surcharge Fund for the Division Approved Training Program.

**SEC. 29 DIVISION OF JOB SERVICE - LISTING OF JOBS**

CODE CITATION

This Section amends Section 96.11, Code Supplement 1987, by adding the requirement that the Division of Job Service make available a list of job openings. The Division shall comply with confidentiality requirements under state and federal law.

**EXECUTIVE COUNCIL**

S. F. 2311

**SEC. 5 GENERAL OFFICE**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	43,251	38,379	38,379
FTE	1.40	1.12	1.12

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the General Office of the Executive Council.

SEC. 30 PERFORMANCE OF DUTY

CODE CITATION

This Section amends Section 19.29. Code of Iowa. This Section directs the Executive Council, when carrying out the responsibilities of the Performance of Duty standing unlimited appropriation. to consider the original source of funds, prior to committing General Fund moneys. The Performance of Duty standing unlimited appropriation finances the expenses of suppressing any insurrection or riot and for repairing, rebuilding or restoring any state property damaged, destroyed, or lost by fire, theft or unavoidable cause, and for aid to any governmental subdivision in an area declared by the Governor to be a disaster area due to natural causes.

LEGISLATIVE BRANCH  
HOUSE OF REPRESENTATIVES

S. F. 2311

SEC. 6.1 NATIONAL CONFERENCE OF STATE LEGISLATURES

	FV 1988	FV 1989	FV 1989
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	60,844	64,701	64,701

EXPLANATION

Funds are appropriated for support of the membership assessment of the National Conference of State Legislatures.

SEC. 29 REIMBURSEMENT SPECIAL SESSION

CODE CITATION

This Section amends Section 2.10(7) Code Supplement 1987. by stating that members of the General Assembly shall receive the additional per diem, travel allowances and expenses only for the days of attendance during a special session.

LEGISLATIVE SERVICE BUREAU  
SEC. 6.3 PIONEER LAWMAKERS

	FV 1988	FV 1989	FV 1989
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	700	700

EXPLANATION

Funds are appropriated for the biennial meeting of the Pioneer Lawmakers.

UNIFORM LAWS COMMISSION  
SEC. 6.2 UNIFORM STATE LAWS COMMISSION

	FV 1988	FV 1989	FV 1989
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	18,273	12,100	12,100

EXPLANATION

Funds are appropriated for the support of the commission and expenses of the members of the Commission on Uniform State Laws.

GENERAL SERVICES. DEPARTMENT OF  
GENERAL SERVICES. DEPT. OF  
S. F. 2311

SEC. 7 GENERAL OPERATIONS

	FV 1988	FV 1989	FV 1989
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	5,238,165	5,246,497	5,246,497
FTE	226.50	220.10	220.10

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the General Operations of the Department of General Services. The legislative action represents a 15% increase over FV 1988.

To maintain operations at the FV 1988 level. legislative action appropriates 847,000 from the Centralized Printing Revolving Fund, and 853,000 from the Purchasing Revolving Fund to the General Fund for FV 1989. (Sections 24 and 25 of the bill, respectively).

INTENT LANGUAGE

This Section contains language stating that:

- A. Not more than **\$5,136,201** from all revenue sources plus an allocation from the Salary Adjustment Fund may be spent on salaries and benefits.
- B. Not more than **\$561.624** from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts, received after this Act becomes effective, are not subject to this condition.

This Section contains intent language stating that savings achieved in providing telecommunications services shall be used by the Department of General Services to increase efficiencies in the provision of those services. however. if the revenue estimate for FV 1989 approved by the Revenue Estimating Conference is less than **\$2,740,700.000**, the Department shall transfer **\$350.000** or so much thereof as necessary of those savings to the General Fund of the State on June 30. 1989.

SEC. 8 INFORMATION SERVICES DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
<b>\$</b>	5,500,733	5,404,470	5,404,470
FTE	163.00	158.00	158.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Information Services Division of the Department of General Services. The legislative action appropriates funds at the FV 1988 level less 1.75% for an across-the-board reduction.

INTENT LANGUAGE

This Section contains language stating that:

- A. Not more than **\$4,767,728** from all revenue sources plus an allocation from the Salary Adjustment Fund may be spent on salaries and benefits.
- B. Not more than **\$3,476,330** from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

SEC. 9.1 CAPITOL PLANNING COMMISSION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
<b>\$</b>	1.569	1,542	1.542
FTE	.18	.18	.18

EXPLANATION

Funds are appropriated for expenses of the members in carrying out their duties under Chapter 18, Code of Iowa. The legislative action appropriates funds at the FV 1988 level less 1.75% for an across-the-board reduction.

SEC. 9.2 UTILITIES

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
<b>\$</b>	1,581.484	1,667.302	1,667.302

EXPLANATION

Funds are appropriated for the payment of utility costs for the Capitol Complex. The legislative action appropriates funds at the FV 1988 level and \$115.000 for the necessary payment due on the bond issuance by the State of Iowa Facilities Improvement Corporation for energy conservation projects. This amount was decreased by 1.75% for an across-the-board reduction.

INTENT LANGUAGE

This Section includes language stating that the Department of General Services may use funds appropriated in this Subsection for utility costs to fund energy conservation projects in the state Capitol Complex which will have a 100% payback within a twelve-month period.

SEC. 9.3 RENTAL SPACE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
<b>\$</b>	667.106	655.431	655.431

EXPLANATION

Funds are appropriated for the payment of lease or rental costs of buildings and offices placed at the seat of government as provided in the Code of Iowa. The legislative action appropriates funds at the FV 1988 level less 1.75% for an across-the-board reduction.

**SEC. 10.3 CENTRALIZED PURCH ADM**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	487,358	469,058	492,886
FTE	14.00	14.00	15.00

EXPLANATION

Funds are appropriated from the Centralized Purchasing Revolving Fund for salaries, support, maintenance, and miscellaneous purposes.

The legislative action added \$23,828 to the Governor's recommendation of \$469,058 for one FTE position which had been transferred from the Centralized Printing Division to the Centralized Purchasing Division to consolidate purchasing functions. This does not represent an expansion of funding for a new position.

**SEC. 10.4 CENTRALIZED PURCHASING REVOLVING FUND**

EXPLANATION

The remainder of the Centralized Purchasing Revolving Fund is appropriated for the payment of expenses incurred through purchases by various state departments and for contingencies arising during FV 1989 which are legally payable from this fund.

**SEC. 24 TO THE GENERAL FUND FROM PRINTING REVOLV.**

EXPLANATION

The Section appropriates \$47,000 from the Centralized Printing Revolving Fund to the General Fund of the State for FV 1989.

**SEC. 25 TO THE GENERAL FUND FROM PURCHASING REVOLV.**

EXPLANATION

The Section appropriates \$53,000 from the Centralized Purchasing Permanent Revolving Fund to the General Fund of the State for FV 1989.

**SEC. 28 CENTRALIZED PRINTING SALARY REPORT**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	0	6,900

CODE CITATION

This Section amends Section 18.75, Code of Iowa, to direct the Superintendent of Printing to produce an annual Salary Report by September 1 of each year, which contains the following information concerning state government personnel who receive an annual salary of more than \$1,000: name, title, salary, travel and subsistence expenses. The report shall be paid for out of the moneys in the General Fund not otherwise appropriated and provided to each member of the General Assembly upon request and to the State Law Library without charge. Others may purchase a copy for not less than the amount required to print the copy. The estimated cost to compile and print this report is \$6,900.

GEN. SERV - VEHICLE DISPATCHER

**SEC. 10.5 GEN OFFICE REVOLVING - VEHICLE DISPATCHER**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	444,169	442,028	442,028
FTE	15.00	15.00	15.00

EXPLANATION

Funds are appropriated from the Vehicle Dispatcher Revolving Fund for the salaries, support, maintenance, and miscellaneous purposes of the Vehicle Dispatcher.

**SEC. 10.6 VEHICLE DISPATCHER REVOLVING FUND**

EXPLANATION

The remainder of the Vehicle Dispatcher Revolving Fund is appropriated for the purchasing of gasoline, gasohol, oil, tires, repairs and all other maintenance expenses incurred in the operation of state-owned motor vehicles and for contingencies arising during FY 1989, which are legally payable from this fund.

The legislative action added the word "gasohol" for the purchase of gasohol from the Vehicle Dispatcher Revolving Fund.

## CENTRALIZED PRINTING

SEC. 10.1 CENTRALIZED PRINTING

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	153.504	751,500	751,500
FTE	29.00	29.00	29.00

EXPLANATION

Funds are appropriated from the Centralized Printing Revolving Fund for salaries, support and miscellaneous purposes.

SEC. 10.2 CENTRALIZED PRINTINGEXPLANATION

The remainder of the Centralized Printing Permanent Revolving Fund is appropriated for the expense incurred in supplying paper stock, offset printing, copy preparation, binding, distribution costs, original payment of printing and binding claims and contingencies arising during FV 1989, which are legally payable from this fund.

## GOVERNOR

S. F. 2311

SEC. 2.1 GENERAL OFFICE

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	779,114	728,028	728,028
FTE	15.00	15.00	15.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the General Office of the Governor. The funding for the payment of the National Governor's Association dues was not appropriated in this budget unit, but was funded as a separate budget unit, consistent with the Governor's recommendation for the payment of the dues in FY 1989.

SEC. 2.2 EXPENSE OF OFFICE

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	5.434	5.434	5,434

EXPLANATION

Funds are appropriated for the Governor's expenses connected with office.

SEC. 2.3 TERRACE HILL QUARTERS

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	82.231	82.676	82.676
FTE	3.00	3.00	3.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Governor's quarters at Terrace Hill. The legislative action represents a .5% increase from FV 1988.

SEC. 2.4 AD HOC COMMITTEES EXPENSE

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	15.690	8,009	8,009

EXPLANATION

Funds are appropriated for the payment of expenses of Ad Hoc Committees. The legislative action appropriates funds at the FV 1988 level less 1.75% for an across-the-board reduction, and a reduction of \$7,406 which is the amount of the actual FY 1987 reversion. The legislative action represents a 49% decrease from FV 1988.

INTENT LANGUAGE

This Section contains language stating that as a condition, limitation, and qualification of this appropriation, the Ad Hoc Committees, Councils, and Task Forces appointed by the Governor shall be subject to the provisions of Chapters 21, 22, Code of Iowa, and the members of the General Assembly shall be so informed. These Chapters deal with provisions concerning official meetings open to the public and examination of public records.

**SEC. 2.5 ADMINISTRATIVE RULES COORDINATOR**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	88,438	86,898	86,898
FTE	2.00	2.00	2.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Office of the Administrative Rules Coordinator. The legislative action appropriates funds at the FV 1988 level less 1.75% for an across-the-board reduction.

**SEC. 2.6 NATIONAL GOVERNOR'S ASSOCIATION DUES**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	68,980	68,980

**EXPLANATION**

Funds are appropriated for payment of Iowa's membership in the National Governor's Association. Funds were appropriated in FY 1988 as part of the operating costs for the General Office of the Governor.

**GOVERNOR, LIEUTENANT**  
S. F. 2311

**SEC. 3 LIEUTENANT GOVERNOR'S OFFICE**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	124,664	124,664	124,664
FTE	2.50	2.50	2.50

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Office of the Lieutenant Governor.

**HEALTH. DEPARTMENT OF PUBLIC**  
S. F. 2310

**SEC. 5.1 CENTRAL ADMINISTRATION DIVISION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	860,577	737,000	737,000
FTE	52.00	47.00	47.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Administration Division. Legislative action represents a 14% decrease and reflects the following differences from FY 1988:

- A. Subtracts \$54,000 and 2 FTE positions due to vacancy factors.
- B. Adds \$35,425 due to a transfer of Attorney General reimbursement to this Division.
- C. Subtracts \$30,196 and 1 FTE position due to a transfer of a field auditor from this Division to the Department of Inspections and Appeals.
- D. Subtracts \$103,633 and 4 FTE positions due to a refinement of state reorganization.
- E. Adds \$28,986 for a return to current level of service.
- F. Adds two FTE positions to this Division due to increasing the cap for FTE positions.
- G. Subtracts \$159 due to rounding.

**SEC. 5.2 HEALTH PLANNING DIVISION**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	1,350,127	1,222,000	1,222,000
FTE	15.84	11.76	11.76

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Health Planning Division. Legislative action represents a 9% decrease and reflects the following differences from FY 1988:

- A. Subtracts \$21,951 due to a transfer of Attorney General reimbursement from this Division to the Administrative Division.
- B. Subtracts \$108,847 and 5 FTE positions due to a transfer from this Division to the Disease Prevention Division.
- C. Subtracts \$2,000 due to a refinement of state reorganization.
- D. Adds \$17,621 for a return to current level of

service.

- E. Subtracts \$12,441 due to changing the Health Facilities Council from salaried positions to per diem reimbursement.
- F. Adds a.66 FTE position to staff the Health Data Commission.
- G. Subtracts \$509 due to rounding.

INTENT LANGUAGE

This Subsection contains language stating that the Renal Disease Program allocation shall be \$891,000, includes a listing of the types of assistance to eligible recipients, and includes the formula to be used by the Department, if projected expenditures exceed allocations for this Program.

SEC. 5.3A DISEASE PREVENTION DIVISION

	FV 1988 Approp.	FV 1989 Gov. Revised	FV 1989 Leg. Action
\$	1,627,157	1,717,000	1,717,000
FTE	62.20	59.00	59.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Disease Prevention Division. Legislative action represents a 6% increase and reflects the following differences from FY 1988:

- A. Subtracts \$60,000 and 2 FTE positions due to vacancy factors.
- B. Adds \$108,847 and 5 FTE positions due to a transfer of Emergency Medical Services (EMS) from the Health Planning Division.
- C. Adds 5 FTE positions for EMS expansion.
- D. Adds \$20,468 and 1 FTE for a Nuclear Regulatory Program.
- E. Adds 1 FTE position due to mandates of the groundwater bill. This FTE position is funded by an allocation from the Groundwater Protection Fund in the amount of \$20,000.
- F. Adds \$20,883 for a return to current level of service.
- G. Subtracts 4.60 FTE positions, which are federally funded, due to the transfer of the Health Education/Risk Reduction Program, from this Division to the Substance Abuse Division.
- H. Subtracts 2 FTE positions, which are federally funded, due to the transfer of the Hypertension Program from this Division to the Substance Abuse Division.
- I. Subtracts 1.6 FTE positions due to fluctuating federally funded positions.
- J. Subtracts \$355 due to rounding.

SEC. 5.38 EMERGENCY MEDICAL SERVICES

	FV 1988 Approp.	FV 1989 Gov. Revised	FV 1989 Leg. Action
\$	0	1,000,000	1,000,000
FTE	.00	5.00	5.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Emergency Medical Services (EMS). Legislative action adds \$1,000,000 and five FTE positions from FY 1988 due to funding new Emergency Medical Services.

INTENT LANGUAGE

This Section contains language stating that the \$1,000,000 appropriated in this Subsection shall be used for the training of EMS personnel at the state, county, and local level.

SEC. 5.4 PROFESSIONAL LICENSURE

	FV 1988 Approp.	FV 1989 Gov. Revised	FV 1989 Leg. Action
\$	468,247	461,000	461,000
FTE	11.00	11.00	11.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Professional Licensure Division. Legislative action represents a 2% decrease and reflects the following differences from FY 1988:

- A. Subtracts \$7,855 due to a transfer of Attorney General reimbursement from this Division to the Administrative Division.
- B. Adds \$864 for a return to current level of service.
- C. Subtracts \$256 due to rounding.

**SEC. 5.5 BOARD OF DENTAL EXAMINERS**

	FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
\$	120.261	168,000	168,000
FTE	2.00	4.00	4.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Board of Dental Examiners. Legislative action represents a 40% increase and reflects the following differences from FY 1988:

- A. Adds \$48,419 and 2 FTE positions for an investigator and a clerical position.
- B. Subtracts \$680 due to rounding.

**SEC. 5.6 BOARD OF MEDICAL EXAMINERS**

	FY 1988 Approp.	FV 1989 Gov. Revised	FV 1989 Leg. Action
\$	863.780	884,000	884,000
FTE	18.00	18.00	18.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Board of Medical Examiners. Legislative action represents a 2% increase and reflects the following differences from FV 1988:

- A. Adds \$21,033 for a return to current level of service.
- B. Subtracts \$813 due to rounding.

**SEC. 5.7 BOARD OF NURSING EXAMINERS**

	FY 1988 Approp.	FV 1989 Gov. Revised	FY 1989 Leg. Action
\$	548,235	708,000	708,000
FTE	15.00	17.00	17.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Board of Nursing Examiners. Legislative action represents a 29% increase and reflects the following differences from FV 1988:

- A. Adds \$22,812 and 1 FTE position for a clerical position and increased support to the Board.
- B. Adds \$53,262 and 1 FTE position for a

- probation officer and increased support to the Board.
- C. Adds \$24,684 for a computer system.
- D. Adds \$59,704 for miscellaneous support to the Board.
- E. Subtracts \$697 due to rounding.

**SEC. 5.8 BOARD OF PHARMACY EXAMINERS**

	FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
\$	381,173	516,000	516,000
FTE	9.00	12.00	12.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Board of Pharmacy Examiners. Legislative action represents a 35% increase and reflects the following differences from FV 1988:

- A. Subtracts 82.100 due to returning office supplies to FY 1988 fiscal level.
- B. Adds \$82,210 and 2 FTE positions for investigators and increased support for the Board.
- C. Adds \$30,420 and 1 FTE position for a clerical position, increased support, and a computer.
- D. Adds \$24,746 for miscellaneous support to the Board.
- E. Subtracts \$449 due to rounding.

**INTENT LANGUAGE**

This Subsection contains language stating that the four Examining Boards of Dental, Nursing, Medical and Pharmacy plus the Professional Licensing Boards shall adjust their fees so that, as nearly as possible, projected receipts equal projected costs.

**SEC. 5.9A SUBSTANCE ABUSE DIVISION**

	FV 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
\$	481,321	471,000	471,000
FTE	11.00	17.55	17.55

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Substance Abuse Division. Legislative action represents a 2% decrease and reflects the following differences from FY 1988:

- A. Subtracts \$8,632 and .25 FTE position due to



vacancy factors.

- B. Subtracts \$4,367 due to refinement of state reorganization.
- C. Adds \$3,254 for a return to current level of service.
- D. Adds 4.60 FTE positions, which are federally funded, due to the transfer of the Health Education/Risk Reduction Program to this Division.
- E. Adds 2 FTE positions, which are federally funded, due to the transfer of the Hypertension Program to this Division.
- F. Adds .20 FTE position due to funding two positions on a full year basis as compared to FY 1988.
- G. Subtracts \$576 due to rounding.

**SEC. 5.9B SUBSTANCE ABUSE PROGRAM GRANTS**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	7,021,092	7,021,000	7,021,000
FTE	.50	.00	.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Substance Abuse Programs Grants. Legislative action reflects the following differences from FY 1988:

- A. Subtracts .5 FTE position due to not funding administrative costs through program grants.
- B. Subtracts \$2 due to the Department not requesting a return to the FY 1988 funding level.
- C. Subtracts \$90 due to rounding.

**SEC. 5.9C GOVERNOR'S ALLIANCE ON SUBSTANCE ABUSE**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	45,000	45,000
FTE	.00	4.30	4.30

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Alliance on Substance Abuse. The State appropriation will generate approximately \$1,915,315 in federal funds. Legislative action adds \$45,000 and 4.30 FTE positions for the required state match from FY 1988.

**SEC. 5.10 HEALTH DATA CLEARINGHOUSE**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	249,750	250,000	250,000
FTE	.66	.00	.00

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Health Data Clearinghouse. Legislative action reflects the following differences from FY 1988:

- A. Adds \$250 to restore the .1% budget reduction of FY 1988.
- B. Subtracts .66 FTE position due to not funding administrative costs through program grants.

**INTENT LANGUAGE**

This Subsection contains language stating that the Health Data Commission shall not enter into an agreement with any of the following entities:

- A. One that engages in whole or part in the provision of health care services.
- B. One that has a material financial interest in the provision of such services.

**SEC. 5.11A FAMILY AND COMMUNITY HEALTH DIVISION**

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	2,181,769	2,210,000	2,210,000
FTE	67.70	67.20	67.20

**EXPLANATION**

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Family and Community Health Division. Legislative action represents a 1% increase and reflects the following differences from FY 1988:

- A. Subtracts \$10,000 due to increasing the projection of fees from the Birth Defects Program.
- B. Subtracts \$15,000 and .50 FTE position due to vacancy factors.
- C. Subtracts \$2,800 due to the transfer of Attorney General reimbursement from this Division to the Administration Division.
- D. Adds \$25,657 due to replacing a March of Dimes grant for perinatal care.
- E. Subtracts \$36,600 and 1 FTE position due to a refinement of state reorganization.
- F. Adds \$17,256 for a return to current level of

service.

- G. Adds \$50,000 and 1.5 FTE positions to administer Well Elderly Clinics.
- H. Subtracts \$282 due to rounding.

INTENT LANGUAGE

This Subsection contains language stating that the Division shall allocate \$626,000 to the Birth Defects and Genetic Counseling Program, that \$39,000 of the Counseling Program funds shall be allocated for a Central Birth Defects Registry Program, and that the Counseling Program shall apply a sliding fee scale and these fees shall be considered repayment receipts to be used for the Program.

This Subsection contains language stating that the Division shall allocate \$49,000 for a Lead Abatement Program.

This Subsection contains language allocating to the University of Iowa Hospital and Clinics money for Programs under the Iowa Specialized Child Health Care Services. These include:

- Mobile and Regional Child Health Specialty Clinics - \$308,000
- Muscular Dystrophy and Related Genetic Disease Programs - \$125,000
- Statewide Perinatal Program - \$67,000

Of the \$308,000 for Specialty Clinics, \$68,000 shall be used for a Specialized Medical Home Care Program for children who require technical medical care in the home.

This Subsection contains language stating that the University of Iowa Hospital and Clinics shall not receive an allocation for indirect costs and the Department of Public Health shall administer the statewide Maternal and Child Health Program and the Crippled Children's Program.

SEC. 5.11B SUDDEN INFANT DEATH SYNDROME AUTOPSIES

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	14,264	14,000	14,000

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for SIDS Autopsies. Legislative action represents a 2% decrease from FV 1988 by subtracting \$264 due to rounding.

SEC. 5.11C LOCAL PUBLIC HEALTH NURSING

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	2,175,581	2,175,000	2,175,000

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Public Health Nursing. Legislative action subtracts \$561 from FV 1988 due to rounding.

INTENT LANGUAGE

This Subsection contains language stating a definition of "elderly" and "low-income", and duplication of services, the formula and requirements for the allocation of funds, reallocation of funds, using a sliding fee scale, anti requiring the Department of Public Health to submit an annual evaluation of the Public Health Nursing Program to the General Assembly and the Governor.

SEC. 5.11D HOME MAKER

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	7,417,034	7,707,000	7,787,050

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Homemaker-Home Health Aide Program. Legislative action reflects the following differences from FV 1988:

- A. Adds \$370,852 due to a 5% increase in funding.
- B. Subtracts \$896 due to rounding.

INTENT LANGUAGE

This Subsection contains language stating a definition of "chore services" and the stipulation that up to 15% of the appropriation may be used for such services, definitions of an "elderly person", "homemaker-home health aid services", "low income person", and "protective services", establishes the formula and requirements for the allocation of funds, sets the minimum of time for direct services by direct services workers and the maximum of Cost for service and agency administration, requires the subcontracting agency to pay the employer's share of Social Security, worker's compensation coverage, and any other applicable legal employer/employee relationship requirements, defines

the allocation formula and with whom the local boards shall contract the services. specifies the reallocating of funds, the rules, the use of a sliding fee scale and requires the Department of Public Health to submit an annual report to the General Assembly and the Governor.

**SEC. 5.11E** WELL ELDERLY CLINICS

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	380,576	474,000	494,000
FTE	1.50	.00	.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Well Elderly Clinics. Legislative action represents a 25% increase and reflects the following differences from FY 1988:

- A. Adds \$164,601 to expand program grants.
- B. Subtracts \$50,754 and 1.50 FTE positions due to not funding administrative costs through program grants.
- C. Subtracts \$423 due to rounding.

INTENT LANGUAGE

This Subsection contains language stating that clinics located in those counties which provide a funding match will receive priority in allocations.

**SEC. 5.11F** DECENTRALIZED OBSTETRICAL PATIENT CARE PRO.

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	699,300	770,000	770,000
FTE	1.00	1.00	1.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Decentralized Indigent Obstetrical Patient Program. Legislative action represents a 10% increase and reflects the following differences from FY 1988:

- A. Adds \$370,700 to return to current level of service.
- B. Subtracts \$300,000 due to the Sixth Omnibus Budget Reconciliation Act (SOBRA).

Legislative action changed the format for funding the Decentralized Indigent Obstetrical Program. This change is described in the intent portion for this Subsection.

INTENT LANGUAGE

This Subsection contains language stating that the appropriation for this Program for FY 1989 shall be \$770,000. unless the provisions of Acts of 1988, H.F. 2447. Section 3.14, regarding SOBRA are not enacted. If the provisions are not enacted. then the appropriation is \$1,070,000.

This Subsection contains language stating that a person certified under this Program and not a part of the Indigent Patient Program at the University of Iowa Hospitals and Clinics. but gives birth and/or receives obstetrical care at the University Hospitals. shall receive payment for care from the Indigent Patient Program and the money which had been obligated to that person from the Decentralized Obstetrical Patient Program shall be available for use by the county of residence of that person. Also. if delivery costs for a person certified by the Decentralized Obstetrical Patient Program are less than \$1,900. the excess moneys shall revert to the Program's fund for reallocation.

**SEC. 6** SEXUAL ABUSE INVESTIGATIONS

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	55,000	76,280	76,000

EXPLANATION

Funds are appropriated from the Victims Reparation Fund for sexual abuse investigations. Legislative action represents a 38% increase and reflects the following differences from FY 1988:

- A. Adds \$21,280 due to an increased number of cases needing investigations.
- B. Subtracts \$280 due to rounding.

INTENT LANGUAGE

This Section contains language to allocate funds for the Sexual Abuse Investigations Program from the Victim Reparation Fund of the Department of Public Safety. as required under Section 709.10, Code of Iowa.

SEC. 8 LICENSING BOARDS EXAMINATION EXPENSESINTENT LANGUAGE

This Section provides a mechanism by which the licensing boards under the Department of Public Health may expend additional funds for examinations over their appropriation. The Department of Management shall approve the encumbrance or expenditures of these additional funds.

SEC. 10 DECENTRALIZED OB INDIGENT PROGRAM REVERSIONCODE CITATION

This Section, which creates Section 255A.14, Code of Iowa, states that any unencumbered money remaining in the Decentralized Obstetrical Patient Program on June 30th shall revert to the Indigent Patient Program at the University of Iowa Hospital and Clinics.

SEC. 11 EMERGENCY MEDICAL SERVICESCODE CITATION

This Section, which amends Section 331.424(1), Code of Iowa, authorizes counties to levy additional property taxes to fund the training of Emergency Medical Services personnel and equipment.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that property taxpayers should not have to pay for Emergency Medical Services.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 12 EMERGENCY MEDICAL SERVICESCODE CITATION

This Section, which amends Section 331.424(2), Code of Iowa, authorizes counties to levy additional property taxes to fund the training of Emergency Medical Services personnel and equipment.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that property taxpayers should not have to pay for Emergency Medical Services.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 22 HEALTH FACILITIES COUNCILCODE CITATION

This Section, which amends Section 7E.6(5), Code of Iowa, codifies the change of the Health Facilities Council members from salaried positions to per diem and expenses.

SEC. 26 HEALTH FACILITIES COUNCILCODE CITATION

This Section, which amends Section 135.62(2)C, Code of Iowa, codifies the change of the Health Facilities Council members from salaried positions to a forty dollar per diem and expenses.

HUMAN RIGHTS, DEPARTMENT OF

S. F. 2310

SEC. 2 DEPARTMENT OF HUMAN RIGHTSINTENT LANGUAGE

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for not more than 34.3 FTE positions within the Department of Human Rights.

SEC. 2.1 CENTRAL ADMINISTRATION DIVISION

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	144,052	104,000	104,000
FTE	4.00	5.00	5.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Administration Division. Legislative action represents a 28% decrease and reflects the following differences from FY 1988:

- A. Subtract: \$39,308 due to transferring a fiscal person from the Community Action

Agencies Division to this Division and developing an indirect cost allocation plan.

B. Subtracts \$744 due to rounding.

INTENT LANGUAGE

This Section contains language stating that the Department shall establish a Visitation Rights Advisory Committee.

SEC. 2.2 SPANISH-SPEAKING PEOPLES DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	60.280	60,000	60,000
FTE	1.50	1.50	1.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Spanish-Speaking Peoples Division. Legislative action subtracts \$200 from FV 1988 due to rounding.

SEC. 2.3 PERSONS WITH DISABILITIES DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	125.969	125.000	125.000
FTE	3.00	3.00	3.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Persons with Disabilities Division. Legislative action subtracts \$969 from FV 1988 due to rounding.

SEC. 2.4 STATUS OF WOMEN DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	110.154	110.000	110.000
FTE	2.80	2.80	2.80

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Status of Women Division. Legislative action subtracts \$154 from FV 1988 due to rounding.

SEC. 2.5 CHILDREN, YOUTH AND FAMILIES DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	134.137	134.000	134.000
FTE	5.50	5.50	5.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Children, Youth, and Families Division. Legislative action subtracts \$137 from FV 1988 due to rounding. This Division is responsible for administering the Juvenile Justice Delinquency Prevention and Victim Assistance Grants.

INTENT LANGUAGE

This Section contains language stating that no less than \$36,000 shall be spent for expenses relating to administering federal funds for Juvenile Assistance, that the Department is required to employ sufficient staff to meet federal funding match requirements for the Juvenile Justice Delinquency Prevention Program, that The Governor's Advisory Council on Juvenile Justice shall determine the appropriate staffing level to complete federal and state mandates, and that the Division shall administer Victim Assistance federal funds.

SEC. 2.6 DEAF SERVICES DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	231,215	238,000	238,000
FTE	8.00	10.00	10.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Deaf Services Division. Legislative action represents a 3% increase and reflects the following differences from FV 1988:

- A. Adds \$7,312 to return to current level of service.
- B. Adds 2 FTE positions based upon fees from the Deaf Interpreters Services Fund. These fees are estimated to generate \$50,000 for FV 1989.
- C. Subtracts \$527 due to rounding.

SEC. 2.7 STATUS OF BLACKS DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	52,000	52,000
FTE	.00	1.50	1.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the Status of Blacks Division. Legislative action reflects the following differences from FY 1988:

- A. Adds \$52,785 and 1.5 FTE positions for the new Status of Blacks Division in the Department of Human Rights.
- B. Subtracts \$785 due to rounding.

SEC. 2.8 CRIMINAL & JUVENILE JUSTICE PLANNING DIV.

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	215,392	215,392
FTE	.00	5.00	5.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes of the new Division of Criminal and Juvenile Justice Planning.

INTENT LANGUAGE

This Section contains intent language which requires the Criminal and Juvenile Justice Advisory Council of the Division of Criminal Justice Planning, and the Juvenile Justice Advisory Council of the Division of Children, Youth and Families to coordinate their responsibilities relating to juvenile justice.

SEC. 7 DEAF INTERPRETATION SERVICES FUND

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	50,000	50,000

INTENT LANGUAGE

This Section contains language allocating \$50,000 to the Deaf Services Division of the Department of Human Rights from the Deaf Interpretation Services Fund created in Section 13 of this Act. Of the \$50,000 allocation, \$4,000 shall be used to pay interpretation services contracted by the Division of Deaf Services for FY 1989 and the difference between \$50,000 and the amount remaining in the Fund (under \$50,000) at the end of FY 1989 would be appropriated to the Fund with the source of these additional funds appropriated to the Deaf Interpretation Services Fund being the General Fund.

SEC. 13 DEAF INTERPRETATION SERVICES FUND

INTENT LANGUAGE

This Section contains language stating that all fees collected by the Division for the provision of interpretation services to obligated agencies shall be transmitted to the Treasurer of State wherein the monies are deposited into a separate fund. An estimated \$50,000 will be generated by this new fund. The Commission on the Deaf shall adopt rules establishing a fee schedule for the cost of services, collection of fees, and disposition of moneys received under this Section. This Section takes effect upon enactment of S.F. 2310.

CODE CITATION

This Section, which creates a new Section 601K.117, Code of Iowa, establishes a separate fund for the Deaf Services Division wherein fees collected for interpretation services can be deposited.

SEC. 14 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.

CODE CITATION

This Section, which creates a new Section 601K.131, Code of Iowa, provides definitions for the establishment of the Criminal and Juvenile Justice Planning Division.

S.F.C. 15 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.CODE CITATION

This Section, which creates a new Section 601K.132, Code of Iowa, establishes a Criminal and Juvenile Justice Advisory Council for the Criminal and Juvenile Justice Planning Division.

SEC. 16 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.CODE CITATION

This Section, which creates a new Section 601K.133, Code of Iowa, establishes duties for the Criminal and Juvenile Justice Planning Council.

SEC. 17 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.CODE CITATION

This Section, which creates a new Section 601K.134, Code of Iowa, provides responsibilities of the Administrator of the Criminal and Juvenile Justice Planning Division.

SEC. 18 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.CODE CITATION

This Section, which creates a new Section 601K.135, Code of Iowa, requires the submittance of a plan and report to the Governor and General Assembly by the Criminal and Juvenile Justice Planning Division.

SEC. 19 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.CODE CITATION

This Section, which creates a new Section 601K.136, Code of Iowa, establishes a Statistical Analysis Center within the Criminal and Juvenile Justice Planning Division.

SEC. 27 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.CODE CITATION

This Section, which amends Section 601K.1, Code of Iowa, adds the Division of Criminal and Juvenile Justice Planning to the list of divisions within the Department of Human Rights.

SEC. 28 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.CODE CITATION

This Section, which amends Section 601K.3(1), Code of Iowa, changes the composition of the Human Rights Policy-Coordinating Council from seven members to eight members.

SEC. 30 CRIMINAL AND JUVENILE JUSTICE PLANNING DIV.CODE CITATION

This Section eliminates Section 80C, Code of Iowa. Section 80C contained language for the Criminal and Juvenile Justice Planning Agency.

HUMAN SERVICES. DEPARTMENT OF

CENTRAL OFFICE

H. F. 2447

SEC. 6.3 FAMIS PROJECT - NO HARDWARE OR TERMINALSINTENT LANGUAGE

This Subsection prohibits the Department from placing any orders for or taking delivery of terminals and other hardware related to the Family Assistance Management Information System (FAMIS) Project during the interim unless the Legislative Council gives its approval.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that the language would be an excessive intrusion of the Legislative Council into the administration of state government. The Governor said he would ask DHS to inform the Legislative Council, the Fiscal Committee, and the Appropriations Subcommittee as to DHS plans for the administration of FAMIS.

FISCAL EFFECT OF VETO.

There is no fiscal effect of this veto on the General Fund.

SFC. 6.4      BLOCK GRANT SAVINGS

INTENT LANGUAGE

This Subsection requires the Department to identify the amount of the State funds and federal block grant funds saved under the Community Services appropriation and the amount of additional federal funds gained as a result of the case management provided under Section 14.7 of this Act. The amounts saved and additional funds gained are to be transferred to provide enhanced mental health, mental retardation, and developmental disabilities services.

SEC. 7      GENERAL ADMINISTRATION

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action-</u>
8	6,991,581	6,841,245	6,841,245
FTE	350.54	318.44	318.44

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for General Administration. Legislative action reflects the following differences from FY 1988:

- A. \$100,000 for the Technology Improvement Project which will provide for personal computers and software,
- B. \$18,000 for 3.0 FTE positions needed for the administration of health maintenance organizations and the additional Community Services computers.
- C. \$34,245 for 1.5 FTE position necessary for the Medically Needy Programs as specified in Section 3.9 of this Act,
- O. \$18,000 for 1 FTE position for the administration of the adolescent psychiatric hospital provision as defined in Section 3.7.
- E. A reduction of positions relating to the Enhanced Mental Health, Mental Retardation, Developmental Disabilities Services Section established last year,
- F. A reduction of positions and funding relating to state reorganization, reduced vacancy factors, and support levels.

INTENT LANGUAGE

This Section includes language stating that the FTE position which is designated to administer the expanded coverage as a result of the licensure of specialized hospitals (as explained in Section 3.7) is conditional upon the appropriation made to General Administration.

SEC. 7.1      FTE POSITIONS EXEMPTED

INTENT LANGUAGE

This Subsection contains language stating that FTE positions funded entirely by federal, public, private grants, or gambler's assistance funds shall be exempted from the limits placed on FTE positions in Section 7.

SEC. 7.2      BUDGETED FTE INFORMATION

INTENT LANGUAGE

This Subsection contains language listing various factors considered while determining the budget for General Administration. It states that if the federal cost allocation share, average base salary, and vacancy factor are different than the original estimates and there is insufficient funds, DHS shall seek a supplemental appropriation. DHS shall also report monthly to the Legislative Fiscal Committee regarding the projections of expenditures. This Subsection also restricts the amount of funds that can be used for items not related to salaries.

The Subsection provides that:

- A. The appropriation for General Administration is based upon an expected federal block grant share of \$7,103,946.
- B. That the Department shall not expend more than \$2,456,517 of this appropriation on items not related to salary and benefits without obtaining approval of the Legislative Council or the General Assembly.
- C. That the number of FTE positions under Section 7 is the target number to be reached by the Department in FY 1989.
- D. That the Department may fill up 326.5 FTE positions and shall coordinate the P-5 hiring process in order to meet the target number for the fiscal year.
- E. That this Subsection is conditional upon the appropriation made to General Administration.
- F. That the Department shall seek supplemental appropriations if the assumptions upon which the budget is built are incorrect, and cause a deficit.



GOVERNOR'S VETO

The Governor vetoed intent language which required that DHS seek additional funds through supplemental appropriations if the expected federal cost allocation share is less than expected, the average base salary and support cost is more than expected, or the vacancy factor is lower than expected. The vetoed language also prohibited DHS from spending more than \$2.456.517 of this appropriation on items not related to salary and benefits without obtaining approval of the Legislative Council. The Governor used the rationale that DHS should use cost saving efforts as a first option when dealing with budget shortfalls and requiring Legislative Council approval before certain administrative actions can be taken is an intrusion into the administration of state government.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 14 MENTAL HEALTH BILL OF RIGHTS

	<u>FV 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	1,300,000	1,300,000
FTE	.00	3.00	3.00

EXPLANATION

Funds are appropriated for the State Candidate Services Fund, which is to be used for services for the chronically mentally ill, developmentally disabled, and mentally retarded.

INTENT LANGUAGE

This Section contains language specifying that these funds shall be allocated to the DHS districts based on an enumeration study which defines the various populations. DHS shall seek to draw down additional federal funds where possible. DHS shall work with the Department of Education to make greater use of vocational rehabilitation support, and shall report to the General Assembly by October 30, 1988, on the feasibility on obtaining additional federal assistance.

SEC. 14.1 MEDICAID ENHANCEMENT - OVERSIGHT COMMITTEE

INTENT LANGUAGE

This Subsection contains language establishing an Enhanced Mental Health, Mental Retardation, Developmental Disabilities Services Plan Oversight Committee. The Committee is created to assure the Services Plan is implemented within the funds identified, budgeted, and appropriated. The Committee shall have 9 members, 2 of which shall be designated by the Fiscal Committee of the Legislative Council, and subject to approval by the Governor. The language also designates the other members.

The duties of the Committee are as follows:

- A. Decide whether behavior management should be included as a candidate service,
- B. Make recommendations for Medicaid waivers for any candidate service not approved by the federal government as a plan amendment,
- C. Make recommendations regarding county case management plans and budgets,
- D. Report any variance in utilization or expenditures of approved plans to the Governor, Fiscal Bureau, and Counties,
- E. Make recommendations regarding any variances to the Council on Human Services,
- F. Submit report regarding the implementation of this Section,
- G. Recommend rules which implement the provisions of this Section,
- H. Develop methodology to determine base year expenditures for a county maintenance of effort,
- I. Make final decisions regarding any disagreement between a county and DHS, relating to expenditures, or maintenance of effort.

SEC. 14.2 MEDICAID ENHANCEMENT - CANDIDATE SERVICES

INTENT LANGUAGE

This Subsection contains language that defines five new candidate services which are to be added to the Medicaid Program in order to receive the federal reimbursement. These services include rehabilitation services, day treatment, partial hospitalization, and case management. Case management shall be limited to persons with mental retardation, chronic mental illness, and developmental disabilities. Behavior management may be included as a candidate service if the Oversight Committee recommends such action. The Committee may also recommend that DHS seek Medicaid waivers for any other services not approved by the federal government. Language was also added which

states that the Treasurer of the State shall establish a State Candidate Services Fund for the purposes of this Section.

SEC. 14.3 MEDICAID ENHANCEMENT - COUNTY LIABILITY

INTENT LANGUAGE

This Subsection contains language stating that the counties shall be billed for 50% of the non-federal share of the new candidate services under Medicaid for persons with mental retardation, developmental disabilities, or chronic mental illness.

SEC. 14.4 MEDICAID ENHANCEMENT - COUNTY EFFORT

INTENT LANGUAGE

This Subsection contains language establishing the overall county maintenance of effort for persons with mental retardation, chronic mental illness, and developmental disabilities. Based on the general allocation application for the State Mental Health/Mental Retardation Fund, DHS in agreement with the counties will determine the actual amount expended by the counties. Disagreements will be settled by the Oversight Committee.

Also included is language which states that if a county does not spend its basic maintenance of effort in a fiscal year, the balance shall not revert to the General Fund of the county, but be carried forward to be used the next fiscal year for services for these populations. This Subsection does not relieve the county from any current obligations.

SEC. 14.5A MEDICAID ENHANCEMENT - NON-REVERSION

INTENT LANGUAGE

This Subsection includes language stating that the funds appropriated in this Section shall not revert to the General Fund, but be deposited in the Mental Health/Mental Retardation Fund in the next fiscal year.

SEC. 14.5B MEDICAID ENHANCEMENT-NONTRANSFER LANGUAGE

INTENT LANGUAGE

This Subsection contains language stating that the funds appropriated for the State Hospital Schools and Mental Health Institutes shall not be subject to transfer, except to the Candidate Services Fund.

SEC. 14.6 MEDICAID ENHANCEMENT - COUNTY EXPENDITURES

INTENT LANGUAGE

This Subsection includes language that establishes the counties base expenditures for the candidate services, as defined in Section 14.2 of this Act. DHS, with agreement of the counties and the Oversight Committee, shall determine the amount expended by each county for the candidate services in FY 1989, and shall reimburse the counties the least amount of the following:

- A. The difference between the total expenditures for the candidate services and the base year expenditures.
- B. The amount expended by the county for the non-federal match of Medicaid.
- C. The amount by which FY 1989 expenditures for candidate services exceed the maintenance of effort.

SEC. 14.7 MEDICAID ENHANCEMENT - CASE MANAGEMENT

INTENT LANGUAGE

This Subsection contains language stating that case management shall be provided by DHS, unless a county or consortium of counties contracts to be the provider. The counties may subcontract for the provision of services.

SEC. 14.8 CURRENT COUNTY LIABILITY

INTENT LANGUAGE

This Subsection contains language stating that this Section does not relieve the county from any other funding obligations required by law.

SEC. 14.9 FAIR & EQUITABLE FUNDING DISCLAIMERINTENT LANGUAGE

This Subsection contains language stating that nothing in this Act is intended to be a provision of a fair and equitable funding formula, nor shall imply a claim of entitlement to any programs or services as specified in the Bill of Rights. Section 225C.28, Code of Iowa, states that the eligible persons shall be entitled to several basic rights when a fair and equitable funding formula is determined which defines the State, Federal, and County shares of any additional costs. Without this disclaimer, the funds provided could accidentally trigger the entitlements for all persons. The cost estimates for this entitlement range from \$100 to \$150 million.

SEC. 14.10 ORGANIC MENTAL DISORDERS EXCLUDEDINTENT LANGUAGE

This Subsection contains language stating that persons with organic mental disorders are excluded from the definition of those chronically mentally ill. This excludes Alzheimers Disease from this Section.

SEC. 14.11 MEDICAID ENHANCEMENT - FTE POSITIONSINTENT LANGUAGE

This Subsection contains language stating that as a limitation of the appropriation made in this Section, not more than 3 FTE positions may be filled at a cost of no more than \$70,000. These positions will administer the analysis of funding amounts and related issues.

SEC. 14.12 MEDICAID ENHANCEMENT INTERIM STUDYINTENT LANGUAGE

This Subsection contains language stating that the Legislative Council shall appoint a committee staffed by the Legislative Fiscal Bureau to conduct a study and develop recommendations regarding a fair and equitable funding formula for services provided to persons under the Bill of Rights. A report shall be submitted on or before December 1, 1988.

SEC. 26.14 FAMILY SUPPORT SUBSIDY PROGRAMINTENT LANGUAGE

This Subsection contains language which requires that \$75,000 of the Foster Care appropriation shall be used for grants under the Family Support Subsidy Program as provided in S.F. 2018.

SEC. 32 GOALS AND OBJECTIVESINTENT LANGUAGE

This Section contains language stating that OHS shall work with the Legislative Fiscal Bureau and the Department of Management to establish goals and objectives for each new program initiated in FV 1988 or after. This Section contains language stating that this Section is conditional upon the appropriation to General Administration.

SEC. 38 LIMIT COUNTY LIABILITY AT MHI'SCODE CITATION

This Section amends Section 222.73(2), Code of Iowa. This Section limits county share at the Mental Health Institutes. The per diem costs billed to each county shall not exceed the per diem costs in effect July 1, 1988.

SEC. 39 LIMIT COUNTY EXPENDITURE AT HOSP. SCHOOLSCODE CITATION

The Section amends Section 230.20(2), Code Supplement 1987. This Section limits the county share at the State Hospital Schools. The per diem costs billed to each county shall not exceed the per diem costs in effect on July 1, 1988.

SEC. 40 MEDICAID ENHANCEMENT - REGENTS REPORTINTENT LANGUAGE

This Section contains language which directs the Board of Regents to prepare a report regarding the professional training required to ensure there are sufficient number of qualified case managers as defined in Section 14.

COMMUNITY SERVICES, DIVISIONS

**SEC. 5 CHILD SUPPORT RECOVERY UNIT**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	1,025,960	1,012,000	1,012,000
FTE	107.00	100.42	100.42

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Child Support Recovery Unit. The appropriation maintains the current level of services, except that 11.58 FTE positions (\$91,823) are subtracted for a vacancy factor.

**SEC. 5.1 CHILD SUPPORT RECOVERY - NEW POSITIONS**

INTENT LANGUAGE

This Subsection contains language permitting the Commissioner of Human Services to establish new positions and add additional employees to the Child Support Recovery Unit when it is determined that both the current and additional employees together are expected to recover child support payments more than twice the cost of both the current and additional employees.

**SEC. 5.2 CHILD SUPPORT RECOVERY - DEMONSTRATION PROG**

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to extend the Child Support Modification Demonstration Program to at least fifteen counties in the State, permitting the Department to transfer funds from the AFDC appropriation in order to fund the Demonstration Program, and allowing the Department to hire additional staff in excess of the FTE position cap to the extent AFDC pays for the new positions. The Subsection also contains language requiring the Department to report on the Demonstration Program quarterly to the Legislative Fiscal Bureau.

This Subsection is conditional upon the appropriation to Child Support Recovery.

**SEC. 6.1 COMMUNITY SERVICES**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	30,404,663	31,890,603	31,890,603
FTE	2,205.00	2,205.50	2,205.50

EXPLANATION

Funds are appropriated for the Division of Community Services. Legislative action reflects the following differences from FY 1988:

- A. Adds 1.0 FTE position for grant diversion,
- B. Subtracts positions to equal current vacancy factor of 4%.
- C. Subtracts positions for increased sick leave and comp time.
- O. Subtracts positions for an additional vacancy factor of 4%.
- E. Subtracts positions for Bill of Rights implementation (8 FTE positions).
- F. Subtracts positions for reorganization refinement.

The appropriation includes \$77,000 for an additional 6.25 FTE positions necessary for the Medically Needy Programs as specified in Section 3.9 of this bill. The \$77,000 will be complemented by federal funds. The appropriation also includes \$27,603 to fund 2.25 FTE positions related to increasing AFDC payment levels by 3.25%.

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to provide an extensive orientation program for newly employed social workers in the area of community resource programs; the Department is also required to provide assistance to each county board of social welfare to identify community resources in counties pursuant to Section 234.11, Code of Iowa.

SEC. 6.2 COMMUNITY SERVICES - ASSUMPTIONS USEDINTENT LANGUAGE

This Subsection contains language stating the federal cost allocation share, an average base salary and support cost, and a vacancy factor on which the appropriation is based. It is the intent of the General Assembly that the Department of Human Services should seek additional funding through a supplemental appropriation if these assumptions change. The Department is required to report monthly to the Fiscal Committee of the Legislative Council regarding the projections of expenditures under this appropriation. The Department is prohibited from spending more than a specified amount on items not related to salary and benefits without obtaining approval of the Legislative Council or the General Assembly. The Department is required to maintain an average of 2.289 FTE positions filled under this appropriation and requires the Department to coordinate the P-5 and hiring process to maintain this average.

This Subsection states that the appropriation for Community Services is based upon a federal block grant share of \$12,667,249, and that the FTE positions listed in this Section are to be a target number to be reached. DHS is authorized to hire up to 2,297.50 positions in order to meet the target: 2.25 of these positions are related to the 3.25% increase in AFDC benefit payments. The Subsection is conditional upon the appropriation made to Community Services. DHS is required to seek supplemental appropriations, if the assumptions upon which the budget is built are incorrect, and causes a deficit. The Subsection provides that if the Medicaid plan amendments for additional services are approved by the federal government, DHS may exceed the specified number of FTE positions in Community Services.

GOVERNOR'S VETO

The Governor vetoed intent language which required that DHS shall seek additional funds through supplemental appropriations if the expected federal cost allocation share is less than expected, the average base salary and support cost is more than expected, or the vacancy factor is lower than expected. The vetoed language also prohibited DHS from spending more than \$2,414,103 on items not related to salary and benefits without obtaining approval from the Legislative Council. The Governor used the rationale that this language would by implication prohibit the Department from putting in place efficiencies or cost savings in order to pick up an unexpected shortfall, and that this language allows the Legislative Council to, in effect, administer the appropriation contained in this Subsection.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 47 FAMIS SUBSECTION EFFECTIVE IMMEDIATELYEXPLANATION

This Section contains language which provides that Section 6.3, which prohibits DHS from placing any computer orders, or taking delivery of any terminals relating to the FAMIS Project during the interim without approval of the Legislative Council, becomes effective upon enactment.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that because Subsection 6.3 of the bill, relating to the FAMIS computer project had been vetoed, there was no need for the enactment clause.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

## INSTITUTIONS

SEC. 8 TOLEDO & ELDORA JUVENILE INSTITUTIONS

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	8,925,698	10,062,000	10,062,000
FTE	298.78	329.00	329.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the operation of the State Training School at Eldora, and the Iowa Juvenile Home at Toledo. Included in this appropriation is \$812,000 which is to be used to implement the recommendations of the Governor's Foster Care Task Force, including the filling of 36.75 FTE positions and \$150,000 which is to be used specifically to improve the conditions at Eldora by hiring additional staff. It is the intent of the General Assembly that Eldora and Toledo serve specifically defined populations, and that it not become a placement of last resort.

**SEC. 8.1 GOVERNOR'S FOSTER CARE RECOMMENDATIONS**

INTENT LANGUAGE

This Subsection contains language stating that of the funds appropriated in Section 8, \$812,000 shall be used to implement the recommendations of the Governor's Foster Care Task Force, including the filling of 36.75 FTE positions, and \$150,000 is to be used to improve the conditions at Eldora by the hiring of additional staff.

This Subsection is conditional upon the appropriation to the Juvenile Institutions.

**SEC. 8.2 OVERALL INTENT OF SECTION 8**

INTENT LANGUAGE

This Subsection contains language stating that the funds appropriated in Section 8 are to be used to increase staff in order to improve the supervision and services provided to residents, to implement a classification system and a short-term, high-impact program for adjudicated female delinquents, and boys and girls at the state juvenile home who have been adjudicated children in need of assistance.

This Subsection is conditional upon the appropriation to the juvenile institutions.

**SEC. 8.3 USE OF JUVENILE INSTITUTIONS**

INTENT LANGUAGE

This Subsection includes language stating that the juvenile institution at Eldora should maintain an average population of 200, and the institution at Toledo should maintain an average population of 90. The plurality of juveniles at Eldora should consist of older juveniles with a history of serious offenses who are expected to require placement for 1 year or longer. The Department is required to review each new and existing placement, to determine whether it is appropriate for that juvenile. If it is determined that an alternative placement would be more appropriate, the Department shall seek modification of the court order for the placement.

This Subsection is conditional upon the appropriation to the juvenile institutions.

GOVERNOR'S VETO

The Governor vetoed intent language which required that the juvenile institution at Eldora shall maintain an average of 200 juveniles and the juvenile institution at Toledo maintain an average of 90 juveniles during FY 1989. The Governor used the rationale that it would be wrong to strictly hamstring DHS and the court's ability to make appropriate decisions in the placement of foster children, that meeting this strict limitation would be most difficult for the Department to achieve, and the impact of failing to achieve it is not clear.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

**SEC. 8.4 REPORTING OF TASK FORCE RECOMMENDATIONS**

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to report monthly to the Legislative Fiscal Committee the expenditure of the funds for the implementation of the Foster Care Task Force recommendations. The report shall contain the number of FTE positions which have been filled, the problems encountered while hiring, and stipulates that these positions shall be filled regardless of other unanticipated costs.

**SEC. 9 JUVENILE INSTITUTIONS PLAN**

EXPLANATION

Funds are appropriated for the development of a Plan for the future use of the state juvenile institutions at Eldora and Toledo. Language is included providing that it is the intent of the General Assembly that the Legislative Council establish an advisory committee to develop a Plan for the future use of juvenile institutions at Eldora and Toledo.

**SEC. 9.1A JUVENILE INSTITUTIONS PLAN - NEEDS STMT****INTENT LANGUAGE**

The Subsection contains language stating that the Juvenile Institutions Plan shall include a needs statement, an organizational structure, and a location for an assessment and placement unit for juveniles who are committed directly to the state juvenile institutions at Eldora or Toledo. The Plan is to be developed by the advisory committee.

**SEC. 9.1B JUVENILE INSTITUTIONS PLAN - TYPE OF JUV.****INTENT LANGUAGE**

This Subsection contains language stating that the Juvenile Institutions Plan shall include a recommendation regarding the type of juvenile who should be placed at the juvenile institutions, the length of stay which is suitable, the programming required, and the number of beds needed. The plan is to be developed by the advisory committee.

**SEC. 9.1C JUVENILE INSTITUTIONS PLAN-SHORT TERM PROG,****INTENT LANGUAGE**

This Subsection contains language stating that the Juvenile Institutions Plan shall include a recommendation regarding the establishment of a short-term high-impact program for juveniles which includes potential locations and an organizational structure for the program. The Plan is to be developed by the advisory committee.

**SEC. 9.1D JUVENILE INSTITUTIONS PLAN - MODIFICATIONS****INTENT LANGUAGE**

This Subsection contains language stating that the Juvenile Institutions Plan shall include a recommendation regarding modifications needed in the juvenile justice system, including the statutory law, responsibilities of the Department, and responsibilities of the court, to ensure that a juvenile is appropriately placed. The Plan is to be developed by the advisory committee.

**SEC. 9.1E JUVENILE INSTITUTIONS PLAN - STATUTORY CHNG****INTENT LANGUAGE**

This Subsection contains language stating that the Juvenile Institution Plan shall include a recommendation regarding amending Chapters 242 and 244. Code of Iowa, to make statutory language consistent with the responsibilities of the juvenile institutions. The Plan is to be developed by the advisory committee.

**SEC. 9.1F JUVENILE INSTITUTIONS PLAN - LIVING NEEDS****INTENT LANGUAGE**

This Subsection contains language stating that the Juvenile Institution Plan shall include a recommendation regarding staff, equipment and capital improvements needed at the juvenile institutions. The Plan is to be developed by the advisory committee.

**SEC. 9.1G JUVENILE INSTITUTION PLAN - STAFF & EQUIP.****INTENT LANGUAGE**

This Subsection contains language stating that the Juvenile Institution Plan shall include a recommendation regarding living needs and supervision needs of juveniles following their departure from the institution. The Plan is to be developed by the advisory committee.

**SEC. 9.1H JUVENILE INSTITUTION PLAN - TRACKING****INTENT LANGUAGE**

This Subsection contains language stating that the Juvenile Institution Plan shall include a recommendation regarding a system for tracking juveniles after release from the juvenile institution. The Plan is to be developed by the advisory committee.

**SEC. 9.2 JUVENILE INSTITUTION PLAN - ADVISORY GROUP****INTENT LANGUAGE**

This Subsection contains language stating that the Plan shall be developed by an advisory group composed of representatives of the State Child Welfare and Juvenile Justice System, including representation of the juvenile court officers, the courts, DHS, the Coalition of Children and Family Services, and the advisory committee for Toledo and for Eldora. The committee may enlist the aid of experts from other states and visit other institutions inside or outside this State in order to obtain information. The Plan shall be submitted to the General Assembly on or before January

1, 1989.

**SEC. 9.3 DUE DATE OF THE PLAN**

INTENT LANGUAGE

This Subsection contains language stating that the Plan shall be comprehensive, and build upon past studies. The Plan shall be submitted to the General Assembly by January 15, 1989.

**SEC. 10 GLENWOOD & WOODWARD STATE HOSPITAL SCHOOLS**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	60,365,910	59,918,000	59,918,000
FTE	2,195.62	2,179.02	2,179.02

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the operations of Glenwood and Woodward State Hospital Schools. This reflects FY 1988 level of service except for a reduction of funding for 29.3 FTE positions as a result of lower vacancy factors, and state reorganization.

INTENT LANGUAGE

This Section contains language stating that the state-hospital schools may exceed the specified number of FTE positions if the additional positions are specifically related to licensing, certification, accreditation standards or citations. The Department shall notify the Legislative Fiscal Bureau if additional positions are added.

**SEC. 11 MT. PLEASANT-CLARINDA-CHEROKEE-INDEPENDENCE**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	37,835,837	38,153,000	38,153,000
FTE	1,215.06	1,191.16	1,191.16

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the operations of Cherokee, Clarinda, Independence, and Mt. Pleasant Mental Health Institutes. This reflects a reduction of 40 FTE positions due to reductions in the vacancy factor, and support levels.

INTENT LANGUAGE

This Section contains language stating that the State Mental-Health Institutes may exceed the specified number of FTE positions if the additional positions are specifically related to licensing, certification, accreditation standards or citations. The Department is required to notify the Legislative Fiscal Bureau if additional positions are added.

**SEC. 12 YARSHALLTOWN VETERANS HOME**

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	22,991,375	23,181,000	23,181,000
FTE	764.00	761.28	761.28

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the operation of the Iowa Veterans Home, including \$62,058 for 2.0 FTE positions needed for anticipated accreditation deficiencies. \$500,000 for 47 FTE positions in order to phase a 60 bed wing into operation, and a reduction of 22 FTE positions as a result of decreasing the vacancy factor and support levels.

INTENT LANGUAGE

This Section contains language stating that the appropriation is conditional upon sixty new beds being phased into operation and salary and support is provided for not more than 19.15 additional FTE positions in FV 1989, or a total of 47 FTE positions in FV 1990. The Iowa Veteran's Home may exceed the specified number of FTE positions if the additional positions are specifically related to licensing, certification, accreditation standards or citations. The Department is required to notify the Legislative Fiscal Bureau if additional positions are added. If federal or private per diem rates paid to the home exceed the rates budgeted for the fiscal year, the federal unplanned revenue shall be spent before any state appropriation is used.



## SOCIAL SERVICES

SEC. 1.1 AID TO FAMILIES WITH DEPENDENT CHILDREN

	FY 1988	FY 1989	FY 1989
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	61,938,000	48,328,449	48,328,449

EXPLANATION

Funds are appropriated for Aid to Families with Dependent Children (AFDC). The appropriation is based upon the latest information on actual caseloads, and allows for a reduction in average monthly caseload of 1,000 cases due to expanded daycare and medical services for individuals who leave the AFDC caseload. No additional reduction in caseload was factored in for the expanded daycare, medical services and grant programs that are contained in this Act.

The appropriation includes \$2,228,449 to fund an increase in the AFDC benefit payment level of 3.25% effective July 1, 1988.

SEC. 1.2 PILOT GRANT DIVERSIONINTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to continue to operate the Pilot Grant Diversion Program for AFDC families in the Des Moines district as a component of the Work Incentive Demonstration Program. Employers who provide jobs and training to AFDC recipients shall receive financial compensation. This compensation is funded by reduced AFDC spending resulting from the participant's employment.

SEC. 1.3 AFDC - SELF EMPLOYMENT WAIVER PROGRAMINTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to continue to contract for services in developing and monitoring a waiver program with a consortium of other states to facilitate assistance to AFDC families in self-employment. The Department is required to spend \$125,000 for technical assistance to AFDC families seeking self-employment, either directly or through contracts with specified parties.

SEC. 1.4 AFDC - GOALS AND OBJECTIVESINTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to work with the Legislative Fiscal Bureau and the Department of Management to establish goals and Objectives for each new program: these goals shall be submitted to the Fiscal Committee of the Legislative Council by August 15, 1988.

SEC. 1.5 CHILD DEVELOPMENT GRANT

	FY 1988	FY 1989	FY 1989
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	1,175,700	1,175,700

EXPLANATION

Funds are appropriated for the Child Development Grants, under the provisions of S.F. 2192.

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to award grants on a two-year basis, subject to renewal, no later than January 1, 1989, and permits unexpended or unencumbered funds to carry forward. The Subsection also states that these funds are appropriated as a condition of the appropriation made to AFDC.

GOVERNOR'S VETO

The Governor vetoed intent language which required that unencumbered or unexpended funds shall not revert to the General Fund at the end of the fiscal year, using the rationale that this language creates confusing signals to DHS. It is required that the grants be awarded before January 1, 1989. The Governor further stated that it is unnecessary to include language to eliminate hasty decisions on the awarding of the grants.

FISCAL EFFECT OF VETO

There is no fiscal effect Of this veto on the General Fund.

SEC. 1.6      FAMILY DEVELOPMENT GRANTS

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$            0	690,000	690,000

EXPLANATION

Funds are appropriated for the Family Development and Self-sufficiency Grant Program, as provided by S.F. 2225.

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to award grants on a three-year basis, subject to annual renewal, not later than January 1, 1989, requiring that not more than 5% of the appropriation shall be used for administration of the program, and permitting unexpended or unencumbered funds to carryover to the next fiscal year instead of reverting to the General Fund. The Subsection contains language requiring that the grants shall be awarded for demonstration projects to public or private organizations submitting grant proposals to provide family development services to families at risk of long-term welfare dependency. The proposals shall include designation of families to be served that meet some criteria of being at risk of long-term welfare dependency, and agreement to serve clients that are referred by DHS who meet the criteria.

The Subsect ion provides that these funds are appropriated as a condition of the appropriation made to AFDC.

GOVERNOR'S VETO

The Governor vetoed intent lanyuaye which required that unencumbered or unexpended funds shall not revert to the General Fund at the end of the fiscal year, using the rationale that this language creates confusing signals to DHS. It is required that the grants be awarded before January 1, 1989. The Governor further stated that it is unnecessary to include language to eliminate hasty decisions on the awarding of the grants

FISCAL EFFECT

There is no fiscal effect of this veto on the General Fund.

SEC. 1.7      AFDC - SCHEDULE OF BASIC NEEDS

INTENT LANGUAGE

This Section contains language increasing the AFDC schedule of basic needs by 3.25% for each household size.

SEC. 2.1      WORK INCENTIVE PROGRAM

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$            0	1,202,794	1,202,794

EXPLANATION

Funds are appropriated to continue the Program at the FY 1988 level of operation. Funding for this program was included in the appropriation for Aid to Families with Dependent Children in FY 1988.

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to operate the work Incentive Demonstration Program as it operated in FY 1987, unless a replacement program is mandated by federal law.

SEC. 2.2      FOOD STAMP EMPLOYMENT & TRAINING PROGRAM

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$        459,540	246.550	246.550

EXPLANATION

Funds are appropriated to continue the Program at the FV 1988 level of operation. The reduced funding reflects decreases in AFDC caseloads.

**SEC. 3      MEDICAL ASSISTANCE**

	FV 1988 <u>Approp.</u>	FV 1989 <u>Gov. Revised</u>	FV 1989 Leg. Action
<b>\$</b>	152,461,500	163,290,645	163,290,645

EXPLANATION

Funds are appropriated for the Medical Assistance Program, which provides hospital in-patient, out-patient, psychiatric, pharmaceutical and other medical services to low-income persons, and the blind, aged, and disabled. The FY 1988 appropriation above includes 314.1 million in supplemental appropriations. Legislative action reflects the following differences from FY 1988:

- A. Increasing the maximum reimbursement rate for intermediate care facilities to the 74th percentile is also included (\$5.1 million).
- B. Increasing reimbursements to most providers (\$2.351.000).
- C. Adding Medically Needy coverage for caretaker relatives and increasing resource limits as explained in Section 3.9 (**\$785,000**).
- D. Adding the Disproportionate Share Program, as provided in Section 3.12 (\$259.000).
- E. Funding the impact of increasing AFDC benefits by 3.25% as explained in Section 1.7 (**\$236,000**).
- F. Funding to provide for the adolescent psychiatric hospital licensure provision as explained in Section 3.7 (\$989.000).
- G. Funding for a study of the uninsured or underinsured as explained in Section 3.11 (\$48,000).
- H. Funding to provide for enhanced services and case management for pregnant women as explained in Section 3.8 (**\$77,000**).
- I. Additional outpatient services as explained in Section 3.6 (**\$16,000**).
- J. Extend Medicaid benefits as explained in Section 3.5 (\$85,000).
- K. Additional \$883.145 for other various increases since FY 1988.

INTENT LANGUAGE

This Section contains language stating that the basis for establishing the maximum medical assistance rate for Intermediate Care Facilities shall be the 64th percentile effective July 1, 1988, and the 74th percentile effective January 1, 1989. The minimum number of hours of care per resident of an Intermediate Care Facility is set at 2 hours per resident per day computed on a 7-day week.

**SEC. 3.1      MEDICALLY NECESSARY ABORTIONS**INTENT LANGUAGE

This Subsection contains language defining medically necessary abortions. Medically necessary abortions are those abortions which meet any of the following conditions:

- A. The physician certifies that continuing the pregnancy would endanger the life of the pregnant woman,
- B. The physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.
- C. The pregnancy is the result of rape which is reported within 45 days of the incident.
- D. The pregnancy is the result of incest which is reported within 150 days of the incident.
- E. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled.

**SEC. 3.2      WIC TRANSFER**INTENT LANGUAGE

This Subsection contains language stating that not more than 3200.000 may be transferred to the Department of Public Health for contingency state assistance for the Women, Infants, and Children (WIC) Program.

**SEC. 3.3      MANDATORY HMO ENROLLMENT**INTENT LANGUAGE

This Subsection contains language stating that DHS may implement mandatory enrollment of eligible clients into Health Maintenance Organizations (HMO). Individuals shall still be eligible to use family planning and mental health services without obtaining prior approval. Clients shall not be required to enroll in a HMO, if it does not provide service that is easily accessible with only a minimal transportation expense to the client. DHS shall seek assistance from the Health Policy Corporation in evaluating the applicability of HMO'S in the Medicaid Program. DHS shall also report annually to the Legislative Fiscal Bureau regarding cost savings and client satisfaction. This Subsection is conditional upon the appropriation made to Medical Assistance and effective January 1, 1989, the cost of the services shall be billed directly to the Medical Assistance Program.

#### GOVERNOR'S VETO

The Governor vetoed intent language which required that clients shall be eligible to use family planning and mental health services provided through a community mental health center without requiring referral from the Health Maintenance Organization, using the rationale that this language would greatly hinder the effectiveness of the cost containment efforts.

The Governor also vetoed language which specified that clients shall not be required to enroll in HMOs if the service provided requires more than minimal transportation expense to the client, using the rationale that it would be most difficult to define and could result in a substantial and unnecessary loophole in the HMO requirements.

#### FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

#### SEC. 3.4 COPAYMENT POLICY

##### INTENT LANGUAGE

This Subsection contains language stating that the copayment policy relating to mandatory medical services shall not require copayment by a recipient on a service where it was not required on January 1, 1988. This policy is currently going through the rules process to be effective the final months of FY 1988, and into FY 1989. This Subsection would eliminate any proposed savings, and is conditional upon the appropriation made to Medical Assistance.

#### SEC. 3.5 12 MONTH EXTENSION OF MEDICAL BENEFITS

##### INTENT LANGUAGE

This Subsection includes language which states that effective October 1, 1989, DHS shall extend medical benefits for a maximum of 15 months for persons who become ineligible for AFDC, due to income obtained from employment. A total of \$65,000 is included in the Medical Assistance budget for this Program. This Subsection is conditional upon the appropriation to Medicaid.

#### SFC. 3.6 OUTPATIENT HOSPITAL SERVICES

##### INTENT LANGUAGE

This Subsection states that payments to hospitals shall include inpatient and outpatient services. The specific services are defined. This Subsection is conditional upon the appropriation to Medicaid.

#### SLC. 3.7 SPECIALIZED PSYCHIATRIC HOSPITALS-JUVENILES

##### INTENT LANGUAGE

This Subsection requires the Department of Inspections and Appeals to issue provisional licenses to specialized psychiatric hospitals for children and adolescents for those facilities which are providing residential psychiatric services, which are accredited by the Joint Commission on the Accreditation of Health Organizations (JCAHO), and which are in compliance with all applicable state rules and standards regarding the operation of comprehensive residential facilities for children. These facilities are exempted from the certificate of need requirements and care furnished by these facilities shall continue to be considered foster care. The Department of Human Services is required to adopt rules to expand coverage under the Medical Assistance Program to include services provided by these facilities. This will enable the State to qualify for increased federal funding for children in these facilities. Funds may be transferred from the Foster Care appropriation to the Medicaid appropriation for purposes of this Subsection.

##### GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that there is no assurance that the money will be actually saved, that the policy to set aside the certificate of need procedure could open the door for for-profit institutions to become accredited in order to draw down additional federal funds, and that the certificate of need process would be subverted by this legislative action.

##### FISCAL EFFECT OF VETO

The Governor's veto results in additional expenditures from the General Fund of \$389,000, based on the Department's original estimate (\$989,000 savings in Title XIX and \$1,378,000 loss in Foster Care). However, similar language appears in House File 2456, which was not vetoed. Therefore, the Governor's veto in this Subsection results in no fiscal effect.

SEC. 3.8 ENHANCED SERVICES TO PREGNANT WOMENINTENT LANGUAGE

This Subsection contains language which states that DHS and the Department of Public Health shall proceed with the implementation of Enhanced Services to Pregnant Women. It is estimated that this Program will cost 877,000. It is the intent of the General Assembly that this Program will be closely monitored to determine any savings. This Subsection is conditional upon the appropriation to Medicaid.

SEC. 3.9 MEDICALLY NEEDY CARETAKER & RESOURCESINTENT LANGUAGE

This Subsection contains language which specifies two conditions pertaining to the Medically Needy Program. The resource guidelines for the Program were increased to \$5,000 for one-person households and 87,500 for a family of two or more persons, effective January 1, 1989. \$384,755 was added to the Medical Assistance Appropriation for this condition. Funds were also added to the General Administration, Community Services, and Medical Contracts appropriations. Total FY 1990 costs are expected to be \$1,311,000. Also added was language stating that caretaker/relatives will also be covered under the Medically Needy Program and \$400,000 was added to the Medical Assistance appropriation for this. FY 1990 costs are expected to be \$1,224,000. This Subsection is conditional upon the appropriation to Medicaid.

SEC. 3.10 DRG FOR ADOLESCENT SERVICESINTENT LANGUAGE

This Subsection contains language stating that DHS shall modify the current diagnosis related group payment system for adolescent substance abuse and psychiatric treatment services. This Subsection is conditional upon the appropriation to Medicaid.

SEC. 3.11 STUDY OF THE UNINSURED & UNDERINSUREDINTENT LANGUAGE

This Subsection contains language which states that DHS may spend up to \$20,000 to obtain technical assistance from the National Center for Health Services Research in order to identify State approaches for providing health care services to uninsured and underinsured persons. The Legislative Council must give its approval before this money can be spent.

GOVERNOR'S VETO

The Governor vetoed intent language which required approval of the Legislative Council, using the rationale that, requiring this approval before the Department can administer these funds is an unnecessary intrusion by the Legislative Branch into the administration of the Executive Branch.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund,

SEC. 3.12 DISPROPORTIONATE SHAREINTENT LANGUAGE

This Subsection contains language stating that DHS shall provide additional incentives of 4% in the reimbursement rate paid to hospitals which provide more than 20% of its services to indigent patients. This provision will cost an additional \$259,300. These funds were transferred from the indigent patient fund into medical assistance. Broadlawns Medical Center is expected to receive an additional \$62,400, and the University of Iowa Hospitals are expected to receive an additional \$698,800 as a result of this Subsection. This Subsection is conditional upon the appropriation to Medicaid.

**SEC. 3.13 MEDICAID PHYSICIAN CASE MANAGEMENT**

INTENT LANGUAGE

This Subsection contains language stating that as a condition of the Medicaid appropriation, DHS shall develop policies and guidelines to implement a Pilot Physician Case Management Program for Medicaid recipients. This Program shall continue at least 24 months after its implementation. Of the funds appropriated for Medical Assistance. \$42,000 may be used for the development of guidelines and policies. DHS may either hire 1.0 FTE position or contract for this service.

**SEC. 3.14 SOBRA**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Lev. Action</u>
\$	0	608,000	608,000
FTE	.00	7.50	7.00

EXPLANATION

Funds are appropriated for additional medical benefits to pregnant women and children as allowed under the Sixth Omnibus Budget Reconciliation Act (SOBRA). Effective January 1, 1989. DHS shall provide medical services to all pregnant women and infants under one year whose income does not exceed 150% of the federal poverty level, and children up to age five on an incremental basis whose income does not exceed 100% of the poverty level. This Subsection is conditional upon the appropriation to Medicaid.

**SEC. 3.14A ALLOCATIONS OF SOBRA APPROPRIATION**

INTENT LANGUAGE

This Subsection contains language stating that of the funds appropriated in this Section, the allocations are as follows:

- A. Community Services (3.0 FTE positions) - **837,000,**
- B. General Administration (4.0 FTE positions) - **\$59,000,**
- C. Fiscal Agent & Development - \$25,000.
- D. Medical Assistance - \$487,000.

**SEC. 3.14B SOBRA RESOURCE GUIDELINES**

INTENT LANGUAGE

This Subsection contains language stating that the resource limitations for the SOBRA Program shall be established at \$5,000 for one person and \$7,500 for a family of two or more.

**SEC. 3.14C MEDICALLY NEEDY REQUIREMENTS**

INTENT LANGUAGE

This Subsection contains language stating that for persons who are below 150% of the federal poverty level. DHS shall be allowed to establish the length of certification, as long as it is consistent with federal regulations. The .5 FTE position and \$13,000 in the General Administration allocation of the SOBRA appropriation is for this condition.

**SEC. 3.14D SOBRA - NEW POSITIONS**

INTENT LANGUAGE

This Subsection contains language which states that OHS shall report monthly to the Legislative Fiscal Committee the expenditure of funds for the implementation of the SOBRA Program. The report shall detail the number of positions which have been filled, and any problems encountered in the hiring process, and stipulates that these positions shall be filled regardless of unanticipated expenditures.

**SEC. 3.15 MEDICAL ASSISTANCE - FEDERAL WAIVERS**

INTENT LANGUAGE

This Subsection which includes intent language stating that DHS shall, in coordination with the Departments of Public Health and Elder Affairs, shall apply for federal waivers for the provision of Case Management, Homemaker/Home Health Aide Services, Adult Day Health Services, Habilitation Services, and Respite Care under the Medical Assistance Program.

**SEC. 4 MEDICAL CONTRACTS**

<u>FY 1988</u>	<u>FY 1989</u>	<u>FV 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 2,547,450	2,527,045	2,527,045

EXPLANATION

Funds are appropriated for the processing of the medical contracts that accompany the medical assistance services provided. 3125.000 was transferred to the Department of Public Health, along with a contract for the Health Data Commission of Iowa. \$4.000 is included for the processing cost of adding the Medically Needy Programs listed in Section 3.9 of this bill, FV 1990 Medical Contract costs for this Program are anticipated to be \$12.000. Also included is \$8,045 for the contract costs of the AFDC payment increase of 3.25%.

INTENT LANGUAGE

This Section contains language stating that of the funds appropriated. \$2,000 can be used for changes needed as a result of the mandatory enrollment in Health Maintenance Organizations.

**SEC. 13 MENTAL HEALTH/MENTAL RETARDATION FUND**

<u>FY 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 3,329,667	3,205,000	3,205,000

EXPLANATION

Funds are appropriated to the State Community Mental Health and Mental Retardation Services Fund, part of which will be allocated to all 99 counties, part of which is given out to new or expanded special projects throughout the State, as defined in Section 225C.7, Code of Iowa. Also included is a reduction of \$125,000, due to estimated savings from the Enhanced Mental Health, Mental Retardation, Developmental Disability Services initiatives.

**SEC. 15 STATE SUPPLEMENTARY ASSISTANCE**

<u>FY 1988</u>	<u>FY 1989</u>	<u>FV 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 12,489,000	14,995,600	14,995,600

EXPLANATION

Funds are appropriated for State Supplementary Assistance, including the elimination of the across-the-board cuts currently in effect, followed by a 3% increase in reimbursements to Residential Care Facilities (RCF) and in-home health care providers. \$402,000 was included for the elimination of the cuts, and 3335.400 was included for the increase of 3%.

INTENT LANGUAGE

This Section contains language stating that OHS shall increase the personal needs allowance for residents of RCF'S by the same percentage as the federal Social Security benefits for cost-of-living. The elimination of the across-the-board cuts currently in effect is a condition of this appropriation, followed by a 3% increase in the maximum reimbursement rate paid to residential care facilities and in-home health care providers, as specified in Section 34.

**SEC. 16 BLOCK GRANT SUPPLEMENTATION (SSBG)**

<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
3 4,385,610	6,564,000	3,064,000

EXPLANATION

Funds are appropriated to continue the programs funded with the Block Grant at the FV 1988 level of operations, with the following exceptions:

- A. Lost federal funds are not replaced with state funds (\$377,502).
- B. Reimbursements for providers are increased (\$440,800).
- C. 31.0 million in funding for child care was transferred to State Child Care Assistance in Section 17.
- D. 3125.000 is transferred to fund the Bill of Rights.

INTENT LANGUAGE

This Section contains language making elimination of the across-the-board cuts a condition of the appropriation, followed by a 3% increase in the reimbursement rate paid to service providers under this appropriation, as specified in Section 35. The Section also contains language stating that the Department of Human Services shall allocate the funds appropriated in this Section to a county in proportion to the amount allocated to the county in FV 1989 after subtracting the amount the county spent for the local purchase of child day care services.

SEC. 17 CHILD CARE ASSISTANCE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	0	3,500,000
FTE	.00	.00	7.00

EXPLANATION

Funds are appropriated for a state-wide program of Child Care Assistance. The counties will have the first opportunity to operate the Program, but DHS is responsible for operating the Program in any county not choosing to operate the Program itself.

The appropriation includes \$1.0 million transferred from the Block Grant Supplementation appropriation, and \$2.5 million in new funding.

SEC. 17.1 STATE CHILD DAY CARE - ALLOCATIONS

INTENT LANGUAGE

This Subsection contains language stating that the funds appropriated for Child Day Care Assistance shall be allocated to counties based upon the number of children living in a county whose family income is at or below 125% of the current federal poverty level as estimated by the Department of Human Services. The Department is prohibited from requiring counties to match the State Child Day Care Assistance funds with local funds but shall require a maintenance of effort. The counties are required to allocate local funds for child day care services in an amount at least equal to the county expenditures for such services in FV 1983 and are required to expend at least the same amount of block grant supplemental funds for child day care services as they spent for that purpose in FV 1988.

SEC. 17.2 STATE CHILD DAY CARE ASSIST. - ELIGIBILITY

INTENT LANGUAGE

This Subsection contains language stating that the Department of Human Services shall establish the income eligibility level equivalent to 125% of the federal poverty level. A local office which is allocated funds may manage the funds to assure that child care services are purchased in a system of slots which last for 12 months. The local office is required to maintain a list of persons who were eligible, but did not receive the child care services due to a lack of funds.

SEC. 17.3 STATE CHILD CARE ASSISTANCE - FACILITIES

INTENT LANGUAGE

This Subsection contains intent language stating that any funds allocated for the local purchase of child care services shall be available for purchase of services in any type of child care facility approved under Section 170 of DHS administrative rules.

SEC. 17.4 STATE CHILD CARE ASSIST. - EXPAND ELIG.

INTENT LANGUAGE

This Subsection contains language directing the Department of Human Services to increase the income guidelines for Child Day Care Assistance if DHS determines that funds under this Section will not be fully expended under the 125% of poverty standard. Recipients of Child Day Care Assistance are required to contribute to the cost of the child care in accordance with the current sliding fee Scale.

GOVERNOR'S VETO

The Governor vetoed intent language which required that if DHS determines that funds under this Section will not be fully spent, the Department may increase the income guidelines in order to provide for the expenditure of all funds under this Section. The Governor used the rationale that the primary purpose of an appropriation should not be to attempt to make certain that all of it is spent, and that if the General Assembly determines that the funds are available and the need exists, the Legislature can review expansion of eligibility in the future.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.



**SEC. 17.5 STATE CHILD CARE ASSISTANCE - FTE POSITIONS**

INTENT LANGUAGE

This Subsection contains language stating that the funds appropriated in Section 17 may be spent for not more than 6 FTE positions in Community Services at a cost of not more than \$175,000. and for not more than 1 FTE position in General Administration at a cost of not more than \$23,000. The positions are in addition to the positions authorized under the appropriations for Community Services and General Administration.

**SEC. 17.6 STATE CHILD CARE ASSIST. - FUTURE ALLOC.**

INTENT LANGUAGE

This Subsection contains language stating that it is the intent of the General Assembly that for FY 1990, allocations to counties under the appropriation for federal Social Services Block Grant (\$88G) supplementation for Child Day Care Services and the allocation for this purpose under State Child Day Care Assistance will be combined. The allocations to a county for State Child Day Care Assistance in FY 1990 will be based upon expenditures by the county for this purpose in FY 1989.

**SEC. 17.7 STATE CHILD CARE ASSIST. - NOT ENTITLEMENT**

INTENT LANGUAGE

This Subsection contains intent language stating that nothing in Section 17 shall be construed or is intended as, or shall imply a grant of entitlement for services. Any state obligation to provide Services under this Section is limited to funds appropriated.

**SEC. 18 RESOURCE AND REFERRAL PROGRAMS**

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	150,000	150,000

EXPLANATION

Funds are appropriated for grants to local and private nonprofit corporations or OMS district offices which provide child and dependent adult care resource and referral programs. Individual grants are not permitted to exceed \$50,000.

INTENT LANGUAGE

This Subsection contains language requiring local resource and referral programs that receive funding to match funds appropriated with local funds. These local funds may be in the form of private donations or public funding sources including block grant local purchase funds. The Department of Human Services is required to adopt administrative rules which establish criteria for the allocation of grant funds to local resource and referral programs.

The Subsection contains language stating that local resource and referral programs receiving funding may match these funds, and language which states that of the funds appropriated to the Resource and Referral Program, \$15,000 may be used for a computerized information system for children, youth, and families agencies, organizations, and departments within the State.

**SEC. 19 COMMUNITY BASED PROGRAMS**

	<u>FY 1988</u>	<u>FY 1989</u>	<u>Leg. Action</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>FY 1989</u>
\$	2,777,520	4,682,014	4,682,014

EXPLANATION

Funds are appropriated for continuing the Program at the current level. \$277,000 is added to restore the across-the-board reduction in provider reimbursement rates. \$120,000 for a program to assist displaced homemakers. and \$247,200 for a 3% increase in provider reimbursements. The appropriation reflects a transfer of \$313,686 to the separate Child Abuse Prevention appropriation. \$1.3 million in childcare funding is transferred from the Social Services Block Grant. The \$1.6 million recommended by the Governor for increased childcare funding for former AFDC recipients was transferred from this appropriation to the Supplemental Child Care appropriation.

INTENT LANGUAGE

This Section contains language requiring the Department to pay 5% of the total cost of the establishment, improvement, operation and maintenance of approved county or multicounty juvenile homes, as entitled state aia.

The Section also contains language making funding of displaced homemaker programs and the pilot programs relating to adolescent pregnancy a condition of the appropriation. The Section contains language making elimination of the across-the-board cuts currently in effect a condition of the appropriation, followed by a 3% increase in the reimbursement rate paid to service providers funded under this appropriation, as specified in Section 35. The Department is required to spend no more than 7% of the funds allocated for pilot projects on administrative costs.

SEC. 20 CHILD ABUSE PREVENTION GRANTS

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	313,686	350,686

EXPLANATION

Funds are appropriated to continue the FY 1988 level of services, except that \$37,000 was added for program enhancement. The appropriation for FY 1988 is included in the Community Based Programs appropriation.

SEC. 21 SUPPLEMENTAL CHILD CARE ASSISTANCE

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	2,100,000	2,100,000

EXPLANATION

Funds are appropriated for supplemental payments for the child care costs of persons who qualify for transitional child care assistance. The payments would finance twelve months of child care subsidy for persons who have left the AFDC caseload. The appropriation is estimated to fully fund the anticipated demand for transitional child care assistance.

INTENT LANGUAGE

This Section contains language stating that the supplemental payments are to be paid to person who qualify for transitional child care assistance for a period of 12 months due to a loss of eligibility for assistance under Chapter 239, Code of Iowa, because of an increase in earned income beginning on or before October 1, 1988. DHS is required to implement this program on or before October 1, 1988.

SEC. 21.1 SUPPLEMENTAL CHILD CARE ASSISTANCE-VOUCHERS

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to deliver the supplemental payments through a voucher agreement system which requires the recipient to contribute to the cost of the child care services in accordance with the sliding fee schedule currently utilized by the Department for child care services. Reimbursement for services will be limited to certified or licensed child care providers.

SEC. 21.2 SUPP CHILD CARE ASSISTANCE - IMPACT

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to work with the Legislative Fiscal Bureau to develop a means to measure the effect of the supplemental child care assistance upon the number of AFDC recipients and the economic status of the persons who receive the assistance. This Subsection is conditional upon the appropriation to Supplemental Child Care Assistance.

SEC. 22 HOME-BASED SERVICES

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	6,393,600	6,974,800	6,974,800

EXPLANATION

Funds are appropriated for Home-Based Services, including family planning. The Section contains language requiring the DHS to promptly notify the Fiscal Committee of the Legislative Council if the allocation to a program is amended. The appropriation continues the funded services at the FY 1988 level. \$204,809 is included for restoration of across-the-board reductions, and \$184,800 is included for a 3% increase in provider reimbursements.

INTENT LANGUAGE

This Section contains language requiring the Department to spend **\$959,040** to continue the three-year family preservation pilot services initiative to provide highly intensive in-home family reunification and placement prevention services. The payment system is intended to be performance-based. It is the intent of the General Assembly that the three-year evaluation and other project monitoring activities be continued to assess service impact and cost-effectiveness.

This Section also contains language making funding of family planning services a condition of the appropriation, and making elimination of the across-the-board cuts currently in effect followed by a **3%** increase in the reimbursement rate paid to service providers funded under this appropriation a condition of the appropriation.

SEC. 23 AID TO INDIANS RESIDING ON A SETTLEMENT

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	34,965	34,965	34,965

EXPLANATION

Funds are appropriated for Aid to Indians, as specified in Section **252.43 Code of Iowa**.

INTENT LANGUAGE

This Section contains language stating that no more than **10%** of these funds are to be used for administrative purposes.

SEC. 24 VOLUNTEERS

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	67,932	67,932	67,932

EXPLANATION

Funds are appropriated for the development and coordination of volunteer services.

SEC. 25 JUVENILE JUSTICE-COUNTY BASED

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	1,198,800	2,502,000	2,502,000

EXPLANATION

Funds are appropriated to continue this Program at the current level of services, based upon the latest caseload projections.

SEC. 26 FOSTER CARE

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	34,803,170	38,247,000	38,247,000

EXPLANATION

Funds are appropriated for Foster Care. Additional funding has been included to fund increased caseloads, as projected by Iowa State University consultants. Legislative action reflects the following differences from FY 1988:

- A. **\$1.3 million** to restore the across-the-board reduction in reimbursements.
- B. A **\$130,000** reduction for net savings from implementing the Governor's Foster Care Task Force,
- C. A **\$4.2 million** reduction for rounding,
- D. **\$1.5 million** for a **3%** increase in provider reimbursement,
- E. Transfers to separate line items of **\$750,000** for supplemental payments to foster care providers, **\$400,000** for additional services to foster care parents, and **\$200,000** for in-service training of foster care providers,
- F. A reduction of approximately **\$1.4 million** related to savings projected to be realized from the Adolescent Psychiatric Program.
- G. A reduction of **\$40,000** to fund the foster care insurance pool.

SEC. 26.1 FOSTER CARE - REIMBURSEMENT FORMULA

INTENT LANGUAGE

This Subsection contains language requiring the Department of Human Services to revise the reimbursement formula for Foster Family Special Care and Emergency Care Allowances to encourage use of these programs in lieu of group foster care placements. Beginning December 1, 1988, the formula shall recognize the special needs of children and the special services that may be required of foster parents.

SEC. 26.2 FOSTER CARE - MONITORING OF CHILDREN

INTENT LANGUAGE

This Subsection contains language permitting the Department to use a portion of the funds appropriated in this Section to provide payments to senior citizens, recipients of assistance under AFDC, or other appropriate persons to assist in monitoring certain children in foster family placement. The project would be designed to demonstrate whether the monitoring can make family foster care a more viable placement option for delinquent children. This is a recommendation of the Governor's Foster Care Task Force.

SEC. 26.3 FOSTER CARE-PREVENT OUT-OF-HOME CARE

INTENT LANGUAGE

This Subsection contains language permitting the DHS to use a portion of the funds appropriated in this Section to purchase special services in order to demonstrate whether the services can prevent out-of-home shelter care. This is one of the recommendations of the Governor's Foster Care Task Force.

SEC. 26.4 FOSTER CARE - PROBLEM CHILD COMMITTEE

INTENT LANGUAGE

This Subsection contains language requiring the DHS, the State Judicial Department, the Department of Education and representatives of service providers to establish a target problem-child committee, responsible to find placements for children who have exceptional service needs or who have been rejected in previous referrals and who may be at risk of being placed out of state. This is one of the recommendations of the Governor's Foster Care Task Force.

SEC. 26.5 FOSTER CARE-ELIMINATE JOINT CASE MANAGEMENT

INTENT LANGUAGE

This Subsection contains language requiring the DHS and the Judicial Department to jointly develop a plan for submission to the Governor and General Assembly by December 1, 1988, a plan to eliminate the practice of joint case management and the monitoring of juvenile court cases.

SEC. 26.6 FOSTER CARE-STUDY ON IMPACT OF FEE SCHEDULE

INTENT LANGUAGE

This Subsection contains language requiring the DHS to spend \$30,000 to conduct a study to determine the impact of establishing a fee schedule for parental participation in all child welfare services. This is one of the recommendations of the Governor's Foster Care Task Force.

SEC. 26.7 FOSTER CARE - JOINT PLACEMENT

INTENT LANGUAGE

This Subsection contains language stating that when federal financial participation is available, the Juvenile Court shall contact the DHS to determine if either joint placement or departmental placement is feasible. DHS and the Court shall identify those cases which could have received federal funds if a joint or departmental placement had been made but was not. This total shall be reported to the Legislative Fiscal Bureau each quarter in FY 1989.

This Subsection also contains language stating that when a Juvenile Court considers ordering a "payment only" foster care placement, the Juvenile Court shall provide the Department with a determination of the child's eligibility for Federal IV-E funding on a form supplied by the Department. If the child is eligible for such funding, the Juvenile Court and the Department shall determine whether departmental custody and placement is feasible and in the best interest of the child. The Department and the State Court Administrator are required to work with the Federal Department of Health and Human Services to develop an agreement which would enable the State to receive Federal IV-E funds for "payment only" cases, and make recommendations to the General Assembly as to legislation required to fulfill the agreement.

**SEC. 26.8 FOSTER CARE-ALTERNATIVE REIMBURSE SYSTEM****INTENT LANGUAGE**

This Subsection contains language requiring the Department of Human Services to develop an alternative system for reimbursing foster care providers that provide performance-based payment. The system shall include contract features which provide incentives and penalties based upon outcomes. It is the intent of the Legislature that the alternative system shall be made available on a demonstration project basis by December 1, 1988.

**SEC. 26.9 FOSTER CARE - SUBSIDIZED ADOPTION SERVICES****INTENT LANGUAGE**

This Subsection contains language permitting the Department to transfer a portion of the funds appropriated in this Section for use in providing subsidized adoption services or for use in purchasing adoption services, if funds allocated for adoption services are insufficient.

**SEC. 26.10 FOSTER CARE - FEDERAL REQUIREMENT****INTENT LANGUAGE**

This Subsection contains language requiring the Department to comply with federal law in that no more than 30% of children in foster care funded under Title IV, part E of the federal Social Security Act shall be in foster care for more than twenty-four months.

**SEC. 26.11 FOSTER CARE - FOSTER PARENT TRAINING****INTENT LANGUAGE**

This Subsection contains language requiring the DHS to allocate \$45,000 for foster parent training prior to the initial licensure of foster parents.

**SEC. 26.12 FOSTER CARE - DECATEGORYIZE PROGRAMS****INTENT LANGUAGE**

This Subsection contains language requiring that, by September 1, 1988, the Department shall designate two counties as the counties in which the demonstration program to decategorize child welfare services will occur. The Department shall establish a Child Welfare Fund for those counties composed of all or part of the amount that would otherwise be expected to be used for residents of the counties for foster care, family-centered services, subsidized adoption, day care, local purchase services, juvenile institutional care, mental health institute care, state-hospital school care, juvenile detention, department direct services, and juvenile justice county-based reimbursable services. The Department shall establish this fund by transferring funds from the budgets affected, except for specified funds. The Child Welfare Fund may be used to support services and payment rates not allowable within historical program or service categories.

It is the intent of the General Assembly that the demonstration program commence not later than April 1, 1989, and be designed to operate for a three year period. This is a recommendation of the Decategorization Task Force.

This Section contains language stating that this Subsection is conditional upon the appropriation to Foster Care contained in Section 26.

**SEC. 26.13 FOSTER CARE - EVALUATION OF PROGRAMS****INTENT LANGUAGE**

This Subsection contains language permitting the DHS to spend \$30,000 of the funds appropriated in this Section on contracts with universities to provide ongoing research and evaluation assistance.

This Subsection contains intent language stating that this Subsection is conditional upon the appropriation to Foster Care contained in Section 26.

**SEC. 27 FOSTER HOME INSURANCE POOL**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	165,000	165,000

EXPLANATION

Funds are appropriated to be used for the Foster Home Insurance Fund as required under S.F. 2107.

INTENT LANGUAGE

This Section contains language stating that the funds remaining in the Foster Home Insurance Fund shall not revert to the General Fund on June 30, 1989. This Section also contains language stating that the reallocation of the funds is conditional upon the appropriation made to the Foster Home Insurance Fund.

**SEC. 28 SUPPLEMENTAL PYMNT TO FOSTER CARE PROVIDERS**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	450,000	450,000

EXPLANATION

Funds are appropriated to be used to provide supplemental payments to in-state providers of foster care in order to reduce the number of out-of-state foster care placements.

**SEC. 29 ADDITIONAL SERVICES TO SUPPORT PLACEMENTS**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	240,000	240,000

EXPLANATION

Funds are appropriated to provide additional services to support foster family placement commensurate with the needs of the child in order to make the placement a viable alternative to group foster care.

**SEC. 30 FOSTER PARENT IN SERVICE TRAINING**

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	200,000	200,000

EXPLANATION

Funds are appropriated to offer parents in-service training in order to meet the requirement for six hours of foster parent training annually to qualify for relicensure. The amount continues the FV 1988 level of service. The FY 1988 funding for this program is included in the Foster Care appropriation.

**SEC. 33 MEDICAID PROVIDER REIMBURSEMENTS**

EXPLANATION

This Section delineates those providers who are reimbursed under the Medical Assistance appropriation. Most of these providers had their reimbursement rates frozen at the rates which were in effect June 30, 1985. The previous across-the-board cuts were eliminated.

**SEC. 34 SSA PROVIDER REIMBURSEMENTS**

EXPLANATION

The Section delineates those provider reimbursements which are funded with the State Supplementary Assistance appropriation. All across-the-board cuts in effect for residential care facilities shall be eliminated. They shall also receive a 3% increase.

**SEC. 35 SOCIAL SERVICE PROVIDER REIMBURSEMENTS**

EXPLANATION

This Section delineates the reimbursement rates for the social service providers, including those under the Homebased, Community Based, Foster Care, Social Service Block Grant appropriations. The across-the-board cuts in effect are eliminated, and an additional 3% increase is given.

**SEC. 36 ASSISTANCE TO GAMBLERS**EXPLANATION

This Section directs the Department to use funds deposited in the Gamblers Assistance Fund established in Section 99E.10. Code of Iowa, only for programs to assist gamblers. The Department shall use Gamblers Assistance Fund moneys for 3 FTE positions to support the Gamblers Assistance Program.

**SEC. 41 MEDICAL ASSISTANCE - FV 1988 SUPPLEMENTAL**EXPLANATION

This Section appropriates \$3,600,000 in FV 1988 to supplement the prior appropriation for Medical Assistance. This supplemental appropriation reflects current caseload projections.

**SEC. 45 LAYOFF PROCEDURES**EXPLANATION

This Section contains language which states that if the Department of Human Services must lay off more than five employees, the ratio of those people laid off shall be consistent with the ratio of employees above and below pay grade 25.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that the Executive Branch needs to maintain flexibility to select individuals affected by programs or administrative reductions for layoff in the event of a budget shortfall. The Governor further stated that establishing a strict layoff procedure could limit the ability of DHS to flexibly deal with budget shortfalls and to set appropriate priorities.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

**SEC. 46 REPEAL ORGAN TRANSPLANT COMMISSION**CODE CITATION

This Section repeals Sections 135.84 and 1428.1, Code Supplement 1987, pertaining to the Organ Transplant Commission.

**SEC. 48 MEDICAL ASSISTANCE SUPP. - EFFECTIVE DATE**INTENT LANGUAGE

This Section provides that Section 41 of the Bill is effective upon enactment. Section 41 contains the FV 1988 supplemental appropriation to Medical Assistance.

## MISCELLANEOUS

**SEC. 31.1 TRANSFERS PROHIBITED**INTENT LANGUAGE

This Subsection contains language stating that funds appropriated for Aid to Families with Dependent Children (AFDC), Foster Care, Medical Assistance, and State Supplemental Assistance (SSA) shall not be subject to transfer, except for those instances already noted in this Act.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that this Subsection prohibits DHS from looking for ways in which to cut costs, limits its ability to meet the changing needs that may be identified in the course of the year, and hampers DHS and the Executive Branch. The Governor further stated that it is his hope that the projections are accurate enough, so that this Subsection would be unnecessary.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 31.2 TRANSFERS PROHIBITED

INTENT LANGUAGE

This Subsection contains language stating that DHS shall not modify programs funded under AFDC, Medical Assistance, SSA, or Foster Care, in order to meet any anticipated budget shortfalls, but shall request a supplemental appropriation to meet these shortfalls.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that this Subsection prohibits DHS from looking for ways in which to cut costs in order to meet potential budget shortfalls, limits its ability to meet the changing needs that may be identified in the course of the year, and hamstrings DHS and the Executive Branch. The Governor further stated that it is his hope that the projections on which the budget is based are accurate enough so that this Subsection would be unnecessary.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 31.3 TRANSFERS PROHIBITED

INTENT LANGUAGE

This Subsection contains language stating that for the purposes of any across-the-board cuts, the appropriations for AFDC, Medical Assistance, SSA, and Foster Care shall be deemed to include the amount necessary to fund the Program for an entire year, which may not be the actual appropriation.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that this Subsection prohibits DHS from looking for ways in which to cut costs, limits its ability to meet the changing needs that may be identified in the course of the year, and hamstrings DHS and the Executive Branch. The Governor further stated that it is his hope that the projections are accurate enough, so that this Subsection would be unnecessary.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 31.4 TRANSFERS PROHIBITED

INTENT LANGUAGE

This Subsection contains language stating that if there are surplus appropriations in AFDC, Foster Care, SSA, and Medical Assistance, any across-the-board reductions shall be applied to the surplus, and then to the remainder of the appropriation.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that this Subsection prohibits DHS from looking for ways in which to cut costs, limits its ability to meet the changing needs that may be identified in the course of the year, and hamstrings DHS and the Executive Branch. The Governor further stated that it is his hope that the projections are accurate enough, so that this Subsection would be unnecessary.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 31.5 FEDERAL BLOCK GRANT APPROPRIATIONS

INTENT LANGUAGE

This Subsection contains language stating that appropriations made to General Administration, Community Services, and State Supplemental Block Grant (SSBG) are based on an anticipated Federal Block Grant appropriation of \$32,068,777. If the amount provided by the federal government is less than this, fiscal adjustments shall be made in FY 1990.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that this Subsection prohibits DHS from looking for ways in which to cut costs, limits its ability to meet the changing needs that may be identified in the course of the year, and hamstrings DHS and the Executive Branch. The Governor further stated that it is his hope that the projections are accurate enough, so that this Subsection would be unnecessary.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.



**SEC. 37**      ADMINISTRATIVE RULESINTENT LANGUAGE

This Section contains language stating that the DHS may adopt administrative rules which become effective immediately upon filing for the following Sections:

- A. Child Development Grants
- B. Family Development Grants
- C. Medical Assistance
- D. Juvenile Institutions
- E. Enhanced MM/MR/DD Services
- F. State Supplemental Assistance
- G. Community-Based Programs
- H. Supplemental Child Care Assistance
- I. Resource and Referral Programs
- J. Juvenile Justice
- K. Foster Care

**SEC. 42**      FEDERAL RECEIPTSINTENT LANGUAGE

This Section contains language stating that all federal grants or receipts to DHS are appropriated for purposes set forth in the federal grants or receipt.

**SEC. 43**      CAPITAL EXPENDITURES PROHIBITEDINTENT LANGUAGE

This Section contains language stating that funds appropriated by this Act shall not be used for capital acquisitions or improvements.

**SEC. 44**      OUT-OF-STATE TRAVEL PROHIBITEDINTENT LANGUAGE

This Section contains language stating that funds appropriated by this Act shall not be used for travel or other expenses related to a training program which takes place outside of the State of Iowa. Travel is permitted if the training is required or it can be demonstrated that out-of-state training is the least expensive alternative.

## INSPECTIONS AND APPEALS. DEPARTMENT OF

**S. F. 2309**SEC. 3      TARGETED SMALL BUSINESS--SET ASIDECODE CITATION

This Section amends Section 10A.104. Code of Iowa. creates Subsection 8, and requires the Department of Inspections and Appeals to certify small businesses for participation in the Small Business Procurement Set-Aside Program.

**SEC. 16**      TARGETED SMALL BUSINESSINTENT LANGUAGE

This Section requires the Department of Inspections and Appeals to maintain the directory of certified targeted small businesses which have been certified prior to the enactment of this bill.

## H. F. 2444

SEC. 9.1      GENERAL OFFICE

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
<b>\$</b>	3,328,151	3,920,680	3,960,680
FTE	225.73	227.50	227.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Department of Inspections and Appeals. Legislative action reflects the following differences from FV 1988:

- A. Adds \$266,848 to replace federal funding to maintain the current level of inspection/survey of Intermediate and Residential Care Facilities.
- B. Adds **\$213,518** for 4 management analysts (currently authorized/not funded) to audit 100 beer distributors and 70 wine wholesalers and 1 revenue examiner (currently authorized/not funded) for Gaming Administration.
- C. Adds \$30,196 for 1 auditor transferred from the Department of Public Health to the Department of Inspections and Appeals due to state reorganization refinement.
- D. Adds \$6,636 for .77 secretarial position to maintain the current level of administrative service.
- E. Add **\$102,731** for inflationary/support costs and annualization of FV 1988 salary adjustment to maintain the current level of operation.

- F. Deletes \$25,400 for 1 sanitation inspector not required due to state reorganization refinement.
- G. Added 1 FTE and \$40,000 to the Department of Inspections and Appeals to certify targeted small businesses for participation in the Targeted Small Business Procurement Set-A-Side Program. (\$38,000 for salary and benefits and \$2,000 for support costs).

INTENT LANGUAGE

This Subsection contains language stating that the Department shall inspect certain food and food service establishments annually instead of semi-annually.

This Subsection contains language stating that the Demonstration Waiver Project shall be continued through June 30, 1989. The Demonstration Waiver Committee is required to evaluate and report their recommendations to the General Assembly by February 15, 1989.

**SEC. 9.2 BINGO AUDITS**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	37,000	37,000
FTE	.00	1.00	1.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for auditing bingo operations in the State. There are between 1,500 and 1,600 bingo operations statewide.

**SEC. 9.3 EMPLOYMENT APPEALS BOARD/LABOR**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	30.879	32.154	32.154
FTE	1.80	1.00	1.80

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Employment Appeal Board. Legislative action adds \$1,275 for inflationary/support costs and annualization of FY 1988 salary adjustment.

**SEC. 9.4 FOSTER CARE REVIEW BOARD**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	186,178	193,781	193,781
FTE	5.00	5.00	5.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Foster Care Review Board to maintain the current level of operation. The legislative action represents a 4.0% increase from FY 1988 and adds \$7,603 for inflationary/support costs and annualization of FY 1988 salary adjustment.

**SEC. 9.5 CHARGES TO STATE AGENCIES**

INTENT LANGUAGE

This Subsection contains language stating that the Department may charge state departments, agencies, and commissions for services rendered. Funds collected are not deposited in the General Fund but are used by the Department to supplement other appropriations.

**SEC. 9.6 BARBER/BEAUTY LICENSE FEE**

INTENT LANGUAGE

This Subsection contains language that requires the Board of Cosmetology Examiners and the Board of Barber Examiners to increase shop fees as follows:

- A. Increases original beauty shop license fee from \$10 to \$30.
- B. Increases beauty shop renewal license fee from \$10 to \$30.
- C. Increases original barber shop license fee from \$25 to \$30.
- D. Increases barber shop renewal license fee from \$25 to \$30.

The Board of Cosmetology Examiners and the Board of Barber Examiners shall by rule implement this fee schedule.

The increase in fees will generate an additional \$98,500 annually for the General Fund.

SEC. 10 ROAD USE TAX FUND - APPEALS & FAIR HEARINGS

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	326,000	364,857	364.857
FTE	11.50	11.50	11.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Appeals and Fair Hearings Division to conduct hearings related to driver license revocation and suspension, motor vehicle dealer licenses and transportation regulatory authority. Legislative action reflects the following decisions:

- A. Adds **\$24,000** for FY 1988 salary adjustment not appropriated.
- B. Adds \$14.857 for inflationary/support costs and annualization of FV 1988 salary increases to maintain the current level of operation.

INTENT LANGUAGE

This Section contains language stating that the Department cross-train personnel whenever possible.

SEC. 11 APPEALS/FAIR HEARINGS - FV 88 SALARY ADJUSTEXPLANATION

The legislative action adds 324,124. which was inadvertently omitted, to the Department of Inspections and Appeals to fund FY 1988 salary adjustment. Funds are appropriated from the Road Use Tax Fund.

SEC. 26 IOWA RACING COMMISSIONINTENT LANGUAGE

This Section contains language stating that the Racing Commission shall submit a detailed FY 1990 budget request to the Department of Management and the Legislative Fiscal Bureau by October 1, 1988.

SEC. 30 LICENSE TO OPERATECODE CITATION

This Section amends Section 99B.2(1), Code Supplement 1987, by allowing the Department to issue an authorization number to an applicant to operate until a license is issued.

SEC. 31 CONCESSION LICENSE FEECODE CITATION

This Section amends Section 99B.3(1)b, Code Supplement 1987, by increasing the amusement concession license fee from **\$15** to **\$50**. The increased fee will generate an additional **\$21,000** annually for the General Fund.

SEC. 32 SOCIAL GAMBLING LICENSE FEECODE CITATION

This Section, amends Section 99B.6(1)a, Code Supplement 1987, by increasing the social gambling license fee from **\$100** to **\$150**. The increased fee will generate an additional **\$61,000** annually for the General Fund.

SEC. 33 BINGO LICENSE FEECODE CITATION

This Section amends Section 99B.7(3)a, Code Supplement 1987, by increasing the bingo licensing fee from \$100 to \$150. The increased fee will generate an additional 337,000 annually for the General Fund.

SEC. 34 MECHANICAL & ELECTRONIC AMUSEMENT DEVICESCODE CITATION

This Section amends Section 99B.10(1), Code Supplement 1987, by eliminating a prize of merchandise, not to exceed \$5 in value or cash, awarded for use of a mechanical or electronic amusement device.

**SEC. 30**      **FOOD/FOOD SERVICE LICENSE FEE**

CODE CITATION

This Section amends Section 170.5, Code Supplement 1987, by eliminating unnumbered paragraph 3 which provides for a 50% reduction in licensing fees for food establishments with an on-sight food service area.

**SEC. 39**      **FOOD/FOOD SERVICE LICENSE FEE**

CODE CITATION

This Section amends Section 170A.5, Code Supplement 1987, by eliminating unnumbered paragraph 3 which provides for a 50% reduction in licensing fees for food establishments with an on-sight food service area. The increased fee will generate an additional \$21,000 annually for the General Fund.

**SEC. 40**      **BARBER & COSMETOLOGY - CONTINUING EDUCATION**

CODE CITATION

This Section adds Section 258A.11, Code of Iowa, by requiring the Board of Barber Examiners and the Board of Cosmetology Examiners to require as a condition of license renewal a minimum of six hours of continuing education in the two years immediately prior to a licensee's license renewal.

**SEC. 42**      **REPEAL FOSTER CARE REVIEW BD - SUNSET**

INTENT LANGUAGE

This Section repeals the Foster Care Review Board sunset provision contained in Chapter 1279, Section 44, Acts of 1984.

**SEC. 43**      **REPEAL FOSTER CARE REVIEW BD - SUNSET**

CODE CITATION

This Section adds language which repeals Sections 237.15 through 237.22, Code Supplement 1987 (the Sections authorizing the Foster Care Review Board), effective July 1, 1992.

**SEC. 44**      **COORDINATE FOSTER CARE PLAN**

INTENT LANGUAGE

This Section contains language stating that the Department of Human Services, the Foster Care Review Board, and the Supreme Court shall submit a coordinated foster care plan to the Legislature on or before January 15, 1989. The plan shall coordinate foster care services between the participants to avoid duplication, to improve delivery of services, and improve fact-finding review, and appeal processes, both nonjudicial and judicial.

**SEC. 45**      **PROPRIETARY SCHOOLS - REFUND POLICY**

CODE CITATION

This Section amends Section 714.23, Code Supplement 1987, by establishing student costs at proprietary schools not to exceed the following:

- A. The total cost of all textbooks, tools, equipment, uniforms, and other course-related materials purchased and received by the student as of the date of termination,
- B. Fees charged by the school, not to exceed \$150,
- C. The total tuition cost of the course multiplied by a factor whose numerator shall be the time the student was in attendance and whose denominator shall be the total length of the course. In determining the student's tuition obligation to the school, the following rules shall apply:
  - a. The student's starting date shall be the first day the student attends classes,
  - b. The student's termination date shall be the last day the student attends classes,
  - c. Time in attendance shall be the actual time the student was at the school: total length of the course shall be stated in identical units as time in attendance.

All moneys collected by the proprietary school from or for the benefit of the student in excess of the total of subsections "1" through "3" shall, within thirty days of the student's termination date, be returned to the appropriate agency or person. For purposes of this chapter, unless the context otherwise requires, "proprietary school" means a person offering a course of instruction at the postsecondary level, for profit, that is more than four months in length and leads to a degree, diploma, or license.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that the tuition refund provision was too restrictive and is inconsistent with refund policies utilized by the Board of Regents and the community colleges. Requiring a proprietary school to refund a student's tuition at any time during the semester or quarter would ignore the obligation for fixed cost that the school incurs.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 46 PROPRIETARY SCHOOLS - PERFORMANCE BONDSCODE CITATION

This Section amends Section 714.24. Code of Iowa. The Legislative action requires proprietary schools to obtain a performance bond on or before June 30 of each year. to be used to make refunds of moneys received by the school for the benefit of students in the event the school ceases business or is otherwise unable to perform as required by Section **714.23**, Code of Iowa. Performance bonds shall be in the amount of \$50,000 for a school who has not operated in the State in the previous twelve months, and \$50,000 or 25% of the school's previous year's tuition receipts, whichever is less, for a school which has operated in the State in the previous calendar year.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that a 950,000 performance bond provision would not be sufficient to provide significant long term protection. but would instead increase the cost for students attending these institutions.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 47 PROPRIETARY SCHOOLS - DISCLOSURECODE CITATION

This Section amends Section 714.25. Code of Iowa, by requiring proprietary schools located within the State to inform the student; of the following:

- A. The total cost of the course of instruction as charged by the school;
- O. An estimate of any fees which may be charged the student by others which would be required if the student is to successfully complete the course and, if applicable, obtain a degree, diploma, or license;
- C. The percentage of students who successfully complete the course, the percentage who terminate prior to completing the course, and the period of time upon which the school has based these percentages. The reporting period shall not be less than one year in length and shall not extend more than five years into the past;
- D. If claims are made by the school as to successful placement of students in jobs upon completion of the course of study, the school shall provide the student with all of the following:
  - a. The percentage of graduating students who were placed in jobs in fields related to the course of instruction;
  - b. The percentage of graduating students who went on to further education immediately upon graduation;
  - c. The percentage of students who, ninety days after graduation, were without a job and had not gone on to further education;
  - d. The reporting period shall not be less than one year in length and shall not extend more than five years into the past.
- E. If claims are made by the school as to income levels of students who have graduated and are working in fields related to the school's course of instruction, the school shall inform the student of the method used to derive such information.

SEC. 50 FY 1988 SUPPLEMENTAL-EFFECTIVE DATE

INTENT LANGUAGE

This Section adds language stating that Sections 3 and 11 will become effective upon the enactment of this Act. Section 11 is the FY 1988 supplemental appropriation to the Department of Inspections and Appeals, and Section 3 is the FY 1988 supplemental appropriation to the Department of Employment Services.

SEC. 51 REPEAL F.C. REVIEW BD SUNSET-EFFECTIVE DATE

INTENT LANGUAGE

This Section contains language stating that Section 43 of this Act is effective June 30, 1988 (repeals Foster Care Review Board sunset provision). It also establishes July 1, 1992 as the new sunset date.

JUDICIAL BRANCH

H. F. 2443

SEC. 7.1 JUDICIAL DEPARTMENT - OPERATIONS

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	57,590,415	58,159,405	58,159,405
FTE	1,847.84	1,825.09	1,825.09

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Judicial Department's operations. Legislative action reflects the FY 1988 funding level plus \$568,990 for salary annualization. The number of FTE positions reflects the Judicial Department's budget documents. The Judicial Department has stated that it will continue funding the Court Appointed Special Advocate Program.

SEC. 7.2 INDIGENT DEFENSE

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	8,200,000	8,000,000	8,000,000
FTE	73.80	73.80	73.80

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes necessary to provide adult indigent defense. Legislative action reflects the FY 1988 funding level, less \$200,000.

SEC. 7.3 JUVENILE VICT. RESTITUTION

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	115,000	115,000	115,000

EXPLANATION

Funds are appropriated for the administration of the Juvenile Victim Restitution Program within the Judicial Department. Legislative action reflects the FY 1988 funding level.

INTENT LANGUAGE

This Subsection contains language stating that notwithstanding Chapter 232A, Code of Iowa, the Judicial Department shall administer the Juvenile Victim Restitution Program.

SEC. 7.4 JUVENILE INDIGENT DEFENSE

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,500,000	1,500,000	1,500,000

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the cost of attorney and witness fees of juvenile proceedings, when these juveniles are indigent. Legislative action reflects the FY 1988 funding level.

SEC. 8 ATTORNEY AND WITNESS FEES REVOLVING ACCOUNT

INTENT LANGUAGE

This Section contains language stating that the Judicial Department may transfer \$1,600,000 of the amount appropriated in Section 7.1 of this Act into the revolving fund established pursuant to Section 602.1302(4), Code of Iowa. This revolving account is used for the payment of jury and witness fees and mileage.

SEC. 9 PUBLIC DEFENDERS

INTENT LANGUAGE

This Section contains language stating that a public office providing indigent defense which is in existence on June 30, 1988 shall not be abolished during the period beginning June 30, 1988 and ending June 30, 1989 unless done at the request of the chief judge of the judicial district. This Section, being deemed of immediate importance, takes effect upon enactment.

SEC. 10 JUDICIAL DEPARTMENT'S BUDGET PREPARATION

CODE CITATION

This Section amends Chapter 602.1301(2a), Code of Iowa, which relates to the Judicial Department's fiscal procedures. This Section contains language stating that the Judicial Department shall use the existing State budget system in preparing and transmitting its budget request to the Legislative and Executive branches.

JUSTICE, DEPARTMENT OF  
JUSTICE, DEPARTMENT OF  
ti. F. 2443

SEC. 1.1 GENERAL OFFICE A.G.

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	3,692,010	3,692,010	3,692,010
FTE	148.00	148.00	148.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the General Office of the Justice Department. Legislative action reflects funding at the FY 1988 level.

SEC. 1.3 PROSECUTOR INTERNSHIP PROGRAM

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	44,955	44,955	44,955

EXPLANATION

Legislative action reflects funding at the FY 1988 level. This appropriation funds grants to counties for internships in the County Attorney's Offices.

INTENT LANGUAGE

This Subsection contains language stating that counties participating in the Program shall match funds appropriated by this Subsection.

SEC. 1.4 ANTI TRUST

INTENT LANGUAGE

This Subsection contains language stating that up to \$95,000 is appropriated from the General Fund to the Department of Justice to be used for enforcement of the Iowa competition law. The expenditure of funds appropriated under this Subsection is contingent upon receipt by the General Fund of the State of an amount at least equal to the expenditures from damages awarded by a civil judgment under Chapter 553, Code of Iowa, if the judgment authorizes the use of the award for enforcement purposes or costs or attorney fees awarded the State in State or Federal antitrust actions.

SEC. 1.6 FARMERS MEDIATION SERVICE

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	299,700	200,000	200,000

EXPLANATION

Funds are appropriated for the Farmers Mediation Service Program, which is both a mandatory and voluntary service for borrowers and creditors who are involved in foreclosure or forfeiture of farms. Borrowers and creditors involved in the Program pay a fee which complements the State funding. Legislative action reflects a 33% decrease from FY 1988 due to a decrease in caseloads. The Department of Justice has stated that it will actively seek federal funds for the Program.

SEC. 1.7 FARMERS LEGAL ASSISTANCE

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	60,000	60,000	60,000

EXPLANATION

Funds are appropriated for the Farmers Legal Assistance Program, which is operated under contract with the Legal Services Corporation of Iowa.

PROSECUTING ATTORNEY TRNG  
SEC. 1.2 PROSECUTING ATTORNEY TRAINING

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	87,277	87,277	87,277
FTE	2.00	2.00	2.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Prosecuting Attorney Training Council. Legislative action reflects funding at the FY 1988 level.

SEC. 1.5 CONSUMER FRAUD

INTENT LANGUAGE

This Subsection contains language stating that up to \$50,000 is appropriated from the General Fund to the Department of Justice to be used for public education relating to consumer fraud and for enforcement of Section 714.16. Code of Iowa. The expenditures of these funds are contingent upon receipt by the General Fund of an amount at least equal to the expenditures from damages awarded by a civil consumer fraud judgment, if the judgment authorizes the use of the award for public education on consumer fraud. This Subsection contains a non-reversionary clause,

CONSUMER ADVOCATE  
SEC. 2 CONSUMER ADVOCATE

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,154,475	1,144,856	1,144,856
FTE	21.00	21.00	21.00

EXPLANATION

Funds are appropriated from the Utility Trust fund for salaries and support for the Office of Consumer Advocate of the Department of Justice. Legislative action reflects funding at the FV 1988 level, less funds for office furniture.

LAW ENFORCEMENT ACADEMY  
 S. F. 2314  
SEC. 1 OPERATIONS

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1969</u> <u>Leg. Action</u>
\$	773,501	707.165	707.165
FTE	23.95	22.20	22.20

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes, including jailer training and technical assistance. The appropriation is \$66,336 below the FY 1968 level reflecting a reduction of 1.75 FTE positions which have remained vacant during the past two years.

SEC. 2 EXAMINATIONS AND TRAINING

INTENT LANGUAGE

This Section contains language stating that the Academy shall not charge more than 50% of the cost of providing cognitive and psychological examinations and not more than 50% of the costs of providing basic training.

SEC. 3 PROJECTED RECEIPTS

EXPLANATION

This Section provides the information stating the Academy is projected to raise \$201,000 in receipts and federal funds in FV 1989.

SEC. 42 REAPPROPRIATION-LAW ENFORCEMENT TRAIN. FUND

EXPLANATION

This Section amends Chapter 232, Section 1, Acts of 1987. by reappropriating funds from an unspent appropriation to the Academy from the Law Enforcement Training Reimbursement Fund, to be utilized for repairs and equipment.



MANAGEMENT, DEPARTMENT OF  
S. F. 2311

SEC. 18            GENERAL OFFICE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	1,427,106	1,485,851	1,485,851
FTE	33.50	33.00	33.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the operations of the Department of Management. The legislative action represents a 3.9% increase from FY 1988.

INTENT LANGUAGE

This Section contains language stating it is the intent of the General Assembly that:

- A. Not more than \$1,335,750 from all revenue sources plus an allocation from the Salary Adjustment Fund may be spent on salaries and benefits.
- B. Not more than \$206,501 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

SEC. 19            COUNCIL OF STATE GOVERNMENTS-DUES

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	52,447	55,900	55,900

EXPLANATION

Funds are appropriated for the support of the membership assessment of the Council of State Governments.

SEC. 26            IOWA ECONOMIC EMERGENCY FUND TRANSFER

INTENT LANGUAGE

This Section contains language stating that notwithstanding Section 8.55, Code of Iowa, the moneys in the Iowa Economic Emergency Fund are transferred to the General Fund of the State, if necessary to avoid a deficit in the General Fund of the State, and to defray expenses at the conclusion of FY 1989.

SEC. 27            FULL-TIME-EQUIVALENT DEFINITION

INTENT LANGUAGE

This Section contains intent language defining a full-time equivalent position or FTE, which states:

For the purposes of this Act and any other appropriations statute enacted by the 72nd General Assembly, 1988 session; "full-time equivalent position" means a budgeting and monitoring unit that equates the aggregate of full-time positions, part-time positions, a vacancy and turnover factor, and other adjustments. One full-time equivalent position represents 2080 working hours, which is the regular number of hours one full-time person works in one fiscal year. The number of full-time equivalent positions shall be calculated by totalling the regular number of hours that could be annually worked by persons in all authorized positions, reducing those numbers by a vacancy and turnover factor and dividing that amount by 2080 hours. In order to achieve the full-time equivalent position level, the number of filled positions may exceed the number of full-time equivalent positions during parts of the fiscal year to compensate for time periods when the number of filled positions is below the authorized number of full-time equivalent positions.

NATURAL RESOURCES. DEPARTMENT OF

H. F. 2440

SEC. 5.1            OPERATIONS

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	10,529,892	10,570,488	10,570,488
FTE	973.10	970.10	970.10

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Operations of the Department of Natural Resources. The legislative action represents a .38% increase from FY 1988.

SEC. 5.2 REIMBURSEMENT TO USGS

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	185.003	185.983	185.983

EXPLANATION

Funds are appropriated for the reimbursement to the United States Geological Survey for cooperative contracts.

SEC. 5.3 GREEN THUMB PROGRAM

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	199.800	200.000	200.000
FTE	18.68	18.68	18.68

EXPLANATION

Funds are appropriated for the employment of persons under the Green Thumb Program. The legislative action restores the FY 1988 appropriation plus the 1/10 of 1% reduction.

SEC. 5.4 LOW LEVEL RADIOACTIVE WASTE COMPACT

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	78,000	78,000

EXPLANATION

Funds are appropriated for the payment of assessments to the Midwest Interstate Low-level Radioactive Waste Compact.

SEC. 6.1 DIVISION OF FISH AND WILDLIFE

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
3	13,297,434	13,505,148	13,505,148

EXPLANATION

All the funds for this Division are appropriated from trust funds. Funds are transferred in the amount of \$14,655,146, from the Fish and Game Protection Fund for salaries, support, maintenance, equipment, and miscellaneous purposes. The legislative action represents a 1.79% increase from FY 1988. The \$13,505,148 under FV 1989 Leg. Action reflects the

transfers out to Subsections 6.2 and 6.3.

INTENT LANGUAGE

This Subsection contains language stating that funds are transferred, in an amount not to exceed \$2,363,957, from the Fish and Game Protection Fund for administrative support.

SEC. 6.2 SNOWMOBILE PROGRAM

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	145,000	150,000	150,000

EXPLANATION

Funds are appropriated from the Fish and Game Protection Fund for enforcement of snowmobile laws as part of the Snowmobile Program.

SEC. 6.3 NAVIGATION ENFORCEMENT & WATER SAFETY

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	950,000	1,000,000	1,000,000

EXPLANATION

Funds are appropriated from the Fish and Game Protection Fund for administration and enforcement of navigation laws and water safety.

SEC. 6.4 CAPITAL PROJECTS AND CONTINGENCIES

INTENT LANGUAGE

This Section contains language stating that funds remaining in the Fish and Game Protection Fund during FY 1989 which are not specifically appropriated by this Act may be used for capital projects and contingencies that arise during the fiscal year. A contingency may not include any purpose or project which was presented to the General Assembly in the form of a bill and which failed to be enacted into law.

**SEC. 7.1 MARINE FUEL TAX FUND**

	FV 1988 <u>Approp.</u>	FV 1989 <u>Gov. Revised</u>	FY 1989 <u>Leg. Action</u>
\$	397.179	397.179	397,179

EXPLANATION

Funds are appropriated from the Marine Fuel Tax Fund for maintenance and development of boating facilities and access to public waters.

**SEC. 7.2 MARINE FUEL TAX - NAVIGATION LAWS & SAFETY**

	FY 1988 <u>Approp.</u>	FV 1989 <u>Gov. Revised</u>	FV 1989 <u>Leg. Action</u>
\$	100.000	150,000	150,000

EXPLANATION

Funds are appropriated from the Marine Fuel Tax Fund to the Fish and Game Protection fund for the administration and enforcement of navigation laws and boat safety.

INTENT LANGUAGE

This Subsection contains language stating that the unencumbered or unobligated balances of funds specifically allocated for purposes provided in Section 324.79 (1-3) and (5), Code of Iowa, for FV 1989 shall revert to the fund from which appropriated September 30, 1991.

**SEC. 8 DNR OPERATIONS FTE CAP**INTENT LANGUAGE

This Section contains language stating that funds appropriated for the Department of Natural Resources Operations are for the salaries and support of not more than 970.10 FTE positions.

**SEC. 9 WATERSHED PRIORITY LIST**INTENT LANGUAGE

The Section contains language stating that the Natural Resources Commission shall establish a priority list of watersheds above publicly-owned lakes to be used for the allocation of funds set aside in the appropriations to the Department of Agriculture and Land Stewardship for permanent soil conservation practices.

**SEC. 10 STATE NURSERIES SUBSIDY PHASEOUT**INTENT LANGUAGE

This Section contains language stating that by July 1, 1989, the Department of Natural Resources shall establish prices of plant material grown at the state forest nurseries to cover all of the expenses directly related to the growing of plant material. The Department shall also develop additional programs to encourage the wise management and preservation of existing woodlands, increase efforts to encourage forestation and reforestation on private and public lands, and encourage a cooperative relationship between the state forest nurseries and private nurseries.

**SEC. 11 LINE-ITEM TRANSFERS - NOTIFICATION**INTENT LANGUAGE

This Section contains language stating that the Department of Agriculture and Land Stewardship and the Department of Natural Resources shall notify, in writing, the chairpersons and ranking members of the Agriculture and Natural Resources Appropriations Subcommittee regarding the transfer between appropriation line-items.

**PAROLE. BOARD OF**

H. F. 2443

**SEC. 3 PAROLE BOARD**

	FV 1988 <u>Approp.</u>	FV 1989 <u>Gov. Revised</u>	FV 1989 <u>Leg. Action</u>
\$	536.153	613.000	613,000
FTE	16.00	18.00	18.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Iowa Board of Parole. Legislative action reflects funding for salaries and support for an additional hearing officer and a clerk, a car, Office supplies, communications, data processing and office equipment.

The appropriation reflects rounding to the nearest thousand dollars.

PERSONNEL. DEPARTMENT OF  
S. F. 2311

SEC. 11                    GENERAL OPERATIONS

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
8	3,186,450	3,386,654	3,386,654
FTE	94.25	99.25	99.25

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the General Operations of the Department of Personnel. The legislative action appropriates funds at the FY 1988 level less \$95,385 for the Governor's recommendation to eliminate two FTE's for the refinement of state government reorganization. The legislative action added \$354,911 for the Governor's recommendation of transferring 11 FTE positions from the Department of Human Services and the Department of Corrections for state government reorganization of personnel functions. This amount was decreased by 1.75% for an across-the-board reduction.

INTENT LANGUAGE

This Section contains language stating that:

- A. Not more than \$3,047,998 from all revenue sources plus an allocation from the Salary Adjustment Fund may be spent on salaries and benefits.
- B. Not more than \$338,666 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

SEC. 12                    IDOP-FED. FUNDS REIMBURSEMENT

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	50,000	50,000

EXPLANATION

Funds are appropriated in the amount of \$50,000 to the Department of Personnel, for the transfer of 8 FTE positions from the Department of Human Services to the Department of Personnel, for the purpose of fulfilling state government reorganization of personnel functions and meeting federal billing and reimbursement

requirements. These funds are appropriated to the Department of Personnel for salary and support costs, for the portion of services provided to state institutions by the 8 FTE positions. Which are not supported by General Fund moneys.

There should not be a negative impact upon the General Fund, because 850,000 in federal funds for the reimbursement for this portion of services by the 8 FTE positions. will be deposited directly into the General Fund.

SEC. 13                    FOAB & IOASI ADMINISTRATION

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	155,485	102,517	102,517
FTE	4.70	2.50	2.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes to pay the costs of the administration of the Federal Old Age Benefit and Iowa Old Age Survivors Insurance Programs. The legislative action approved the Governor's original recommendation of 8104,343. less 1.75% for an across-the-board reduction.

SEC. 14                    IPERS FUND - IPERS ADMINISTRATION

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	2,138,396	2,306,059	2,306,059
FTE	43.80	46.00	46.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes to the Department of Personnel for FY 1989, to pay the costs of administering the Iowa Public Employees' Retirement System. The legislative action represents a 7.2% increase from FY 1988.

Legislative action reflects the following differences from FY 1988:

- A. \$65,000 for an actuarial study of proposals for changes in the IPERS system.
- B. \$135,000 for contractual services to analyze the existing data processing system and to formulate plans for future development.

INTENT LANGUAGE

This Section includes language stating that the Iowa Public Employees' Retirement System employ sufficient staff within the appropriation provided in this Section to meet the developing requirements of the investment program.

SEC. 31      MANAGEMENT TRAINING REVOLVING FUNDCODE CITATION

This Section amends Section 19A.12(2), Code of Iowa. This directs the Department of Personnel to revert to the General Fund any balance above 850.000 in the Iowa Management Training System Revolving Fund, beginning June 30, 1988.

PUBLIC DEFENSE. DEPARTMENT OF  
S. F. 2314

SEC. 4.1      OPERATIONS

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	3,295,400	3,256,709	3,256,709
FTE	142.05	139.42	139.42

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes.

INTENT LANGUAGE

This Section contains language stating that the annual allowance to guard units for morale purposes and the welfare of the troops will be \$5 per capita.

SEC. 4.2      WAR ORPHANS EDUCATION AID FUND

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	15.185	15.185	15.185

EXPLANATION

Funds are appropriated for 38 eligible students to receive partial reimbursement for the costs of attending college.

SEC. 4.3      EMERGENCY RESPONSE PLANNING

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	106.837	106,837
FTE	.00	3.00	3.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for this new program.

SEC. 5      TRAINING FUND - GROUND WATER CONTAMINATION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	0	86.000

EXPLANATION

Funds are appropriated from the unencumbered and unobligated money remaining in the Law Enforcement Training Reimbursement Fund on June 30, 1988, for filters to prevent the leaching of chlorine into the groundwater in the Camp Dodge area.

SEC. 6      PROJECTED RECEIPTSEXPLANATION

This Section provides the information stating the Department is projected to raise \$3,150,000 in receipts and federal funds in FY 1989.

PUBLIC EMPLOYMENT RELATIONS BOARD

H. F. 2444

SEC. 12      GENERAL OFFICE

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	585.484	604,405	604,405
FTE	13.00	13.00	13.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Public Employment Relations Board. The legislative action represents a 3.2% increase from FY 1988 and adds \$18,921 for inflationary/support costs and annualization of FY 1988 salary adjustment.

PUBLIC SAFETY. DEPARTMENT OF  
ROAD USE TAX FUND  
S. F. 2314

SEC. 8.1 ROAD USE TAX FUND-HIGHWAY PATROL

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	19,917,918	19,899,351	19,899,351
FTE	442.00	450.50	448.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes, including the State's contribution to the peace officers retirement, accident, and disability system. Legislative action reflects the following differences from FY 1988:

- A. Funds are appropriated for administering the merit system in Section 8.4 of the bill. In FY 1988 these were included in this appropriation.
- B. Legislative action increases the allowed number of FTE positions over the FV 1988 level by 6.5 FTE positions. This action does not reflect any new additional FTE positions over FY 1988 or associated funding, but reflects a change in federal requirements for the State to be reimbursed for 5.5 FTE positions. and reflects one FTE position for summer/part-time help that was previously funded but not included in FTE totals.

INTENT LANGUAGE

This Section contains language stating that the Iowa Law Enforcement Academy is allowed to select, and exchange for the Academy's vehicles, up to five automobiles of the Division of Highway Safety and Uniformed Force. which are to be sold at public auction.

Language is also included which provides that employees who retire after July 1, 1986 are eligible for payment of life or health insurance premiums as provided for in the collective bargaining agreement in effect at the time of retirement if that employee previously served in a position which would have been covered by that agreement.

Intent language also states that:

- A. Not more than \$16,356,000 from all revenue sources plus an allocation from the salary adjustment fund may be spent on salaries and benefits.
- B. Not more than \$4,099,553 from all revenue sources may be spent on support and

miscellaneous purposes.

- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

SEC. 8.2 ROAD USE TAX FUND-MOBILE VEHICLE REPEATERS

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	840,000	920,000	920,000

EXPLANATION

Funds are appropriated from the Road Use Tax Fund toward the purchase of 409 mobile vehicle repeater radios. Legislative action provides that up to \$80,000 of this appropriation be spent on test equipment.

INTENT LANGUAGE

This Section contains language stating that the mobile vehicle repeater radios are to be placed in motor vehicles used by members of the Iowa Safety Patrol below the rank of lieutenant for patrolling the highways. The Department has stated that no additional testing or other equipment will be necessary.

SEC. 8.3 ROAD USE TAX FUND-IHP WORKERS' COMPENSATION

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	55,544	55,544

EXPLANATION

Funds are appropriated from the Road Use Tax Fund for making payments to the Department of Personnel for administering workers' compensation on behalf of the State Patrol.

SEC. 8.4 ROAD USE TAX FUND-IHP MERIT SYSTEM REIMBURSEMENT

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	50,000	50,000

EXPLANATION

Funds are appropriated from the Road Use Tax Fund for making payments to the Department of Personnel for administering the merit system. In FY 1988 this appropriation was part of the funds appropriated for Highway Patrol operations.

**SFC. 9 ROAD USE TAX FUND - NEW PATROL. POST**

	FY 1988	FY 1989	FY 1989
	Approp.	Gov. Revised	Ley. Action
\$	0	0	600,000

EXPLANATION

Funds are appropriated for the purpose of constructing a new highway patrol post and communications tower. Section 40 of this bill allows the unspent balance, each year, of the abstract fee fund to apply toward the repayment of this loan. The Department of Public Safety may purchase an existing facility, should one exist, that would meet the requirements for a new patrol post.

## ABSTRACT FEE FUND

**SEC. 10 ABSTRACT FEE FUND - INVESTIGATION. DCI**

	FY 1988	FY 1989	FY 1989
	Approp.	Gov. Revised	Leg. Action
\$	0	600,000	850,000

EXPLANATION

Funds are appropriated from the newly established Abstract Fee Fund for salaries, support, maintenance, and miscellaneous purposes. Section 7.4a reduces the General Fund appropriation by \$850,000, which is replaced by this appropriation.

## PUBLIC SAFETY. DEPT. OF

**SEC. 7.1 PUBLIC SAFETY ADMINISTRATION**

	FY 1988	FV 1989	FY 1989
	Approp.	Gov. Revised	Leg. Action
\$	2,013,257	1,990,608	1,935,608
FTE	45.75	45.00	45.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes, including the medical examiner's office and the criminal justice information system. Legislative action represents:

- A. A reduction of .75 FTE positions from the FY 1988 level of 45.75 FTE positions and associated salary and support.
8. A reduction of 355,000 from the Governor's recommendation of \$1,990,608, in order to repay moneys to the Permanent School Fund which will be used to fund security for the State Historical Museum during FY 1988.

INTENT LANGUAGE

This Section contains language stating that:

- A. Not more than \$1,420,335 from all revenue sources **plus** an allocation from the salary adjustment fund may **be** spent on salaries and benefits.
8. Not more than \$1,171,423 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

**SEC. 7.2 VICTIMS COMPENSATION**INTENT LANGUAGE

This Section contains language stating that the Department may utilize funds carried forward from the Victims Compensation Fund **for** salaries and support of not more than 8.5 FTE positions.

**SEC. 7.3 PUBLIC SAFETY COMMUNICATIONS**

	FY 1988	FV 1989	FV 1989
	Approp.	Gov. Revised	Leg. Action
\$	2,670,064	2,825,292	2,825,292
FTE	79.00	78.50	78.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. Legislative action represents a reduction from the FY 1988 level of .5 FTE positions and an increase in fixed communication line charges.

INTENT LANGUAGE

The Section contains language stating that:

- A. Not more than \$2,282,878 from all revenue sources plus an allocation from the salary adjustment fund may be spent on salaries and benefits.
- B. Not more than \$554,666 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

SEC. 7.4A INVESTIGATION. DCI

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	5,231,238	3,703,108	3,453,108
FTE	136.00	111.00	111.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes, including the State's contribution to the peace officers' retirement, accident, and disability system. Legislative action reflects the following differences:

- A. Reduces the DCI budget by 23 FTE positions and related support, from the FV 1988 level, which are now appropriated to a new Division of Narcotics Enforcement.
- O. Reduces the appropriation by 2 FTE positions from the FV 1988 level, due to a vacancy factor.
- C. Reduces the General Fund appropriation by \$250,000 below the Governor's recommendation and replaces the amount with an appropriation of \$250,000 from the Abstract Fee Fund.

INTENT LANGUAGE

This Subsection contains language stating that:

- A. Not more than \$4,168,249 from all revenue sources plus an allocation from the salary adjustment fund may be spent on salaries and benefits.
- B. Not more than \$602,353 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

SEC. 7.4B TRAINING FUND - INVESTIGATION. DCI

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	200.000	200.000	200,000

EXPLANATION

Funds are appropriated from the unencumbered and unobligated money remaining in the Law Enforcement Training Reimbursement Fund on June 30, 1988, for salaries, support, maintenance, and miscellaneous purposes.

SEC. 7.5 PARI-MUTUEL ENFORCEMENT

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	181.273	227,665	227,665
FTE	4.00	5.00	5.00

EXPLANATION

funds are appropriated for salaries, support, maintenance, and miscellaneous purposes, including the State's contribution to the peace officers' retirement, accident, and disability system. Legislative action increases the number of FTE positions by one over the FV 1988 level because of the planned addition of the Altoona race track.

INTENT LANGUAGE

This Section contains language stating that:

- A. Not more than \$177,336 from all revenue sources plus an allocation from the salary adjustment fund may be spent on salaries and benefits.
- B. Not more than \$50,329 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

SEC. 7.6A NARCOTICS ENFORCEMENT

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	969,015	969,015
FTE	.00	23.00	23.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes, including the State's contribution to the peace officers' retirement, accident, and disability system. This Division, formerly part of the DCI, was administratively established in FY 1988.



INTENT LANGUAGE

This Subsection contains language stating that:

- A. Not more than \$859,899 from all revenue sources plus an allocation from the salary adjustment fund may be spent on salaries and benefits.
- B. Not more than \$132,616 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

**SEC. 7.6B TRAINING FUND - UNDERCOVER PURCHASES**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	200.000	200.000	200.000

EXPLANATION

Funds are appropriated from the unencumbered and unobligated money remaining in the Law Enforcement Training Reimbursement Fund on June 30, 1988, for undercover purchases.

**SEC. 7.7 FIRE MARSHAL**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,167,924	1,191,395	1,191,395
FTE	31.50	31.00	31.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes, including the State's contribution to the peace officers' retirement, accident, and disability system. Legislative action reduces the number of FTE positions funded by .5 from FY 1988.

INTENT LANGUAGE

This Section contains language stating that:

- A. Not more than \$1,150,219 from all revenue sources plus an allocation from the salary adjustment fund may be spent on salaries and benefits.
- B. Not more than \$182,276 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

**SEC. 7.8 CAPITOL SECURITY**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	858,592	976,292	976,292
FTE	31.00	36.00	36.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. Legislative action increases the number of FTE positions by five over the FY 1988 level, and provides funding for the additional salaries and support. The additional staff are requested due to the opening of the new Historical Building.

INTENT LANGUAGE

This Section contains language stating that:

- A. Not more than \$902,387 from all revenue sources plus an allocation from the salary adjustment fund may be spent on salaries and benefits.
- B. Not more than \$73,905 from all revenue sources may be spent on support and miscellaneous purposes.
- C. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

SEC. 11      PROJECTED RECEIPTS

EXPLANATION

This Section provides the information that the Department is projected to raise \$1,194.929 in receipts and federal funds in FY 1989.

SEC. 21      COMMISSIONER IS "HEAD OF DEPARTMENT"

CODE CITATION

This Section amends Section 7E.4(5), Code of Iowa, by adding the title commissioner to the list of titles that can mean "head of the department".

SEC. 22      CHANGING REFER. OF DIRECTOR TO COMMISSIONER

CODE CITATION

This Section amends Section 80.2, Code of Iowa, by substituting the word commissioner for the word director.

SEC. 23      ADOPTION OF RULES BY STATE FIRE MARSHALL

CODE CITATION

This Section of the bill amends Section 100.35, Code of Iowa, by requiring the State Fire Marshall to adopt rules establishing standards for fire resistance of cellulose insulation.

SEC. 43      EXEMPTION FROM REVERSION - REPEATERS

EXPLANATION

This Section amends Chapter 232, Section 6, Subsection 2, Acts of 1987, by allowing funds which were appropriated to the Department of Public Safety for the purchase of mobile vehicle repeaters in FY 1988 to be carried forward and to be combined with the FV 1989 appropriation in order to reduce future interest costs on this purchase by a minimum of \$120,000.

SEC. 55      ADMINISTRATIVE STUDY

INTENT LANGUAGE

This Section contains language stating that the Legislative Fiscal Bureau shall conduct an evaluation of the administration of the Department of Public Safety. The evaluation shall address the Department of Public Safety's employee recruitment, management, and retention policies and practices to be reported to the next General Assembly by January 14, 1989.

SEC. 57      EFFECTIVE DATE FOR TITLE CHANGE

INTENT LANGUAGE

This Section Contains language stating that the date for the change in title of Director of Public Safety to Commissioner of Public Safety is July 1, 1988.

SEC. 58      INSTRUCTIONS TO THE CODE EDITOR

INTENT LANGUAGE

This Section contains language stating that the Code editor shall change all references in the Code of Iowa from Director or Public Safety to Commissioner of Public Safety.

REGENTS. BOARD OF  
S. F. 2312

SEC. 52.1A      REGENTS BOARD OFFICE

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	511,770	516,272	516,272
FTE	18.63	19.63	19.63

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for administration purposes of the Office of the State Board of Regents. This legislative action represents a \$4.502 (0.88%) increase from the FY 1988 appropriation.

INTENT LANGUAGE

This Subsection contains language stating that the State Board of Regents shall establish a consortium of representatives of Iowa State University, the University of Iowa, and the University of Northern Iowa for the exchange of information across disciplines.

SEC. 52.18 TUITION REPLACEMENT

<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 16,204,725	17,003,669	17,003,669

EXPLANATION

Funds are appropriated to reimburse SUI, ISU, and UNI for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions. This legislative action represents a 8798,944 (4.93%) increase from the FV 1988 appropriation.

SEC. 52.2A(1) UNIVERSITY OF IOWA: GENERAL UNIVERSITY

<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 137,458,712	138,262,377	138,376,377
FTE 4,325.63	4,325.63	4,325.63

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the State University of Iowa, including the Lakeside Laboratory. This legislative action represents a \$917,665 (0.67%) increase from the FY 1988 appropriation.

INTENT LANGUAGE

This Subsection contains language stating that of the moneys appropriated for the State University of Iowa, \$500,000 shall be spent for teaching excellence awards to teaching faculty members and teaching assistants and moneys shall be expended for salaries and support of the labor center. The intent of the Legislature is that \$114,000 shall be expended for the labor center.

SEC. 52.2A(2) SUI: AG HEALTH AND SAFETY

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	59,940	59,940	59,940
FTE	1.28	1.28	1.20

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Agriculture health and safety service pilot programs.

SEC. 52.2A(3) SUI - LIBRARY ACQUISITION

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	341,250	341,250

EXPLANATION

Funds are appropriated for acquisition of library materials.

SEC. 52.2B(1) INDIGENT PATIENT PROGRAM: UNIV. HOSPITALS

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	26,577,151	26,199,603	25,899,603
FTE	4,960.48	5,005.38	5,005.38

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for medical and surgical treatment of indigent patients. This legislative action represents a \$677,548 (2.55%) decrease from the FY 1988 appropriation. This decrease is to be compensated for by the increase in the disproportionate share reimbursement rate.

SEC. 52.2B(2) FAMILY PRACTICE PROGRAM

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,507.793	1,511,061	1,511,061
FTE	173.97	176.84	176.84

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for allocation by the Dean of the College of Medicine to qualified participants for the Family Practice Program. This legislative action represents a \$3,268 (0.22%) increase from the FY 1988 appropriation.

SEC. 52.2B(3) SCHS - HEMOPHILIA, CANCER, HIGH RISK INFANT

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	333.057	337,256	337,256
FTE	13.58	13.58	13.58

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Specialized Child Health Care Services. This legislative action represents a \$4,199 (1.26%) increase from the FV 1988 appropriation.

SEC. 52.2C COUNTY QUOTAS FOR INDIGENT PATIENTS

INTENT LANGUAGE

This Subsection contains language stating that as a condition of the appropriation for indigent patients, county quotas for indigent patients for FY 1989 shall not be lower than quotas for FY 1988. Before a patient is eligible for the Indigent Patient Program, the county general relief director shall first ascertain eligibility for other forms of medical assistance. If the applicant qualifies, they are not counted under the Indigent Patient Program.

SEC. 52.2D UNIVERSITY HOSPITALS REPORTING REQUIREMENT

INTENT LANGUAGE

This Subsection contains language stating that as a condition of the appropriation to the Indigent Patient Program, University Hospitals file with the Department of Management and the Legislative Fiscal Bureau quarterly reports on the Program.

SEC. 52.2E MEDICALLY NECESSARY ABORTIONS

INTENT LANGUAGE

This Subsection contains language stating that as a condition of the appropriation to the Indigent Patient Program, funds shall not be used to perform abortions except medically necessary abortions. This Subsection defines abortions and medically necessary abortions.

SEC. 52.2F UNIV. HOSP.: REPORT OF ALL REVENUE SOURCES

INTENT LANGUAGE

This Subsection contains language stating that University Hospitals shall report (1) all income sources, (2) expenditures by program and revenue source, and (3) net revenue over spending, including the method of calculation. The Legislative Fiscal Bureau shall develop the forms for collecting this information.

SEC. 52.2G PSYCHIATRIC HOSPITAL

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	5,960,880	6,014,532	6,014,532
FTE	280.28	287.26	287.26

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Psychiatric Hospital at the University of Iowa. This legislative action represents a \$53,652 (0.90%) increase from the FV 1988 appropriation.

**SEC. 52.2H UNIVERSITY HYGIENIC LABORATORY**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	2,470,956	2,507,968	2,507,968
FTE	114.35	114.35	114.35

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the State Hygienic Laboratory. This legislative action represents a 337,012 (1.50%) increase from the FY 1988 appropriation.

**SEC. 52.2I HOSPITAL SCHOOL**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	4,488,973	4,542,607	4,542,607
FTE	181.97	185.73	185.73

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Hospital School at the University of Iowa. This legislative action represents a \$53,634 (1.19%) increase from the FY 1988 appropriation.

**SEC. 52.2J OAKDALE CAMPUS**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	2,478,059	2,498,481	2,498,481
FTE	81.00	82.00	82.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Oakdale Campus. This legislative action represents a \$20,422 (0.82%) increase from the FV 1988 appropriation.

**SEC. 52.3A IOWA STATE UNIVERSITY: GENERAL UNIVERSITY**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	112,784,533	116,234,916	116,234,916
FTE	3,706.00	3,775.00	3,775.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Iowa State University of Science and Technology. This legislative action represents a \$3,450,383 (3.06%) increase from the FV 1988 appropriation.

INTENT LANGUAGE

This Subsection contains language stating that of the moneys appropriated for Iowa State University, the following amounts shall be expended:

- A. \$2,000,000 for construction of livestock units for cattle and swine research;
- B. \$1,000,000 for the purchase of Agronomy Building equipment;
- C. \$500,000 for teaching excellence awards to teaching faculty members and teaching assistants.

This Subsection is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

**SEC. 52.30 ISU: AGRICULTURAL EXPERIMENT STATION**

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	13,065,582	13,556,178	13,556,178
FTE	387.00	413.50	413.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Agricultural Experiment Station at Iowa State University. This legislative action represents a \$490,596 (3.75%) increase from the FY 1988 appropriation.

SEC. 52.3C ISU: COOPERATIVE EXTENSION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	13,125,525	13,317,224	13,317,224
FTE	476.00	496.98	496.98

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Cooperative Extension Service in agriculture and home economics. This legislative action represents a \$191,699 (1.46%) increase from the FV 1988 appropriation.

SEC. 52.3D ISU: RURAL CONCERN HOTLINE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	89,910	90,000	90,000
FTE	3.00	4.50	4.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for continuation of the Rural Concern Hotline. This legislative action represents a \$90 (0.10%) increase from the FV 1988 appropriation.

SEC. 52.3E ISU: FIRE SERVICE INSTITUTE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	389,456	389,456	389,456
FTE	11.00	11.00	11.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for Fire Service Education at Iowa State University.

SEC. 52.3F ISU - LIBRAHV ACQUISITION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	234,400	234,400

EXPLANATION

Funds are appropriated for acquisition of library materials.

SEC. 52.4A UNIVERSITY OF NORTHERN IOWA

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	44,378,747	45,136,113	45,136,113
FTE	1,321.98	1,324.00	1,324.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the University of Northern Iowa. This legislative action represents a 3757.366 (1.71%) increase from the FV 1988 appropriation.

INTENT LANGUAGE

This Subsection contains language stating that of the moneys appropriated for the University of Northern Iowa, the following shall be expended:

- A. 9250.000 for teaching excellence awards to teaching faculty members and teaching assistants:
- B. 8460.000 as an equity adjustment to maintain and support the university's programs.

This Subsection contains language stating that the moneys appropriated in this Subsection shall not be expended for the power plant addition.

**SEC. 52.4B UNI - LIBRARY ACQUISITION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	0	60,850	60,850

EXPLANATION

Funds are appropriated for acquisition of library materials.

**SEC. 52.5 IOWA SCHOOL FOR THE DEAF**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	4,959,422	4,957,177	4,957,177
FTE	135.30	135.30	135.30

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Iowa School for the Deaf. This legislative action represents a \$2,245 (0.06%) decrease from the FY 1988 appropriation.

**SEC. 52.6 IOWA BRAILLE AND SIGHT SAVING SCHOOL**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	2,789,660	2,742,752	2,742,752
FTE	95.33	95.33	95.33

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Iowa Braille and Sight Saving School. This legislative action represents a \$46,908 (1.68%) decrease from the FV 1988 appropriation.

**SEC. 52.7 GOODS AND SERVICES EXEMPTION**

INTENT LANGUAGE

This Subsection contains language stating that the Board of Regents FV 1989 appropriations shall not be subjected to Section 8.33, unnumbered paragraph 2, Code of Iowa, which requires goods and services to be received and/or rendered before the last day of the fiscal year. The Board of Regents shall submit to the Department of Management a list of all obligations which have been incurred for goods and services that have not been received or rendered as of September 15, 1989. Funds not spent by the end of the fiscal year still revert to the General Fund.

**SEC. 53 UNI POWER PLANT ADDITION**

EXPLANATION

This Section contains language stating that an amount not exceeding \$11,100,000 is appropriated for FV 1988, Over and above an FV 1988 ending balance of \$61,700,000, to the University of Northern Iowa for the construction of a power plant addition. This Section requires the Governor to certify to the Department of Revenue and Finance an amount to pay all or a portion of \$11,100,000 in FY 1988. This Section appropriates in FY 1989 an amount equal to the difference between the amount appropriated in FV 1988 and \$11,100,000 and provides for the reversion of funds on September 30, 1991 or September 30 following the end of the fiscal year in which the project is completed.

INTENT LANGUAGE

This Section is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

**SEC. 56 TUITION REPLACEMENT NONREVERSION CLAUSE**

INTENT LANGUAGE

This Section contains language stating that the FY 1988 tuition replacement appropriation shall not be subjected to the reversion provision in Section 8.33, Code of Iowa, and shall be available for expenditure in FY 1989 for tuition replacement.

SEC. 57      INTEREST EARNED BY CAMPUS ORGANIZATIONS

INTENT LANGUAGE

This Section contains language stating that if the interest earned on moneys accumulated by campus organizations is not available for expenditure by those campus organizations, the institution shall allocate the interest to campus improvements that are of benefit to students and have been accepted by the institutions student government or to the financial aid office to be used for work-study.

SEC. 58      SALE OF COMPUTER EQUIPMENT BY INSTITUTIONS

INTENT LANGUAGE

This Section contains language stating that sales by an institution of computer equipment, computer software, and computer supplies to students and faculty are retail sales for the purpose of Chapter 422, Division IV. Code of Iowa.

SEC. 59      CHILD CARE NEEDS ASSESSMENT

INTENT LANGUAGE

This Section contains language stating that the Board of Regents shall study the child care needs of faculty, staff and students at the three Regents institutions. The study is to identify potential locations for child care centers, possibilities for receiving federal funding, and the feasibility of a sliding fee scale based on parental income. Student input is to be solicited. The Board of Regents is to report to the General Assembly by November 30, 1988, and include in that report recommendations for employing students at the care centers through the work-study program. The findings and recommendations of this study are not to be implemented until the Legislature has reviewed the report and determined how to proceed.

SEC. 60      DISPROPORTIONATE SHARE LANGUAGE

INTENT LANGUAGE

This Section contains language stating that the Department of Human Services shall increase the disproportionate share rate to 4% for hospitals for which 20% of their business is with medically indigent persons under the medical assistance program provided by Title XIX.

SEC. 61      ENERGY CONSERVATION PROJECTS

INTENT LANGUAGE

This Section contains language stating that the Board of Regents shall use notes, bonds, or other forms of indebtedness to finance energy conservation projects that result in a cost savings that can be recovered within an average of six years.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that the Board of Regents should not be required to issue debt financing for energy conservation projects since it limits financial flexibility and runs the risk of impacting on operating budgets in the future.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund inasmuch as this Section simply authorized the notes, bonds or other forms of indebtedness and made no appropriation for servicing these funding mechanisms.

SEC. 63      SUI - PROVISION OF CONTINUING EDUCATION

CODE CITATION

This Section amends Section 154.3(6), Code Supplement 1987. This Section strikes the requirement for the Department of Ophthalmology at the University of Iowa to be one of the providers of continuing education for optometrists.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that previous legislation was correct in requiring the Department of Ophthalmology at the University of Iowa to provide some of the continuing education for optometrists.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.



**SEC. 64** ISD AND IBSSS HALL OF FAMECODE CITATION

This Section amends Section 262.9, Code Supplement 1907. This Section adds a requirement to the duties of the Board of Regents by requiring the establishment of a Hall of Fame for distinguished graduates at the Iowa Braille and Sight Saving School and at the Iowa School for the Deaf.

**SEC. 65** POSTSECONDARY EDUCATION TASK FORCEEXPLANATION

This Section establishes a postsecondary education task force to study and make recommendations regarding the goals, and the legislation necessary to meet the goals, of the State's higher education system in the future. The study will include but not be limited to coordination and articulation of curriculum with elementary and secondary school systems, duplication as well as distribution of educational programs and services, and tuition costs, including method of calculation and share of the cost borne by students and the State. This Section also specifies the makeup of the membership of the task force and allows the task force to work with one or more education consultants.

**SEC. 66** BOARD MEMBER DISCLOSURECODE CITATION

This Section adds Section 182.23, Code of Iowa. This Section notwithstanding Section 182.13, Code of Iowa, by stating that a member of the Iowa Sheep and Wool Promotion Board who has a pecuniary interest in a matter considered by the Board shall disclose that interest and that member will not participate in an action on the matter.

**SEC. 67** IBSSS ACCRETION LANGUAGECODE CITATION

This Section amends Section 269.3, Code of Iowa. This Section allows the classroom teachers employed by the Iowa Braille and Sight Saving School to join the faculty bargaining unit at the University of Northern Iowa or any approved classroom teacher bargaining unit under Chapter 20, Code of Iowa, upon a majority vote of the classroom teachers employed by the school.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that the Public Employment Relations Board is currently responsible for collective bargaining purposes for the classroom teachers and provides an effective collective bargaining system.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

**SEC. 68** ISD ACCRETION LANGUAGECODE CITATION

This Section amends Section 270.11, Code of Iowa. This Section allows the classroom teachers employed by the Iowa School for the Deaf to join the faculty bargaining unit at the University of Northern Iowa or any approved classroom teacher bargaining unit under Chapter 20, Code of Iowa, upon a majority vote of the classroom teachers employed by the school.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that the Public Employment Relations Board is currently responsible for collective bargaining purposes for the classroom teachers and provide an effective collective bargaining system.

FISCAL EFFECT

There is no fiscal effect of this veto on the General Fund.

**SEC. 69** SELF-LIQUIDATING BONDSCODE CITATION

This Section amends Section 262.44(1), Code Supplement 1987. This Section requires prior approval of the General Assembly and the Governor for issuance of self-liquidating indebtedness for projects under the control of the Board of Regents, if they are not dormitories or buildings and facilities listed in Section 262.44(1), Code of Iowa.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it specifically restricts the self-liquidating financing authority of the Board of Regents. The Governor maintains that the Regents have prudently used this financing mechanism to meet critical needs and finance important economic development projects at no cost to the General Fund.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 86 IMMEDIATE ENACTMENT SECTION

INTENT LANGUAGE

This Section contains language stating that Sections 6, 18, 19, 40, 41, 45, 48, 53, 56, 65 and 70 through 82 of this bill take effect upon enactment.

REVENUE AND FINANCE, DEPARTMENT OF  
REVENUE AND FINANCE, DEPT. OF  
S. F. 2311

SEC. 15 DEPARTMENT OPERATIONS

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	17,954,088	18,130,891	18,130,891
FTE	612.27	612.27	612.27

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Department of Revenue and Finance. The legislative action represents a 9.7% increase from FV 1988.

INTENT LANGUAGE

This Section contains language stating that it is the intent of the General Assembly that the Department shall expend \$176,803 to employ additional auditors for tax auditing and collection purposes. This amount represents the increase over the FV 1988 appropriation.

This Section contains language stating that not more than \$1,000,000 of the funds received in payment of taxes to the State from audits conducted by the Department, shall be transferred from the General Fund to be placed in a special account within the Department and may be used by the Director to hire or retain not more than 33 FTE positions. The FTE positions are to

be used to conduct audits, investigations, and to initiate tax collection proceedings and enforcements. This is to be done, provided that the Director of the Department determines that the effect of the use of the funds for this purpose, will result in collecting an additional \$2.00 in tax collections for every \$1.00 expended in FY 1989 and result in at least \$3.00 collected for every \$1.00 expended over a longer period of time. The Director shall report at least quarterly to the Fiscal Committee of the Legislative Council when the General Assembly is not in session and to the General Assembly when the General Assembly is in session. The Director shall report concerning the personnel and support services provided, funds expended, tax obligations established, and the taxes collected under the provisions of this paragraph.

This Section further contains intent language permitting the Department to review the net fiscal impact of joining the Multistate Tax Commission, including convening a meeting with officials from the Commission, the Department of Revenue and Finance, and members of the Legislative Fiscal Committee of the Legislative Council.

SEC. 16 MVFT UNAPPORTIONED REVENUE & FINANCE

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	1,014,799	1,032,836	1,032,836

EXPLANATION

Funds are appropriated from the Motor Vehicle Fuel Tax Fund to the Department of Revenue and Finance for salaries, support, maintenance, and other operational purposes for administration and enforcement of the provisions of Chapter 324, Code of Iowa, and the Motor Vehicle Use Tax Program.

As a result of legislative action in FY 1988, the Department received a 14.7% increase or \$125,000 over the Governor's recommendation for FV 1988 for increased monitoring of special fuel tax accounts and collection of delinquent fuel taxes. The Department created 6 FTE positions for this specific purpose in FY 1988.

INTENT LANGUAGE

The intent language requires the Department to continue to report quarterly to the Legislative Fiscal Bureau in FY 1989, the estimates of additional revenue collected as a result of any increase in auditing and enforcement provided under this appropriation as they were similarly required to report for FY 1988.

SEC. 22 MUNICIPAL ASSISTANCE

<u>FY 1988</u>	<u>FV 1989</u>	<u>FY 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
3 14,488,996	0	0

EXPLANATION

Funds are appropriated to the Municipal Assistance Fund to be distributed to cities on a per capita basis and to be used for any lawful purpose. The legislative action appropriates \$14,500,000 from the General Fund on a contingent basis, in the event the Governor's proposed Property Tax Replacement Program was not adopted by the 72nd General Assembly. Because the Governor's proposed Property Tax Replacement Program, House File 2457, was adopted by the 72nd General Assembly, and signed by the Governor, no funds for Municipal Assistance were appropriated in this bill.

SEC. 23 COUNTY ASSISTANCE

<u>FY 1988</u>	<u>FV 1989</u>	<u>FY 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
3 5,291,203	0	0

EXPLANATION

Funds are appropriated from the General Fund to the County Assistance Fund established in Section 422.100, Code of Iowa, to be used for payments to counties. The legislative action appropriates \$5,400,000 from the General Fund on a contingent basis, in the event the Governor's proposed standing limited Property Tax Replacement Program was not adopted by the 72nd General Assembly. Because the Governor's proposed standing limited Property Tax Replacement Program was adopted by the 72nd General Assembly and signed into law by the Governor, no funds for County Assistance were appropriated in this bill.

LOTTERY DIVISION OPERATIONS  
SEC. 17 LOTTERY FUND LOTTERY OPERATIONS

	<u>FV 1988</u>	<u>FV 1989</u>	<u>Leg. Action</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>FV 1989</u>
3	6,750,958	7,424,465	7,424,465
FTE	140.35	146.35	146.35

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Department of Revenue and Finance from the Lottery Fund. The legislative action appropriates at the level recommended by the Governor. Legislative action reflects the following differences from FV 1988:

- A. Removes 347,050 in support items requested.
- B. Provides 3702,400 for Cost-of-living, overtime, temporary help and other pay contingencies.
- C. Provides 3174,000 for the 27th pay period.
- D. Removes 334,104 and eliminates 2 FTE positions for further state government reorganization.

SECRETARY OF STATE

S. F. 2311

SEC. 1.1 GENERAL OFFICE

	<u>FV 1988</u>	<u>FV 1989</u>	<u>Leg. Action</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>FV 1989</u>
3	1,337,929	1,450,437	1,450,437
FTE	45.00	46.00	46.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the General Office. The legislative action represents a 7.8% increase from FV 1988.

Legislative action reflects the following differences from FV 1988:

- A. 338.167 to provide an Administrative Assistant position to enable the Office to assist County Auditors to fulfill their responsibilities as Commissioners of Elections.
- B. 321,200 to provide for the printing of brochures pertaining to: Notaries Public; the Uniform Commercial Code; the election process; and limited partnerships in Iowa.

SEC. 1.2 OFFICIAL REGISTER PRINTING ACCOUNT

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
9	0	72,470
		72,470

EXPLANATION

Funds are appropriated for editing and printing the Iowa Official Register. The legislative act on represents a 14% increase over the FV 1987 biennium appropriation of \$62,000. to enable the Office to publish additional copies of the soft-bound and abridged editions, of The Official Iowa Register, for distribution.

SEC. 32 FEE INCREASE FOR NOTARY PUBLICS

CODE CITATION

This Section amends Section 77.4(5), Code of Iowa, by raising the fee to file as a Notary Public. The current filing fee is \$15.00 for a three year period. The legislative action raises the fee to \$30.00 for the same three year period. This increase will raise an estimated \$194,550 in additional revenue per year.

SEC. 33 FEDERAL TAX LIEN FEE INCREASE

CODE CITATION

This Section amends Section 331.609(7), Code of Iowa, by raising the filing fee for a federal tax lien. The current license fee is 95.00. The legislative action raises the fee to 96.00. This increase will raise an estimated \$1,564 in additional revenue per year.

SEC. 34 CORPORATIONS ANNUAL REPORTS FEE INCREASE

CODE CITATION

This Section amends Section 496.126, Code of Iowa, by raising the annual license fee due by a corporation when filing its annual report. The current fee to be filed by a corporation is based on the stated capital of the corporation. The schedule of fees range from a low of 915.00 to a high of \$3,010. The legislative action raises the fee by 95.00. The fee increase will raise the schedule of fees by \$5.00 increments. This increase will raise an estimated 9255.950 in additional revenue per year.

SEC. 35 CORPORATIONS ANNUAL REPORTS FEE INCREASE

CODE CITATION

This Section amends Section 496A.127, unnumbered paragraph 3, Code of Iowa, for the same purpose as stated for Section 34 of this bill.

SEC. 36 FINANCE STATEMENTS FEE INCREASE

CODE CITATION

This Section amends Section 554.9403(5), Code of Iowa, by raising the fee for filing a Uniform Commercial Code Finance Statement. The current fee is \$4.00 for filing a standard finance statement form and 95.00 for filing a non-standard finance statement form. The legislative action raises the filing fee to 95.00 for a standard finance statement form and 96.00 for filing a non-standard finance statement form. This increase will raise an estimated \$225,492 in additional revenue per year for finance statements filed with the State. There will be some increase in revenue for finance statements filed at the county level, but this cannot be estimated.

SEC. 37 FINANCE STATEMENTS FEE INCREASE

CODE CITATION

This Section amends Section 554.9405(1.2), Code of Iowa, for the same purpose as stated for Section 36 of this bill.

SEC. 38 FINANCE STATEMENTS FEE INCREASE

CODE CITATION

This Section amends Section 554.9406, Code of Iowa, for the same purpose as stated for Section 36 of this bill.

SEC. 39 LIEN SEARCHES FEE INCREASE

CODE CITATION

This Section amends Section 554.9407(2-3), Code of Iowa, by raising the fee for a lien search. The current fee for a lien search is 94.00 for a standard form and \$5.00 for a non-standard form. The legislative action raises the fee to \$5.00 for a standard form and 96.00 for a non-standard form. This increase will raise an estimated \$53,553 in additional revenue per year.

SEC. 40      VERIFIED LIEN STATEMENTS FEE INCREASE

CODE CITATION

This Section amends Section 570.A4(4), Code of Iowa, by raising the fee for a verified lien statement. The current fee is \$4.00 for a verified lien statement standard form and \$5.00 for a verified lien statement non-standard form. The legislative action raises the fee to \$5.00 for a verified lien statement standard form and \$6.00 for a verified lien statement non-standard form. This increase will raise an estimated \$229 in additional revenue per year.

STATE-FEDERAL RELATIONS

S. F. 2311

SEC. 20      OFFICE OF

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	189,844	186,522	186,522
FTE	3.25	3.00	3.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Office of State-Federal Relations. The legislative action appropriates funds at the FY 1988 level less 1.75% for an across-the-board reduction.

TRANSPORTATION. DEPARTMENT OF

ROAD USE TAX FUND

S. F. 2314

SEC. 12.1A      ROAD USE TAX FUND - ADMINISTRATION

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	2,693,697	3,068,632	3,068,632
FTE	49.00	52.75	52.75

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes (see Section 14.1A for detail of changes).

SEC. 12.10      ROAD USE TAX FUND - GENERAL COUNSEL DIV

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	122,052	148,151	148,151
FTE	1.20	1.20	1.20

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes.

SEC. 12.1C      ROAD USE TAX FUND - PLANNING DIVISION

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	289,533	286,216	286,216
FTE	9.00	8.60	8.60

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. Legislative action funds the Division at the FY 1988 level (see Section 14.1C for detail of changes).

SEC. 12.1D      ROAD USE TAX FUND - AERONAUTICS AND PUBLIC

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	158,379	199,673	199,673
FTE	4.00	5.00	5.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. The total appropriation for aeronautics and public transit (from the Road Use Tax Fund, Primary Road Fund, and State Aviation Fund) reflects an increase of 3 FTE positions. One position is a transfer from planning and research. The three positions will be assigned to providing assistance for local airports.

**SEC. 12.1E ROAD USE TAX FUND - MOTOR VEHICLE DIVISION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	14,832,383	15,156,250	15,156,250
FTE	529.00	531.30	531.30

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. The total appropriation for motor vehicles, from the Primary and Road Use Tax Funds, represents an increase of 3 FTE positions. One position is for a scale mechanic, the other two clerk positions will handle work associated with federal rule changes, state law revisions, and permit issuance.

**SEC. 12.1F ROAD USE TAX FUND - RAIL AND WATER DIVISION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	584.278	586.878	586.878
FTE	15.00	15.40	15.40

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. Legislative action reflects funding at the current level of service.

**SEC. 12.2 ROAD USE TAX FUND - PERSONNEL REIMBURSEMENT**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	16.000	16,000	16.000

EXPLANATION

Funds are appropriated for the purpose of making payment to the Department of Personnel for expenses incurred in administering the merit system.

**SEC. 12.3 ROAD USE TAX FUND-UNEMPLOYMENT COMPENSATION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	12.250	12.250	12.250

EXPLANATION

Funds are appropriated for unemployment compensation costs.

**SEC. 13 RUTF TO IDOP - WORKERS COMPENSATION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	35,080	35.080	35,080

EXPLANATION

Funds are appropriated to the Department of Personnel for the purpose of paying worker's Compensation claims.

**SEC. 20 RUT FUND - WEATHER COLLECTION SYSTEM STUDY**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	0	200,000

EXPLANATION

This Section appropriates \$200,000 from the use tax receipts credited to the Road Use Tax Fund for a study and pilot projects to evaluate gaps in the federal aviation weather collection and dissemination system in Iowa.

PRIMARY ROAD FUND

**SEC. 14.1A PRIMARY ROAD FUND - ADMINISTRATION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	16,700,749	18,817,617	18,802,617
FTE	301.00	301.25	301.25

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. The total appropriation from the Road Use Tax Fund and the Primary Road Fund, for administrative services, includes funding for four additional FTE positions. One FTE position is a transfer from the planning and research area, the other three new FTE positions were

added to provided staff to investigate tort claim activity.

**SEC. 14.18 PRIMARY ROAD FUND - GENERAL COUNSEL DIV**

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	722,378	876,049	876,849
FTE	6.80	6.00	6.80

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. The major increase over FV 1988 is in the line item for reimbursement to the office of the Attorney General for legal assistance.

**SEC. 14.1C PRIMARY ROAD FUND - PLANNING DIVISION**

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	5,503,697	5,438,109	5,438,109
FTE	164.00	162.40	162.40

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. The total appropriation from the Road Use Tax Fund and from the Primary Road Fund, for planning and research, reflects a reduction of 2 FTE positions. One position was reallocated to administrative services and the other position to aeronautics and public transit.

**SEC. 14.1D PRF - AERONAUTICS AND PUBLIC TRANSIT**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	158,379	199,673	199,673
FTE	4.00	5.00	5.00

EXPLANATION

Funds are appropriated from the Primary Road Fund for salaries, support, maintenance, and miscellaneous purposes (see Section 13.1D for detail of changes).

**SEC. 14.1E PRIMARY ROAD FUND - HIGHWAYS**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	115,681,435	117,667,377	117,652,377
FTE	2,876.00	2,876.00	2,876.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. Legislative action reflects funding at the FV 1988 level of activity when adjusted for inflation.

**SEC. 14.1F PRIMARY ROAD FUND - MOTOR VEHICLE DIVISION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	510.057	529.015	529.015
FTE	18.00	18.70	18.70

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes (see Section 12.1E for detail of changes).

**SEC. 14.1G PRIMARY ROAD FUND - RAIL AND WATER DIVISION**

	<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	247.691	248,793	248,793
FTE	7.00	6.60	6.60

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes. Legislative action reflects funding at the current level of service.

**SEC. 14.2 PRIMARY ROAD FUND - INVENTORY AND REPLACE**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	2,000.000	2,000,000	2,000,000

EXPLANATION

Funds are appropriated from the Primary Road Fund to pay for the increased replacement costs of materials, equipment and vehicles. These funds are deposited into the Materials and Equipment Revolving Fund.

**SEC. 14.3 PRIMARY ROAD FUND - PERSONNEL REIMBURSEMENT**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	304.000	304.000	304.000

EXPLANATION

Funds are appropriated for the purpose of paying the Department of Personnel for expenses incurred in administering the merit system.

**SEC. 14.4 PRIMARY ROAD FUND - UNEMPLOYMENT COMP.**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	232,750	232,750	232,750

EXPLANATION

Funds are appropriated from the Primary Road Fund to pay for unemployment compensation claims of Department of Transportation personnel.

**SEC. 15 PRF TO IDOP - WORKERS COMPENSATION**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	666,540	666,540	666,540

EXPLANATION

Funds are appropriated from the Primary Road Fund to the Department of Personnel for the purpose of paying worker's compensation claims on behalf of the employees of the Department of Transportation.

**SEC. 17.1 PRIMARY ROAD FUND - LAB LOT REPAVING**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	150,000	150,000

EXPLANATION

Funds are appropriated for repairing the laboratory lot of the Ames office complex. This Section includes a clause to exempt from reversion until September 30, 1990.

**SEC. 17.2 PRIMARY ROAD FUND - AREA GARAGES**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	1,380.000	2,055.000

EXPLANATION

Funds are appropriated for the replacement of obsolete field facilities in Chariton, Waverly, and Maquoeta and the purchase of land in Jefferson.

INTENT LANGUAGE

This Section contains language stating that the Department of Transportation shall continue its construction program for replacement of field facilities and shall conduct a needs assessment study for future replacements. The study is to be completed by January 1990. Funds appropriated under this Section are exempt from reversion until September 30, 1992.

Language also states that the Department shall complete the Greenfield field facility by June 30, 1991.

AVIATION FUND

**SEC. 16 AVIATION FUND - AERONAUTICS & PUBLIC TRANS.**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	276,548	348,654	348,654
FTE	8.00	9.00	9.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes (see Section 12.10 for detail of changes).



## ABSTRACT FEE FUND

**SEC. 19 USE TAX RECEIPTS - AIRPORT TERMINAL IMPROV.**EXPLANATION

This Section appropriates \$250,000, from use tax receipts, for terminal improvements at essential air service airports.

INTENT LANGUAGE

This Section contains language stating that the Department shall give preference to projects that will assist in maintaining and attracting air service. The Department shall provide funding for new projects, to terminals which have enplanements under 40,000 persons, to as many communities as possible.

**SEC. 35 ABSTRACT FEE INCREASE**CODE CITATION

This Section of the bill amends Section 321A.3(1), Code Supplement 1987, which increases the fee for a certified copy of a motor vehicle operator's record from four dollars to five dollars, and provides that the first \$950,000 collected from the fees be deposited into the Abstract Fee Fund, the remaining balance will be credited to the General Fund.

**SEC. 37 FEES FOR VIEWING OPERATORS RECORDS**CODE CITATION

This Section of the bill amends Section 321A.3, Code Supplement 1987, by adding Subsection 5, which establishes fees for viewing operator records at one dollar for each of the first five records and two dollars for each additional record viewed in one calendar day. It is projected that this new fee will generate \$711,000 in receipts.

**SEC. 40 ABSTRACT FEE FUND ESTABLISHED**CODE CITATION

This Section adds Section 321A.3A, Code of Iowa. This Section establishes the Abstract Fee Fund and provides that moneys remaining in the fund on June 30 of each fiscal year shall be applied to repay the loan in Section 9 of this Act, until the loan has been repaid in full.

## TRANSPORTATION. DEPARTMENT OF

**SEC. 12 PROVIDE MINUTES OF COMMISSION MEETINGS**INTENT LANGUAGE

This Section contains language stating that the minutes of the Transportation Commission meetings shall be provided to the Legislative Fiscal Bureau at no cost as a condition of the appropriations of all Subsections of Section 12.

**SEC. 18 RECEIPTS FROM SALES - TERMINAL IMPROVEMENTS**EXPLANATION

Funds are appropriated, from receipts of the sale of aircrafts which were replaced from an appropriation made in FY 1988, to the DOT for terminal improvements at essential air service airports. The receipts are approximately \$50,000.

INTENT LANGUAGE

This Section contains language stating that the Department shall give preference to projects that will assist in maintaining and attracting air service, and give priority to projects needing matching funds to receive federal moneys and have annual enplanements under 40,000 persons. The Department shall provide funding to as many communities as possible.

**SEC. 25 MAINTENANCE FACILITIES**CODE CITATION

This Section adds Section 307.39, Code of Iowa, requiring the Department to maintain county maintenance facilities in counties with a population in excess of 8,000.

**SEC. 26 COPIES OF CONSTRUCTION CONTRACTS**CODE CITATION

This Section adds Section 307.40, Code of Iowa, requiring the Department to provide copies of all construction or reconstruction contracts over \$5 million to the Legislative Fiscal Bureau.

**SEC. 27 MATERIALS AND EQUIPMENT FUND REPORT**

CODE CITATION

This Section amends Section 307.47, Code of Iowa, by adding a new Subsection requiring the Department, prior to each session, to present a purchase report to the Legislative Fiscal Bureau. The report shall cover all equipment and vehicle purchases during the proceeding fiscal year.

**SEC. 29 ELIMINATES RUT FUNDING FOR GREAT RIVER ROAD**

CODE CITATION

This Section repeals Section 312.2(10 & 11). Code Supplement 1987. These Subsections established the Great River Road Fund and provided that the Department administer these funds.

**SEC. 30 PUBLIC TRANSIT ASSISTANCE FUND**

CODE CITATION

This Section amends Section 312.2. Subsection 17. Code Supplement 1987, by clarifying that funds are appropriated from use tax receipts deposited into the Road Use Tax Fund and by changing the language regarding the amount credited to the Fund to conform to language passed in S.F. 2196, the gas tax bill.

**SEC. 31 ROAD USE TAX FUND - RECREATION TRAILS**

CODE CITATION

This Section adds Section 312.2A, Code of Iowa. Paragraph 1 appropriates \$50,000 for FY 1989. from any private moneys received by the State for recreational trails, to the Department of Transportation for land acquisition.

Paragraph 2 provides a \$100,000 standing appropriation from the Road Use Tax Fund for FY 1989.

**SEC. 32 DRIVETRAIN ASSFMILIES AND RELATED PARTS**

CODE CITATION

This Section amends Section 321.44. Code of Iowa, requiring the Department of Transportation to adopt rules governing the registration and titling of motor vehicles with respect to the substitution of engines, drivetrain assemblies or related parts.

**SEC. 33 CODE CLEANUP**

CODE CITATION

This Section amends Section 321.462, Code of Iowa. This Section edits out reference to Commissioner of Transportation.

**SEC. 34 CODE CLEANUP**

CODE CITATION

This Section amends Section 321A.2(1), Code of Iowa. by making technical corrections.

**SEC. 36 SHERIFF'S CHARGES**

CODE CITATION

This Section amends Section 321A.3(2), Code Supplement 1987, by increasing the fee a Sheriff must charge to provide an abstract of a motor vehicle operator's record from four to five dollars.

**SEC. 38 PAYMENTS BY CREDIT CARDS**

CODE CITATION

This Section amends Section 321A.3. Code Supplement 1987, by adding Subsection 6. This Subsection allows the director to accept credit cards as payment for copies of motor vehicle operator's records and to adopt rules to implement this Section.

**SEC. 39**      **ACCESS TO OPERATOR'S RECORDS**CODE CITATION

This Section amends Section 321A.3, Code Supplement 1987, by adding Subsection 7. This Subsection requires the Department to charge five dollars for all copies of abstracts of operator records regardless of the form in which they are provided.

**SEC. 41**      **PUBLIC TRANSIT LOAN REPAYMENT**EXPLANATION

This Section amends Chapter 198, Section 31, Acts of 1983, as amended by Chapter 1309, Section 9, Acts of 1984, extending the due date for payments on the remaining portion of a \$1 million loan for public transit assistance to June 30, 1994. A repayment schedule is also established.

**SEC. 44**      **SNIFFER WELLS**EXPLANATION

This Section amends Chapter 232, Section 10, Acts of 1987, by adding a new Subsection 6. This Subsection appropriates \$350,000 for sniffer wells to meet the requirements of the groundwater protection law and exempts this appropriation from reversion until June 30, 1989.

**SEC. 45**      **EXEMPTION FROM REVERSION - AIR TERMINALS**EXPLANATION

This Section amends Chapter 232, Section 11, Acts of 1987, by allowing funds appropriated for air terminal projects in FY 1988 not to revert until June 30, 1989.

**SEC. 46**      **NON REVERSION OF FUNDS - GARAGES**EXPLANATION

This Section amends Chapter 232, Section 15, Subsection 3, Acts of 1987, by extending the reversion date on moneys appropriated for field facilities for FY 1988 by two years to September 30, 1993.

**SEC. 47**      **TECHNICAL CORRECTION**EXPLANATION

This Section amends Chapter 232, Section 30, Acts of 1987, which amends Chapter 1246, Section 12, Acts of 1986, by inserting reference to a Subsection citation which specifies the Subsection which is exempted from reversion.

**SEC. 49**      **INFORMATION SYSTEM UPDATING**EXPLANATION

This Section amends the Chapter 233, Section 120, Acts of 1987, by adding Subsection 7, which provides a supplemental appropriation of \$400,000 for FY 1988 from the Road Use Tax Fund for information processing adjustments, and also exempts this appropriation from reversion until July 1, 1989.

**SEC. 50**      **DRIVERS OF COMMERCIAL VEHICLES**EXPLANATION

This Section amends S.F. 2070, Section 7, Acts of 1988, which amends Section 321.449, Code Supplement 1987, to exempt certain operators of intrastate commercial vehicles from operation and safety regulations.

**SEC. 51**      **TRANSPORTATION PROJECTS - ENVIRONMENTAL REQ**EXPLANATION

This Section of the bill repeals S.F. 2196, Section 8, Acts of 1988 (gas tax bill). That Section requires certain environmental protection features to be included in the design, construction and reconstruction of highway projects, including replacement of woodlands and wetlands which were removed. The Department of Transportation indicated the repealed requirements may conflict with federal guidelines.

**SEC. 54 PROGRAM EVALUATION - DOT MOTOR VEHICLE DIV.**

INTENT LANGUAGE

This Section contains language stating that the Legislative Fiscal Bureau shall conduct a program evaluation of the Department of Transportation Motor Vehicle Division's Motor Vehicle Enforcement Office and shall complete the report by December 1, 1988.

**SEC. 60 REPORTING REQUIRED**

INTENT LANGUAGE

This Section contains language stating that the Department of Transportation shall report to the Legislative Fiscal Bureau and the Legislative Fiscal Committee on planned expenditures and staff changes from appropriations provided in S.F. 2196, the gas tax bill. The Department will also include planned expenditures from funds generated by the gas tax increase in future long range plans.

**SEC. 61 EFFECTIVE DATES FOR CERTAIN SECTIONS**

INTENT LANGUAGE

This Section contains language stating that Sections 7, 43 and 45 of this Act take effect June 30, 1988.

**SEC. 62 EFFECTIVE DATES OF SECTIONS**

INTENT LANGUAGE

This Section contains language stating that Sections 28, 31, 35, 36, 37, 38, 39, 40, 42, 44, 47, 48, 49 and 60 take effect upon enactment.

**TREASURER OF STATE**

S. F. 2309

**SEC. 4 TARGETED SMALL BUSINESS-LINK DEPOSITS**

CODE CITATION

This Subsection amends Section 12.43(1,2), Code Supplement 1987, and requires participants in the Targeted Small Business Linked Deposit Program to be certified by the Department of Inspections and Appeals.

**SEC. 5 TARGETED SMALL BUSINESS-BOND WAIVERS**

CODE CITATION

This Subsection amends Section 12.44, unnumbered paragraphs 1 and 2, Code Supplement 1987, deletes references to the Department of Economic Development, and inserts references to the Department of Inspections and Appeals for providing performance bond waivers to targeted small businesses.

S. F. 2311

**SEC. 4 TREASURER OF STATE, OFFICE OF**

	FY 1988 <u>Approp.</u>	FY 1989 <u>Gov. Revised</u>	FV 1989 <u>Leg. Action</u>
\$	580.823	632.543	632.543
FTE	25.00	26.00	26.00

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Office of the Treasurer of State. The legislative action represents a 8.2% increase from FY 1988. Legislative action reflects the following differences from FY 1988:

- A. \$26,300 for an additional Investment Officer I position to aid in improving cashflow analysis techniques and investment research methods.
- B. \$9,800 to acquire computer hardware/software to access investment databases.

**SEC. 21 MONEYS AND CREDIT REPLACEMENT**

	FY 1988 <u>Approp.</u>	FY 1989 <u>Gov. Revised</u>	FY 1989 <u>Leg. Action</u>
\$	1,473,525	0	0

EXPLANATION

Funds are appropriated from the General Fund to the Moneys and Credit Replacement Fund established in Section **422.100, Code of Iowa**, to be used for payments to counties. The legislative action appropriates \$1,475,000 from the General Fund on a contingent basis, in the event the Governor's proposed Property Tax Replacement Program was not adopted by the 72nd General Assembly. Because the Governor's proposed Property Tax Replacement Program, House File 2457, was adopted by the 72nd General Assembly, and signed by the Governor, no funds for Monies and Credits Replacement were appropriated in this bill.

## OTHER PROVISIONS

S. F. 2312

SEC. 54.1 FY 1988 ENDING BALANCE APPROPRIATIONSINTENT LANGUAGE

This Subsection contains language stating that of the funds in the State treasury in excess of an FY 1988 ending balance of \$61,700,000, certain amounts are appropriated for FY 1989 in a priority order to the Board of Regents, the Department of Corrections, and the Department of General Services, and requires the conditions of the appropriation for the UNI power plant addition to be met prior to making appropriations in this Subsection. This Subsection is exempted from the restriction that the appropriations in this bill shall not be used for capital improvements.

SEC. 54.1A FIRE SAFETY APPROPRIATIONEXPLANATION

This Subsection appropriates \$1,000,000 to be allocated to the three State universities for fire and environmental safety deficiency corrections.

SEC. 54.1B COMMUNITY-BASED CORRECTIONS APPROPRIATIONEXPLANATION

This Subsection appropriates \$600,563 to be used by community-based corrections, and allocates amounts to each judicial district department of correctional services.

SEC. 54.1C DEPT. OF CORRECTIONS PLANNING APPROPRIATIONEXPLANATION

This Subsection appropriates \$700,000 to the Department of Corrections for planning, site selection, and solicitations of requests for proposals for juvenile detention centers and adult correctional facilities.

SEC. 54.1D DEPT. OF CORRECTIONS NONSPECIFIC APPROP.EXPLANATION

This Subsection appropriates \$1,300,000 to the Department of Corrections. The funds are to be retained by the Department of Revenue and Finance until the General Assembly enacts legislation that provides for the specific expenditure of the appropriation.

SEC. 54.1E DEPT. OF GEN. SERVICES - CAP. RESTORATIONEXPLANATION

This Subsection appropriates \$1,500,000 to the Department of General Services for capitol restoration.

SEC. 54.2 GOVERNOR CERTIFICATION OF BUDGET RESOURCESINTENT LANGUAGE

This Subsection contains language stating that moneys appropriated to the Board of Regents, Department of Corrections, and Department of General Services in Subsection 54.1 of this bill shall not be paid to or allocated by the particular agency until the Governor certifies to the Department of Revenue and Finance that the estimated budget resources during the fiscal year are sufficient to pay all other appropriations in full, including the appropriation for the UNI power plant addition and the appropriation in the applicable paragraph of Subsection 54.1.

SEC. 54.3 ENDING BALANCE NONREVERSION CLAUSEINTENT LANGUAGE

This Subsection notwithstanding Section 0.33, Code of Iowa, allowing the appropriations in Subsection 54.1 of this bill, except the appropriation for community-based corrections, not to revert for FY 1989 until September 30, 1991.

SEC. 55 DEPARTMENT OF CORRECTIONS LOTTERY APPROP.

EXPLANATION

This Section appropriates \$1,000,284 from lottery proceeds, \$300,284 to be allocated to the eight judicial district departments of correctional services for support of community based corrections, and \$700,000 is appropriated for planning, site selection, and solicitation of requests for proposals for juvenile detention centers and adult correctional facilities.

INTENT LANGUAGE

This Section contains intent language stating that, if the General Fund ending balance for FV 1988 is not sufficient and the Governor does not certify to the Department of Revenue and Finance an appropriation under Subsection 54.1. paragraphs b and c of this bill, the treasurer shall transfer to the Department of Corrections the appropriation in this Section. The appropriation shall come from the Iowa Plan Fund prior to making any allotments pursuant to Section 99E.32(1), Code Supplement 1987, for FV 1989.

MISCELLANEOUS

S. F. 2314

SEC. 53 ALL STATE AGENCIES-MONEYS FOR NEW PROGRAMS

INTENT LANGUAGE

This Section contains language stating that moneys appropriated for new programs in all state agencies can only be spent for those new programs.

GOVERNOR'S VETO

The Governor vetoed this Section using the rationale that in the event of a budget shortfall this Section would have limited the ability of the Governor to transfer funds as necessary.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 56 PURCHASES OF \$25,000 OR MORE

INTENT LANGUAGE

This Section contains language stating that the Departments of Transportation. Public Safety. Public Defense, and the Iowa Law Enforcement Academy shall report purchases of \$25,000 or more, which do not have specific prior authority from the General Assembly to the Legislative Fiscal Bureau, members of the appropriate joint appropriations subcommittee. and the Department of Management.

H. F. 2443

SEC. 12 FTE DEFINITION

INTENT LANGUAGE

This Section contains language stating that, in order to achieve full-time equivalent position levels, the number of filled positions may exceed the number of full-time equivalent positions during parts of the fiscal year to compensate for time periods when the number of filled positions is below the number of full-time equivalent positions in the Department of Corrections, the Department of Justice, the Judicial Branch. and the Parole Board. For purposes of this Section. a full-time equivalent position equals 2080 hours in one fiscal year.

## FEE INCREASE SUMMARY

<u>SUBCOMMITTEE</u>	<u>ESTIMATED REVENUE</u>	<u>FUND</u>
Administration	\$ 731.330	General Fund
Agriculture & Natural Resources	285.148	General Fund
Health & Human Rights	391.500 50.000	General Fund Deaf Interpretation Fund
Justice System	1,574,460	General Fund
Regulation	162.500 736,000 90,000	General Fund Professional Licensing Revolving Fund Insurance Revolving Fund
Transportation	536.000 950,000	General Fund Abstract Fee Fund

TOTAL GENERAL FUND: **\$ 3,680,946**TOTAL OTHER FUNDS: **\$ 1,826,000**

<u>DEPARTMENT</u>	<u>ESTIMATED REVENUE</u>	<u>FUND</u>	<u>BILL NUMBER</u>	<u>EXPLANATION</u>
<u>Secretary of State</u>				
Uniform Commercial Code filing fee	3 225.492	General Fund	S.F. 2311	Increase from \$4 to \$5 Code of Iowa)
Notary Public	194.550	General Fund	S.F. 2311	Increase from \$15 for 3 years to 330 for 3 years (Code)
Lien Searches	53,553	General Fund	S.F. 2311	Increase from \$4 to \$5 Code)
Verified Lien Statements	229	General Fund	S.F. 2311	Increase from \$4 to \$5 Standard Increase from \$5 to \$6 - non-standard
Federal tax Liens	1,564	General Fund	S.F. 2311	Increase form \$5 to \$6 (Code)
Corporate Annual Report Filing Fee	255.950	General Fund	S.F. 2311	Increase minimum from \$15 to \$20 and adjust scale upward by \$5 (Fee is based on stated capital - Code) .
<b>TOTAL ADMINISTRATION:</b>	<b>\$ 731,338</b>	General Fund		

FEE INCREASE SUMMARY

<u>DEPARTMENT</u>	<u>ESTIMATED REVENUE</u>	<u>FUND</u>	<u>BILL NUMBER</u>	<u>EXPLANATION</u>
<b>AGRICULTURE &amp; LAND STEWARDSHIP</b>				
-----				
FARM COMMODITY DIVISION				
Livestock Market Summary.	\$ 6,325	General Fund	H.F. 2440	Increase from \$5 to \$10 (Set by Division)
Sheep Clippings	2,400	General Fund	H.F. 2440	Increase from \$2 to \$4 (Set by Division)
SOIL CONSERVATION DIVISION				
Coal mine Permits	3,600	General Fund	H.F. 2440	Increase from \$5 to \$15 per acre (Set by Division)
REGULATORY DIVISION				
Private Pounds	1,035	General Fund	H.F. 2440	Increase from \$ 0 to \$ 15 (Code)
Pet Shop License	1,980	General Fund	H.F. 2440	Increase from \$40 to \$ 50 (Code)
Commercial Kennels	5,760	General Fund	H.F. 2440	Increase from \$25 to \$ 40 (Code)
Public Auction	15	General Fund	H.F. 2440	Increase from \$25 to \$ 40 (Code)
Dealer License	4,500	General Fund	H.F. 2440	Increase from \$50 to \$100 (Code)
Commercial Breeders	10,080	General Fund	H.F. 2440	Increase from \$25 to \$ 40 (Code)
Registration of Federal Licensees	6,540	General Fund	H.F. 2440	Increase from \$ 5 to \$ 20 (Code)
Boarding Kennels	2,025	General Fund	H.F. 2440	Increase from \$15 to \$ 30 (Code)
Gas Pumps	51,762	General Fund	H.F. 2440	Increase from \$ 2 to \$ 6 (Code)
Refined Fuel Truck Meters	12,676	General Fund	H.F. 2440	Increase from \$ 2 to \$ 6 (Code)
Railroad Track Scales	44,895	General Fund	H.F. 2440	Increase from \$50 to \$ 65 (Code)
Liquid Petroleum Meters	52,625	General Fund	H.F. 2440	Increase from \$10 to \$ 35 (Code)
LABORATORY DIVISION				
Nursery Stock Growers Fee	15,800	General Fund	H.F. 2440	Increase from \$15 per firm + \$1 per acre to \$25 per firm + \$5 per acre (Code)
Nursery Stock Dealer's License	8,530	General Fund	H.F. 2440	Increase from \$15 to \$ 25 (Code)
Seed Permit	54,600	General Fund	H.F. 2440	Increase minimum from \$10 to \$30 and adjust scale upward by \$20 to a maximum of \$1,500. (Code)
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<b>TOTAL AGRICULTURE:</b>	<b>\$ 285,148</b>	General Fund		



## FEE INCREASE SUMMARY

<u>DEPARTMENT</u>	<u>ESTIMATED REVENUE</u>	<u>FUND</u>	<u>BILL NUMBER</u>	<u>EXPLANATION</u>
<u>DEPARTMENT OF HUMAN RIGHTS</u>				
Deaf Services	\$ 50,000	Deaf Interpreta- tion Fund	S.F. 2310	Fees collected for a new Deaf Interpreta- tion Services Fund
<u>DEPARTMENT OF PUBLIC HEALTH</u>				
Dental Examiners	\$ D	General Fund	-----	Two year total: <b>\$380,930</b> ; Increased by Rule
Nursing Examiners	64,500	General Fund	-----	Increased by Rule; not in a bill
Pharmacy Examiners	24,000	General Fund	-----	Increased by Rule; not in a bill
Professional Licensing				
-- Barbers	3,000	General Fund	-----	Two year total: \$6,000: Proposed Rule Change
-- Cosmetology	100,000	General Fund		Proposed rule Change: not in a bill
<b>TOTAL HEALTH &amp; HUMAN RIGHTS:</b>	<b>\$ 391,500 50,000</b>	General Fund Deaf Interpretation Fund		
	<b>\$ 441,500</b>			
<u>JUDICIAL DEPARTMENT</u>				
Filing fee for petitions, appeals, small claims, and probate fees	\$1,574,460	General Fund	H.F. 2428	Increases filing fee from \$35 to \$45 for a petition, appeal, and writ of error. Also increases the small claims docket fee from \$11 to \$15 and increases various probate fees. Reduces the present court costs from \$8 to \$5 in cases of parking viola- tions more than one year old and are dismissed by the city by January 1, 1989.
<b>TOTAL JUDICIAL:</b>	<b>\$1,574,460</b>	General Fund		
<u>DEPARTMENT OF INSPECTIONS AND APPEALS</u>				
Bingo License Fee	\$ 37,000	General Fund	H.F. 2444	Increases Fee from \$100 to \$150 (Code)
Concession License Fee	21,000	General Fund	H.F. 2444	Increases Fee from \$ 15 to \$ 50 (Code)
Social Gambling License	61,000	General Fund	H.F. 2444	Increases Fee from \$100 to \$150 (Code)
Food Service License Fee	21,000	General Fund	H.F. 2444	Eliminates 50% reduction in License Fee (Code)
Barber/Beauty Shop Fee	98,500	General Fund	H.F. 2444	Increases Fee from \$ 25 to \$ 30
<u>DEPARTMENT OF EMPLOYMENT SERVICES</u>				
Industrial Service Division				
Workers Compensation	\$ 150,000	General Fund	H.F. 2444	Filing Fee for Administrative Hearings

FEE INCREASE SUMMARY

<u>DEPARTMENT</u>	<u>ESTIMATED REVENUE</u>	<u>FUND</u>	<u>BILL NUMBER</u>	<u>EXPLANATION</u>
<u>DEPARTMENT OF COMMERCE</u>				
Insurance Agent License	\$ 310,000 90,000	General Fund Insurance Revolving Fund	H.F. 2444	Increases license fee by 36.70 annually
Professional Licensing	(736,000 736,000)	General Fund Professional Licensing Revolving	H.F. 2444	Transfers money from the General Fund to the new Professional Licensing Revolving Trust Fund
Securities Brokers	200,000	General Fund	H.F. 2444	Increases Broker Fees from \$20 to \$30
<b>TOTAL REGULATION:</b>	<b>\$ 162,500 826,000</b>	General Fund Other Funds		
	<b>\$ 988,500</b>			
<u>DEPARTMENT OF TRANSPORTATION</u>				
Abstract Fee Fund	\$ 536,000 950,000	General Fund Abstract Fee Fund	S.F. 2314	Fees are raised from \$4 to \$5 (Code). generates and additional \$1,486,000 above last year for a total of \$4,586,999. The first \$950,000 goes into the Abstract Fee Fund and \$536,000 of the new revenue goes into the General Fund. The remaining balance (\$3,100,999) is transferred to the General Fund.
<b>TOTAL TRANSPORTATION:</b>	<b>\$ 1,486,000</b>			

MISCELLANEOUS FEE INCREASES

TOTAL GENERAL FUND: \$ 12,500

TOTAL OTHER FUNDS: \$ 11,715,445

<u>FEES</u>	<u>ESTIMATED REVENUE</u>	<u>FUND</u>	<u>BILL NUMBER</u>	<u>EXPLANATION</u>
Milk Fund Fees	\$ (64,555)	Milk Fund	H.F. 2471	Maximum annual fee of \$1,000 on milk plants: \$200 on transfer stations; \$25 on milk haulers and graders. Maximum inspection fee on purchases of milk from producers of 1.5 cents per hundredweight for Grade "A" milk, 0.5 cents per hundredweight for Grade "B" milk. Grade "A" fees were lowered, and Grade "B" fees are new fees. The new Grade "B" fees are not enough to offset the tower Grade "A" fees, therefore there is a loss of revenue.
Specialty Fertilizer Fees	8 24,000	Fertilizer Trust Fund	S.F. 2250	Changes the annual inspection fee from \$50 to \$30, and exempts those who sell less than 4,000 pounds from paying the fee. This will increase revenue by increasing compliance with the law. Additional staff costs to deal with the increase in applicators will likely offset any revenue increase.
Interest from Groundwater Accounts	\$ (80,000) 80,000	General Fund Groundwater Accounts	S.F. 2250	Interest generated by the Groundwater Accounts currently is deposited into the General Fund. This retains the interest in the Accounts, thus increasing the Accounts and reducing the General Fund.
Household Hazardous Materials permits	\$ 175,000	Household Hazardous Waste Account	S.F. 2250	Changes the permit fee for the sale of household hazardous materials from a sliding scale. from \$10 to \$100 based on dollar amount of sales, to a \$25 fee for all sellers.
Pesticide Applicator Certification Fee	\$ (20,000)	Pesticide Trust Fund	S.F. 2055	Changes the certification fee for public and commercial applicators from 825 to 830 per year. Public applicators fee is changed from \$5 to \$10. Public applicators are exempt from the \$30 fee. Definition of a "public applicator" has been broadened, thus more applicators qualify for the exemption and there is a corresponding loss of revenue.

MISCELLANEOUS FEE INCREASES

<u>FEE</u>	<u>ESTIMATED REVENUE</u>	<u>FUND</u>	<u>BILL NUMBER</u>	<u>EXPLANATION</u>
Hazardous Waste Fees	\$ 111.000	Hazardous Waste Remedial Fund	S.F. 2313	\$250 fee for those generating 1,000 kilograms per month + of hazardous waste: \$25 fee for those generating less: \$25 fee on hazardous waste transportation: \$25 fee on facilities that treat, store, or dispose of hazardous waste.
Contractors Registration	\$ 92.500	General Fund	S.F. 2318	Registration fee not to exceed \$25 is placed upon contractors. \$50,000 is to be used by Labor Services, for administrative expenses with the balance going to the General Fund.
Pipeline Inspection Fee	\$ 35.000	Utilities Board	S.F. 2205	Changes the pipeline inspection fee from \$0.25 to \$0.50 per mile of pipeline for each inch of diameter of pipeline located in the State.
Truck Fees Increase (Part of the Gas Tax Bill)	\$ 7,000,000	Road Use Tax Fund	S.F. 2196	Registration fees for trucks up to 14 tons were raised by \$20 per year, except the fee for certain trucks more than 13 model years old is increased by \$10, and for a vehicle more than 15 model years old. the fee is not changed.
Salvage Theft Examination	\$ 300.000	\$200.000 to agency performing the examination, \$50.000 to Department of Transportation, \$50.000 to Iowa Law Enforcement Academy	S.F. 2285	Owner of a salvaged vehicle will pay a \$30 fee for a salvage theft examination as performed by a peace officer.
Component Parts Review	\$ 175.000	Does not specify where it will go, could be to General Fund or to agency doing review.	S.F. 2285	A \$35 fee for a component parts review as conducted by a peace officer. The review shall be conducted in accordance with rules adopted by the Department of Transportation
€911 Service Surcharge Imposition	\$ 3,900,000	E911 Service Fund	S.F. 2400	A surcharge of 8.025 per month, per access line on each access line subscriber shall be imposed. It is estimated that there will be 1.3 million access lines.

## FUND TRANSFER SUMMARY

TOTAL GENERAL FUND: \$ 11,200,999

<u>DEPARTMENT</u>	<u>ESTIMATED REVENUE</u>	<u>FUND</u>	<u>BILL NUMBER</u>	<u>EXPLANATION</u>
<u>Department of General Services</u>				
Telephone Revolving Fund Balance	\$ 350,000	General Fund	S.F. 2311	Transfer from Revolving Fund to General Fund only if the estimate for FY 1989 by the Revenue Estimating Conference as of December 15, 1988 is less than \$2,740,000.
Centralized Purchasing Revolving Fund Balance	53,000	General Fund	S.F. 2311	Transfer from Revolving Fund to General Fund
Centralized Printing Revolving Fund Balance	47,000	General Fund	S.F. 2311	Transfer from Revolving Fund to General Fund
<u>Department of Personnel</u>				
Iowa Management Training System Fund Balance	8 150,000	General Fund	S.F. 231	Transfer from Revolving Fund to General Fund. Any balance above 850,000 shall revert to the General Fund beginning on June 30, 1988.
<u>Department of Revenue &amp; Finance</u>				
Franchise Tax Balance	8 5,700,000	General Fund	H.F. 2473	Transfers Fund balance to General Fund
Military Tax Credit	1,700,000	General Fund	H.F. 2473	Transfers Fund balance to General Fund
TOTAL ADMINISTRATION:	8 8,000,000	General Fund		
<u>Department of Commerce</u>				
Professional Licensing Trust Fund	\$ 100,000	General Fund	H.F. 2444	Repayment of the General Fund startup appropriated for the Professional Licensing Trust Fund
TOTAL REGULATION:	\$ 100,000	General Fund		
<u>Department of Transportation</u>				
Abstract Fee Fund	\$ 3,100,999	General Fund	S.F. 2314	Transfers Fund balance to General Fund
TOTAL TRANSPORTATION:	8 3,100,999	General Fund		

\*\*\*\* LIST DOES NOT INCLUDE THESE FUND BALANCES

\$5,300,000 10% Liquor Profit Balance  
\$1,445,000 Miscellaneous Fund Balances

MISCELLANEOUS APPROPRIATIONS SUMMARY

<u>SUBJECT</u>	<u>BILL NUMBER</u>	<u>PAGE</u>
College Aid	S.F. 2037	182
Community Rural Development Program	S.F. 2092	182
Salary Adjustment - Statutory	S.F. 2321	184
Salary Adjustment - Appropriation	S.F. 2322	190
Block Grant Bill	S.F. 2323	196
Lottery Bill	S.F. 2328	201
Bill of Rights - Case Management	S.F. 2330	211
Attorney General/ DED Legal Council	S.F. 2344	212
Human Services Supplemental	H.F. 2082	212
Child Support Clearinghouse	H.F. 2452	216
Human Services Statutory	H.F. 2456	219
Lease/Purchase	H.F. 2464	222
Petroleum Overcharge	H.F. 2469	224

The table below lists the changes which were made to the Code of Iowa in Miscellaneous appropriation bills passed by the General Assembly.

<u>Bill Number</u>	<u>Section</u>	<u>Action</u>	<u>Code Citation</u>	<u>Page</u>
S.F. 2037	1	Amends	Sec. 261.2(4)	182
S.F. 2037	2	Amends	Supp. Sec. 261.25(2)	182
S.F. 2037	4	Amends	Supp. Sec 261.63	182
S.F. 2037	5	Repeals	Sec. 261.62	182
S.F. 2037	6	Repeals	Supp. Sec. 261.63	182
S.F. 2037	7	Repeals	Sec. 261.61	182
S.F. 2037	3	Amends	Sec. 261.61	182
S.F. 2092	1 - 3	New Section	Sec. 15.281 - 283	182
S.F. 2092	4 - 6	New Section	Sec. 15.284 - 286	183
S.F. 2092	7 - 8	New Section	Sec. 15.287 - 288	183
S.F. 2092	9	Amends	Sec. 98.35	183
S.F. 2092	10 - 13	New Section	Sec. 4558.291 - 294	183
S.F. 2092	14 - 15	New Section	Sec. 4558.295 - 296	183
S.F. 2092	16 - 18	New Section	Sec. 4550.297 - 299	183
S.F. 2092	19 - 22	New Section	Sec. 220.131 - 133	183
S.F. 2092	23	New Section	Sec. 220.134	184
S.F. 2321	12	Amends	Supp. Sec. 2.10(2)	188
S.F. 2321	13	Amends	Supp. Sec 2.10(2)	188
S.F. 2321	14	Amends	Sec. 2.40	188
S.F. 2321	15	Amends	Supp. Sec. 79.20(2)	189
S.F. 2321	16	Amends	Sec. 79.20(4)	189
S.F. 2321	17	Amends	Sec. 99D.5(4)	189
S.F. 2321	18	Amends	Sec. 337.752(4)	189
S.F. 2321	19	Amends	Sec. 331.757(2)	189
S.F. 2328	1b	Amends	Supp. Sec. 99E.9(3b)	201
S.F. 2328	1o	Amends	Supp. Sec. 99E.9(3o)	201
S.F. 2328	2a	Amends	Supp. Sec. 99E.10(1a)	201
S.F. 2328	3a	Amends	Supp. Sec. 99E.32(1a)	202
S.F. 2328	3b	Amends	Supp. Sec. 99E.32(1b)	202
S.F. 2328	4	New Section	Supp. Sec. 99E.32(2i)	202
S.F. 2328	5a	Amends	Supp. Sec. 99E.32(3a)	202
S.F. 2328	5b	Amends	Supp. Sec. 99E.32(3b)	202
S.F. 2328	5c	Amends	Supp. Sec. 99E.32(3c)	203
S.F. 2328	5d	Amends	Supp. Sec. 99E.32(3d)	203
S.F. 2328	5d1	Amends	Supp. Sec. 99E.32(3d)1	203
S.F. 2328	5d2	Amends	Supp. Sec. 99E.32(3d)2	203
S.F. 2328	5d3	Amends	Supp. Sec. 99E.32(3d)3	203
S.F. 2328	5d4	Amends	Supp. Sec. 99E.32(3d)4	203
S.F. 2328	5d5	Amends	Supp. Sec. 99E.32(3d)5	204
S.F. 2328	5d6	New Section	Supp. Sec. 99E.32(3d)6	204
S.F. 2328	5d7	New Section	Supp. Sec. 99E.32(3d)7	204
S.F. 2328	5g	Amends	Supp. Sec. 99E.32(3g)	204
S.F. 2328	5h	Amends	Supp. Sec. 99E.32(3h)	205
S.F. 2328	5i	Amends	Supp. Sec. 99E.32(3i)	205
S.F. 2328	5k	New Section	Supp. Sec. 99E.32(3k)	205
S.F. 2328	5l	New Section	Supp. Sec. 99E.32(3l)	205
S.F. 2328	5m1	New Section	Supp. Sec. 99E.32(3m)1	206
S.F. 2328	5m2	New Section	Supp. Sec. 99E.32(3m)2	206
S.F. 2328	5m3	New Section	Supp. Sec. 99E.32(3m)3	206

<u>Bill Number</u>	<u>Section</u>	<u>Action</u>	<u>Code Citation</u>	<u>Page</u>
S.F. 2328	5n1	New Section	Supp. Sec. 99E.32(3n)1	206
S.F. 2328	5n2	New Section	Supp. Sec. 99E.32(3n)2	206
S.F. 2328	5n3	New Section	Supp. Sec. 99E.32(3n)3	206
S.F. 2328	50	New Section	Supp. Sec. 99E.32(3o)	207
S.F. 2328	5P	New Section	Supp. Sec. 99E.32(3p)	207
S.F. 2328	5q	New Section	Supp. Sec. 99E.32(3q)	207
S.F. 2328	6b	Amends	Supp. Sec. 99E.32(4b)	207
S.F. 2328	6c	Amends	Supp. Sec. 99E.32(4c)	208
S.F. 2328	6d	Amends	Supp. Sec. 99E.32(4d)	208
S.F. 2328	6e	Amends	Supp. Sec. 99E.32(4e)	208
S.F. 2328	7a	Amends	Supp. Sec. 99E.32(5a)	208
S.F. 2328	7b	Amends	Supp. Sec. 99E.32(5b)	208
S.F. 2328	7c	Amends	Supp. Sec. 99E.32(5c)	208
S.F. 2328	7i	Amends	Supp. Sec. 99E.32(5i)	209
S.F. 2328	7j	Amends	Supp. Sec. 99E.32(5j)	209
S.F. 2328	8m	New Section	Supp. Sec. 99E.32(5m)	209
S.F. 2328	8n	New Section	Supp. Sec. 99E.32(5n)	209
S.F. 2328	80	New Section	Supp. Sec. 99E.32(5o)	210
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S.F. 2328	10	New Section	Sec. 2620.2	210
S.F. 2328	11	New Section	Sec. 2628.3	210
S.F. 2328	12.1	New Section	Sec. 262B.4(1)	210
S.F. 2328	12.2	New Section	Sec. 262B.4(2)	210
S.F. 2328	13	New Section	Sec. 2628.5	210
S.F. 2330	1	Amends	Sec. 225C.6(1)	211
S.F. 2330	2	Amends	Sec. 225C.18(1)	211
S.F. 2330	3	Amends	Sec. 225C.18(2)	211
S.F. 2330	4	Amends	Sec. 225C.18(2)a	211
S.F. 2330	5	Amends	Sec. 225C.18(2)	211
S.F. 2330	6	New Section	Sec. 225C.18A	211
S.F. 2330	7	New Section	Sec. 225C.18B	211
S.F. 2330	8	New Section	Sec. 225C.32	212
H.F. 2452	1	Amends	Supp. Sec. 252B.13(1)	216
H.F. 2452	2	Amends	Supp. Sec. 252B.14	216
H.F. 2452	3	Amends	Supp. Sec. 2528.14	216
H.F. 2452	4	Amends	Supp. Sec. 2520.1	217
H.F. 2452	5	Amends	Supp. Sec. 252D.6	217
H.F. 2452	6	Amends	Supp. Sec. 598.22(1)	217
H.F. 2452	7	Amends	Supp. Sec. 598.22(3)	217
H.F. 2452	8	Amends	Supp. Sec. 598.22(5)	217
H.F. 2452	9	Amends	Supp. Sec. 598.23(2a)	217
H.F. 2452	12	Repeals	Supp. Sec. 252B.15	218
H.F. 2452	14	Repeals	Supp. Sec. 2528.13	218
H.F. 2456	1	Amends	Sec. 1358.9	219
H.F. 2456	2	Amends	Sec. 1350.12	220
H.F. 2456	3	Amends	Supp. Sec. 135C.2(4)	220
H.F. 2456	4	Amends	Sec. 217.20	220
H.F. 2456	5	Amends	Sec. 218.78(1)	220
H.F. 2456	6	Amends	Sec. 222.73(2)	220
H.F. 2456	7	Amends	Sec. 225C.10(2a)1	220
H.F. 2456	8	Amends	Sec. 225C.10(3)	220
H.F. 2456	9	Amends	Supp. Sec. 230.20(1a)	220
H.F. 2456	10	New Section	Sec. 232.21(2)	220
H.F. 2456	11	New Section	Sec. 232.21	221
H.F. 2456	12	Amends	Sec. 232.52(2d)3	221
H.F. 2456	13	New Section	Sec. 232.52	221
H.F. 2456	14	New Section	Supp. Sec. 232.102(6)	221
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H.F. 2456	17	New Section	Sec. 249A.17	221
H.F. 2456	18	New Section	Sec. 249C.18	221
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The table below lists the bill sections which were passed by the General Assembly and vetoed by the Governor.

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## COLLEGE AID COMMISSION

S. F. 2037

**SEC. 1** ADMINISTRATION OF SCHOLARSHIP PROGRAMCODE CITATION

This Section amends Section 261.2(4), Code of Iowa, by defining eligibility requirements for a State of Iowa Scholarship. This Section changes the program from one which provided monetary awards only to those recipients who demonstrated financial need to one which provides monetary awards to all recipients in their first year of eligibility based upon academic achievement and completion of advanced level courses prescribed by the Commission. Continuation of the scholarship in subsequent years is based upon financial need and maintenance of a cumulative grade point average of 3.0 on a 4.0 scale.

**SEC. 2** SCHOLARSHIP PROGRAM—STANDING

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
3	399,600	750,000	750,000

CODE CITATION

This Section amends Section 261.25(2), Code Supplement 1987, increasing the standing limited appropriation for the State of Iowa Scholarship Program.

**SEC. 4** SUPPLEMENTAL GRANT PROGRAM - STANDING

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
3	799,200	450,000	450,000

CODE CITATION

This Section amends Section 261.63, Code Supplement 1987, by decreasing the standing limited appropriation for the Supplemental Grant Program.

**SEC. 5** REPEAL OF SUPPLEMENTAL GRANT PROGRAMCODE CITATION

This Section repeals Section 261.62, Code of Iowa, effective July 1, 1989, in order to phase out the Supplemental Grant Program.

**SEC. 6** REPEAL OF SUPPLEMENTAL GRANT APPROPRIATIONCODE CITATION

This Section repeals Section 261.63, Code Supplement 1987, effective July 1, 1989, in order to phase out the Supplemental Grant Program.

**SEC. 7** REPEAL OF SUPPLEMENTAL GRANT ELIGIBILITYCODE CITATION

This Section repeals Section 261.61, Code of Iowa, effective July 1, 1989, in order to phase out the Supplemental Grant Program.

**SEC. 3** SUPPLEMENTAL GRANT REQUIREMENTSCODE CITATION

This Section amends Section 261.61, Code of Iowa, by adding a requirement that a recipient of a state scholarship is not eligible to receive a supplemental grant.

## ECONOMIC DEVELOPMENT. DEPARTMENT OF

S. F. 2092

**SEC. 1 - 3** COMM. RURAL DVLP LOAN PROGRAM—PURPOSESCODE CITATION

These Sections amend Section 15, Code of Iowa, and create Subsections 281, 282, and 283, which state the purpose, guidelines, and funding allocations for the Community and Rural Development Loan Program.

SEC. 4 - 6      COMM RURAL DVLP LOAN-PRGM-INFRASTRUCTURES

CODE CITATION

These Sections amend Section 15, Code Of Iowa, by creating Subsections 284, 285, and 286, which defines the three types of infrastructure eligible under the Community and Rural Development Loan Program. The three types are Traditional Infrastructure, New Infrastructure, and Housing.

SEC. 7 - 8      COMM RURAL DVLP LOAN FUND-REVOLVING FUND

CODE CITATION

These Sections amend Section 15, Code of Iowa, by creating Subsections 287 and 288, which establish a revolving fund for deposits of State appropriations and funding for infrastructure loans.

SEC. 9            COMM RURAL DVLP LOAN PRGM-STATE FUNDING

CODE CITATION

This Section amends Section 98.35, Code of Iowa, and requires 30.015 of cigarette tax, not exceeding \$4,000,000 in total revenues, to be deposited in the revolving fund created in Section 7 of this Act; only if no other State appropriation is deposited in the revolving fund. If the State appropriation is less than 34,000,000. then the balance between \$4,000,000 and the State appropriation shall be allocated from the cigarette tax revenues and deposited into the fund.

GOVERNOR'S VETO

The Governor vetoed this Section using the rationale that General Funds dollars should not be used for debt service of bonds issued for the Community and Rural Development Program.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund. \$4,650,000 from lottery proceeds was appropriated to this revolving fund. so the General Fund appropriation authorized by this Section would not have occurred.

SEC. 10 - 13      SEWAGE TREATMENT FINANCING-PURPOSES

CODE CITATION

These Sections amend Section 4558, Code of Iowa, by creating Subsections 291, 292, 293, and 294, by providing definitions for the Sewage Treatment Works Financing Program, containing legislative findings, and establishing the Program. The Program shall be a joint undertaking of the Iowa Finance Authority and the Department of Natural Resources.

SEC. 14 - 15      SEWAGE TREATMENT FINANCING PRGM-FUNDS

CODE CITATION

These Sections amend Section 455B, Code of Iowa, by creating Subsections 295 and 296, and establishing two funds, a revolving loan fund and an administration fund, to provide loans for the financing of sewage treatment facilities and to provide for the administration of the program. Federal funds allocated to the state in accordance with the Federal Clean Water Act shall be deposited in the revolving loan fund.

OTHER PROVISIONS

S. F. 2092

SEC. 16 - 18      SEWAGE TREATMENT FINANCING-PROGRAM DUTIES

CODE CITATION

These Sections amend Section 455B, Code of Iowa, by creating Subsections 297, 298, and 299, which contain the program duties for the Director of the Department of Natural Resources.

ECONOMIC DEVELOPMENT. DEPARTMENT OF

S. F. 2092

SEC. 19 - 22      SEWAGE TREATMENT FINANCING-BONDING

CODE CITATION

These Sections amend Section 220, Code of Iowa, by creating Subsections 131, 132, and 133, which contain the bonding functions of the Iowa Finance Authority concerning the Sewage Treatment Works Financing Program. In addition, these Sections delete Section 220.100(7), Code of Iowa, and eliminate the July 1, 1989 repeal provision concerning the Housing Trust Fund Program.

**SEC. 23      SEWAGE TREATMENT FINANCING--BONDING**CODE CITATION

This Section amends Section 220, Code of Iowa, by creating Subsection 134, and authorizes the Iowa Finance Authority to issue up to \$15 million in bonds of which the proceeds shall be used for funding the Community and Rural Development Loan Program.

GOVERNOR'S VETO

The Governor vetoed this Section based on the rationale that the bond issue would result in excessive and costly debt service for the State.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund inasmuch as this Section simply authorized bonding and made no appropriation for servicing the bonds.

**SEC. 24 - 25      ENACTMENT OF LEGISLATION**EXPLANATION

These Sections state that the Community and Rural Development Loan Program shall become effective July 1, 1988 and the Sewage Treatment Works Financing Program becomes effective upon enactment.

**SALARY ADJUSTMENT STATUTORY BILL**

S. F. 2321

**SEC. 1.1      EFFECTIVE DATES**INTENT LANGUAGE

This Subsection contains language stating that the salary rates specified in this Section are effective for FV 1989 and subsequent fiscal years unless otherwise provided by the General Assembly. Salaries provided for in this Section shall be paid from funds appropriated to the Department or Agency specified in the Act, or if the appropriation is not sufficient, from the Salary Adjustment Fund.

**SEC. 1.2      SALARIES OF ELECTED OFFICIALS**EXPLANATION

Subsections (a) thru (e) make the following changes in elected officials salaries:

	<u>Current</u>	<u>S.F. 2321</u>
	-----	-----
Secretary of Agriculture	\$50,000	\$53,000
Attorney General	62,500	66,250
Auditor of State	50,000	53,000
Secretary of State	50,000	53,000
Treasurer	50,000	53,000

The recommended increases are 6% **above** the current salary.

**SEC. 2.1      EFFECTIVE DATES**INTENT LANGUAGE

This Subsection contains language stating that salary rates specified in this Section are effective for FV 1989 and are effective for subsequent fiscal years until otherwise provided by the General Assembly. Salaries provided for in this Section shall be paid from funds appropriated to the Department or Agency specified in this Section or, if the appropriation is not sufficient, from the Salary Adjustment Fund.

**SEC. 2.2      SALARIES OF JUDGES AND MAGISTRATES**EXPLANATION

Subsections (a) thru (h) make the following changes in judges salaries:

	<u>Current</u>	<u>S.F. 2321</u>
	-----	-----
Supreme Court - Chief Justice	870.900	\$75.900
- Justices (8)	65,200	72,900
Appeals Court - Chief Justice	63,300	72,000
- Justices (5)	61,900	69,000
District Court - Chief Justice (8)	60,500	69,000
- Justices (100)	57,800	66,000
- Associates (42)	48,000	56,800
Magistrates (155)	13,400	15,000

**SEC. 3 PROHIBITION-ADDITIONAL SALARY ADJUSTMENTS**

INTENT LANGUAGE

This Section contains language stating that persons receiving the salary rates established in Sections 1 and 2 shall not receive any additional salary adjustments provided by this Act.

**SEC. 4 SALARIES OF NONELECTED APPOINTED PERSONS**

INTENT LANGUAGE

This Section contains language stating that the Governor shall establish a salary for appointed, nonelected persons in the Executive Branch holding a position enumerated in Section 5 within the range provided by considering, among other items:

- A. the experience of the individual.
- B. the changes in the duties of the position,
- C. the incumbent's performance of assigned duties,
- D. subordinates' salaries,
- E. employee benefits which may be provided including, but not limited to, housing.

This Section also states that a person whose salary is established by Section 5 of this Act and who is a full-time employee of the State shall not receive any other remuneration from the State or any other source for the performance of that person's duties, unless it is first approved by the Governor or authorized by law.

The Attorney General shall establish the salary for the Consumer Advocate within the salary range provided in Section 5 of this Act (salary range 5).

**SEC. 5 SALARY RANGES AND ASSIGNMENTS**

EXPLANATION

Subsection 1 of this Section establishes the salary ranges for nonelected, appointed persons and states that they are effective beginning in FY 1989.

Currently there are eight salary ranges. The bill makes provisions for ten ranges. The following is a list of the current and proposed ranges.

CURRENT RANGES		S.F. 2321 RANGES	
Range 1	6,200 - 18,800	Range 1	6,700 - 20,300
Range 2	22,600 - 37,600	Range 2	24,400 - 40,600
Range 3	31,000 - 43,800	Range 3	33,500 - 47,300
Range 4	37,600 - 50,300	Range 4	40,600 - 54,300
Range 5	43,800 - 56,500	Range 5	47,300 - 61,000
Range 6*	34,000 - 45,500	Range 5A	54,300 - 68,300
Range 7*	46,500 - 57,000	Range 6*	36,700 - 49,100
Range 8*	49,700 - 66,200	Range 7*	50,200 - 61,600
		Range 8*	53,700 - 71,500
		Range 9*	60,000 - 85,000

\*These are department directors' ranges.

With the exception of the new Range 5A and Range 9, the recommended ranges reflect the current ranges plus 8%.

The table below lists the positions and their assigned ranges found in Subsections 2 through 6 and Subsections 8 through 12 of this Section. The bill adds the Administrator of the Commission on Status of Blacks in the Department of Human Rights to Range 2. The Lottery Commissioner is added to the new Range 5A. The following positions are assigned to the new Range 9: Commissioner of the Department of Education, Director of the Department of Human Services, and the Director of the Department of Transportation, Director of the Department of Economic Development, and the Executive Secretary of the Board of Regents.

Salary Range 1: \$ 6,700 - \$ 20,300  
Part-time Parole Board Members

Salary Range 2: \$ 24,400 - \$ 40,600  
Department of Cultural Affairs  
Administrator of Arts Division  
Department of Human Rights  
Administrator of the Division of Persons With Disabilities  
Administrator of the Division on **the** Status of Women  
Administrator of the Division for Spanish Speaking Peoples  
Administrator of the Division for Deaf Persons  
Administrator of the Division of Children, Youth & Families  
Administrator of the Commission on Status of Blacks (new)  
Department of Commerce  
Administrator of the Division of Professional Licensure  
Department of Public Defense  
Administrator of the Division of Disaster Services  
Administrator of the Division of Veterans Affairs

Salary Range 3: 3 33,500 - 3 47,300  
 Appellate Detender (formerly Range 2)  
 Department of Cultural Affairs  
 Administrator of the Library Division  
 Department of Human Rights  
 Administrator of the Division of Community Action  
 Agencies  
 Department of Inspections and Appeals  
 Chairperson and Members of Employment Appeals  
 Board  
 Secretary to the Fair Board

Salary Range 4: \$ 40,600 - \$ 54,300  
 Department of Commerce  
 Superintendent of Banking  
 Administrator of the Division of Alcoholic  
 Beverages  
 Superintendent of the Division of Savings and Loan  
 Association (formerly Range 3)  
 Superintendent of the Credit Union Division  
 Department of Corrections  
 Full-time Parole Board Members

Salary Range 5: \$ 47,300 - \$ 61,000  
 Department of Commerce  
 Chairperson and Members of the Utilities Board  
 Insurance Commissioner  
 Administrator of the Division of Gaming  
 Department of Justice  
 Consumer Advocate  
 Department of Employment Services  
 Job Services Commissioner  
 Labor Commissioner  
 Industrial Commissioner  
 Department of Cultural Affairs  
 Administrator of the Historical Division  
 Administrator of the Public Broadcasting Division

Salary Range 5A: \$ 54,300 - \$ 68,300  
 Department of Revenue and Finance  
 Lottery Commissioner (formerly Range 5)

Salary Range 6: \$ 36,700 - \$ 49,100  
 Department of Human Rights Director  
 Department of the Blind Director  
 (formerly an administrator position in Range 3)  
 Civil Rights Commission Director  
 College Aid Commission Director  
 Law Enforcement Academy Director  
 Campaign Finance Disclosure Commission Executive  
 Director

Salary Range 7: \$ 50,200 - \$ 61,600  
 Department of Cultural Affairs Director  
 Department of Personnel Director  
 Department of Public Health Director  
 Department of Public Safety Commissioner

Department of General Services Director  
 Department of Commerce Director  
 Department of Employment Services Director  
 Department of Inspections and Appeals Director  
 Department of Elder Affairs Director  
 Department of Employment Services  
 Executive Director of the Iowa Finance Authority  
 (formerly Range 5)

Salary Range 8: 3 53,700 - 3 71,500  
 Department of Management Director  
 Department of Revenue and Finance Director  
 Department of Natural Resources Director  
 Department of Corrections Director

Salary Range 9: \$ 60,000 - \$ 80,500  
 Department of Education Commissioner  
 Department of Human Services Director  
 Department of Transportation Director  
 Department of Economic Development Director  
 Executive Secretary of the Board of Regents

SEC. 6.1 EFFECTIVE DATE PER BOARD SALARY RATE CHANGE

INTENT LANGUAGE

This Subsection contains language stating that the salary rates in this Section are effective for FY 1989 and for subsequent years until otherwise provided by the General Assembly. Salaries provided for in this Section shall be paid from funds appropriated to the Department or Agency specified in this Section.

SEC. 6.2 PER BOARD MEMBER SALARY CHANGES

EXPLANATION

This Subsection establishes the annual salary for the Chairperson of the Public Employment Relations Board at \$47,400 and the annual salaries for the two members of the Board at \$44,000. Current salaries are \$43,900 and \$40,700, respectively. This represents an 8% increase.

SEC. 7 COURT ADMINISTRATOR SALARY RANGE

EXPLANATION

This Section establishes the salary range beginning in FY 1989 for the State Court Administrator. The range is \$49,700 to \$72,065. (Current range is \$49,700 to \$66,200)

**SEC. 8 EFFECTIVE DATES SECTIONS 1, 2, 5, 6, & 7**

INTENT LANGUAGE

This Section contains language stating that the annual salary rates or ranges provided in Sections 1, 2, 5, 6, and 7 of this Act become effective for FY 1989, with the pay period beginning June 24, 1988.

**SEC. 9 COST OF LIVING INCR. PER COLL. BARGAINING**

INTENT LANGUAGE

This Section contains language stating that funds appropriated to the Salary Adjustment Fund and other funds appropriated to the various State departments and agencies shall be used to fund the following annual pay adjustments, expense reimbursements, and related benefits:

- A. The collective bargaining agreements negotiated pursuant to Chapter 20, Code of Iowa, for employees in the blue collar, public safety, security, technical, professional fiscal and staff, University of Northern Iowa faculty, clerical, social services and community-based corrections bargaining units:
- B. The annual pay adjustments, related benefits, and expense reimbursements referred to in Sections 10 and 11 of this Act for employees not covered by a collective bargaining agreement.

Although it is not stated in this Section, the annual pay adjustment (cost of living increase) negotiated by the State and collective bargaining units in 1987 for the two-year fiscal year period of FY 1988 and FY 1989 provides for a 4% cost of living increase effective July 1, 1988.

**SEC. 10.1 SALARY ADJUSTMENT TO PAY PLANS**

INTENT LANGUAGE

This Subsection contains language stating that the pay plans provided for in Section 19A.9, Code of Iowa, shall be increased for employees who are not included in a collective bargaining agreement and who are not otherwise specified in this Act, by 4% for FY 1989. The Department of Personnel shall revise the pay plans by increasing the salary level for the various grades and steps within the respective pay plans. In addition to these increases, employees may receive merit increases or the equivalent of a merit increase.

**SEC. 10.2 EMPLOYEES EXEMPTED UNDER CHAPTER 19A**

INTENT LANGUAGE

This Subsection contains language stating that the pay plans of employees who are exempt from Chapter 19A, Code of Iowa, and who are included in the Department of Revenue and Finance's centralized payroll system, and the Board Office employees of the State Board of Regents shall be increased 4% for FY 1989.

**SEC. 10.3 EXEMPTIONS TO SECTION 10**

INTENT LANGUAGE

This Subsection does not apply to members of the General Assembly, board members, commission members, salaries of persons set by the General Assembly pursuant to this Act or set by the Governor, employees designated under Section 19A.3(5), Code of Iowa, (Regents non-merit) employees under the State Board of Regents, with the exception of office employees of the State Board of Regents.

**SEC. 10.4 BARGAINING ELIGIBLE EMPLOYEES**

INTENT LANGUAGE

This Subsection contains language stating that the pay plans for the bargaining eligible employees of the State shall be increased by the same percent and in the same manner included in Section 10.1. Bargaining eligible employees are those employees who are eligible to organize under Chapter 20, Code of Iowa, but have not done so.

**SEC. 10.5 POLICY FOR IMPLEMENTATION**

INTENT LANGUAGE

This Subsection contains language stating that the policy for implementation of this Section shall be approved by the Governor except for those policies governing the board employees of the State Board of Regents.



**SEC. 11.1 REGENTS PROFESSIONAL & SCIENTIFIC EMPLOYEES**INTENT LANGUAGE

This Subsection provides for an average base salary increase of 4% for professional and scientific staff members to be allocated at the discretion of the State Board of Regents. Employees may also receive the equivalent of a merit increase.

**SEC. 11.2 REGENTS MERIT SYSTEM EMPLOYEES**INTENT LANGUAGE

This Subsection provides for a 4% salary increase for employees under the State Board of Regent's merit system who are not included in the collective bargaining agreement. Employees may also receive merit increases or the equivalent of a merit increase.

**SEC. 11.3 REGENTS FACULTY SALARY INCREASE**INTENT LANGUAGE

This Subsection contains language stating that an average base salary increase is to be allocated to faculty members who are not included in the collective bargaining agreement. The allocation is at the discretion of the State Board of Regents.

Although it is not stated in this bill, the funds appropriated to the Board of Regents, in S.F. 2322, the salary adjustment appropriations bill, will be combined with funds from tuition increases and other sources of funds, to fund approximately a 10.0% increase in faculty salaries.

**SEC. 11.4 UNIVERSITY OF NORTHERN IOWA FACULTY**INTENT LANGUAGE

This Subsection contains language stating that the collective bargaining representatives for the faculty and the University of Northern Iowa (UNI) and for the University shall determine the distribution of the UNI allocation of salary adjustment funds which are provided in excess of the amount necessary to fund the collective bargaining agreement (6% increase). The distribution shall be either according to the contract in effect for FY 1988 or FY 1989, or according to a different procedure that is agreeable to both parties.

**SEC. 12 LT. GOVERNOR - HEALTH INSURANCE COVERAGE**CODE CITATION

This Section amends Section 2.10(2), Code Supplement 1987, by providing that the Lieutenant Governor may elect to become a member of the State group health, life and disability insurance programs and the State will pay for the plan selected on the same basis as a full-time state employee.

**SEC. 13 MONTHLY EXPENSE ALLOWANCE FOR LEGISLATORS**CODE CITATION

This Section amends Section 2.10(2), Code Supplement 1987, by providing that all legislators shall receive a \$75 monthly allowance for legislative constituency postage, travel, telephone costs, and other expenses.

Fiscal Estimate:

The annualized estimated cost of this Section is 3135,000. The projected cost for FY 1989 is \$62,500, since the change will become effective January 1, 1989.

**SEC. 14 GROUP INSURANCE BENEFITS FOR LEGISLATORS**CODE CITATION

This Section amends Section 2.40, Code of Iowa by providing that:

- A. Legislators shall be eligible for all State group insurance plans on the basis of enrollment rules established for full-time State employees,
- B. The State shall pay the premium for the plan selected on the same basis as a full-time State employee,
- C. A legislator applying for group coverage shall have the status of a "new-hire", full-time State employee.
- D. A legislator may continue membership in a State group insurance plan without reapplication during the member's tenure as a member of consecutive General Assemblies.
- E. A legislator may change programs or coverage under the State health or medical service group insurance plan initially during the month of January of odd-numbered years without a statement of health, physical examination, or a condition rider,
- F. A person who has been a member of the General Assembly for two years and who has elected to be a member of a State health or medical group insurance plan may continue to be a member of such a plan by requesting

continuation in writing to the finance officer within thirty-one days after leaving office. The continuing former member shall pay the total premium and administrative costs for the State plan and shall have the same rights to change programs or coverage as State employees.

G. This Section takes effect January 1, 1989.

Fiscal Estimate:

Assuming all legislators choose the State group insurance coverage, the estimated annualized cost of Section 12 and Section 14 would be approximately \$269,100. The estimated cost in FY 1989 would be \$134,500, since this Section is effective January 1, 1989. This estimate is based on June, 1987 costs for group insurance and includes:

	FV 1989 Estimate	Annualized Cost Est.
Health Insurance (\$128.30/month)	\$ 116,000	\$ 232,000
Dental Insurance (8.24/month)	7,500	15,000
Life Insurance (\$2.10/month)	1,900	3,800
Disability Ins. (.0071 x base wages)	9,150	18,300
Total	\$ 134,550	\$ 269,100

**SEC. 15**      DISABILITY - MAXIMUM COVERAGE

CODE CITATION

This Section amends Section 79.20(2), Code Supplement 1987, by stating that if a State employee is disabled past age sixty-nine, the maximum benefit period will end twelve months after continuous payments begin.

**SEC. 16**      LEGISLATORS DISABILITY INSURANCE COVERAGE

CODE CITATION

This Section amends Section 79.20(4), Code of Iowa, by stating that legislators serving on or after January 1, 1989, are eligible for the disability insurance plan during their tenure in office, on the basis of enrollment rules for full-time State employee.

**SEC. 17**      INCREASE IN RACING COMMISSIONERS SALARIES

CODE CITATION

This Section amends Section 99D.5(4), Code of Iowa, and increases the annual salary paid to Racing Commissioners from \$3,000 to \$6,000. The \$40 per diem currently paid to the Commissioners is eliminated, but they will still receive reimbursement for actual expenses incurred.

**SEC. 18**      SALARIES OF FULL-TIME COUNTY ATTORNEYS

CODE CITATION

This Section amends Section 331.752(4), Code of Iowa, by adding language which states that except in counties having a population of more than 200,000, the annual salary of a full-time county attorney shall be an amount which is between 45% and 100% of the annual salary received by a district court judge.

**SEC. 19**      SALARIES OF ASSISTANT COUNTY ATTORNEYS

CODE CITATION

This Section amends Section 331.757(2), Code of Iowa, by adding language which states that except in counties having a population of more than 200,000, the annual salary of an assistant county attorney shall not exceed 85% of the maximum annual salary of a full-time county attorney.

**SEC. 20**      ENACTMENT CLAUSE - COMM. OF EDUCATION

INTENT LANGUAGE

This Section contains language stating that Section 20, and the salary rate of the Commissioner of Education as specified in Section 5, Subsection 8, Paragraph (d), of this Act are effective upon enactment.

**NO SEC.**      SUMMARY OF APPROPRIATIONS IN SEPARATE BILL

EXPLANATION

**APPROPRIATIONS** (in S.F. 2322)

General Salary Increase Provisions:

	Governor's Recommendation	S.F. 2322 Estimated
	-----	-----
Net General Fund:*		
State employees, including elected officers. local programs	\$ 26,701,295	\$26,701,295
Regents	24,903,705	24,903,705
Judicial Salaries	1,600,000	1,600,000
Early retirement ins. cost	480,000	480,000
Early retirement savings (est.)(3,100,000)	(3,100,000)	(3,100,000)
	-----	-----
Total General Fund	\$50,585,000	\$50,585,000
Road Use Tax Fund		
Department of Transportation	\$ 848,182	\$ 848,182
Department of Public Safety	921,170	921,170
Department of Insp. & Appeals	30,000	30,000
Primary Road Fund		
Dept. of Transportation	\$ 5,082,646	\$ 5,082,646
	-----	-----
Other Funds	\$ 6,881,998	6,881,998
	-----	-----
TOTAL (GENERAL FUND & OTHER)	\$57,466,998	\$57,466,998

\*Net General Fund reflects the effect after additional costs for early retirement insurance (\$480,000) and the anticipated savings from the early retirement program are taken into account (\$3,100,000).

**MANAGEMENT. DEPARTMENT OF**

**S. F. 2322**

**SEC. 1 SALARY ADJUSTMENT - JUDGES & COURT ADMIN.**

	FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
	-----	-----	-----
	\$ 0	1,600,000	1,600,000

EXPLANATION

Funds are appropriated from the General Fund for increases in the judicial salaries and related benefits. and for the State's contribution to the judicial retirement system.

**SEC. 2.1 SALARY ADJUSTMENT**

	FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Ley. Action
	-----	-----	-----
	\$ 260.522	24,011.295	24,081.295

EXPLANATION

Funds are appropriated from the General Fund to the Salary Adjustment Fund to be distributed to the various departments. local agencies, or programs to supplement funds appropriated by the General Assembly.

The FY 1988 column represents the balance left in the Salary Adjustment Fund after distribution to the Departments.

The Legislature added \$70,000 to the Governor's Revised Recommendation to compensate for comparable worth restorations to the Attorney General's Office.

**SEC. 2.1A EARLY RETIREMENT PROGRAM COSTS**

INTENT LANGUAGE

This Section contains language stating that of the funds appropriated to the Salary Adjustment fund. \$480,000 shall be used for the costs of implementing H.F. 2415 (early retirement program) upon enactment.

**SEC. 2.1B ELECTED & APPOINTED OFFICIALS**

INTENT LANGUAGE

This Section contains language stating that of the funds appropriated to the Salary Adjustment Fund, \$140,000 shall be used for salary adjustments of elected and appointed State officials.

**SEC. 2.1C EARLY RETIREMENT SAVINGS**

INTENT LANGUAGE

This Section contains language stating that of the savings received from the implementation of H.F. 2415 (upon its enactment). the first \$3,100,000 shall be deposited in the Salary Adjustment Fund and the remainder of the savings received shall be deposited in the General Fund.

TRANSPORTATION. DEPARTMENT OF

S. F. 2322

SEC. 2.2A RUTF SALARY ADJUSTMENT TO DOT

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 0	848,182	848,182

EXPLANATION

Funds are appropriated from the Road Use Tax Fund to the Department of Transportation for salary adjustment purposes.

PUBLIC SAFETY, DEPARTMENT OF

S. F. 2322

SEC. 2.28 RUT FUND- SALARY ADJUSTMENT

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 0	921,170	921,170

EXPLANATION

Funds are appropriated from the Road Use Tax Fund to the Department of Public Safety for salary adjustment purposes.

INSPECTIONS AND APPEALS. DEPARTMENT OF

S. F. 2322

SEC. 2.2C RUT FUND- SALARY ADJUSTMENT

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 0	30,000	30,000

EXPLANATION

Funds are appropriated from the Road Use Tax Fund to the Department of Inspections and Appeals for salary adjustment purposes.

TRANSPORTATION, DEPARTMENT OF

S. F. 2322

SEC. 2.3 PRF SALARY ADJUSTMENT TO DOT

<u>FY 1988</u> <u>Approp.</u>	<u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 0	5,082,646	5,082,646

EXPLANATION

Funds are appropriated from the Primary Road Fund to the Department of Transportation for salary adjustment purposes.

MANAGEMENT, DEPARTMENT OF

S. F. 2322

SEC. 2.4 SALARY ADJUSTMENT

DIFFERENT LANGUAGE

This Section contains language stating that the amounts appropriated in Sections 2.1, 2.2, and 2.3 shall be used to fund the annual pay adjustments, expense reimbursement, and related benefits for public officials and employees, as authorized in S.F. 2321, the salary adjustment appropriations bill.

SEC. 3.1-35 PRGM SAL ADJ - SELECTED DEPARTMENTS & LOCAL

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 0	26,025,095	26,095,095

EXPLANATION

Funds are appropriated in Subsections 1 through 35 from the Salary Adjustment Fund in the following amounts to the State departments and local agencies or programs:

Department of Agriculture	\$	560,775
Department of Justice		290,053
Auditor of State		83,673
Campaign Finance Disclosure		6,693
Civil Rights Commission		42,297
Department for the Blind		41,128
Department of Commerce		16,159
Department of Corrections		4,291,381
Department of Cultural Affairs		346,061
Department of Economic Development		181,896
Department of Education		332,984
College Aid Commission		9,475
Department of Elder Affairs		18,578
Department of Employment Services		146,308
Executive Council		1,317
Department of General Services		564,404
Office of Governor		54,713
Department of Human Rights		55,450
Department of Human Services		12,862,019
Judicial Department		2,715,804
Department of Inspections & Appeals		218,123
Iowa Law Enforcement Academy		46,223
Office of the Lieutenant Governor		4,386
Department of Management		124,770
Department of Natural Resources		654,905
Board of Parole		30,862
Department of Personnel		209,224
Public Employment Relations Board		22,667
Department of Public Defense		160,689
Department of Public Health		313,457
Department of Public Safety		633,724
Office of State Board of Regents		30,520
Department of Revenue & Finance		921,413
Secretary of State		60,502
Treasurer of State		42,382
Department Total	\$	26,095,095

GOVERNOR'S VETO

The Governor vetoed this appropriation. using the rationale that the individual salary adjustments do not reflect personnel changes which have occurred since September 1987. and the lump sum allocation to the Department of Management in Section 2 of this bill will allow for a more accurate allocation of salary adjustment funds.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund. The Governor vetoed Section 3, which contained line item appropriations for salary adjustments for departments and programs totaling \$26,095,095. The

remaining Sections provide for salary adjustments allocations totaling \$26,095,095, in a lump sum to be allocated by the Department of Management.

Subsections 2.1 and 2.1c deposit a total of \$27,181,295 into the Salary Adjustment Fund:

Section	Amount	
2.1	824,081,295	(General Fund Appropriation)
2.1c	3,100,000	(Early Retirement Savings)
	\$27,181,295	

As specified in Subsections 2.1a and 2.1b, funds are appropriated from the Salary Adjustment Fund for two separate purposes. The remaining moneys in the Fund would be allocated by the Department of Management for the salary adjustments as specified in Section 3.1 - 39:

Section	Amount
2.1a	\$ 480,000
2.1b	140,000*
3.1-35	26,095,095
3.36	+ 30,800
3.37	+ 194,000
3.38	60,200
3.39	+ 201,200
	= \$27,201,295

\* The actual amount used for estimating salary adjustments is 5120,000.

OTHER PROVISIONSS. F. 2322SEC. 3.36 REGIONAL LIBRARIESEXPLANATION

Funds (\$30,800) are appropriated to Regional Libraries for salary adjustment purposes.

INTENT LANGUAGE

This Subsection contains language stating that moneys received by local programs under this Section shall be used to pay the State's share of the authorized salary increases for local program employees.

GOVERNOR'S VETO

The Governor vetoed this Section using the rationale that the salary adjustments do not reflect personnel changes which have occurred since September 1987, and that the lump sum allocation to the Department of Management in Section 2 of this bill will allow for a more accurate allocation of salary adjustment funds.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund, inasmuch as the appropriation was included in Section 2, which was not vetoed.

SEC. 3.37 SUBSTANCE ABUSE TREATMENT FACILITIES

EXPLANATION

funds (\$194,000) are appropriated to Substance Abuse Treatment Facilities for salary adjustment purposes.

INTENT LANGUAGE

This Subsection contains language stating that moneys received by local programs under this Section shall be used to pay the State's share of the authorized salary increases for local program employees.

GOVERNOR'S VETO

The Governor vetoed this Section using the rationale that the salary adjustments do not reflect personnel changes which have occurred since September 1987, and that the lump sum allocation to the Department of Management in Section 2 of this bill will allow for a more accurate allocation of salary adjustment funds.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General fund, inasmuch as the appropriation was included in Section 2, which was not vetoed.

SEC. 3.38 LOCAL BOARDS OF HEALTH

EXPLANATION

Funds (\$60,200) are appropriated to Local Boards of Health for salary adjustment purposes.

INTENT LANGUAGE

This Subsection contains language stating that moneys received by local programs under this Section shall be used to pay the State's share of the authorized salary increases for local program employees.

GOVERNOR'S VETO

The Governor vetoed this appropriation and the accompanying intent language using the rationale that this specific allocation does not take account of substantial numbers of positions which were added or deleted or significant changes in pay classifications which have occurred since 1987.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund, inasmuch as the appropriation was included in Section 2, which was not vetoed.

SEC. 3.39 LOCAL HOMEMAKER AND CHORE SERVICE

EXPLANATION

Funds (\$201,200) are appropriated to Local Homemaker and Chore Service for salary adjustment purposes.

INTENT LANGUAGE

This Subsection contains language stating that moneys received by local programs under this Section shall be used to pay the State's share of the authorized salary increases for local program employees.

GOVERNOR'S VETO

The Governor vetoed this Section using the rationale that the salary adjustments do not reflect personnel changes which have occurred since September 1987, and that the lump sum allocation to the Department of Management in Section 2 of this bill will allow for a more accurate allocation of salary adjustment funds.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund, inasmuch as the appropriation was included in Section 2, which was not vetoed.

## MANAGEMENT. DEPARTMENT OF

S. F. 2322

**SEC. 4 SALARY ADJUSTMENT - BOARD OF REGENTS**

<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	24,903,705	24,903,705

EXPLANATION

Funds are appropriated from the General Fund to the Salary Adjustment Fund for salary increases for employees of the State Board of Regents, except State Board of Regents' office employees.

**SEC. 5.1 FY89 27TH PAY PERIOD ADJUSTMENT**

<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
3 0	16,000,000	16,000,000

EXPLANATION

Funds are appropriated from the General Fund to the Payroll Accrual Fund to be distributed to the Department of Management for the 27th pay period.

**SEC. 5.2 RUTF SAL ADJUSTMENT/27TH PAY PERIOD**

<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	1,200,901	1,200,901

EXPLANATION

Funds are appropriated from the Road Use Tax Fund to the Payroll Accrual Fund to be distributed to the Department of Management for the 27th pay period.

**SEC. 5.3 PRF SALARY ADJUSTMENT/27TH PAY PERIOD**

<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
3 0	3,610,055	3,610,055

EXPLANATION

Funds are appropriated from the Primary Road Fund to the Payroll Accrual Fund to be distributed to the Department of Management for the 27th pay period.

**SEC. 5.4 FY89 27TH PAY PERIOD ADJUSTMENT**INTENT LANGUAGE

An authorization is provided to departmental revolving trust, or special funds, except for the Primary Road Fund or the Road Use Tax fund, in an amount necessary to fund the 27th pay period.

**SEC. 6 SUPPLEMENTAL AUTHORIZATION**INTENT LANGUAGE

A supplemental authorization is provided to departmental revolving, trust, or special funds, except for the Primary Road Fund or the Road Use Tax Fund, in an amount necessary to fund salary adjustments.

**SEC. 7 SALARY ADJ FUND - IF FUNDS ARE INSUFFICIENT**INTENT LANGUAGE

This Section contains language stating that funds appropriated to the Salary Adjustment Fund by this Act may be expended to fund those salaries for which the agencies have insufficient funds. The Governor is required to report salary rates established pursuant to S.F. 2321, Section 5 (the salary adjustment statutory bill), to the Legislative Fiscal Committee by September 1, 1988.

**SEC. 8 SALARY ADJUSTMENT FUND**INTENT LANGUAGE

This Section contains language stating that all funds appropriated to the Salary Adjustment Fund for the Department of Transportation and for State agencies paid through the Department of Revenue and Finance's centralized payroll system shall be used to fund salary and fringe benefit expenditures.

**SEC. 9 GENERAL FUND SUPPORTED SALARIES**INTENT LANGUAGE

Funds appropriated from the General Fund in this Act relate only to salaries supported from General Fund appropriations of the state.

**SEC. 10 FEDERAL GRANTS AND FEDERAL RECEIPTS**

INTENT LANGUAGE

All federal grants to and the federal receipts of the agencies affected by this Act which are received and may be expended for purposes of this Act are appropriated for such purposes as set forth in the federal grants or receipts.

**OTHER PROVISIONS**

S. F. 2322

**SEC. 11 UNENCUMBERED AND UNOBLIGATED FUNDS**

INTENT LANGUAGE

This Section amends Section 7(6), paragraph b. Acts of 1988 to state that if insufficient funds in the Law Enforcement Training Reimbursement Fund exist, the shortfall shall come from a \$200,000 appropriation to the Department of Public Safety. Division of Criminal Investigation. The funds will originate from the undercover drug program within the Division of Criminal Investigation.

GOVERNOR'S VETO

The Governor vetoed this Section. using the rationale that the funds available for drug crackdown efforts would have been reduced: since the \$200,000 appropriation to the Department of Public Safety for undercover purchases would have been reduced to cover a shortfall in the Law Enforcement Reimbursement Training Fund.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

**SALARY ADJUSTMENT STATUTORY BILL**

S. F. 2322

**SEC. 12 SESSION LAW**

INTENT LANGUAGE

This Section corrects Section 61, Acts of 1988 to read "This Section, Section 5. Section 7, Section 43. and Section 45 of this Act take effect June 30. 1988.

**OTHER PROVISIONS**

S. F. 2322

**SEC. 13 EFFECTIVE DATE**

INTENT LANGUAGE

This Section Contains language stating that Section 11, Section 12, and Section 13 take effect on June 30. 1980.

**NO SEC. SUMMARY of S.F. 2322 APPROPRIATIONS**

EXPLANATION

S.F. 2322 APPROPRIATIONS

General Salary Increase Provisions

	Governor's Recommendation	S.F. 2322 Estimated
	-----	-----
Net General Fund:		
State employees, including		
elected officers, local	\$ 26,701,295	\$ 26,701,295
programs		
Regents	24,903,705	24,903,705
Judicial Salaries	1,600,000	1,600,000
Early retirement ins. costs	400,000	480,000
Early retirement savings (est)	(3,100,000)	(3,100,000)
	-----	-----
Total General Fund	\$ 50,585,000	\$ 50,585,000
Road Use Tax Fund		
Department of Transportation	\$ 848,182	\$ 840,182
Department of Public Safety	921,170	921,170
Department of Insp. & Appeals	30,000	30,000
Primary Road Fund		
Department of Transportation	\$ 5,082,646	\$ 5,082,646
	-----	-----
Other Funds	\$ 6,881,998	\$ 6,881,998
	-----	-----
TOTAL (GENERAL FUND & OTHER)	\$57,466,990	\$57,446,990

27th Pay Period

General Fund	\$16,000,000	\$16,000,000
Road Use Tax Fund	1,200,901	1,200,901
Primary Road Fund	3,610,055	3,610,055
	-----	-----
Total 27th pay period	\$20,810,956	\$20,810,956



**HEALTH. DEPARTMENT OF PUBLIC**

S. F. 2323

**SEC. 1.1 ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH**INTENT LANGUAGE

This Section appropriates \$2,839,000 to the Department of Public Health for alcohol, drug abuse, and mental health services. Of the funds appropriated in this Section, no more than 327,497 shall be used for audits. The Auditor shall bill the Department for the cost of the audit.

**SEC. 1.2 ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH**INTENT LANGUAGE

This Section contains language stating that of the remaining funds appropriated in Section 1.1, 17.8% is transferred to the Division of Mental Health, Mental Retardation, and Developmental Disabilities within the Department of Human Services for Community Mental Health Centers. Of this amount, 10% must be used to initiate new mental services for severely disturbed children and adolescents and new comprehensive community mental health programs for unserved areas or underserved populations.

**SEC. 1.3 ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH**INTENT LANGUAGE

This Section contains language stating that funds appropriated in Section 1.1 shall not be used by the Department for administration, except for the audits in Section 1.1. The Department shall also pay the cost of auditing from the General Fund of the State not covered in Section 1.1.

**SEC. 1.4 ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH**INTENT LANGUAGE

This Section contains language stating that of the funds appropriated in Section 1.1, 5% shall be used to provide alcohol and drug abuse services to women.

**SEC. 1.5 ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH**INTENT LANGUAGE

This Section contains language stating that the remaining funds appropriated in Section 1.1 shall be allocated as follows:

Drug abuse programs.....	38.89%
Alcohol abuse programs.....	38.89%
Prevention programs.....	22.22%

**SEC. 2.1 MATERNAL AND CHILD HEALTH SERVICES**INTENT LANGUAGE

This Section appropriates \$5,871,777 to the Department of Public Health for maternal and child health services. Of the funds appropriated in this Subsection, \$53,260 shall be used for audits. The Auditor shall bill the Department for the cost of the audits.

**SEC. 2.2 MATERNAL AND CHILD HEALTH SERVICES**INTENT LANGUAGE

This Section contains language stating that the remaining funds appropriated in Section 2.1 shall be expended as follows: 63% to maternal and child health programs with \$208,950 to be used for the statewide Perinatal Care Program; and 37% to University of Iowa Hospitals and Clinics, whereby the Hospitals and Clinics shall not receive an allocation for indirect costs, and priority shall be given to the establishment and maintenance of a statewide system of Mobile and Regional Child Health Specialty Clinics.

**SEC. 2.3 MATERNAL AND CHILD HEALTH SERVICES**INTENT LANGUAGE

This Section contains language stating that not more than \$123,072 of the remaining funds appropriated in Section 2.1 shall *be* used by the Department for administration, in addition to the amount to be used for audits in Section 2.1.

It also requires the Departments of Public Health, Human Services, and Education and the University of Iowa's Mobile and Regional Child Health Specialty Clinics to continue the integration and coordination projects of these four agencies, and shall prepare a progress report for the General Assembly.

SEC. 2.4 MATERNAL AND CHILD HEALTH SERVICES

INTENT LANGUAGE

This Section contains language stating that funds transferred from the Preventive Health and Health Services Block Grant in Section 3.4 shall be distributed according to the percentages in Section 2.2.

SEC. 2.5 MATERNAL AND CHILD HEALTH SERVICES

INTENT LANGUAGE

This Section contains language stating that the Department of Public Health shall administer the statewide Maternal and Child Health Programs and the Crippled Children's Program.

SEC. 3.1 PREVENTIVE HEALTH AND HEALTH SERVICES

INTENT LANGUAGE

This Section appropriates \$1,003,000 to the Department of Public Health for preventive health and health services. Of the funds appropriated in this Subsection, \$5,630 shall be used for audits. The Auditor shall bill the Department for the cost of the audit.

SEC. 3.2 PREVENTIVE HEALTH AND HEALTH SERVICES

INTENT LANGUAGE

This Section contains language stating that not more than \$94,670 of the remaining funds appropriated in Section 3.1 shall be used by the Department for administration, in addition to the cost of audits in Section 3.1.

SEC. 3.3 PREVENTIVE HEALTH AND HEALTH SERVICES

INTENT LANGUAGE

This Section contains language stating that funds specifically designated by the federal government for rape prevention must be spent on that program.

SEC. 3.4 PREVENTIVE HEALTH AND HEALTH SERVICES

INTENT LANGUAGE

This Section contains language stating that of the remaining funds appropriated in Section 3.1, 7% is transferred to the Maternal and Child Health Services Block Grant.

SEC. 3.5 PREVENTIVE HEALTH AND HEALTH SERVICES

INTENT LANGUAGE

This Section contains language stating that the remaining funds shall be used by the Department for Risk Reduction Services, Health Incentive Programs, Hypertension, Emergency Medical Services, and Acquired Immune Deficiency Syndrome (AIDS).

This Section contains intent language stating that funds used by the Department for AIDS shall not be used for funding indirect costs.

This Section contains intent language stating that the Fluoridation Program is contingent upon receipt of federal funds, that the Department of Public Health shall monitor the Fluoridation Program, and that 940,000 of the funds under this subsection shall be allocated toward the monitoring of the Fluoridation Program.

SEC. 4.1 ALCOHOL AND DRUG ABUSE TREATMENT AND REHAB.

INTENT LANGUAGE

This Section appropriates \$1,480,000 to the Department of Public Health for alcohol and drug abuse treatment and rehabilitation.

SEC. 4.2 ALCOHOL AND DRUG ABUSE TREATMENT AND REHAB.

INTENT LANGUAGE

This Section contains language stating that not more than 2% of the funds appropriated in Section 4.1 shall be used by the Department for administration and audits. The Auditor shall bill the Department for the cost of the audit.

**SEC. 5.1 NARCOTICS CONTROL ASSISTANCE PROGRAM**INTENT LANGUAGE

This Section appropriates \$822,000 to the Department of Public Health for the Narcotics Control Assistance Program.

**SEC. 5.2 NARCOTICS CONTROL ASSISTANCE PROGRAM**INTENT LANGUAGE

This Section contains language stating that the Department shall expend no more than 20% of the funds appropriated in Section 5.1 for administration and audits. The Auditor shall bill the Department for the cost of the audit.

**SEC. 5.3 NARCOTICS CONTROL ASSISTANCE PROGRAM**INTENT LANGUAGE

This Section contains language stating that priority shall be given in the state portion of these funds to maintaining the chemical dependency programs at the Eldora Training School and the Iowa Juvenile Home to the maximum level, as determined by the cash match provided in the Department of Human Services state appropriation.

**HUMAN RIGHTS, DEPARTMENT OF  
S. F. 2323****SEC. 6.1A COMMUNITY SERVICES**INTENT LANGUAGE

This Section appropriates \$3,700,123 to the Division of Community Action Agencies of the Department of Human Rights for community services.

**SEC. 6.18 COMMUNITY SERVICES**INTENT LANGUAGE

This Section contains language stating that not less than 96% of the funds appropriated in Section 6.1(a) shall be distributed to Community Action Agencies programs based upon the size of the poverty-level population in the state.

**SEC. 6.2 COMMUNITY SERVICES**INTENT LANGUAGE

This Section contains language stating that not more than 4% of the funds appropriated in Section 6.1(a) shall be used by the Division for administration and audits. The Auditor of State shall bill the Division for the cost of the audit.

**ECONOMIC DEVELOPMENT, DEPARTMENT OF  
S. F. 2323****SEC. 7.1 COMMUNITY DEVELOPMENT**INTENT LANGUAGE

This Section appropriates \$24,087,783 from the Community Development Block Grant to the Department of Economic Development. After July 1, 1989, none of this amount may be granted to a political subdivision which does not have on file with the Department a five-year community and economic strategy for the subdivision or can be awarded on the Condition that the political subdivision shall complete the plan within one year of the award.

Legislative action requires the Department to submit a multi-year noncomprehensive plan.

**SEC. 7.2 COMMUNITY DEVELOPMENT**INTENT LANGUAGE

This Section contains language stating that not more than \$991,000 appropriated in Section 7.1 shall be used by the Department for administration and audits. The total amount used for these expenses includes \$495,500 of the funds appropriated in Section 7.1, and a matching contribution from the General Fund of \$495,500. The Auditor shall bill the Department for the cost of the audit.

**EDUCATION, DEPARTMENT OF  
S. F. 2323****SEC. 8.1 EDUCATION**INTENT LANGUAGE

This Section appropriates \$5,637,000 from the Education Block Grant to the Department of Education.

**SEC. 8.2**      **EDUCATION**

INTENT LANGUAGE

This Section contains language stating that 20% of the funds appropriated in Section 8.1, not to exceed \$1,127,400, shall be used by the Department for basic skills development, state leadership and support services, education improvement and support services, special projects, and state administrative expenses and auditing. The state administrative expenses of the Department are limited to \$175,000.

**SEC. 8.3**      **EDUCATION**

INTENT LANGUAGE

This Section contains language stating that 80% of the funds appropriated in Section 8.1 shall be allocated to local education agencies according to the following percentages and enrollments:

- A. 75% on the basis of enrollment in public and approved non-public schools;
- B. 20% on the basis of the number of disadvantaged children in local educational agencies whose incidence ratio for disadvantaged children is above the state average incidence ratio; and
- C. 5% on the basis of the number of limited English-speaking students whose language imposes a barrier to learning.

**SEC. 9**      **EDUCATION**

INTENT LANGUAGE

This Section contains language stating that funds appropriated in Section 8 shall not be used to aid schools or programs that illegally discriminate in employment or educational programs on the basis of sex, race, color, national origin, or disability.

Legislative action adds intent language which includes religion as one of the illegal discriminatory acts preventing schools that perform such acts from receiving Education Block Grant Appropriations. This amendment brings this Section up to date with current illegal discrimination laws.

**HUMAN RIGHTS. DEPARTMENT OF**  
**S. F. 2323**

**SEC. 10.1**      **LOW-INCOME HOME ENERGY ASSISTANCE**

INTENT LANGUAGE

This Section appropriates \$28,504,175 to the Division of Community Action Agencies in the Department of Human Rights for low-income home energy assistance grants.

**SEC. 10.2**      **LOW-INCOME HOME ENERGY ASSISTANCE**

INTENT LANGUAGE

This Section contains language stating that not more than \$2,892,000 or 9% of the funds appropriated in Section 10.1, whichever is less, may be used for administrative expenses. Of the administrative funds, not more than \$290,000 shall be used by the Division for administration and the cost of an audit. The Auditor shall bill the Division for the cost of the audit.

**SEC. 10.3**      **LOW-INCOME HOME ENERGY ASSISTANCE**

INTENT LANGUAGE

This Section contains language stating that the remaining funds appropriated in Section 10.1 are allocated to help eligible households meet the costs of home energy. After reserving an amount not to exceed 10% of the funds appropriated in Section 10.1 to carry forward into the FFY 1989, at least 10% and not more than 15% of the funds in this Section are allocated for low-income residential weatherization or other related repairs for low-income households. Of this amount, not more than 10% shall be used for administration.

**SEC. 10.4**      **LOW-INCOME HOME ENERGY ASSISTANCE**

INTENT LANGUAGE

This Section contains language stating that an eligible household must allow residential Weatherization or other related home repairs in order to receive home energy assistance. If the eligible household resides in rental property, the unwillingness of the landlord to allow weatherization or other repairs shall not prevent the household from receiving home energy assistance.

**HUMAN SERVICES, DEPARTMENT OF**

**S. F. 2323**

**SEC. 11.1 SOCIAL SERVICES**

INTENT LANGUAGE

This Section contains language stating that \$31,758,331 is appropriated to the Department of Human Services.

**SEC. 11.2 SOCIAL SERVICES**

INTENT LANGUAGE

This Section contains language stating that not more than \$1,831,428 of the funds appropriated in Section 11.1 shall be used by the Department for general administration and the cost of an audit. The Auditor shall bill the Department for the cost of the audit.

**SEC. 11.3 SOCIAL SERVICES**

INTENT LANGUAGE

This Section contains language stating that the remaining funds appropriated in Section 11.1 shall be allocated as follows:

Field operations.....	8	12,544,620
Home-based services.....	\$	146,866
Foster care.....	8	4,653,071
Community-based services.....	\$	745,200
Local administrative costs and other local services.....	\$	11,709,913
Volunteers.....	\$	127,233

**SEC. 12 SOCIAL SERVICES BLOCK GRANT PLAN**

INTENT LANGUAGE

This Section contains language stating that for each state fiscal year, the Department of Human Services is required to develop a plan for the use of federal social services block grant funds for the subsequent state fiscal year.

**SOCIAL SERVICES**

~~SEC. 14.3~~

**MENTAL HEALTH SERVICES FOR THE HOMELESS**

INTENT LANGUAGE

Legislative action adds language establishing the administration of a new Block Grant fund to the Department of Human Services.

**OTHER PROVISIONS**

**S. F. 2323**

**SEC. 14.1**

**PROCEDURE FOR REDUCED FEDERAL FUNDS**

INTENT LANGUAGE

This Section contains language stating that the Governor is required to prorate the funds received to the various programs on the same percentage basis as specified in this Act. other than for the Rape Prevention Program under Section 3.3, if funding from the federal block grants is less than the amounts appropriated. This does riot apply to Section 8 (Education). However, if the Governor determines that the funds allocated will not be sufficient. the Governor may allocate the funds in a manner which will affect, to the greatest extent possible. the purposes of the various programs for which the block grants are available.

**SEC. 14.2A**

**PROCEDURE FOR REDUCED FEDERAL FUNDS**

INTENT LANGUAGE

This Section contains language stating that before the Governor implements the actions provided for in Section 14.1, the members of the Senate and House Appropriations Committees. the Director of the Legislative Fiscal Bureau. and the members of the Appropriations Subcommittees shall be notified of the proposed action.

**SEC. 14.20**

**PROCEDURE FOR REDUCED FEDERAL FUNDS**

INTENT LANGUAGE

This Section contains language stating that the notice must include the proposed allocations and justification of the percentages or amounts allocated to the individual programs. and departments affected. Chairpersons notified shall be allowed at least two weeks to review and comment on the proposed action.

**SEC. 15.1 PROCEDURE FOR INCREASED FEDERAL FUNDS**

INTENT LANGUAGE

This Section contains language stating that if funds received from block grants exceed the amounts appropriated in Sections 2, 3, 4, 5, 8.3 and 11.1. the excess shall be prorated to the appropriate programs according to the percentages specified in those Sections. Additional funds shall not be prorated for administrative expenses.

**SEC. 15.2 PROCEDURE FOR INCREASED FEDERAL FUNDS**

INTENT LANGUAGE

This Section contains language stating that if funds received from the block grants exceed the amounts appropriated in Section 10, at least 10% and not more than 15% of the excess shall be allocated to the low-income weatherization program.

**SEC. 15.3 PROCEDURE FOR INCREASED FEDERAL FUNDS**

INTENT LANGUAGE

This Section contains language stating that if funds received from the block grants exceed the amounts appropriated in Section 1, the excess shall be prorated to the appropriate programs according to the percentages specified in those Sections. Additional funds shall not be prorated for administrative expenses.

**SEC. 15.4 PROCEDURE FOR INCREASED FEDERAL FUNDS**

INTENT LANGUAGE

This Section contains language stating that. if funds received from the Community Services Block Grant exceed the amounts appropriated in Section 6, 100% of the excess is allocated to the Community Services Block Grant Program.

**SEC. 16 PROCEDURE FOR CONSOL., CATEG., EXPAND. GRNT**

INTENT LANGUAGE

This Section contains language stating that federal funding formerly received as categorical grants and consolidated into block grants. or block grants expanded to include programs formerly funded by categorical grants. shall be appropriated for the programs formerly funded by the categorical grants, subject to the conditions outlined in Section 15.

**LOTTERY APPROPRIATIONS**

S. F. 2328

**SEC. 1B LOTTERY GAMES-PULL TABS**

CODE CITATION

This Subsection amends Section 99E.9(3b), Code Supplement 1987, to exclude lottery pull-tab tickets from bearing individual, unique consecutive serial numbers.

**SEC. 10 LOTTERY GAMES - PULL TABS**

CODE CITATION

This Subsection amends Section 99E.9(3o), Code Supplement 1987, to exclude the stamping of the licensee's name on the back of pull-tab tickets.

**SEC. 2A GAMBLER'S ASSISTANCE FUND - ALLOCATION**

CODE CITATION

This Subsection amends Section 99E.10(1a), Code Supplement 1987, to allocate \$125,000 of funds deposited into the Gambler's Assistance Fund to the Department of Human Services to establish a reimbursement policy to providers for costs incurred in providing unit dose drug distribution systems in long-term care facilities.

SEC. 3A IOWA PLAN FUND ACCOUNTSCODE CITATION

This Subsection amends Section 99E.32(1a), Code Supplement 1987, to appropriate \$4,625,000 to the Jobs Now Capital Account and provide funding for separate programs and projects in Sections 7 and 8 of this Act.

SEC. 30 COMMUNITY ECONOMIC BETTERMENT ACCOUNT

<u>FV 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 10,000,000	11,000,000	4,650,000

CODE CITATION

This Subsection amends Section 99E.32(1b), Code Supplement 1987, to appropriate to three of the four major accounts of the Iowa Plan Fund. Each account contains appropriations for programs and projects administered by state agencies for FV 1989 in Sections 4, 5, and 6 of this Act.

- A. \$ 4,650,000 for Community Economic Betterment Account (CEBA),
- O. \$ 19,008,000 for Jobs Now Account,
- C. \$ 7,000,000 for Education and Agriculture Research, and Development Account.

SEC. 4 COMM ECON BETTERMENT ACCNT DUTIES/CRITERIACODE CITATION

This Subsection amends Section 99E.32(2), Code Supplement 1987, by creating Paragraph i, which contains language stating that for FY 1989, the funds allocated to the Community Economic Betterment Account shall be used for:

- A. Small Business Gap Financing,
- B. New Business Opportunities,
- C. New Product and Entrepreneurial Development, and
- D. Comprehensive Management Assistance.

Financial assistance through the program can be used for:

- A. Loan buydowns.
- B. Loans and grants,
- C. Loan guarantees.
- D. Equity-like investments, and
- E. Management assistance.

The Department of Economic Development shall document the actual job creation and retention effects of the program in context of the businesses' Employer's

Contribution and Payroll Report.

SEC. 5A RECREATION / PARKS / NATURAL AREA GRANTS

<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 2,000,000	1,000,000	2,000,000

INTENT LANGUAGE

This Subsection contains language which requires the Department to use \$160,000 of the \$2,000,000 appropriation for continuing projects to be matched with federal funds.

CODE CITATION

This Subsection amends Section 99E.32(3a), Code Supplement 1987, to appropriate funds to the Department of Natural Resources for salaries, support, maintenance, and miscellaneous purposes for the Recreation/State Park/Natural Area Acquisition Grant Program.

SEC. 50 PRODUCT DEVELOPMENT FUND

<u>FV 1988</u>	<u>FV 1989</u>	<u>FY 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 1,500,000	1,500,000	1,250,000

CODE CITATION

This Subsection amends Section 99E.32(3b), Code Supplement 1987, to appropriate funds to the Department of Economic Development for salaries, support, maintenance, and miscellaneous purposes of the Iowa Product Fund. Legislative action represents a 17% decrease from FV 1988.

CULTURAL AFFAIRS. DEPT OF

SEC. 5C ARTS COUNCIL-COMMUNITY CULTURAL GRANTS

<u>FV 1988</u>	<u>FV 1989</u>	<u>FY 1989</u>
<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$ 675,000	560,000	650,000

INTENT LANGUAGE

This Subsection contains language which allocates funds from the 8650,000 appropriation as follows:

- A. 840,000 for the John Lewis Museum in Lucas, Iowa,
- B. 870,000 for the Iowa Town Square Project,
- C. 870,000 for the Artist Endowment Program, and
- D. 812,000 for the restoration of the Iowa State Constitution.

CODE CITATION

This Subsection amends Section 99E.32(3c), Code Supplement 1987, to appropriate funds for salaries, support, maintenance, and miscellaneous purposes of the Grant Program. Legislative action represents a 4% decrease from FY 1988.

SEC. 50 DEPARTMENT OF ECONOMIC DEVELOPMENT ACCOUNT

CODE CITATION

This Subsection amends Section 99E.32(3d), Code Supplement 1987, to appropriate a total of \$1,908,000 to the Department of Economic Development for allocation to each of the six Programs in Subsections 5D.1 through 5D.7.

SEC. 5D1 SATELLITE CENTER NETWORK

	<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
8	935,000	1,110,000	935,000

INTENT LANGUAGE

This Subsection contains language stating that 830,000 shall be awarded to each center and allows the Department to award up to \$150,000 in supplemental grants to the centers and shall award at least four grants with no single grant exceeding 815,000. Criteria for the supplemental grants include the performance of the centers and the need for the supplemental funding.

CODE CITATION

This Subsection amends Section 99E.32(3d)1, Code Supplement 1987, to appropriate funds to the Department of Economic Development for salaries, support, maintenance, and miscellaneous purposes for the satellite centers, the primary center, and research activities.

SEC. 5D2 FEDERAL PROCURFMENT CENTER

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	100,000	100,000	100,000

CODE CITATION

This Subsection amends Section 99E.32(3d)2, Code Supplement 1987, to appropriate funds to the Department of Economic Development for salaries, support, maintenance, and miscellaneous purposes of the Center.

SEC. 503 MAIN STREET PROGRAM

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	275,000	425,000	393,000

CODE CITATION

This Subsection amends Section 99E.32(3d)3, Code Supplement 1987, to appropriate funds to the Department of Economic Development for salaries, support, maintenance, and miscellaneous purposes of the Program. Legislative action represents a 43% increase from FY 1988.

SEC. 5D4 SMALL BUSINESS INNOVATION a RESEARCH PRGM

	<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	250,000	165,000	0

CODE CITATION

This Subsection amends Section 99E.32(3d)4, Code Supplement 1987, to appropriate no funds for FV 1989 to the Department of Economic Development for providing technical assistance grants for purposes of the Federal Small Business Innovation and Research Grant Program.

SEC. 5D5 BUSINESS INCUBATORS

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$	300,000	250,000	250,000



INTENT LANGUAGE

This Subsection contains language stating that the Department shall consider the incubator's plan to become self-sufficient in awarding funds. The eligible applicants, which are local communities, universities, or colleges, are required to equally match the state funds.

CODE CITATION

This Subsection amends Section 99E.32(3d)5, Code Supplement 1987, to appropriate funds to the Department of Economic Development for funding existing incubators and for establishing at least one new incubator each tiscal year. Legislative action represents a 17% decrease from FY 1988.

SEC. 5D6 RURAL BUSINESS INCUBATORS

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	0	150,000

INTENT LANGUAGE

This Subsection contains language stating that the Department shall consider the incubator's plan to become self-sufficient in awarding funds. The eligible applicants, which are local communities, universities, or colleges, are required to provide a 25% match of the State's award.

CODE CITATION

This Subsection amends Section 99E.32(3d), Code Supplement 1987, by creating Subsection 6, which appropriates funds to the Department Of Economic Development for the establishment of incubators located in communities with a population less than 10,000. Legislative action represents funding of a new Program.

SEC. 5D7 RURAL DEVELOPMENT PROGRAMS

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	190,000	250,000	80,000

CODE CITATION

This Subsection amends Section 99.32E(3d), Code Supplement 1987, by creating Subsection 7, which appropriates funds for salaries, support, maintenance, and miscellaneous purposes of Rural Development Programs. Legislative action represents a 58% decrease from FY 1988.

SEC. 5E \$M BUSINESS LOAN GUARANTEES FV 1987 APPROP.EXPLANATION

This Subsection contains language that applies to the FY 1987 appropriation to the Iowa Finance Authority for the Small Business Loan Guarantee Program. No legislative action was taken. However, this Subsection was included so that other relevant Sections of this bill could be amended to appropriate funds for FV 1989.

SEC. 5F CONSERVATION COUPS FV 1987. 1988 APPROP.EXPLANATION

This Subsection contains language that applies to the FY 1987 and 1988 appropriations to the Department of Economic Development. No legislative action was taken. However, this Subsection was included so that other relevant Sections of this bill could be amended to appropriate funds for FY 1989.

SEC. 5G CONSERVATION CORPS

	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	750,000	625,000	800,000

INTENT LANGUAGE

This Subsection contains language requiring the Department to use \$100,000 of the \$800,000 for minority youth employment.

CODE CITATION

This Subsection amends Section 99E.32(3g), Code Supplement 1987, to appropriate funds to the Department of Economic Development for salaries, support, maintenance, and miscellaneous purposes of the Corps. Legislative action represents a 7% increase from FY 1988.

**SEC. 5H SMALL BUSINESS JOB TRAINING**

	FV 1988 <u>Approp.</u>	FV 1989 <u>Gov. Revised</u>	FV 1989 <u>Leg. Action</u>
\$	1,000,000	835,000	750,000

INTENT LANGUAGE

This Subsection contains language stating that. if S.F. 2303 is enacted, the \$750,000 shall be deposited in the Revolving Loan Account of the Area School Job Training Fund.

CODE CITATION

This Subsection amends Section 99E.32(3h), Code Supplement 1987, to appropriate funds to the Advanced Area School Job Training Fund. The funds are awarded by Merged Area Schools for job training assistance to small businesses. The Department of Economic Development monitors and coordinates the Program. Legislative action represents a 25% decrease from FY 1988.

AGRICULTURE & LAND STEWARDSHIP

**SEC. 5I PUBLIC/PRIVATE MARKETING PARTNERSHIPS**

	FY 1988 <u>Approp.</u>	FV 1989 <u>Gov. Revised</u>	FY 1989 <u>Leg. Action</u>
\$	300,000	0	150,000

CODE CITATION

This Subsection amends Section 99E.32(3i), Code Supplement 1987, to appropriate funds to the Department of Agriculture and Land Stewardship for developing pilot public/private partnerships to assist Iowa producers in marketing agricultural products to local and regional markets. Legislative action represents a 50% decrease from FY 1988.

**SEC. 5J WORLD AG EXPO - FY 1988 APPROPRIATION**

EXPLANATION

This Subsection contains language that applies to the FY 1988 appropriation to the Department of Agriculture and Land Stewardship for the Program. No legislative action was taken. However, this Subsection was included so that other relevant Sections of this bill could be amended to appropriate funds for FY 1989.

**SEC. 5K LABOR MANAGEMENT COUNCILS**

	FV 1988 <u>Approp.</u>	FY 1989 <u>Gov. Revised</u>	FY 1989 <u>Leg. Action</u>
\$	125,000	125,000	100,000

CODE CITATION

This Subsection amends Section 99E.32(3), Code Supplement 1987, by creating Paragraph k, which appropriates funds to the Department of Economic Development for salaries, support, maintenance, and miscellaneous purposes of the Councils. Legislative action represents a 20% decrease from FY 1988.

**SEC. 5L WELCOME CENTERS**

	FY 1988 <u>Approp.</u>	FY 1989 <u>Gov. Revised</u>	FY 1989 <u>Leg. Action</u>
\$	2,000,000	700,000	700,000

INTENT LANGUAGE

This Subsection contains language stating that the appropriated funds shall be used for implementing the recommendations of the statewide, long-range plan for developing and operating welcome centers.

CODE CITATION

This Subsection amends Section 99E.32(3), Code Supplement 1987, by creating Paragraph l, which appropriates funds to the Department of Economic Development for the establishment of new centers and for operations of existing centers. Legislative action represents a 65% decrease from FY 1988.

**SEC. 5M1 LAMB AND WOOL MANAGEMENT EDUCATION PROJECTS**

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	0	100,000

CODE CITATION

This Subsection amends Section **99E.32(3)**, Code Supplement 1987, by creating Paragraph m, Subsection 1, which appropriates funds to the Department of Agriculture and Land Stewardship for pilot lamb and wool management education projects submitted by the Merged Area Schools and approved by the Department. Legislative action represents the funding of a new Program.

An advisory committee, which is comprised of Department personnel, individuals actively involved in lamb and wool production, personnel from the agricultural experiment station at Iowa State University, and individuals from postsecondary education, shall evaluate the project applications. The committee shall submit recommendations to the Secretary of Agriculture and Land Stewardship by December 30, 1988.

**SEC. 5M2 LAMB AND WOOL MANAGEMENT EDUCATION PROJECTS**CODE CITATION

This Subsection amends Section **99E.32(3)**, Code Supplement 1987, by creating Paragraph m, Subsection 2, which contains language requiring the merged area schools approved for a project, to have at least 30 lamb and wool producers participating in the project by December 30, 1990. If the merged area school project has less than 30 producers, the funds disbursed by the Department to the merged area school shall be reduced proportionately by the number of producers participating in the project.

**SEC. 5M3 LAMB AND WOOL MANAGEMENT EDUCATION PROJECTS**CODE CITATION

This Subsection amends Section **99E.32(3)**, Code Supplement 1987, by creating Paragraph m, Subsection 3, which defines lamb and wool producer as a person actively engaged or seeking to become actively engaged in lamb or wool production.

**SEC. 5N1 COMMUNITY & RURAL DEVELOPMENT LOAN PROGRAM**

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	0	4,650,000

CODE CITATION

This Subsection amends Section **99E.32(3)**, Code Supplement 1987, by creating Paragraph n, Subsection 1, which appropriates funds to the Iowa Finance Authority within the Department of Economic Development for establishing the Community and Rural Development Loan Program (**CRDLP**), as established in S.F. 2092. Legislative action represents funding of a new Program.

**SEC. 5N2 BUSINESS DEVELOPMENT FINANCE CORPORATIONS**

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	0	4,650,000

CODE CITATION

This Subsection amends Section **99E.32(3)**, Code Supplement 1987, by creating Paragraph n, Subsection 2, which appropriates funds to a fund within the Treasurer's Office for establishing business development finance corporations, as established in H.F. 2396. The Department of Economic Development shall oversee the Program. Legislative action represents funding of a new Program.

**SEC. 5N3 REALLOCATION OF FUNDS TO CEBA**CODE CITATION

This Subsection amends Section **99E.32(3)**, Code Supplement 1987, by creating Paragraph n, Subsection 3, which contains language stating that up to \$1,000,000 of the funds appropriated to CRDLP, and are unobligated, may be transferred to the CEBA Program, with one half being transferred on October 1, 1988 and one half transferred on January 15, 1989.

Also, up to \$3,000,000 of the funds appropriated to the Business Development Finance Corporation Assistance Fund, and are unobligated, may be transferred to the CEBA Program, with one half being transferred on October 1, 1988 and one half transferred on January 15, 1989.

**SEC. 50 LOCAL ECONOMIC DEVELOPMENT PILOT PROJECT**

FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
3	0	50,000

CODE CITATION

This Subsection amends Section 99E.32(3), Code Supplement 1987, by creating Paragraph o, which appropriates funds for a local economic development pilot project for an area encompassing the cities and rural areas forming an area community commonwealth through a 28E agreement. The funds shall only be used for local economic development initiatives and does not include the employment of professional staff or consultants.

**SEC. 5P WATER PROTECTION FUND**

FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
3	100,000	500,000

CODE CITATION

This Subsection amends Section 99E.32(3), Code Supplement 1987, by creating Paragraph p, which appropriates funds to the Department of Agriculture and Land Stewardship for deposit into the Water Protection Fund, as created in H.F. 2381. Legislative action represents the funding of a new Program.

**SEC. 5Q EQUIPMENT PURCHASES**

FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
3	1,000,000	750,000

CODE CITATION

This Subsection amends Section 99E.32(3), Code Supplement 1987, by creating Paragraph q, which appropriates funds to the Department of Education for funding merged area school equipment purchases. Legislative action represents a 25% decrease from FY 1988.

COLLEGE AID COMMISSION

**SEC. 6A FORGIVABLE LOAN PROGRAM - FY 1987**

EXPLANATION

This Subsection contains language that applies to the FV 1987 appropriation to the College Aid Commission for the Forgivable Loan Program. No legislative action was taken. However, this Subsection was included so that the other relevant Sections of this bill could be amended to appropriate funds for FV 1989.

**SEC. 6B RESEARCH/DEVELOPMENT GRANTS**

FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
3	7,000,000	7,000,000

INTENT LANGUAGE

This Subsection contains language, in addition to the language in Section 99E.31(4a), Code of Iowa, requiring the 37,000,000 appropriation to be allocated for the following purposes:

- A. \$4,250,000 to Iowa State University for bio-technology research, of which 3200,000 shall be allocated for swine research.
- B. 3250,000 to University of Northern Iowa for the Decision Making Institute.
- C. \$100,000 to the Department of Economic Development for an Economic Development Training Program,
- D. 340,000 to the state library with the Department of Cultural Affairs for establishing a patent library,
- E. 3360,000 to the Board of Regents and the Department of Economic Development for establishing university/private sector research and development consortiums,
- F. \$1,000,000 shall be allocated for Economic Research and Development grants, and
- G. \$1,000,000 shall be allocated for Applied Research grants. of which \$150,000 shall be used for the Water Resource Research Institute at Iowa State University.

CODE CITATION

This Subsection amends Section 99E.32(4b), Code Supplement 1987, to appropriate funds to the Department of Economic Development for salaries, support, maintenance, and miscellaneous purposes of the Grants Program.

SEC. 6C      SUMMER INSTITUTE PROGRAM

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$      581,972	1,000,000	0

CODE CITATION

This Subsection amends Section 99E.32(4c), Code Supplement 1987. to provide no funding for the Summer Institute Program.

## PEACE INSTITUTE CORPORATION

SEC. 6D      PEACE INSTITUTE

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$      250,000	210,000	0

CODE CITATION

This Subsection amends Section 99E.32(4d), Code Supplement 1987. to appropriate funds to the Iowa Peace Institute for salaries, support, maintenance and miscellaneous purposes of the Iowa Peace Institute. State funds shall not be used for construction or purchase of real property. The Institute shall match the state funds on a dollar for dollar basis.

Legislative action appropriates \$0 for the Institute and allocates the unobligated funds resulting from the FY 1986 appropriations for the World Trade Advisory Council and the Loan Assistance Program to the Institute for FY 1989. The total unobligated funds are estimated at \$256,000. of which \$250,000 shall be allocated to the Institute and the remaining \$6,000 shall be reallocated with the Education and Agriculture and Research Development Account.

## REGENTS, BOARD OF

SEC. 6E      ISU-WATER RESEARCH INSTITUTE

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$      150,000	0	0

CODE CITATION

This Subsection amends Section 99E.32(4e), Code Supplement 1987, to delete the separate appropriation for the Institute for FY 1989 to reflect the allocation of \$150,000 for the Institute from the \$7,000,000 appropriation to the Department of Economic Development for Research and Development Grants. Legislative action results in funding the Institute at the FY 1988 level.

SEC. 7A      EQUIPMENT PURCHASESCODE CITATION

This Subsection amends Section 99E.32(5a), Code Supplement 1987, to delete the FY 1989 appropriation of \$1,000,000 to the Department of Education from the Jobs Now Capital Account to reflect the the FY 1989 appropriation of \$750,000 for the same purposes in the Jobs Now Account.

SEC. 7B      COMPUTER EQUIPMENT - AFIS

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$                    0	500,000	250,000

CODE CITATION

This Subsection amends Section 99E.32(5b), Code Supplement 1987, to appropriate funds to the Department of Public Safety for the Automated Fingerprint Identification System.

SEC. 7c      ISU - SMALL BUSINESS DEVELOPMENT CENTERS

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$      825,000	750,000	825,000

CODE CITATION

This Subsection amends Section 99E.32(5c), Code Supplement 1987. to appropriate funds to Iowa State University for salaries, support, maintenance, and miscellaneous purposes for the Small Business Development Centers.

**SEC. 71 WELCOME CENTERS--PROMOTION OF LOCAL REGIONS**

CODE CITATION

This Section amends Section 99E.32(5i), Code Supplement 1987, to require welcome centers funded with lottery proceeds in FY 1988, to promote the local region and the State as a whole.

**SEC. 7J CAPITOL COMPLEX PROJECTS**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	2,750,000	1,000,000	1,500,000

INTENT LANGUAGE

This Subsection contains language which allocates a portion of the \$1,500,000 appropriation for the following purposes:

- A. \$200,000 for Terrace Hill.
- B. \$125,000 for planning and construction of a parking garage.
- C. \$500,000 for planning of legislative office space, and
- D. Up to \$10,000 for purchase of POW/MIA flags to be flown on public buildings.

CODE CITATION

This Subsection amends Section 99E.32(5j), Code Supplement 1987, to appropriate funds to the Department of General Services for construction, equipment, renovation, and other costs associated with buildings in the capitol complex. The legislative action represents a 45% decrease from FY 1988.

**PUBLIC DEFENSE, DEPT. OF  
SEC. 8M ARMORY PLANNING**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	0	50,000

CODE CITATION

This Subsection amends Section 99E.32(5), Code Supplement 1987, by creating Paragraph m. which appropriates funds to the Department of Public Defense for planning the construction of future armories. Legislative action represents funding of a new Program.

**SEC. 44N TOURISM ADVERTISING**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	0	793,000

INTENT LANGUAGE

This Subsection contains language requiring that the Department of Economic Development develop partnerships with the private sector to assist in the development of advertising efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the advertising contracts.

CODE CITATION

This Subsection amends Section 99E.32(5), Code Supplement 1987, by creating Paragraph n. which appropriates funds exclusively for advertising contracts for in-state and out-of-state tourism promotion programs using electronic media and printed materials. The \$793,000 appropriation is in addition to a \$915,000 General Fund appropriation in S.F. 2309. Therefore, legislative action results in a total appropriation of \$1,708,000 for tourism advertising contracts and represents a 232% increase from the FY 1988 level of \$515,000.

**SEC. 80 NATIONAL MARKETING ADVERTISING**

	<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$	0	0	1,207,000

INTENT LANGUAGE

This Subsection contains language requiring the Department of Economic Development to develop partnerships with the private sector to assist in the development of advertising efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the advertising contracts.

CODE CITATION

This Subsection amends Section 99E.32(5), Code Supplement 1987, by creating Paragraph o, which appropriates funds exclusively for advertising contracts for out-of-state national marketing programs for electronic media and printed materials. The \$1,207,000 appropriation is in addition to a \$190,000 General Fund appropriation for the same purposes in S.F. 2309. Therefore, legislative action results in a total appropriation of \$1,397,000 for national marketing advertising contracts and represents a 635% increase from the FV 1988 level of \$190,000.

**SEC. 9 RESEARCH AND ECONOMIC DEVELOPMENT ACT**CODE CITATION

This Section adds Subsection 2628.1, Code of Iowa, to establish the University-Based Research and Economic Development Act.

**SEC. 10 RESEARCH AND DEVELOPMENT ACT - LEG. INTENT**CODE CITATION

This Section adds Subsection 2628.2, Code of Iowa, and contains language stating the legislative intent for the University-Eased Research and Economic Development Act.

**SEC. 11 RESEARCH AND DEVELOPMENT CONSORTIUMS**CODE CITATION

This Section creates Subsection 2628.3, Code of Iowa, and contains language which establishes university/private industry consortiums at each of the three public universities. Membership of the consortiums shall be determined by presidents of each university.

**SEC. 12.1 RESEARCH DEVELOPMENT CONSORTIUMS-OBJECTIVES**CODE CITATION

This Subsection adds Subsection 262B.4(1), Code of Iowa, and contains the objectives of the consortiums. The consortiums shall assist the universities by making recommendations for:

- A. Development of strategies for marketing research resources to out-of state businesses interested in an Iowa site,
- B. Matching university research resources with private industry needs,
- C. Evaluating university research for commercial

- D. Developing a plan to improve the transfer of technology from the university to the private sector.

**SEC. 12.2 RESEARCH DEVELOPMENT CONSORTIUMS-DUTIES**CODE CITATION

This Subsection creates Subsection 2628.4(2), Code of Iowa, and contains the duties of the consortiums:

- A. Receive and review selected research activities,
- B. Disseminate information on research activities of the universities,
- C. Identify research needs of Iowa businesses, and
- D. Recommend methods to realize the commercial potential of university research projects.

**SEC. 13 RSRCH DVLPMT CONSORTIUMS -COORDINATION**CODE CITATION

This Section creates Subsection 2628.5, Code of Iowa, and contains language requiring the Board of Regents and the Department of Economic Development to enter into a 28E agreement to coordinate the activities of the consortiums. Both agencies shall report annually to the Governor and the General Assembly concerning the consortiums.

**OTHER PROVISIONS**

S. F. 2328

**SEC. 14 CORRECTIONAL FACILITIES FUNDING**EXPLANATION

This Section amends S.F. 2312, Section 54, Subsection 9, Paragraph d, Acts of 1988, and results in appropriating \$1,300,000 to the Department of Corrections for planning, site selection, and solicitation of requests for proposals for juvenile detention centers and adult correction facilities upon the approval of the General Assembly. The funds shall not be expended until the General Assembly enacts legislation that provides for the expenditures of the funds.

HUMAN SERVICES. DEPARTMENT OF

S. F. 2330

SEC. 1            ADD CASE MANAGEMENT TO COMMISSION DUTIES

CODE CITATION

This Section amends Section 225C.6(1), Code of Iowa, by adding the following duties to the Mental Health Mental Retardation Commission: the establishment of standards for the provision of individual case management, the establishment of standards for the structure of a service coordination system which ensures a linkage with the individual case management services.

SEC. 2            COUNTY COORDINATING BOARD

CODE CITATION

This Section amends Section 225C.18(1), Code of Iowa, by stating that the county board of supervisors shall establish either a County or multi-county mental health, mental retardation, and developmental disability coordinating board, or establish itself as the ex officio coordinating board. The Chairperson of the county mental health, mental retardation, developmental disabilities advisory committee shall serve on the county or multi-county coordinating board.

SEC. 3            ADD DEVELOPMENTAL DISABILITY TO COMMITTEE

CODE CITATION

This Section amends Section 225C.18(2), Code of Iowa, by adding the option of a multi-county coordinating board, and by adding developmental disabilities to the title of the board.

SEC. 4            ADD DEVELOPMENTAL DISABILITIES

CODE CITATION

This Section amends Section 225C.18(2)a, Code of Iowa, by adding developmental disabilities to those populations to be included in the plan for service provision.

SEC. 5            ADD CASE MANAGEMENT TO MH/MR/DD COMMITTEE

CODE CITATION

This Section amends Section 225C.18(2), Code of Iowa, by stating that the county Mental Health/Mental Retardation/Developmental Disabilities (MH/MR/DD) Coordinating Committee shall develop a plan to provide case management through the county or private provider. This plan shall be valid only if approved by the county board of supervisors.

SEC. 6            ESTABLISH MH/MR/DD ADVISORY COMMITTEE

CODE CITATION

This Section adds Section 225C.18A, Code of Iowa, which establishes a MH/MR/DD Advisory Committee. The MH/MR/DD Coordinating Board shall establish the Committee. The Committee shall advise the MH/MR/DD Coordinating Board regarding Board functions, submit an annual plan to the Coordinating Board, review and evaluate the appropriateness of services being provided, perform any duties assigned by the Board, and study and evaluate the needs of the mentally retarded, developmentally disabled, and mentally ill.

SEC. 7            DUTIES OF COUNTIES FOR CASE MANAGEMENT

CODE CITATION

This Section adds Section 225C.18B, Code of Iowa, which defines the responsibilities of the counties for individual case management. DHS shall provide case management, unless the county or consortium of counties contract to provide the service. They may also opt to subcontract for service provision if the contract meets the same standards. A county or consortium of counties may contract to be the provider at any time, and the Department shall agree to the contract so long as it meets the standards for case management adopted by the Department. Procedures for changing the provider of individual case management services are specified.



SEC. 8 INCREASE AFDC BENEFITS BV 3.25%CODF CITATION

This Section adds Section 225C.32. Code of Iowa, which provides that the Department shall establish an appeals process by which a mental health, mental retardation, and development disabilities coordinating board of an affected party may appeal a decision of the Department or of the coordinating board.

**JUSTICE. DEPARTMENT OF  
S. F. 2344**

SEC. 1 GENERAL OFFICE LEGAL COUNSEL FOR DED

	<u>FV 1988</u>	<u>FV 1989</u>	<u>FV 1989</u>
	<u>Approp.</u>	<u>Gov. Revised</u>	<u>Leg. Action</u>
\$	0	0	65,000
FTE	.00	.00	1.50

EXPLANATION

Funds are appropriated for salaries, support, maintenance, and miscellaneous purposes for the Office of the Attorney General to provide legal assistance to the Department of Economic Development.

**HUMAN SERVICES. DEPARTMENT OF  
H. F. 2082**

SEC. 1 DEAPPROPRIATE COMMUNITY SERVICES APPROP.EXPLANATION

This Section amends Chapter 234, Section 202, Acts of 1987 to deappropriate \$1,449,144 from the FY 1988 appropriation to DHS Community Services Division. This Section contains language stating that this reduction in appropriation is necessary due to the decision of DHS to fill no more than 2,213 FTE positions in the Community Services Division, even though the appropriation made was adequate to fill up to 2,321 FTE positions in this Division.

GOVERNOR'S VETO

The Governor item vetoed this Section using the rationale that the deappropriation would require an immediate freeze on filling vacant social worker positions, and may require an elimination of 53 FTE social worker positions.

FISCAL EFFECT OF VETO

The Governor's veto allows the \$1,449,144 to be expended during FV 1988.

SEC. 2 INCREASE AFDC BENEFITS BV 3.25%INTENT LANGUAGE

This Section amends Chapter 234, Section 203.1. Acts of 1987 by adding a paragraph which states that the appropriation for AFDC is conditional upon DHS increasing the schedule of basic needs for AFDC recipients by 3.25%. This is estimated to cost \$1,822,000 for FV 1988, and the FV 1989 cost is estimated at \$5.7 million.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT OF VETO

The Governor's veto results in a savings of \$1,822,000 during FV 1988 and \$5.7 million during FY 1989. However, similar language relating to increased ADC benefits, which was not vetoed, is contained in House File 2447, Section 1.7. for FY 1989.

SEC. 3 HOMELESS TRUST FUNDEXPLANATION

This Section appropriates \$117,000 from the General Fund to the Iowa Finance Authority for the rehabilitation, construction, or purchase of transitional shelters for homeless families, under Section 220.100. Code Supplement 1987.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT OF VETO

The Governor's veto results in a savings of \$117,000 to the General Fund in FV 1988.

**SEC. 4**            MEDICALLY NEEDED EXPANSIONS

EXPLANATION

This Section amends Chapter 234, Section 303.2, Acts of 1987 by adding new unnumbered Subsections which include provisions for the following:

- A. The Medically Needy Program shall be expanded to include caretaker relatives for coverage, and the resource guidelines shall be increased to \$5,000 for one person, and \$7,500 for two or more persons. It is estimated that this program will cost \$270,000 in FV 1988 and \$2,588,000 in FV 1989.
- B. Medical benefits shall be extended an additional 6 months to an individual who has become ineligible for AFDC. This is estimated to cost \$8,000 in FV 1988, and **\$24,000** in FV 1989.
- C. The Medical Assistance shall be expanded to include pregnant women, children, and those persons who are blind, aged, or disabled. This is known as **SOBRA**. This is estimated to have no fiscal effect for FY 1988, and a cost of \$1,878,000 for FV 1989.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT OF VETO

The Governor's veto has the following fiscal effects on the General Fund:

<u>Program</u>	<u>FY 1988 Savings</u>	<u>FV 1989 Savings</u>
Medically Needy	\$270,000	\$2,588,000
AFDC	8,000	24,000
SOBRA	0*	1,878,000

\*No fiscal Effect

However, similar language relating to medically needy expansions, which was not vetoed, is contained in House File 2447, Sections 3.9 and 3.14, for FV 1989.

**SEC. 5**            DISPLACED HOMEMAKER PROGRAM

EXPLANATION

This Section amends Chapter 234, Section 203.11, Acts of 1987, by adding a new paragraph which states that of the funds appropriated for Community Based Programs, \$40,000 shall be used for the Displaced Homemaker Program. These funds shall not revert to the General Fund.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

**SEC. 6**            SUPPLEMENTAL APPROPRIATIONS

EXPLANATION

Supplemental funds are appropriated for the following programs:

- A. \$10,500,000 - Medical Assistance
- B. \$ 1,500,000 - State Supplementary Assistance
- C. \$ 8,000,000 - Foster Care

StC. 7 PSYCHIATRIST RETENTION AT MHI'SINTENT LANGUAGE

This Section amends Chapter 234. Section 205. Acts of 1987. by adding a new Subsection which states that OHS shall pursue all reasonable courses of action necessary to recruit and retain psychiatrists at the Mental Health Institutes.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 8 RURAL MENTAL HEALTH SERVICESEXPLANATION

This Section appropriates 333,000 for rural mental health services. These funds shall be allocated in order to continue current special allocation projects. These funds shall not revert on June 30, 1988, but shall be available for expenditure in the next fiscal year.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT

The Governor's veto results in a savings of \$33,000 to the General Fund in FY 1988.

## HUMAN SERVICES. DEPARTMENT OF

H. F. 2082SEC. 9ENHANCED MH/MR/DD SERVICESEXPLANATION

This Section appropriates 8537.835 for administrative support, diagnosis and evaluative services, and service coordination for the chronically mentally ill, developmentally disabled. and the mentally retarded.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT OF VETO

The Governor's veto results in a savings of \$537,835 to the General Fund in FY 1988. However, similar language relating to enhanced services. which was not vetoed. is contained in House File 2447, Section 14.

## HUMAN SERVICES. DEPARTMENT OF

H. F. 2082SEC. 9.1ASERVICE COORDINATIONINTENT LANGUAGE

This Subsection contains language stating that of the funds appropriated in this Section. not more than 88% (\$473,295) may be used for the provision of service coordination. It is the intent that service coordination units be established by June 30, 1988. Priority shall be given to those who require service coordination in preventing a placement that would be inconsistent with the individual's needs. Caseloads shall be no greater than 30 clients.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that it would result in the expenditure of funds that the State does not have.

FISCAL EFFECT OF VETO

The Governor's veto results in a savings of \$473,295, which is 88% of the \$537,835 vetoed in Section 9. However, similar language relating to enhanced services, which was not vetoed, is contained in House File 2447. Section 14.

**SEC. 9.1B**      **DIAGNOSIS AND EVALUATIVE SERVICES**

INTENT LANGUAGE

This Subsection contains language stating that of the funds appropriated in this Section, not more than 12% (\$64,540) shall be used for diagnostic and evaluative services. Priority shall be given to individuals who have not received these services in the past five years. The funds shall be allocated to the DHS districts on the basis of the eligible populations as defined in the enumeration study for the Bill of Rights. DHS shall seek to draw down additional federal funds through the use of the Medical Assistance Program for these services.

This Subsection also contains language stating that recognition be given to reducing the cost for the conversion of residential care facilities for the mentally retarded (RCF/MR) to intermediate care facilities for the mentally retarded (ICF/MR) without imposing more restrictive construction standards than are essential. It is also the intent that greater use of federal support through vocational rehabilitation funding be provided for the bill of rights populations. DHS shall develop a proposal to assist individuals in obtaining Social Security and Medicaid benefits.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that it would result in the expenditure of funds that the State does not have.

FISCAL EFFECT OF VETO

The Governor's veto results in a savings of \$64,540, which is 12% of the \$537,835 vetoed in Section 9. However, similar language relating to enhanced services, which was not vetoed, is contained in House File 2447. Section 14.

**SEC. 9.2**      **FAIR AND EQUITABLE FUNDING DISCLAIMER**

INTENT LANGUAGE

This Subsection contains language stating that nothing in this Act is intended to be the provision of a fair and equitable formula, as specified in Chapter 249, Section 9, Acts of 1985. Nothing is intended to imply a claim of entitlement to any programs or services specified in the Bill of Rights.

GOVERNOR'S VETO

The Governor vetoed this Subsection, using the rationale that it would result in the expenditure of funds that the State does not have.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

**SEC. 10**      **REIMBURSEMENT RATES**

EXPLANATION

This Section amends Chapter 234, Section 213, Acts of 1987 by adding new Subsections which:

- A. Raise the reimbursement to intermediate care facilities to the 66th percentile (FY 1988 cost is \$236,000. FY 1989 cost is \$1.7 million above the Governor's recommendation).
- B. Increase the payment to skilled nursing facilities by 2.9% (FY 1988 cost is \$13,000. FY 1989 cost is \$40,000).
- C. Eliminate the 3.85% cut in effect for residential care facilities, and provide a 4% increase in reimbursements (FY 1988 cost is \$206,000, FY 1989 cost is \$332,000 above the Governor's recommendation).
- D. Eliminate the 3.85% cut in effect for in-home health providers and provide a 4% increase in reimbursements (FY 1988 cost is \$79,000. FY 1989 cost is \$120,000 above the Governor's recommendation).
- E. Eliminate the 3.85% cut in effect for social service providers, and provide a 4% increase in reimbursements (FY 1988 cost is \$1,539,000, FY 1989 cost is \$3.1 million above the Governor's recommendation).

GOVERNOR'S VETO

The Governor vetoed this Section. using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT OF VETO

The Governor's veto has the following fiscal effects on the General Fund:

<u>Program</u>	<u>FY 1988 Savings</u>	<u>FY 1989 Savings</u>
ICF Reimbursements	\$ 236,000	\$1,700,000
Skilled Nursing Facilities	13,000	40,000
RCF Reimbursements	206,000	332,000
In-Home Health Providers	79,000	120,000
Social Service Providers	1,539,000	3,100,000

However, similar language and related appropriations for FY 1989, which were not vetoed, are contained in House File 2447, Sections 33 - 35.

SEC. 11 GAMBLER'S ASSISTANCEINTENT LANGUAGE

This Section contains language stating that DHS shall use the funds deposited in the Gambler's Assistance Fund only for programs to assist gamblers. Any unspent money shall remain in the fund and shall not be subject to transfer or reversion. This money shall be used for 2 FTE positions to support the program.

GOVERNOR'S VETO

The Governor vetoed this Section. using the rationale that it would result in the expenditure of funds that the State does not have. He further stated that the Government would be playing a "cruel hoax" if promises were made with the knowledge that they could not be kept.

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

SEC. 12 EFFECTIVE DATEEXPLANATION

This Section contains language stating that because of its immediate importance, this Act become effective upon enactment.

**HUMAN SERVICES, DEPARTMENT OF  
COMMUNITY SERVICES, DIVISIONS  
H. F. 7452**

SEC. 1 LIMIT ORDERS HANDLED BY COLL. SERV. CENTERCODE CITATION

This Section amends Section 252B.13(1), Code Supplement 1987, to limit the Child Support orders handled by the Collection Services Center (CSC) to those orders for which the Child Support Recovery Unit is providing or has provided enforcement services on or after July 1, 1988. The Section also updates language requiring the Judicial Department and the Department of Human Services to cooperate in transferring or directing judgements and orders for support and payments to the CSC.

SEC. 2 PROCESSING OF SUPPORT PAYMENTSCODE CITATION

This Section amends Section 2528.14, Code Supplement 1987, to provide that Child Support payments should be directed to the Collection Services Center in cases for which enforcement services are being provided by the Child Support Recovery Unit. In other cases payment shall be directed to the Clerk of the District Court for the use of the person for whom payments have been awarded. Payments to persons other than the Clerk of the District Court and the Collection Services Center do not satisfy the support obligations created by Child Support orders and judgements, with certain exceptions.

SEC. 3 TRANSFER OF RECORDS FROM CSC TO JUDICIALCODE CITATION

This Section amends Section 2528.14, Code Supplement 1987, to require that all Child Support judgements, orders, and payments which are currently collected and disbursed by the Collection Services Center, other than those cases for which services are being provided by the Child Support Recovery Unit, shall be transferred for further processing from the CSC to the appropriate Clerk of the District Court on or before March 1, 1989. Support payments for cases receiving services from the Child Support Recovery Unit which are not currently collected and disbursed by the CSC shall be transferred

for further processing from each Clerk of the District Court to the CSC.

The Section specifies the procedure for the transfer of payments and for notification of appropriate parties.

**SEC. 4 ASSIGNMENT OF INCOME - PERMISSIBLE PAYEES**

CODE CITATION

This Section amends Section 252D.1, Code Supplement 1987, to remove the requirement that assignments of income by persons receiving money from trusts governed by the federal Retirement Equity Act of 1984 shall require the payment of such sum to the alternate payee.

**SEC. 5 ADMINISTRATION OF WAGE WITHHOLDING PROCED.**

CODE CITATION

This Section amends Section 252D.6, Code Supplement 1987, to add the Clerks of District Court to the public entities of the State authorized to administer wage withholding in accordance with the Federal Social Security Act.

**SEC. 6 LIMIT ORDERS HANDLED BY COLL. SERV. CENTER**

CODE CITATION

This Section amends Section 598.22(1), Code Supplement 1987, to update the statutes pertaining to initial or modified Child Support orders, pursuant to Sections 2 and 4.

**SEC. 7 RECORDING OF RECEIPTS AND PAYMENTS**

CODE CITATION

This Section amends Section 598.22(3), Code Supplement 1987, to reduce the number of days that the Clerks of the District Court or the Collection Services Center have in which to disburse the payments received from 10 to 2 days. The Section also provides that all moneys received and disbursed shall be entered in records which shall be available to the public.

**SEC. 8 PROMPT PAYMENT IS THE ESSENCE OF ORDERS**

CODE CITATION

This Section amends Section 598.22(5), Code Supplement 1987, to provide that prompt payment of sums required to be paid is the essence of Child Support orders and judgements.

**SEC. 9 EXEMPT CERTAIN INCOME TYPES FROM ASSIGNMENT**

CODE CITATION

This Section amends Section 598.23(2a), Code Supplement 1987, to provide that certain trust income, Social Security Disability payments, or tax refunds or rebates shall be treated in accordance with Section 7.

**SEC. 10.1 CORRECT CREDIT RATINGS**

INTENT LANGUAGE

This Subsection contains language which requires the Department of Human Services to actively seek to correct the credit rating of a person whose credit rating has been adversely affected due to incorrect information in the Collection Services Center. The corrective action shall be taken by the Department without charge, at the request of a person who believes they have been adversely affected. This Section specifies actions that the Department may take to correct the credit ratings.

**SEC. 10.2 MONTHLY REPORT REQUIRED**

INTENT LANGUAGE

This Section contains intent language which requires the Collection Services Center and the Judicial Department to submit a monthly report regarding the activities of the Collection Services Center and the Clerks of the District Court to the Fiscal Committee of the Legislative Council, the Legislative Fiscal Bureau, and the Directors of the majority and minority caucus staffs of the Senate and House of Representatives. The report shall include:

- A. The progress made in verifying the data in the converted counties,
- B. The time required between receipt of a payment and the disbursement of the corresponding payment, and
- C. The number, nature, and frequency of complaints regarding the operation of the Collection Services Center and the Clerks of the District Court including an analysis of the sources of the complaints.

**SEC. 10.3 LEGISLATIVE OVERSIGHT - LFB REPORT**INTENT LANGUAGE

This Subsection contains language which provides that as part of comprehensive legislative oversight, the Legislative Fiscal Bureau, in consultation with the Department of Human Services and the Judicial Department, shall submit a report to the General Assembly on or before January 1, 1989, which evaluates the operation of the Collection Services Center and the transition to the Clerks of the District Court during the period beginning May 1, 1988, and ending December 1, 1988. The contents to be included in the report are specified.

**SEC. 11 ADVISORY COMMITTEE APPOINTED BY JUD. DEPT.**INTENT LANGUAGE

This Section contains intent language which requires the Judicial Department, after consulting with the Department of Human Services (DHS) to appoint an advisory committee to advise DHS and the Judicial Department regarding modifications of the system for processing payments of support and to review complaints concerning this system. The membership of the five person committee is specified.

**SEC. 12 REPEAL OLD TRANSITION LANGUAGE**CODE CITATION

This Section repeals Section 2526.15, Code Supplement 1987, which requires the Clerks of the District Court to transmit information regarding new or modified Child Support orders to the Collection Service Center. This statutory language is superseded by the language contained in the Act.

**SEC. 13 MERIT SYSTEM EMPLOYEES - OUTPLACEMENT LIST**INTENT LANGUAGE

This Section contains language which requires that any personnel in the State Merit System whose position is eliminated due to the deletion of positions as a result of this Act shall be placed on the outplacement list. The outplacement list is maintained by the Department of Personnel and employees listed on it have priority status for employment in other Merit System jobs. The Judicial Department is permitted to provide information regarding positions available as a result of this Act.

**SEC. 14 REPEAL CSC EFFECTIVE JULY 1, 1990**CODE CXTATXON

This Section repeals Section 2528.13, Code Supplement 1987, effective July 1, 1990. This Code Supplement Section establishes the Collection Services Center.

**SEC. 15 ALL CASES TRANSFER BY JULY 1, 1990**INTENT LANGUAGE

This Section contains intent language which requires that, notwithstanding the provisions of this Act to the contrary, all duties of the Department of Human Services relating to the collection and disbursement of Child Support payments by the Collection Services Center shall be transferred from the CSC to the appropriate Clerk of the District Court by July 1, 1990, if further action is not taken by the General Assembly.

This Section also contains intent language which requires the Judicial Department and the Department of Human Services to mutually agree to dates to effectuate the transfer of cases. DHS is required to publish by March 1, 1990 a cumulative list of transfer dates by county. The Judicial Department is required to provide for automated access of date and automated transfers of moneys by the Child Support Recovery Unit necessary for carrying out the Unit's duties. The Judicial Department is also directed to examine the potential for including the use of the electronic transmission of funds as a method of payment.

**SEC. 16.1 APPROPRIATIONS - CREATE CSCS FUND**EXPLANATION

This Subsection contains language which creates a Child Support Collection Services Fund in the Office of the Treasurer of State, consisting of all revenues appropriated to the Fund by the General Assembly and other revenues and moneys as designated to be deposited in the Fund.

**SEC. 16.2 APPROPRIATION - TRANSFER FROM RACING COMM.**

EXPLANATION

This Subsection contains language transferring \$400,000 for FY 1988 from the funds paid to the State Racing Commission, pursuant to Section 99D.14, Code of Iowa, to the Child Support Collection Services Fund. These funds shall not revert but shall be available for expenditure during FY 1989.

**SEC. 16.3 CHILD SUPPORT COLLECTION FUND**

	FY 1988 Approp.	FY 1989 Gov. Revised	FY 1989 Leg. Action
\$	0	0	700.000
FTE	00	00	23.25

EXPLANATION

This Subsection appropriates \$700,000 from the General Fund to the Child Support Collection Services Fund, established in Section 16. This Section also transfers \$292,000 in non-General Fund money to the Child Support Collection Services Fund; these dollars are from funds paid to the State Racing Commission pursuant to Section 99D.14. Code of Iowa.

**SEC. 16.4 APPROPRIATION - APPROPRIATE FROM CSCS**

EXPLANATION

This Subsection appropriates \$501,000 from the Child Support Collection Services Fund to the Department of Human Services of the operation of the Collection Services Center, and \$891,000 from that Fund to the Judicial Department to be used for the receipt and disbursement of support payments as provided in Chapter 2528, Code of Iowa.

**SEC. 16.5 APPROPRIATION - ITEM VETOES VOID ALL APPROP**

INTENT LANGUAGE

This Subsection contains language stating that the General Assembly shall declare that the entire \$1,392,000 appropriated in Section 16 shall be spent as set out in this Section. If the Governor attempts to execute a purported item veto pursuant to Article III, Section 16 of the Constitution of the State of Iowa, this entire Section and all appropriations in this Section shall be null and void.

GOVERNOR'S VETO

The Governor tem vetoed this Subsection, using the rationale that the Subsection "is an attempt by the General Assembly to statutorily delimit the Governor's constitutional line item veto authority and, as a result, cannot be approved."

FISCAL EFFECT OF VETO

There is no fiscal effect of this veto on the General Fund.

**SEC. 17 REPEAL HOUSE FILE 209**

EXPLANATION

This Section repeals H.F. 209, which relates to the enforcement of protective orders and orders to vacate the homestead in dissolution cases. The language contained in H.F. 209 was also contained in H.F. 591, making this Act unnecessary.

**SEC. 18 EFFECTIVE DATE - SECTIONS 16 AND 17**

EXPLANATION

This Section contains language which provides that Sections 16 and 17 of this Act, being deemed of immediate importance, are effective upon enactment.

INSTITUTIONS

H. F. 2456

**SEC. 1 PROTECTION & ADVOCACY AGENCY INVESTIGATIONS**

CODE CITATION

This Section amends Section 135B.9, Code of Iowa, so that in the state hospital-schools and state mental health institutions operated by DMS, the designated protection and advocacy agency has the authority to investigate all complaints of abuse and neglect of persons with developmental disabilities or mental illnesses if the complaints are reported to the protection and advocacy agency or if there is probable cause to believe that the abuse has occurred. The authority shall include the examination of all records pertaining to the care provided to the residents and contact or interview any resident, employee, or any other person who might have knowledge about the operation of the institution.



SEC. 2 PROTECTION AND ADVOCACY INFO CONFIDENTIALCODE CITATION

This Section amends Section 135B.12, Code of Iowa, to provide that information received by the protection and advocacy agency shall not be disclosed publicly in such a manner as to identify individuals or hospitals, except in a proceeding involving the question of licensure or the denial, suspension, or revocation of a license or civil suit or administrative action by or on behalf of a patient.

SEC. 3 PROTECTION & ADVOCACY - FEDERAL STATUTESCODE CITATION

This Section amends Section 135C.2(4), Code Supplement 1987, to specify the federal statutes pertaining to the protection and advocacy agency designated in the state.

SEC. 4 TRIPS TO OTHER STATESCODE CITATION

This Section amends Section 217.20, Code of Iowa, by stating that no authority shall be granted to any person to travel to another state except by the approval of the Commissioner under those guidelines established by the Executive Council.

SEC. 5 CLIENT PARTICIPATION AT INSTITUTIONSCODE CITATION

This Section amends Section 218.78(1), Code of Iowa, by stating that funds received from client participation at the state hospital-schools and the mental health institutes shall be deposited in the General Fund. This language has been in the Human Services Appropriations bill for several years.

SEC. 6 COUNTY LIABILITY CLARIFICATION - PER DIEMSINTENT LANGUAGE

The Section contains language stating that the per diem costs billed to each county shall not exceed the per diem costs in effect on July 1, 1988. An increase may be added annually, as related to the federal consumer price index.

CODE CITATION

This Section amends Section 222.73(2), Code of Iowa, by specifying those adjustments which can be made to the billings to a county of legal settlement for clients at the state hospital schools. This language has been in the Human Services Appropriations bill for several years.

SEC. 7 MH/MR FUND EXPENDITURE LIMITATIONSCODE CITATION

This Section amends Section 225C.10[2a(1)], Code of Iowa, by stating that funds in the Mental Health-Mental Retardation Fund (MH/MR Services Fund) shall not be used for major maintenance, or capital expenditure projects. This has been in the Human Services Appropriations bill for several years.

SEC. 8 MH/MR FUND REPORTING REQUIREMENTSCODE CITATION

This Section amends Section 225C.10(3), Code of Iowa, by stating that counties receiving money from the MH/MR Fund shall submit financial and plan status reports at least annually, as opposed to quarterly, to the Department of Human Services.

SEC. 9 PATIENT CHARGES - MHI'SCODE CITATION

This Section amends Section 230.20 (1a), Code Supplement 1987, by adding the cost of the Psychiatric Residency Program, and the Chaplain Intern Program to those costs which shall not be included in the average daily patient charge. This language has been in the Human Services Appropriations bill for several years.

## SOCIAL SERVICES

SEC. 10 FOSTER CARE - PREFERENCE FOR FAMILY CARECODE CITATION

This Section adds Section 232.21(2), Code of Iowa, which requires foster care placements to be made in the least restrictive facility available consistent with the best interests and special needs of the child. Foster family care is to be used unless the child has problems requiring specialized service or supervision which cannot be provided in a family living arrangement.

**SEC. 11      SHELTER CARE - RESTRICT USE FOR YOUNG CHILD**

CODE CITATION

This Section adds Section 232.21, Code of Iowa, which provides that children under 12 years of age shall not be placed in a group shelter care home unless there have been reasonable, but unsuccessful, efforts to place the child in an emergency foster family home which is able to meet the needs of the child.

**SEC. 12      FOSTER CARE - COURTS CONSIDER FAMILY CARE**

CODE CITATION

This Section amends Section 232.52{2d(3)}, Code of Iowa, by requiring that courts 'shall consider ordering placement in family foster care as an alternative to group foster care.

**SEC. 13      FOSTER CARE - IN-STATE PLACEMENT EFFORTS**

CODE CITATION

This Section adds Section 232.52. Code of Iowa. which provides that, if a court transfers custody to the Department of Human Services or another agency for placement in foster group care, the Department or agency shall make every reasonable effort to place the child within Iowa, in the least restrictive setting available and in close proximity to the parent's home. consistent with the child's best interests and special needs.

**SEC. 14      FOSTER CARE - IN-STATE PLACEMENT EFFORTS**

CODE CITATION

This Section adds Section 232.102(6), Code of Iowa, which provides that, if a court orders the transfer of custody to the Department of Human Services or to another agency for placement in foster group care, the Department or agency shall make every reasonable effort to place the child within Iowa. in the least restrictive setting available, and in close proximity to the parent's home, consistent with the child's best interests and special needs.

**SEC. 15      FOSTER CARE - INTERSTATE COMPACT VIOLATIONS**

CODE CITATION

This Section adds Section 232.187, Code of Iowa, which provides that a person or agency which violates or aids and abets in the violation of any of the provisions of the Interstate Compact on Foster Care commits a fraudulent practice.

**SEC. 16      TRANSITIONAL CHILD CARE**

CODE CITATION

This Section adds Section 239.21. Code of Iowa, which provides that an AFDC recipient who loses eligibility for assistance because of an increase in earned income is eligible to receive transitional child care assistance for a period of 12 months following the loss of assistance. The Section permits the Department of Human Services to deliver the transitional child care assistance through a vendor voucher payment or purchase of service system which requires the recipient to contribute to the cost of the assistance in accordance with a sliding-scale fee schedule.

**SEC. 17      TRANSITIONAL MEDICAL ASSISTANCE**

CODE CITATION

This Section adds Section 249A.17. Code of Iowa. which relates to the extension of medical benefits to persons who lose eligibility due to increased income. Funds are included in the Human Services Appropriations bill. H.F. 2447. for this condition.

**SEC. 18      AFDC - EDUCATIONAL INCENTIVES**

CODE CITATION

This Section adds Section 249C.18, Code of Iowa, which provides that a person who receives AFDC assistance may participate or cooperate in a program to attain a GED certificate, high school diploma. or adult basic literacy. The Department of Human Services is required to provide incentives to encourage such participation.

SEC. 19      CRIMINAL HISTORY RECORDSCODE CITATION

This Section amends Section 692.2(1c), Code Supplement 1987, to permit the dissemination of confidential criminal history records to the Department of Human Services and the subsequent redissemination of these records to adoption investigators and other licensed persons involved in the adoptions process for the purpose of screening prospective adoptive parents.

SEC. 20      CRIMINAL HISTORY RECORDSCODE CITATION

This Section amends Section 692.3(2), Code Supplement 1987, to permit the dissemination of confidential criminal history records to the Department of Human Services and the subsequent redissemination of these records to adoption investigators and other licensed persons involved in the adoption process for the purpose of screening prospective adoptive parents.

## INSTITUTIONS

SEC. 21      SPECIALIZED HOSPITAL LICENSUREEXPLANATION

This Section directs the Department of Inspections and Appeals to issue provisional licenses to adolescent psychiatric hospitals that are accredited by the Joint Commission on the Accreditation of Health Care Organizations (JCAHO). This would allow for Medicaid reimbursement with a 62% federal match, for services that are currently provided with state dollars. The Girard School and Children's Home is currently accredited, and a \$115,000 savings is estimated by the implementation of this Section. There are also two other facilities that are pending accreditation. If these become accredited, an additional \$816,000 savings could be realized. These savings are based on the Department's latest estimates.

SEC. 22      EFFECTIVE DATE - SPECIALIZED HOSPITALSEXPLANATION

This Section states that Section 21 of this bill becomes effective upon enactment. Section 21 relates to the licensure of adolescent psychiatric facilities as specialized hospitals.

GENERAL SERVICES. DEPARTMENT OF  
H. F. 2464

SEC. 1      LEASE - PURCHASECODE CITATION

This Section amends Section 18.12, Code Supplement 1987, by adding a new Subsection (9A) which allows the Department of General Services to enter into lease-purchase contracts subject to specific terms and conditions.

SEC. 1A      DIRECTOR'S DUTIESCODE CITATION

This Subsection amends Section 18.12, Code Supplement 1987, by detailing the Director's duties for administering lease purchase contracts. The Director shall coordinate the location, design, plans and specifications, construction, and ultimate use of the property being lease-purchased with the State agency for whose use and benefit the property is being obtained. The Director shall coordinate the terms and conditions of the lease-purchase contract with both the Treasurer of State and the State agency for whose use and benefit the property is being obtained. The Director shall have the sole authority for administering the contract upon the award of the contract for construction of a building or for site development.

SEC. 1B      TITLE/SECURITY/PAYMENTCODE CITATION

This Subsection amends Section 18.12, Code Supplement 1987, by stating that the lease-purchase contract may provide for ultimate ownership of the property by the State. Title to all property acquired in this manner shall be taken and held in the name of the State. The State shall be the lessee or contracting party under all lease-purchase contracts entered into pursuant to this Chapter. Contract provisions may be similar to provisions customarily found in lease-purchase contracts between private persons, including but not limited to, provisions prohibiting the acquisition or use by the lessee of competing property or property in

substitution for the lease-purchased property, obligating the lessee to pay costs of maintenance, operation, insurance and taxes relating to the property, and permitting the lessor to retain a security interest in the property which is being lease-purchased until title passes to the State, which may be assigned or pledged by the lessor.

The Director may contract for additional security or liquidity for a lease-purchase contract, and may enter into agreements for letters of credit, lines of credit, insurance, or other forms of security with respect to rental and other payments due under a lease-purchase contract. Fees for the costs of additional security or liquidity are a cost of entering into the lease-purchase agreement and may be paid from funds annually appropriated by the General Assembly to the State agency for whose benefit the property is being obtained or from other funds legally available.

The lease-purchase contract may include the costs of entering into the contract as a cost of the lease-purchased property. The provision of the contract which provides that a portion of the periodic rental payment be applied as interest is subject to Section 74A. Code of Iowa. Other laws relating to interest rates do not apply.

#### SEC. 1C STATE OBLIGATIONS

##### CODE CITATION

This Subsection amends Section 18.12, Code Supplement 1987, by stating that a lease-purchase contract to which the State is a party is an obligation of the State for purposes of Sections 502 and 682, Code of Iowa. Such a contract is a lawful investment for banks, trust companies, building and loan associations, savings and loan associations, executors, guardians, trustees, and other fiduciaries responsible for the investment of funds.

#### SEC. 1D AUTHORIZATION

##### CODE CITATION

This Subsection amends Section 18.12, Code Supplement 1987, by prohibiting the Director from entering into lease-purchase contracts unless a constitutional majority of both houses of the General Assembly authorizes the contract, and the Governor approves of the use, location, and maximum cost (not including interest expense) of the property to be lease-purchased.

This Subsection contains language which prohibits the Director from entering into a lease-purchase agreement for construction of a prison or prison-related facility

without prior authorization of each House of the General Assembly and approval of the Governor and the proposed prison or prison-related facility must be in accordance with space needs as established by the Corrections Task Force Committee (created in H.F. 2443). The Task Force shall report to the Legislative Council and the General Assembly by January 15, 1989. In regards to its findings concerning the custody classification system and the risk assessment model. The final report of the Corrections Task Force Committee shall be distributed to the General Assembly and Legislative Council by January 1, 1990.

#### SEC. 1E EXEMPTIONS

##### CODE CITATION

This Subsection amends Section 18.12, Code Supplement 1987, by stating that a contract for acquisition, construction, erection, demolition, alteration, or repair by a private person of property to be lease-purchased by the Director is exempt from Section 18.6 (1 and 9), Code of Iowa, unless the contract is funded in advance by a deposit of the lessee's moneys to be administered by the Director under a contract which requires rent payments to begin upon the delivery of the lessor's moneys to the lessee.

This Subsection is an independent and alternative means for carrying out projects under Chapter 18, Code of Iowa, and for entering into lease-purchase contracts, without reference to any other statutes, and is not an amendment of or subject to the provisions of any other law. No public notice, and no other proceedings with respect to the contract is required except as set forth in this legislation. For purposes of this Subsection and Subsection 11, "State agency" means a Board, Commission, Bureau, Division, Office, Department, or branch of State Government.

#### SEC. 2 PROPERTY DISPOSAL

##### CODE CITATION

This Section amends Section 18.12, Code Supplement 1987, by adding a new Subsection. This new Subsection allows the Director to dispose of State property upon terms, conditions, and consideration as the Director may recommend, subject to the authorization of a constitutional majority of each house of the General Assembly and approval by the Governor. If real estate subject to sale under this Subsection has been acquired from appropriated funds, the proceeds of the sale shall be deposited in the General Fund or other fund from which appropriated. There is appropriated from that same fund, with the prior approval of the Executive Council and in cooperation with the Director, a sum equal to the proceeds so deposited to the State agency

to which the State property belonged or by which it was used. for purposes of the State agency.

### SEC. 3 CONSULTANTS

#### CODE CITATION

This Section amends Section 18.12, Code Supplement 1987, by adding a new Subsection. This new Subsection contains language stating that subject to the selection procedures of Section 12.30, Code of Iowa, the Director shall employ financial consultants, banks, insurers, uiiiderwriters. accountants, attorneys. and other advisors or consultants necessary to implement the provisions of this legislation. Section 12.30, Code of Iowa, relates to the duties of the State Treasurer.

### HUMAN RIGHTS. DEPARTMENT OF

H. F. 2469

#### SEC. 1.1 LOW INCOME WEATHERIZATION

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 1,586,934	3,000,000	3,000,000

#### EXPLANATION

Funds are appropriated from the balance of the Warner Imperial Fund and supplemented by the Exxon Fund to the Community Action Agencies of the Department of Human Rights for qualified energy conservation programs for low income persons. \$150,000 of this money can be used to complete the project authorized in Section 1.4 of this bill.

### NATURAL RESOURCES. DEPARTMENT OF

H. F. 2469

#### SEC. 1.2A GROUNDWATER PROTECTION

<u>FY 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 5,530,000	4,000,000	4,000,000

#### EXPLANATION

Funds are appropriated from the Stripper Well Fund to the Department of Natural Resources for deposit in the Oil Overcharye Account of the Groundwater Protection Fund.

### SEC. 1.2B STATE ENFRGV CONSERVATION

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 118,500	118,500	110,500

#### EXPLANATION

Funds are appropriated from the Exxon Fund to the Department of Natural Resources for the State Energy Conservation Program.

### SEC. 1.2C ENERGY EXTENSION PROGRAM

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 49,700	49,700	119,700

#### EXPLANATION

Funds are appropriated. from the Exxon Fund to the Department of Natural Resources for the Energy Extension Program. \$70,000 of this money is to go to the Energy Extension Program at Iowa State University.

### SEC. 1.2D FINANCING ENERGY CONSERVATION

<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$ 270,702	a	1,000,000

#### EXPLANATION

Funds are appropriated to reduce the cost of financing the implementation of energy conservation measures in State facilities.

#### GOVERNOR'S VETO

The Governor vetoed this Subsection using the rationale that appropriating \$1,000,000 to buy-down interest rates on debt that must be repaid through operating budgets is fiscally unsound and unwise. The State should pay for needed energy improvements through direct capital expenditures.

#### FISCAL EFFECT OF VETO

The Governor's veto results in savings to the Stripper Well Fund of \$1,000,000 in FY 1989.

**ECONOMIC DEVELOPMENT. DEPARTMENT OF**

**H. F. 2469**

**SEC. 1.3      AMORPHOUS SEMICONDUCTOR**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$            0	500,000	500,000

EXPLANATION

Funds are appropriated from the Stripper Well Fund to the Department of Economic Development for the energy-related activities of the amorphous semiconductor project at Iowa State University.

**HUMAN RIGHTS. DEPARTMENT OF**

**H. F. 2469**

**SEC. 1.4      WEATHERIZATION**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$            0	0	350,000

EXPLANATION

This Section allocates funds from the Stripper Well account to the Department of Human Rights for the operation of the Affordable Heating Payment Program pilot project. This program is established by H.F. 683 which was enacted by the 1988 General Assembly. Not more than \$25,000 of this appropriation may be used for administrative costs.

**NATURAL RESOURCES. DEPARTMENT OF**

**H. F. 2469**

**SEC. 2      ADMINISTRATION**

<u>FY 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FY 1989</u> <u>Leg. Action</u>
\$      200,000	200,000	200,000

EXPLANATION

Funds are appropriated from the Oil Overcharge Account for administration of the Oil Overcharge Programs. Up to 5% of the total Oil Overcharge Funds appropriated, not to exceed \$200,000, are, available for administration.

**SEC. 3      REVERSION CLAUSES**

INTENT LANGUAGE

This Section contains language stating that funds appropriated by Sections 1 and 2 shall not revert until the completion of the project.

**SEC. 4      REPEALS VENTURE CAPITAL EXPENDITURES**

EXPLANATION

This Section strikes Chapter 230. Section 1.2d (1), Acts of 1987. This removes the \$500,000 appropriation in FY 1988 for venture capital to new businesses in Iowa whose products or services are directly related to energy conservation.

**TRANSPORTATION, DEPARTMENT OF**

**H. F. 2469**

**SEC. 5      REPEALS FUNDING FOR ENERGY CONSERVATION PROJECTS**

EXPLANATION

This Section strikes Chapter 230. Section 1.3c, Acts of 1987. This removes \$1,500,000 allocated in FY 1988 to the Department of Transportation for energy conservation projects.

**NATURAL RESOURCES, DEPARTMENT OF**

**H. F. 2469**

**SEC. 6      CONTINUED FUNDING AUTHORIZATION**

EXPLANATION

This Section amends Chapter 230, Section 8, Acts of 1987, which amends Chapter 1249, Section 4, unnumbered paragraph 1, Acts of 1986, so as to allow expenditure of funds from the Energy Conservation Trust Fund by the Energy and Geological Resources Division of the Department of Natural Resources in FY 1989 for the purposes set forth in this bill. This Section also drops the word "Fund" from the Energy Conservation Trust Fund.

**SEC. 7**      **CODE CHANGES - DNR REQUIREMENTS DELETED****CODE CITATION**

This Section repeals Section 93.7 (4,5,9,11), Code of Iowa. Subsection 4 directs the Department of Natural Resources to submit annual reports to the Governor and the Legislature dealing with energy issues and supplies. Subsection 5 directs the Department to recommend legislation dealing with the use of alternative fuels. Subsection 9 directs the Department to allocate the State-owned supply of energy supplies to those determined to be in need, and authorizes the establishment of a State-owned emergency fuel reserve. Subsection 11 directs the Department to publicize and promote activities which offer members of the General Assembly the opportunity to gain information on energy related matters.

**SEC. 8**      **CODE CHANGES - CLEAN-UP LANGUAGE****CODE CITATION**

This Section amends Section 93.11 (1-6), Code Supplement 1987, by changing the words "trust fund" to "trust", and by changing the word "accounts" to "funds". This Section also deletes from Section 6 four individual accounts and adds one, the Office of Hearings and Appeals Second Stage Settlement Fund.

**SEC. 9**      **CODE SECTION REPEAL - SUNSET DATE****CODE CITATION**

This Section removes the sunset date of June 30, 1988 from Chapter 93, Code of Iowa. Chapter 93 deals with energy development and conservation.

**SEC. 10**      **REPEAL OF SOLAR PROJECTS****CODE CITATION**

This Section repeals Sections 93.21-30, Code of Iowa. Chapter 93 relates to energy development and conservation. Subsections 21 through 30 relate to legislative findings, programs, demonstration projects, incentive programs, public education, financing and studies of solar energy.

**CULTURAL AFFAIRS, DEPARTMENT OF**  
**H. F. 2469****SEC. 11**      **ENERGY EFFICIENT TRANSMITTERS - IPBS****EXPLANATION**

There is available from the \$11,100,000 appropriated for the boiler at U.N.I by S.F. 2312. any funds in excess of the total cost of replacing the boiler. However, the money available shall not exceed \$870,000. The money may be used by the Public Broadcasting Division of the Department of Cultural Affairs for the purchase of energy efficient packages for its ultrahigh frequency transmitters.

**NATURAL RESOURCES, DEPARTMENT OF****H. F. 2469****SEC. 12**      **EFFECTIVE DATE OF CODE REPEAL****EXPLANATION**

This Section puts an immediate effective date on Section 9. This is needed because the Code Section would automatically sunset Chapter 93, Code of Iowa one day before the sunset would be repealed.

FY 1988 SUPPLEMENTAL APPROPRIATIONS SUMMARY

TOTAL GENERAL FUND: \$ 34,760,000

TOTAL OTHER FUNDS: \$ 4,974,124

<u>PROGRAM</u>	<u>ESTIMATED REVENUE</u>	<u>SOURCE OF FUNDING</u>	<u>BILL NUMBER</u>	<u>EXPLANATION</u>
<u>Department of Human Services</u>				
Medicaid	\$14,100,000	General Fund	H.F. 2447	These are entitlement programs for which the expenditures exceeded the projected costs.
Foster Care	8,000,000		H.F. 2082	
State Supplementary	1,500,000			
<u>Department of Justice</u>				
Farmers Legal Assistance	\$ 60,000	General Fund	S.F. 2050	Allowed for continuation of legal aid and other technical assistance to financially distressed farmers, which had been funded FY 1987. but was vetoed by the Governor in FY 1988.
<u>Department of Employment Services</u>				
Rural Job Service Offices	\$ 1,300,000	Administrative Surcharge Trust Fund	H.F. 2444	These Offices lost funding due to cutbacks caused by the Gramm-Rudman-Hollings legislation. The Administrative Surcharge Trust Fund is supported by a 0.06% surcharge to employers on the taxable wage base.
<u>Department of Inspections &amp; Appeals</u>				
Salary Adjustments	\$ 24,124	Road Use Tax Fund	H.F. 2444	For salary adjustments which were inadvertently omitted from the FY 1988 salary appropriation.
<u>Department of Public Safety</u>				
Salary Adjustments	\$ 500,000	Road Use Tax Fund	S.F. 2314	For salary adjustments which resulted from an underestimation of salary needs.
<u>Board of Regents</u>				
U.N.I. Power Plant	\$11,100,000	General Fund	S.F. 2312	For a power plant at the University of Northern Iowa if FY 1988 ending balance is greater than 861.7 million (see General Fund Balance Sheet Explanations).
<u>Department of Transportation</u>				
Salary Adjustments	\$ 2,000,000	Primary Road Fund	S.F. 2314	For salary adjustments resulting from an underestimation of salary needs.
	400,000	Road Use Tax Fund		
Computer System	400,000	Road Use Tax Fund	S.F. 2314	To implement the recordkeeping changes necessary to meet the legislative requirements for changes in salvage vehicle titling and in personalized license plates.
Sniffer Wells	350,000	Primary Road Fund	S.F. 2314	Install wells to monitor leakage from under-ground storage tanks, thus meeting the requirements of the Groundwater Protection Law passed during the 1987 Legislative Session.



<u>SUBJECT</u>	<u>BILL NUMBER</u>	<u>PAGE</u>
OMNIBUS BILLS:		236
Income Tax Coupling, Repeal Sunset on H.F. 689	S.F. 2074	
Low Income Energy Assistance Programs	H.F. 683	
Dairy Inspection Fees & Fund	H.F. 2471	
Military Service Tax Credit Fund	H.F. 2473	
ADMINISTRATION:		242
Sheriffs May Demand Fee Payments Before Serving Dog Regulation	S.F. 2331 H.F. 2462	
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Fuel Tax Increase	S.F. 2196	
Leaky Underground Storage Tanks	H.F. 2441	
Aviation Fuel Tax Increase	H.F. 2465	
INDIVIDUAL INCOME TAX:		250
Olympic Checkoff	S.F. 2327	
PROPERTY TAX:		250
Remove Personal Property Tax Liens	S.F. 452	
Increase Elderly and Disabled Property Tax Credit	S.F. 2188	
Soil Survey & Agricultural Land Valuation	S.F. 2335	
City Library Levy	H.F. 665	
Homestead Tax Credit Refiling	H.F. 666	
Benefitted Recreational Lake District: Levy	H.F. 678	
Property Tax Replacement Program	H.F. 2457	
County Tax Refunds	H.F. 2461	
Procedures for Exempting Property	H.F. 2476	

WAYS AND MEANS SUMMARY

<u>SUBJECT</u>	<u>BILL NUMBER</u>	<u>PAGE</u>
SALES, SERVICES AND USE TAX:		254
Withholding Exemptions Option	S.F. 2058	
Biodegradeable Packaging Sales Tax Incentive	H.F. 2453	
Exempt 40% of Sales Tax on Sale of Modular Homes	H.F. 2458	
Sales Tax on Catalogue Purchases	H.F. 2459	
Exempt Cash Rebates on Motor Vehicle Purchases	H.F. 2460	
Farm Mach. & Equip. Audit Power, Tax Changes	H.F. 2477	
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Insurance Premium Tax on Non-Qualified Annuities	S.F. 2338	
Cigarette & Tobacco Tax Increase	H.F. 327	
Railway Finance	H.F. 2269	
Corporate Alternative Minimum Tax Correction	H.F. 2451	
Local Option Tax Provisions	H.F. 2463	
Franchise Tax on Out-of-State Financial Inst.	H.F. 2474	
1987 SPECIAL SESSION BILLS:		260
Special Session 1	S.F. 523	
Special Session 2	H.F. 689	

The table below lists the changes which were made to the Code of Iowa  
in Ways and Means bills passed by the General Assembly.

<u>Bill Number</u>	<u>Section</u>	<u>Action</u>	<u>Code Citation</u>	<u>Page</u>
S.F. 2074	1	New Section	Sec. 422.3(5)	236
S.F. 2074	2	Amends	Supp. Sec. 422.4(1,4,10,)	236
S.F. 2074	2	Amends	Supp. Sec. 422.4(11,14,17,18)	236
S.F. 2074	3	Amends	Supp. Sec. 422.4(19 & 20)	236
S.F. 2074	4	Repeals	Supp. Sec. 422.4(19 & 20)	236
S.F. 2074	5	Repeals	Supp. Sec. 422.5(1)	236
S.F. 2074	6	Amends	Supp. Sec. 422.5(1A)	236
S.F. 2074	7	Amends	Supp. Sec. 422.5(1A)(k1)	236
S.F. 2074	8	Amends	Supp. Sec. 422.5(2)2	236
S.F. 2074	9	Amends	Supp. Sec. 422.5(2)	236
S.F. 2074	10	Amends	Supp. Sec. 422.5(6)	236
S.F. 2074	11	Amends	Supp. Sec. 422.5(6,7,8, & 10)	236
S.F. 2074	12	Amends	Supp. Sec. 422.6(2)	236
S.F. 2074	13	Amends	Supp. Sec. 422.7(2,6,7,8, 9,11,16A,19,21,23,24 & 27)	236
S.F. 2074	14	Amends	Supp. Sec. 422.7(15)	236
S.F. 2074	15	Repeals	Supp. Sec. 422.7(5,10, 1, 13,14,16,17,20,22 & 26)	236
S.F. 2074	16	Amends	Sec. 422.812 & 4)	236
S.F. 2074	17	Amends	Supp. Sec. 422.9(1)	236
S.F. 2074	18	Amends	Supp. Sec. 422.9(2)1	236
S.F. 2074	19	Repeals	Supp. Sec. 422.9(2E)	236
S.F. 2074	20	Amends	Supp. Sec. 422.9(3)1	236
S.F. 2074	21	Amends	Supp. Sec. 422.10(1)	236
S.F. 2074	22	Amends	Supp. Sec. 422.12(1C)	236
S.F. 2074	23	Amends	Supp. Sec. 422.12(2)1	236
S.F. 2074	24	Amends	Supp. Sec. 422.13(1A)	236
S.F. 2074	25	Amends	Supp. Sec. 422.16(1)1	236
S.F. 2074	26	Amends	Supp. Sec. 422.16(11A 8 D)	236
S.F. 2074	27	Amends	supp. Sec. 422.20(2)	236
S.F. 2074	28	Amends	supp. Sec. 422.21(4,5,6)	236
S.F. 2074	29	Amends	Sec. 422.25(1)	236
S.F. 2074	30	Amends	Supp. Sec. 422.32(1)	236
S.F. 2074	31	Amends	Supp. Sec. 422.32(11)	236
S.F. 2074	32	Repeals	Supp. Sec. 422.32(11)	236
S.F. 2074	33	Amends	supp. Sec. 422.33	236
S.F. 2074	34	Amends	Supp. Sec. 422.72(2)	236
S.F. 2074	35	Amends	Sec. 450.1(2)	236
S.F. 2074	36	Amends	Sec. 450.3(2 & 7)	236
S.F. 2074	37	Amends	Sec. 450.37(1B)	236
S.F. 2074	38	Amends	Supp. Sec. 450.1(5)	236
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WAYS AND MEANS  
OMNIBUS BILLS  
S. F. 2074  
SEC. 1-56

H.F. 689 EXTENSION; FEDERAL COUPLING

INTENT LANGUAGE

Estimated Overall Fiscal Impact

The estimated net fiscal effect of Sections 1 through 56 on FV 1989 General Fund revenues is an increase of approximately \$12.5 million. The following is a breakdown by type of tax.

Individual Income Tax Provisions: Sections 1 - 29, 45 - 47

This Act makes permanent changes made by H.F. 689 in rates, brackets, deductions, thresholds, and clarification on the taxation of interest and dividends from regulated investment companies exempt from federal tax and the loss from the sale or exchange of shares of such companies. The per diem deduction of expenses for state legislators not itemizing their expenses is set at 350 for those residing within 50 miles of the Capitol, and \$73 for those residing more than 50 miles away from the Capitol. Taxpayer eligibility for use of the alternative tax calculation available to filers with net incomes over \$7,500 and not filing as singles, is clarified. References to the Internal Revenue Code relating to the individual income taxes are updated through 1987.

This Act provides that pension income exempted by the State from state income tax shall be included in the \$5,000 or 37,500 minimum income thresholds below which state tax is not collected.

Under prior law, taxpayers receiving annuities from the U.S. Civil Service Retirement and Disability Trust Fund were allowed to exclude from net income up to \$5,500 for separate filers and 38,000 for joint filers. The 35,500 and \$8,000 were indexed for inflation, thus actual excludable amounts had risen. The limits stated in the Code of Iowa are increased up to the levels they were raised by indexation, i.e., to 35,627 for separate filers and 88,184 for married filers and is retroactive to January 1, 1987. Indexation will begin again in 1989.

FV 1989 FISCAL EFFECT	(Millions)
H.F. 689 Extension	\$ 6.5
Coupling through 1/1/88	(0.25)
Inclusion of State Exempt Pension Income in Thresholds	<u>unknown</u>
NET	\$ 6.25

Corporate Income Tax Provisions: Sections 30 - 34

Sections 30 - 32. and 34 update references to the Internal Revenue Code relating to business taxes. Section 33 imposes the corporate income tax on unrelated business income earned by nonprofit organizations.

FV 1989 FISCAL EFFECT	(Millions)
Vacation pay reserve	\$ 1.25
Completed contract method	0.75
Installment sales	3.75
Corporate dividends received deduction	0.50
Unrelated business income tax on nonprofits	<u>unknown</u>
TOTAL	\$ 6.25

Inheritance and Estate Tax Provisions: Sections 35 - 44

Sections 35 - 44 update references to the Internal Revenue Code through January 1, 1988.

FV 1989 FISCAL EFFECT	(Millions)
Pension Funding	\$ 1.5
Estate ESOP limitation	( 1.5)
NET	\$ 0.0

CODE CITATION

Individual Income Tax Provisions: Sections 1 - 29, 45 - 47

Section 1 replaces Section 422.3(5), Code of Iowa, so that "Internal Revenue Code" is to mean either of the two definitions, whichever is applicable: (a) the Internal Revenue Code of 1954 prior to its redesignation as the Internal Revenue Code of 1986, or (b) the Internal Revenue Code of 1986 as amended to and including January 1, 1988. This Section applies to tax years, beginning in 1988.

Section 2 amends Subsections 422.4(1, 4, 10, 11 and 14), Code Supplement 1987, to strike "1954" from references to the Internal Revenue Code. This Section strikes Subsection 422.4(18), Code Supplement 1987, which was an obsolete reference to the Internal Revenue Code of 1954. This Section amends Subsections 422.4(17)(a - d), to cleanup language pertaining to the

annual inflation factor (Subsection a). reset the base from 1978 to 1988 for purposes of calculating the cumulative inflation factor (Subsections b and c), and to cleanup language pertaining to the Iowa Economic Emergency Fund (Subsection d).

Section 3 amends Subsections 422.4(19 and 20), Code Supplement 1987, by including references to the Revenue Act of 1987. This Section applies to tax year 1987 only. Section 4 repeals these same Subsections retroactive to January 1, 1988.

Section 5 strikes Section 422.5(1), Code Supplement 1987, to cleanup language pertaining to the taxability of salaries of federal officials and employees. This Section is retroactive to January 1, 1988.

Section 6 amends Section 422.5(1A), unnumbered Paragraph 1, Code Supplement 1987, by removing language stating the Section was "in lieu of" Section 422.5(1), Code Supplement 1987. This Section is retroactive to January 1, 1988.

Sections 7, 13, 16, 18, and 20 - 27 amend various Sections of the Code Supplement 1987, to update references to the Internal Revenue Code by striking references to the specific year of which the Internal Revenue Code that the State is coupling. All of these Sections are retroactive to January 1, 1988. The applicable citations are presented by bill Section in the following table.

Section Number	Amended Section/Subsection <u>Code Supplement 1987</u>
7	422.5(1A)(K)(1)
13	422.7, unnumbered Paragraph 1, and Subsections 2, 6 - 9, 11, 16A, 19, 21, 23, 24 and 27
16	422.8(2 and 4)
18	422.9(2), unnumbered Paragraph 1
20	422.9(3), unnumbered Paragraph 1 & (c)
21	422.10, unnumbered Paragraph 1
22	422.12(1)(c)
23	422.12(2), unnumbered Paragraph 1
24	422.13(1)(a)
25	422.16(1), unnumbered Paragraph 1
26	422.16(1)(a) and (d)
27	422.20(2)

Section 8 amends Section 422.5(2), unnumbered Paragraph 2, Code Supplement 1987, to clarify that the alternate tax calculation, as provided within the Section, does not apply if one spouse elects to carry back or carry forward any net operating loss. Section 8 applies only to tax year 1987, since it is repealed January 1, 1988.

Section 9 replaces Section 422.5(2), Code Supplement 1987, to include the language originally contained in unnumbered Paragraphs 1 and 2, the amendment to unnumbered Paragraph 2 described under Section 8, and language stating that state exempt pension income shall be treated as income for purposes of determining the \$5,000 or \$7,500 or minimum income thresholds. Section 9 applies to tax years beginning in 1988.

Section 10 amends Section 422.5(6), Code Supplement 1987, to reset to indexed deduction amounts allowed for annuities from the U.S. Civil Service Retirement and Disability Trust Fund to the amounts they have climbed to due to indexation. Thus, separate filers receiving these annuities may deduct up to \$5,627 (up from \$5,500), while eligible joint filers may deduct up to \$8,184 (up from \$8,000). These amounts apply to tax year 1987. Indexation will raise the amounts in subsequent tax years unless indexation is suspended in cases of state budgetary problems.

Section 11 amends Section 422.5(6 - 8, and 10), Code Supplement 1987, to include language reflecting the increases in the deduction allowed taxpayers receiving annuities from the U.S. Civil Service Retirement and Disability Trust Fund discussed under Section 10 of this bill, to update references to the Internal Revenue Code by striking language specifying the applicable code year, and to recalibrate paragraph citations as necessary. This Section is applicable to tax years beginning on or after January 1, 1988.

Section 12 amends Section 422.6, unnumbered Paragraph 2, Code of Iowa, and Section 29 amends Section 422.25(1), unnumbered Paragraph 1, Code of Iowa, to update references to the Internal Revenue Code by striking language specifying the code year as being the Internal Revenue Code of 1954. Both Sections are applicable to tax years beginning on or after January 1, 1988.

Section 14 replaces subsection 422.7(15), Code Supplement 1987, to allow legislators not itemizing their travel expenses and residing within 50 miles of the Capitol to take a \$50 per day deduction, and allow legislators not itemizing their travel expenses and residing more than 50 miles from the Capitol to deduct the total amount per day determined under Section 162(h)(1)(B), Internal Revenue Code. This Section is retroactive to January 1, 1987, for tax years beginning on or after that date.

Section 15 amends Section 422.7, Code Supplement 1987, by striking Subsections 5, 10, 12, 13, 14, 16, 17, 20, 22, and 26, which are no longer applicable. This Section is retroactive to January 1, 1988, for tax years beginning on or after that date.

Section 17 amends Section 422.9(1), Code Supplement 1987, by striking the Subsection and replacing it with a description of the current optional standard deduction of \$1,230 for single or married separate filers, and \$3,030 for married joint, heads of household, or surviving spouse filers. This Section is retroactive to January 1, 1988. for tax years beginning on or after that date.

Section 19 amends Section 422.9(2)(e), Code Supplement 1987, by striking the paragraph which contains an obsolete reference to the Internal Revenue Code.

Section 28 amends Section 422.21. unnumbered Paragraphs 4, 5 and 6, Code Supplement 1987. to clarify that indexation is to start for 1989 and subsequent tax years. The Section also repeals the capital gains refund provision effective for tax years beginning in 1989.

Section 45 amends Chapter 1. Section 13. Acts of 1987, Second Extraordinary Session, to cleanup language made obsolete under Sections 2 and 14 of this Act. This Section applies to tax year 1987 only.

Section 46 amends Chapter 1. Section 16. Acts of 1987. Second Extraordinary Session. to make H.F. 689 applicable to tax years beginning on or after January 1, 1987, instead of having it apply to tax year 1987 only.

Section 47 repeals Chapter 1, Sections 13 and 14. Acts of 1987, Second Extraordinary Session. which are obsolete, as a result of making the provisions of H.F. 689 permanent. This Section is retroactive to January 1, 1988.

Corporate Income Tax Provisions: Sections 30 - 34

Section 30 amends Section 422.32(1), Code Supplement 1987, to provide that the corporate income tax is imposed on partnerships which are taxed as corporations at the federal level.

Section 31 amends Section 422.32(11), Code Supplement 1987, to update references to the Internal Revenue Code. This Section applies to tax year 1987 only, after which Subsection 422.32(11), Code Supplement 1987, is struck by Section 32.

Section 33 adds Subsection 422.33(1A), Code Supplement 1987, which imposes the corporate income tax on non-profit corporations earning unrelated business income, as determined by the Internal Revenue Code. This Section is retroactive to January 1, 1988.

Section 34 amends Section 422.72(2), Code Supplement 1987, to update references to the Internal Revenue

Code. This- Section is retroactive to January 1, 1988.

Inheritance and Estate Tax Provisions: Sections 35 - 44

Sections 35 through 37. 39 - 44 amend the following Sections in the Code of Iowa. to update references to the Internal Revenue Code pertaining to inheritance tax retroactive to January 1, 1988.

Section Number	Amended Section/Subsection <u>Code of Iowa</u>
35	450.1. unnumbered Paragraph 2
36	450.3(2 and 7)
37	450.37(1)(b)
39	4500.1
40	450B.2
41	4508.3
42	451.1(8)
43	451.2, unnumbered Paragraph 1
44	451.3

Section 38 amends Section 450A.1(5), Code Supplement 1987, to update references to the Internal Revenue Code pertaining to the generation skipping transfer tax. This Section is retroactive to October 22, 1986.

Effective Dates; Code Editor Instructions

Sections 48 and 50 - 56 provide effective dates for previously discussed Sections.

Section 49 instructs the Code Editor to renumber certain Sections and Subsections.

H. F. 683

SEC. 1 - 3 LIHEAP - CUSTOMER CONTRIBUTION FUND  
(Low-income Home Energy Assistance Program)

#### CODE CITATION

Section 1 amends Section 476.1A, unnumbered paragraph 2, Code of Iowa. and Section 2 amends Section 476.1B(1), Code of Iowa. to add a reference to Section 476.66 added under Section 3.

Section 3 adds Section 476.66, Code of Iowa, which creates a Customer Contribution Fund that will receive contributions from persons or organizations who wish to provide assistance to low-income customers for weatherization and for supplemental energy assistance funds for payment of winter heating bills. The Utilities Board is to adopt rules for administering and reporting purposes. The utilities are to administer the funding and disbursement under direction of a board. and may be reimbursed for expenses, however the reimbursement is not to exceed 5% of total revenues collected.

SEC. 4, 6 LIHEAP - ENERGY CRISIS FUND

CODE CITATION

Section 4 amends Section 558.18(3), Code of Iowa, which pertains to the treatment of deposits and refunds left unclaimed by the utilities' customers. The Energy Research and Development Fund will receive \$ 50,000 from these unclaimed deposits and refunds: the Energy Crisis Fund, created under Section 6, shall receive the remainder.

Section 6 adds Section 601K.102, Code of Iowa, which creates the Energy Crisis Fund for purposes of assisting qualified low-income families with avoiding the loss of essential heat. The Energy Crisis Fund may receive money from unclaimed deposits and refunds, General Assembly appropriations, unclaimed patronage dividends of electric cooperative corporations or associations (after July 1, 1988), and transfers from the Customer Contribution Fund created under Section 3.

SEC. 5 LIHEAP - EMERGENCY WEATHERIZATION FUND

CODE CITATION

Section 5 adds Section 601K.101. Code of Iowa, which creates the Emergency Weatherization Fund which has the Division of Community Action Agencies (1) identify all participants in the Low-income Home Energy Assistance Program for the 1987-1988 winter whose household income was less than 75% of the poverty level. (2) determine how many of these households would qualify for weatherization in the next 12 months, and (3) submit a report to the General Assembly on February 1, 1989 on the program's activities. 1.5% of the total amount of funds appropriated by S.F. 2323, to the Division of Community Action Agencies, is earmarked for this program, to be used for weatherization or related home repairs.

SEC. 7 LIHEAP - AFFORDABLE HEATING PILOT PROJECT

INTENT LANGUAGE

This Section directs the Division Of Community Action Agencies, the Department of Natural Resources and the Utilities Board to jointly conduct a 2 year pilot project to determine the best way to provide low income heating assistance, and improve weatherization and energy conservation programs. The study is to be conducted from October 1, 1988 to September 30, 1990.

H. F. 2471

SEC. 1 DEFINITION - RECEIVING STATION

CODE CITATION

This Section amends Section 192.8(7), Code Supplement 1987, by adding the definition for a "receiving station" to be any place where raw milk is received, collected, handled, stored, or cooled and prepared for further transporting.

SEC. 2 DAIRY INSPECTION AGREEMENTS

CODE CITATION

This Section amends Section 192.11(4 & 5), Code Supplement 1987, to allow an individual to perform grade "A" dairy inspections, if authorized by an agreement created in Section 6 of this Act.

SEC. 3 ENFORCEMENT OF CHAPTERS 190, 191, 8 192

CODE CITATION

This Section amends Section 192.30(1), Code Supplement 1987, by including the new agreement created in Section 6 of this Act along with Chapters 190 and 191. Code of Iowa, to be enforced by the Secretary of Agriculture or municipal corporations in the regulation of grade "A" dairies.

SEC. 4 MILK TESTER'S LICENSE

CODE CITATION

This Section amends Section 192.40. Code Supplement 1987, by changing the Milk Tester's License fee from \$3 to a maximum fee of \$25. The fees collected under this Section are deposited in the Milk Fund established in Section 5 of this Act.

SEC. 5 INSPECTION FEES AND MILK FUND

CODE CITATION

This Section adds Section 192.47(1-3), Code of Iowa, by establishing the following inspection fees:

- A. Milk plant - not greater than \$1,000 per year.
- B. Transfer station - not greater than \$200 per year.
- C. Milk hauler - not greater than \$25 per year.
- D. Grade "A" milk producer - not greater than \$.015 per hundredweight.

**Fees** collected under this Section and moneys

appropriated to the Department of Agriculture and Land Stewardship for dairy control shall be deposited in a Milk Fund to be appropriated for the costs of inspection, sampling analysis, and other necessary administrative expenses. If there is an unencumbered balance of funds in the Milk Fund on June 30 of any fiscal year, equal to or exceeding \$150,000, the Secretary of Agriculture shall reduce the fees provided for in this Section for the next fiscal year.

**SEC. 6 INSPECTIONS REQUIRED. AGREEMENTS**

CODE CITATION

This Section adds Section 192.48, Code of Iowa, by requiring the Department of Agriculture and Land Stewardship to inspect dairy farms, milk plants, and transfer stations to ensure compliance with Chapters 190, 191, and 192, Code of Iowa. Whenever practical, the Department shall enter into an agreement with a person, including, but not limited to a municipal corporation, qualified to perform inspection services if the agreement for the services is cost-effective and the quality of inspection assures compliance with State and federal law. The Department shall review inspection services performed by a person under an agreement with the Department or sub-agreement with a municipal corporation to ensure quality cost-effective inspections.

**SEC. 7 U.S.D.A. REQUIREMENTS**

CODE CITATION

This Section amends Section 194.2, Code Supplement 1987, by allowing the Secretary of Agriculture to adopt, by rule, requirements recommended by the United States Department of Agriculture for the production and processing of milk for manufacturing purposes for the inspection and certification of grade "8" dairy farms and plants.

**SEC. 8 MILK GRADER'S LICENSE FEE**

CODE CITATION

This Section amends Section 194.14, Code Supplement 1987, by changing the Milk Grader's License fee from \$3 per year to a maximum of \$3 per year. Fees collected under this Section shall be deposited in the Milk fund established in Section 5 of this Act.

**SEC. 9 DAIRY TRANSPORT VEHICLE LICENSE FEE**

CODE CITATION

This Section amends Section 194.19(1), Code Supplement 1987, by establishing a maximum fee of \$25 for vehicle licenses for those vehicles used for the collection of milk for the manufacture of dairy products. A fee is not imposed if the vehicle or its operator has paid the fee imposed upon milk haulers under Section 192.47, Code of Iowa. Fees collected under this Section are deposited in the Milk Fund established under Section 5 of this Act.

**SEC. 10 GRADE "8" INSPECTION FEES**

CODE CITATION

This Section adds Section 194.21, Code of Iowa, which requires a purchaser of milk from a grade "8" milk producer to pay an inspection fee not greater than \$.005 per hundredweight. A fee imposed by this Section shall not be paid on milk subject to inspection by a municipal corporation pursuant to Section 192.47, Code of Iowa. Fees collected under this Section are deposited in the Milk Fund established by Section 5 of this Act.

**SEC. 11 MILK OR CREAM GRADER LICENSE FEE**

CODE CITATION

This Section amends Section 195.9, Code Supplement 1987, by changing the Milk or Cream Grader's License Fee from \$3 per year to a maximum of \$25 per year. Fees collected under this Section are deposited in the Milk Fund established in Section 5 of this Act.

H. F. 2473

**SEC. 1 MILITARY SERVICE TAX CREDIT FUND - DELETED**

CODE CITATION

This Section amends Section 123.53(7), Code of Iowa, by striking the Subsection relating to a credit to the Military Service Tax Fund.

SEC. 2            FRANCHISE TAX FUND - ALLOC OF REVENUE

<u>FV 1988</u> <u>Approp.</u>	<u>FV 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	5,400,000	5,400,000

EXPLANATION

The estimated annual standing appropriation from the Franchise Tax Fund is approximately \$5.4 million. Currently, 55% of the moneys received from the Franchise Tax are deposited in the General Fund and the remaining amount is deposited in the Franchise Tax Fund to be paid quarterly as follows: 60% to the city from which the tax is collected, and 40% to the county from which the tax is collected. This bill transfers all of the money received into the General Fund with 45% being paid quarterly to the cities and counties from which the tax is collected.

CODE CITATION

This Section amends Section 422.65. Code of Iowa. by transferring the Franchise Tax Fund balance to the General Fund.

SEC. 3            MILITARY SERVICE TAX CREDIT

<u>FV 1988</u> <u>Approp.</u>	<u>FY 1989</u> <u>Gov. Revised</u>	<u>FV 1989</u> <u>Leg. Action</u>
\$ 0	3,200,000	3,200,000

EXPLANATION

The estimated annual standing appropriation from the Military Service Tax Credit Fund is approximately \$3.2 million.

CODE CITATION

This Section amends Section 426A.1. Code of Iowa, by appropriating the Military Service Tax Credit from the General Fund and eliminating the Military Service Tax Credit Fund.

SEC. 4            MILITARY SERVICE TAX CREDIT - GENERAL FUND

CODE CITATION

This Section amends Section 426A.2, Code of Iowa, by apportioning money to fund the Military Service Tax Credit from the General Fund rather than from the Military Service Tax Credit Fund.

SEC. 5            CERTIFICATION BY DIRECTOR OF REV. & FINANCE

CODE CITATION

This Section amends Section 426A.4, Code of Iowa. by requiring the Director of the Department of Revenue and Finance to certify and draw warrants to the Treasurer of each county payable from the General Fund instead of the Military Service Tax Credit Fund.

SEC. 6            SETTING ASIDE ALLOWANCE

CODE CITATION

This Section amends Section 426A.6. Code of Iowa, by changing references to the "Military Service Tax Credit" Fund to the "General" Fund.

SEC. 7            MILITARY SERVICE TAX CREDIT - APPEALS

CODE CITATION

This Section amends Section 426A.8, Code of Iowa. by changing the references to "Military Tax Credit" Fund to the "General" Fund and cleaning-up language.

SEC. 8            MILITARY SER. TAX CREDIT-ERRONEOUS CREDITS

CODE CITATION

This Section amends Section 426A.9. Code of Iowa. by changing the reference to "Military Service Tax Credit" Fund to the "General" Fund and cleaning-up language.

SEC. 9            INCLUSION OF MERCHANT MARINE

CODE CITATION

This Section amends Section 427.3(5), Code of Iowa, by including the United States Merchant Marine in the definition of "soldier" as it applies to this Chapter.

**SEC. 10 MOBILE HOME AS A MILITARY TAX EXEMPTION**CODE CITATION

This Section amends Section 427.3. Code of Iowa, by adding a new Subsection (6) which includes a mobile home, as defined in Section 135D.1. Code of Iowa, as property in the determination of a military tax exemption.

**ADMINISTRATION**

S. F. 2331

**SEC. 1 - 3 SHERIFFS MAY REQ. FEES PAID BEFORE SERVICE**CODE CITATION

Section 1 amends Section 79.5(3), Code of Iowa, to make additional exceptions to the provision allowing fees to be made payable before performance of a service of a public officer when the service stems from court orders, judgements, or decrees. The added exceptions are for divorce-related matters including child support, temporary custody, restraining orders, and writs of Habeas Corpus.

Section 2 amends Section 331.655(1)J, Code of Iowa, which allow Sheriffs to refuse to serve any legal process in civil cases until the fees and estimated mileage have been paid. Also, mileage fees are not to apply where other arrangements for fees have been made.

Section 3 amends Section 626.50. Code of Iowa, to make the plaintiff or attorney provide to a Sheriff written instructions pertaining to a levy of an execution on a defendant's personal property before the Sheriff is obligated to perform the levy.

H. F. 2462

**SEC. 1, 10 DOGS TO BE LICENSED AT 4 MONTHS OF AGE**CODE CITATION

Section 1 amends Section 351.1. Code of Iowa, to lower the age requirement for the licensing of dogs from 6 months to 4 months and exempt from licensing, dogs kept in state or federally licensed kennels. Section 10 states that this bill goes into effect January 1, 1989.

**SEC. 2 - 10****REPEAL OF DUPLICATIVE LICENSING OF DOGS**CODE CITATION

Section 2 amends Section 351.3. Code of Iowa, by providing that a dog owner residing inside a city is to apply for a license with the city clerk, while a dog owner residing outside a city is to apply for a license with the county clerk.

Section 3 amends Section 351.5, unnumbered paragraph 1, Code of Iowa, by including references to the city clerk in relation to the application for the dog license.

Section 4 amends Section 351.6. Code of Iowa, by including references to the city council in relation to the setting of the annual license fee.

Section 5 amends Section 351.7, Code of Iowa, by including references to the city's name and the city clerk in relation to the information to be placed on the dog tag.

Section 6 amends Section 351.11. Code of Iowa, by including references to the city clerk and cities that license dogs in relation to procedures for the transfer or surrender of tags in the case where the owner moves out of the licensing jurisdiction.

Section 7 amends Section 351.14. Code of Iowa, by including a reference to the city clerk in relation to the procedure for replacing a dog tag.

Section 8 amends Section 351.16, Code of Iowa, by clarifying that the option to purchase a dog license from the county assessor shall only apply to dog owners obtaining dog licenses from counties.

Section 9 amends Section 351.22. Code of Iowa, by including a reference to the city clerk in relation to the record of licenses book.

Section 10 provides that this bill is effective January 1, 1989.

FUEL RELATED BILLS

S. F. 2196

SEC. 1 IDENTIFICATION OF NETWORK FOR PLAN

CODE CITATION

This Section amends Section 307A.2, Code of Iowa, by adding a new unnumbered paragraph which directs the Transportation Commission to identify a network of commercial and industrial highways to be considered in the development of the long range, five year plan.

SEC. 2 INTEREST AND EARNINGS ON INVESTMENTS

CODE CITATION

This Section amends Section 312.1, Code of Iowa, by adding a new unnumbered paragraph to credit interest and earnings on investments of the Road Use Tax fund and its beneficiary funds back to those funds instead of the General Fund.

SEC. 3 PUBLIC TRANSIT APPROPRIATION

CODE CITATION

This Section amends Section 312.2(17), Code Supplement 1987, by increasing the amount credited annually, from the Road Use Tax Fund (RUTF) to the Public Transit Assistance Fund, from 1/40 to 1/20 of the total use tax receipts which are deposited in the RUTF.

SEC. 4 RECREATION TRAILS

CODE CITATION

This Section amends Section 312.2, Code Supplement 1987, by adding a new Subsection 20 which credits annually \$1,000,000 to the Department of Transportation, from the use tax receipts to be credited to the Road Use Tax Fund, for the acquisition, construction, and improvement of recreation trails.

SEC. 5 LIVING ROADWAY TRUST FUND

CODE CITATION

This Section amends Section 312.2, Code Supplement 1987, by adding a new Subsection 21 which establishes a Living Roadway Trust Fund and directs the Treasurer to credit moneys generated from an utility accommodation plan, required in Section 9 of this bill, to be used for alternative roadside vegetation plantings.

SEC. 6 REQUIREMENT TO SPEND MONEY ON NETWORK

CODE CITATION

This Section amends Section 313.4, Code of Iowa, by adding a new Subsection 5 which requires the Department of Transportation, beginning in FY 1991, to spend at least \$30 million annually, from the Primary Road Fund, for the network of commercial and industrial highways.

SEC. 7 INCLUSION OF NETWORK FOR PROGRAMMING

CODE CITATION

This Section amends Section 313.8, Code of Iowa, by requiring the Department of Transportation to include programming on the commercial and industrial network as part of the priority planning for the improvement of the primary system.

SEC. 8 ENVIRONMENTAL PROTECTION REQUIREMENTS

CODE CITATION

This Section establishes Section 314.15, Code of Iowa, which requires specified environmental protection measures to be included in the design, construction and reconstruction of highway projects. This Section of the bill is repealed in S.F. 2314, Section 51.

SEC. 9 UTILITY EASEMENTS ON HIGHWAY RIGHT-OF-WAY

CODE CITATION

This Section adds a new Section 314.20 to the Code of Iowa, which directs the Department of Transportation to develop an accommodation plan for the longitudinal utility use of freeway right-of-way. The plan shall provide for charges for the use of the right-of-way which will provide receipts for the Living Roadway Trust Fund established in Section 5 of this bill.



**SEC. 10**      **TEYPOHARV TRANSFFR OF RISE FUNDS**CODE CITATION

This Section amends Section 315.3, Code of Iowa, by adding Subsection 3 to allow the Transportation Commission to authorize the temporary transfer of funds between the Department's share of the **RISE** fund and the Primary Road Fund. The amount at one time shall not exceed **\$40** million and shall be repaid not later than July 1, 1993.

**SEC. 11**      **REGISTRATION FEES. TRUCKS UNDER THREE TONS**CODE CITATION

This Section amends Section **321.122(1)A**, Code of Iowa, by increasing the registration fee by twenty dollars, on trucks which weigh three tons or less, except the fee on trucks which are more than thirteen model years **old** is increased by ten dollars. and trucks more than fifteen model years old will remain at the current fee.

**SEC. 12**      **REGISTRATION FEE ON TRUCKS OVER THREE TONS**CODE CITATION

This Section amends Section 321.122(1b), Code of Iowa, by raising the registration fees, on trucks weighing between three to fourteen tons, by twenty dollars.

**SEC. 13, 14**      **EXCISE TAX ON GASOLINE AND GASOHOL**CODE CITATION

These Sections amend Section 324.3. unnumbered paragraphs 1 and 4. Code of Iowa, by increasing the excise tax on gasoline and gasohol by two cents per gallon on April 1, 1988, and an additional two cents per gallon on January 1, 1989.

**SEC. 15. 16**      **EXCISE TAX ON DIESEL FUEL AND NATURAL GAS**CODE CITATION

These Sections amend Section 324.34. unnumbered paragraphs 1 and 9. Code of Iowa. by increasing the excise tax on diesel fuel by two cents per gallon on April 1, 1988. and an additional two cents per gallon beginning January 1, 1989. **The** rate for natural gas used as a special fuel for vehicles is increased from 13 to **16** cents per hundred cubic feet:

**SEC. 17**      **RUTF DISTRIBUTION AND ROAD NEEDS STUDY**EXPLANATION

This Section appropriates \$300,000. from the Road Use Tax Fund to the **Legislative** Service Bureau. to carry out a study of the needs for the total road network and the mechanisms **for** the distribution **of** moneys from the Road Use Tax Fund. The Section specifies the composition of a steering committee and completion date of January 31, 1989.

**SEC. 18**      **STUDY OF PUBLIC TRANSIT FUND DISTRIBUTION**EXPLANATION

This Section appropriates 875,000. from the Public Transit Assistance Fund to the Legislative Service Bureau, to carry out a study of the mechanisms for the distribution of the Fund. The Section specifies the composition of a steering committee and completion date of January 31, 1989.

**SEC. 19**      **STUDY FOR PLANTING ALTERNATIVE ROADSIDE VEG**EXPLANATION

This Section appropriates \$50,000 from the Road Use Tax Fund to the Legislative Service Bureau to carry out a study to develop an immediate long-range policy for the planting and maintenance of alternative roadside vegetation. The Section specifies the composition of a steering committee and completion date of January 31, 1989.

**SEC. 20. 21**      **APPROPRIATION TO REPLACE FEDERAL FUNDS**EXPLANATION

This Section appropriates about \$17.5 million in FY 1989 and \$28.6 million in FY 1990, to the Primary, Secondary, Farm-to-Market, and Street Construction funds for the purpose of replacing reduced federal aid.

**SEC. 22. 23**      **APPROPRIATI N FOR NETWORK OF HIGHWAYS**EXPLANATION

These Sections appropriate about \$27.9 million in FY 1989 and **\$24.3** million in FY 1990 to the Primary and Secondary Road Fund, and Street Construction funds of the cities.

**SEC. 24 ESCROW PROVISIONS**

EXPLANATION

This Section contains an escrow provision which places revenue into an escrow fund, beginning April 1, 1990, until the study in Section 17 of the bill has been completed and the General Assembly has taken action on the RUTF distribution formula.

**SEC. 25 - 29 ENACTMENT DATES**

EXPLANATION

These Sections provide enactment dates to allow for an increase in excise taxes on April 1, 1988, and to allow other fees, allocations, and changes to be implemented on July 1, 1988 and December 1, 1988.

ti. F. 2441

**SEC. 1 - 2 UNDERGROUND STORAGE TANKS - DEFINITIONS**

CODE CITATION

These Sections amend Section 4558.471(5), Code of Iowa, by altering the definition of "release" to include petroleum and by adding Subsections 8-12 to provide definitions of "corrective action," "Fund," "Board," "distributor" and "third-party liability."

GOVERNOR'S VETO

The Governor vetoed these Sections, using the rationale that: the State should not be in the insurance business. the Fund will be underfunded by \$10,000,000 to \$20,000,000, the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money. and the federal rules governing underground petroleum storage tanks have not yet been issued.

**SEC. 3 UNDERGROUND STORAGE TANK AMNESTY PROGRAM**

CODE CITATION

This Section adds Section 4558.473A, Code of Iowa, to allow underground petroleum storage tanks that are not registered, and therefore in violation of Section 4558.473, Code of Iowa, to register without penalty if the following conditions are met: (1) the Tank Registration Fee, under Section 455B.473(5), Code of Iowa is paid. (2) the Storage Tank Management Fee, under Section 455.479, Code of Iowa, is paid for all prior years in which the tank should have been registered and (3) the owner or operator demonstrates financial responsibility as required by Section 4558.477, Code of Iowa. If the tank is registered under the provisions of this Section by October 1,

1989, penalties under Section 4550.477, Code of Iowa, shall be waived.

GOVERNOR'S VETO

The Governor vetoed the first paragraph of Subsection 3.3, which requires that an owner or operator of an underground petroleum storage tank demonstrate financial responsibility, using the rationale that: the State should not be in the insurance business. the Fund will be underfunded by \$10,000,000 to \$20,000,000, the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money, and the federal rules governing underground petroleum storage tanks have not yet been issued.

**SEC. 4 - 10 UNDERGROUND STORAGE TANKS - RULES**

CODE CITATION

Section 4 amends Section 455B.474(1)D, Code Supplement 1987, to allow the Director of the Department of Natural Resources to order an owner of a leaking underground storage tank to take all corrective action deemed reasonable and necessary to protect the environment.

Section 5 amends Section 455B.474(1)E, Code Supplement 1987, to allow Owners of unused underground storage tanks to fill them with an inert material instead of removing the tank from the ground.

Section 6 amends Section 455B.474(1)F, Code Supplement 1987, by moving the date at which old underground storage tanks must have monitoring wells in place from May 1, 1988 to January 14, 1989. This Section of the bill also specifies that the provisions of the bill do not apply to hydraulic lift reservoirs.

Section 7 amends Section 4558.474(1)F, Code Supplement 1987, by adding an unnumbered paragraph allowing the Department of Natural Resources to grant compliance variances for just cause to owners of underground storage tanks.

Section 8 amends Section 455B.474(2) unnumbered paragraph 1, Code Supplement 1987, by removing from the Environmental Protection Commission, the authority to set rules for financial responsibility requirements for owners of underground storage tanks containiny petroleum.

Section 9 amends Section 4558.474(3)D, Code Supplement 1987, by changing the date by which a tank installation is to be considered "new" from May 1, 1986 to January 14, 1987 (all new tank installations must have monitoring wells).

Section 10 amends Section 4558.477, Code Supplement 1987 by adding Subsections 6 and 7. Subsection 6 requires all civil fines collected under the provisions of this bill to be deposited in the Iowa Comprehensive Underground Storage Tank Fund created in this bill. Subsection 7 places a fine of \$7,500 to \$10,000 for the intentional failure of an owner or an operator of an underground storage tank to register that tank. This fine is effective October 1, 1989.

GOVERNOR'S VETO

The Governor vetoed Section 8 and Section 10, new Subsection 6, using the rationale that: the State should not be in the insurance business, the Fund will be underfunded by \$10,000,000 to \$20,000,000, the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money, and the federal rules governing underground petroleum storage tanks have not yet been issued.

SEC. 11 UNDERGROUND PETROLEUM STORAGE TANK FUND

CODE CITATION

This Section adds Section 4558.479A, Code of Iowa, which contains the following provisions to establish an Iowa Comprehensive Petroleum Underground Tank Fund to help pay for the damage caused by petroleum leaks:

- A. Owners or operators of underground petroleum storage tanks must demonstrate financial responsibility in the amount of \$20,000 per tank.
- B. Under special conditions, the Fund may cover an owner's financial responsibility.
- C. The Petroleum Fund Board may refuse coverage under certain conditions,
- D. The Fund shall only extend coverage to a tank which has an adequate monitoring system, except under special conditions,
- E. The Fund liability is limited to \$500,000 per occurrence and is available for corrective action only,
- F. Premiums charged for Fund coverage are set on a per tank, per year sliding scale of premiums and deductibles.

GOVERNOR'S VETO

The Governor vetoed this Section, using the rationale that: the State should not be in the insurance business, the Fund will be underfunded by \$10,000,000 to \$20,000,000, the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money, and the federal rules governing underground petroleum storage tanks have not yet been issued.

FISCAL EFFECT OF VETO

The Governor's veto results in a \$5,342,000 reduction of underground tank insurance premium payments to be deposited into the Underground Petroleum Storage Tank Fund.

SEC. 12 - 18 UNDERGROUND STORAGE TANK FUND CREATED

CODE CITATION

Section 12 adds Section 4558.479B, Code of Iowa, which establishes the Iowa Comprehensive Underground Storage Tank Fund as a separate fund within the State treasury.

Section 13 adds Section 4558.479C, Code of Iowa, which establishes the Iowa Comprehensive Petroleum Storage Tank Fund Board as the governing body for the Fund created in Section 12, provides for the membership of that Board, establishes rule making procedures and authority for the Board, and provides that the Board shall employ a professional administrator to manage the Fund.

Section 14 adds Section 4558.479D, Code of Iowa, which provides revenue sources for the Fund. The revenue sources to be credited to the Fund include:

- A. Premiums collected for coverage under the Fund.
- B. The proceeds collected from the fee imposed by Section 14 of this bill.
- C. Money recovered under the provisions of Section 17 of this bill,
- D. Interest from the money within the Fund,
- E. Donations.

Section 15 adds Section 4558.479E, Code of Iowa, which establishes the procedures for the implementation of a Comprehensive Underground Storage Tank Fee. This fee is imposed on all petroleum products that are placed in underground storage tanks, and is set at a rate of \$20 per 1,000 gallons of petroleum product. The Section also allows for an insurance premium surcharge to be used as a guarantee of solvency of the Fund. If the balance of the Fund falls below \$2,000,000, the Board may impose a premium surcharge of up to 25% of the original premium.

Section 16 adds Section 4558.479F, Code of Iowa, which limits the purposes for which money from the Fund can be used. These purposes are:

- A. For administration of the Fund,
8. For corrective action, up to \$500,000. needed because of a release from a tank covered by the Fund.
- C. For corrective action, up to \$500,000. needed because of a release from a tank not covered by the fund if the owner cannot be identified or is incapable of paying for the clean-up,
- D. To fund the Petroleum Underground Storage Tank Financing Account established in Section 21 of this bill.

Section 17 adds Section 4558.479G, Code of Iowa, which establishes methods of cost recovery available to the Fund.

Section 18 adds Section 4558.479H, Code of Iowa, which states that the Fund is not an insurance company and is not a part of the Iowa Insurance Guaranty Association created in Chapter 5158, Code of Iowa.

#### GOVERNOR'S VETO

The Governor vetoed these Sections. using the rationale that; the State should not be in the insurance business, the Fund will be underfunded by \$10,000,000 to \$20,000,000, the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money. and the federal rules governing underground petroleum storage tanks have not yet been issued.

#### SEC. 19 STORAGE TANK FUND - INITIAL FUNDING

##### CODE CITATION

This Section adds Section 4550.4791. Code of Iowa, which imposes the Comprehensive Petroleum Underground Storage Tank Fee, created in Section 15 of this bill, during the month of August 1988. to provide for initial funding for the Comprehensive Petroleum Underground Storage Tank Fund created in Section 12. This Section also provides that Fund coverage shall be offered by January 14, 1989. Coverage prior to that date may be extended at the discretion of the Board.

#### GOVERNOR'S VETO

The Governor vetoed this Section. using the rationale that; the State should not be in the insurance business, the Fund will be underfunded by \$10,000,000 to \$20,000,000, the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money, and the federal rules governing underground petroleum storage tanks have not yet been issued.

#### FISCAL EFFECT OF VETO

The Governor's veto results in a \$2,600,000 reduction of storage tank fees to be deposited into the Underground Petroleum Storage Tank Fund.

#### SEC. 20 - 28 LOANS FOR STORAGE TANK REPLACEMENT

##### CODE CITATION

Sections 20-28 adds' Sections 4550.1-9, Code of Iowa. which establishes the Iowa Petroleum Underground Financing Account. The provisions establishing the Account include:

- A. Chapter 455, Code of Iowa. is titled "Loans for Repair or Replacement of Petroleum Underground Storage Tanks;"
8. Definitions of the terms "Account," "Authority," "small business," and "participating party;"
- C. The Membership of the Iowa Comprehensive Underground Petroleum Storage Tank Fund Board established in Section 13 of this bill shall also constitute the membership of the Iowa Petroleum Underground financing Authority;
- D. Loan applicants are required to prove financial need to receive a loan from the Authority;
- E. The maturity date of a loan shall not exceed ten years and shall be for the shortest time period feasible;
- F. The maximum loan amount is 850,000. with the rate of interest on the loan to be the rate available to the State on the first day of the calendar quarter in which the loan is made;
- G. The sources of revenue for the loans include; 2% of the funds collected by the fee established in Section 15 of this bill, interest from outstanding loans. any other funds appropriated for this purpose by the state or federal government;
- H. The provisions of this Chapter are repealed on July 1, 1998.

GOVERNOR'S VETO

The Governor vetoed these Sections. using the rationale that: the State should not be in the insurance business, the Fund will be underfunded by \$10,000,000 to \$20,000,000. the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money. and the federal rules governing underground petroleum storage tanks have not yet been issued.

**SEC. 29 STORAGE TANK FUND SUNSET DATE**CODE CITATION

This Section adds Section 455B.490, Code of Iowa, which places a repeal date of July 1, 2003 on Sections 455B.477 through 455B.4791, Code of Iowa.

GOVERNOR'S VETO

The Governor vetoed this Section. using the rationale that: the State should not be in the insurance business. the Fund will be underfunded by \$10,000,000 to \$20,000,000, the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money. and the federal rules governing underground petroleum storage tanks have not yet been issued.

**SEC. 30 STORAGE TANK INSTALLER'S FUND STUOV**INTENT LANGUAGE

This Section contains language stating that the Comprehensive Petroleum Underground Storage Tank Fund Board shall conduct a study to investigate the creation of a separate fund to cover the installers of underground petroleum storage tanks. The results of the study shall be presented to the General Assembly by December 1, 1988.

GOVERNOR'S VETO

The Governor vetoed this Section. using the rationale that; the State should not be in the insurance business. the Fund will be underfunded by \$10,000,000 to \$20,000,000, the fee on petroleum is actually a gas tax and this is not an appropriate use of gas tax money, and the federal rules governing underground petroleum storage tanks have not yet been issued.

**SEC. 31 REPEALS CH. 225. SEC. 602. IOWA ACTS 1987**EXPLANATION

This Section repeals Chapter 225. Section 602. Acts of 1987, which mandates the creation of a plan of operations for dealing with the problem of leaking underground petroleum storage tanks in Iowa.

**SEC. 32 IMMEDIATE EFFECTIVE DATE**EXPLANATION

This Section places an immediate effective date on the bill.

**II. F. 2465****SEC. 1 EXEMPT FROM RISE CALCULATION**CODE CITATION

This Section amends Section 312.2(16A) unnumbered paragraph 1, Code Supplement 1987. by removing aviation gasoline from the calculation of the RISE appropriation. The money currently deposited in the Road Use Tax Fund will be deposited in the Aviation Fund.

**SEC. 2 DEFINITION OF AVIATION GASOLINE**CODE CITATION

This Section amends Section 324.2. Code of Iowa, by adding a new Subsection 12 which defines aviation gasoline.

**SEC. 3 EXCISE TAX ON FUEL FOR AIRCRAFT**CODE CITATION

This Section amends Section 324.3. Code of Iowa, by exempting aviation gasoline from the present motor fuel rate and instead establishes an excise tax of eight cents per gallon on the gasoline.

**SEC. 4 - 7    REMOVAL OF REFUND OF TAXES ON AVIATION GAS**

CODE CITATION

These Sections amend Section 324.16. unnumbered paragraph 1. Section 324.17(4, 5, 6. 14 and unnumbered paragraph 1) and Section 324.18. Code of Iowa. which eliminate the system to apply and receive a refund for taxes paid on aviation gasoline.

**SEC. 8 - 10        JET FUEL AS A SPECIAL FUEL**

CODE CITATION

These Sections amend Sections 324.32 and 324.33(1-5, 7, 8). Code of Iowa, by inserting language to include fuel used in turbine-powered aircraft (jet fuel) in the provisions relating to the excise tax on special fuel.

**SEC. 11            EXCISE TAX ON JET FUEL**

CODE CITATION

This Section amends Section 324.34. Code of Iowa, by imposing an excise tax of three cents per gallon on special fuel used for aircraft (jet fuel). Currently jet fuel is taxed at 4% of the sales price.

**SEC. 12 - 16        JET FUEL AS SPECIAL FUEL**

CODE CITATION

These Sections amend Section 324.36(1 & 2), Section 324.37(2), and Section 324.38(1-4, 5a-c. 6). Code of Iowa, by including fuel used in turbine-powered aircraft (jet fuel) in the provisions relating to the excise tax on special fuel.

**SEC. 17            DEPOSITS INTO AVIATION FUND**

CODE CITATION

This Section amends Section 324.82. Code of Iowa, by including the tax collected on jet fuel with the receipts from the aviation gasoline tax money deposited in the Aviation Fuel Tax Fund. Currently, taxes collected on jet fuel are deposited in the General Fund.

**SEC. 18            PROOF OF TAX PAID**

CODE CITATION

This Section amends Section 328.26, Code of Iowa, by adding a new unnumbered paragraph which requires that proof be provided that the sales or use tax has been paid before an aircraft is registered.

**SEC. 19            INTEREST AND EARNINGS**

CODE CITATION

This Section amends Section 328.36, Code of Iowa, to credit interest and earnings on moneys in the Aviation Fund to that Fund instead of the General Fund.

**SEC. 20            TAX ON THE CASUAL SALES OF AIRCRAFT**

CODE CITATION

This Section amends Section 422.45(6 & 11), Code Supplement 1987. by eliminating the sales and use tax exemptions for the casual sales of aircraft. The new revenue will be deposited in the General Fund. This Section also exempts aircraft fuel from the sales tax if a fuel tax has been imposed and paid.

**SEC. 21            EXEMPTS CERTAIN AIRCRAFT FROM SALES TAX**

CODE CITATION

This Section amends Section 422.45. Code Supplement 1987, by exempting aircraft used by a scheduled airline from the sales tax.

**SEC. 22 - 24        ELIMINATION OF INCOME TAX CREDITS**

CODE CITATION

These Sections amend Section 422.110(1, unnumbered paragraph 2) and Section 422.111(unnumbered paragraph 1), Code of Iowa, by removing the provisions which allow income tax credits for motor fuel paid on fuel used in aircraft.

**SEC. 25            EFFECTIVE DATE**

EXPLANATION

This Section makes the excise tax in the act effective for fuel purchased on or after July 1, 1988.

**INDIVIDUAL INCOME TAX**

S. F. 2327

**SEC. 1 - 2****OLYMPIC CHECKOFF**CODE CITATION

Section 1 adds Section 422.12A, Code of Iowa, which provides for a state individual income tax checkoff for funding the United States Olympic Committee and the Iowa Games Committee. The amount of the checkoff is \$2.00 and these contributions are to be deposited into the Olympic Fund. On or before March 1 of each year the Department of Revenue and Finance is to pay one-half the amount in the Olympic Fund to the United States Olympic Committee, and pay the other half to the Iowa Games Committee. Section 2 provides that the bill is effective January 1, 1988 for tax years beginning on or after that date.

**PROPERTY TAX**

S. F. 452

**SEC. 1****RESCIND PERSONAL PROPERTY TAX LIENS**CODE CITATION

This Section adds Section 445.8, Code of Iowa which cancels all personal property taxes outstanding and rescinds all personal property tax liens filed. This Section is effective July 1, 1988.

S. F. 2188

**SEC. 1****MOBILE HOME TAX SCHEDULE**CODE CITATION

This Section amends Section 1350.22(2), Code Supplement 1987, by changing the schedule used to compute the mobile home annual tax for the elderly. It lowers the per sq. foot tax rate and widens an income tax bracket used in determining the tax credit from \$8,000 - 8,999 \$8,000 - 9,999. This Section is effective January 1, 1989, and would have a minimal impact on the General Fund.

**SEC. 2****ELIGIBILITY DEFINITIONS**CODE CITATION

This Section amends Section 425.17(5) and (9), Code of Iowa, which contains definitions for the implementation of property tax relief for elderly and disabled individuals. This Section phases out the allowance of surviving spouses who are fifty-five years of age to qualify for the property tax credit or reimbursement. This Section is effective January 1, 1990, and has no effect upon the General Fund.

**SLC. 3****RENT CONSTITUTING PROPERTY TAXES PAID**CODE CITATION

This Section amends Section 425.17(7), Code of Iowa, to change the amount of rent constituting property taxes paid from 25% to 27.5% of the gross rent actually paid in the base year by the claimant..

**SEC. 4****PROPERTY TAX CREDIT REIMBURSEMENT SCHEDULE**CODE CITATION

This Section amends Section 425.23(1), Code of Iowa, to change the schedule for property tax credit and rent reimbursements. The change is effective January 1, 1989 for property tax claims filed after that date and January 1, 1990 for rent reimbursement claims filed after that date. The estimated cost to the General Fund is \$2,625,000 for FY 1990.

S. F. 2335

**SEC. 1****AGRICULTURAL PROPERTY VALUE FORMULA**CODE CITATION

This Section amends Section 441.21(1)F, Code of Iowa, to emphasize that the local assessor will use the modern soil survey in valuing agricultural property. This is to ensure that individual parcels are treated in an equal and uniform manner to achieve equity among parcels within assessing jurisdictions.

H. F. 665

**SEC. 1****TAX LEVY FOR CITY LIBRARIES**CODE CITATION

This Section amends Section 384.12, Code of Iowa, by adding a new Subsection which authorizes a tax levy for city libraries not to exceed 27 cents per thousand dollars of assessed value, subject to petition and referendum requirements. If a majority approves the levy, it shall be imposed.

H. F. 666

**SEC. 1 REFILING OF HOMESTEAD TAX CREDIT - DIVORCE**

CODE CITATION

This Section amends Section 425.2, Code of Iowa, unnumbered paragraph 2. to allow that the homestead tax credit claim need not be refiled when the property is transferred to one spouse or the other when a dissolution of marriage occurs.

**SEC. 2 REFILING OF HOMESTEAD TAX CREDIT - DIVORCE**

CODE CITATION

This Section amends Section 598.21(8)K, Code of Iowa, to state that property divisions made under this Section are not subject to modification.

H. F. 678

**SEC. 1 - 14 LEVY BENEFITED RECREATIONAL LAKE DISTRICT:**

CODE CITATION

This Bill creates new Sections 357E.1-14, Code of Iowa, to provide for the establishment of a benefited recreational lake district by petition of the property owners in the proposed district and the approval of the board of supervisors. Such a district will not include property assessed as agricultural land. The authority to levy an annual property tax not to exceed four dollars per thousand dollars of assessed valuation and to issue bonds is provided if approved by a majority of the electorate in the district. Procedures are also provided for dissolving a benefited recreation district or for adding adjoining property.

H. F. 2457

**SEC. 1 - 22 LOCAL GOVERNMENT ASSISTANCE CONSOLIDATION**

INTENT LANGUAGE

Under prior law, state assistance to local governments fell under a number of programs. Cities received separate allocations for monies and credits, liquor sales, municipal assistance and personal property tax replacement payments. Counties received separate allocations for livestock tax replacement, monies and credits, county assistance, and personal property tax replacement payments. Local schools received separate allocations for livestock and personal property tax replacement payments. Other recipients (merged area schools, county hospitals, local conference boards, and county agricultural extension councils) received personal property tax replacement payments.

H.F. 2457 as passed by the General Assembly consolidates state assistance to these local governments. In addition, (a) the payment schedule is altered so that cities and counties receive their assistance during the fiscal year for which the assistance is attributed; (b) payments for personal property and livestock replacement assistance would be deferred to July 15, of the subsequent fiscal year and appropriated from this fiscal year; (c) counties would not receive \$1.0 million in monies and credits reimbursement under the new assistance program since they did not receive it last year.

Tables 1 and 2 show the effects of the bill by funding source and distribution.

Table 1: FUNDING SOURCE (millions)

	FV 1988 Current	Scheduled Adjustment	FV 1989 H.F. 2457
General Fund	\$ 88.2		
1. Last phase of personal property tax		\$ 6.1	
2. Reduce livestock standing		\$ -2.9	
General Fund Sub Total	\$ 88.2	\$ 3.2	\$ 91.4
Liquor Sales	\$ 12.8		
1. Transfer to General Fund			\$ 12.8
Sub Total	\$ 12.8	\$ 0	\$ 12.8
Total	\$ 101.0	\$ 3.2	\$ 104.2



Table 2: DISTRIBUTIONS (millions)

	Property Tax Replacement Program					H.F. 2457	
	Pers Prop	Live-Stock	City/County Assist	Liquor Sales	Monies Credits	Tot.	FY 1989 Gen. Fund Approp.
K-12	30.3	5.1				35.4	32.5
Area	1.2					1.2	.9
Sub.	31.5	5.1				36.6	33.4(1)
Cities	17.0		14.5	12.8	1.5	45.8	
Count.	14.9		5.4			20.3	
Hosp.	.8					.8	
Conf. Boards	.5					.5	
Ag. Ext.	.2					.2	
Sub.	33.4		19.9	12.8	1.5	67.6	67.6
Total	64.9	5.1	19.9	12.8	1.5	104.3	101.0

(1) This amount is less than the current payment schedule with the difference being paid from the FY 1990 appropriation.

#### CODE CITATION

##### Definitions:

Section 1 adds Section 405A.1, Code of Iowa, to define "personal property replacement base", "political subdivision" and "local government" for purposes of the newly created Sections 405A.2 to 405A.9, Code of Iowa.

General Allocation: Equivalent of Personal Property Tax Replacement

Section 2 adds Section 405A.2, Code of Iowa, to create a general allocation of \$65.0 million in state assistance to local governments. The allocation is to be distributed on the basis of the FY 1987 distribution of personal property tax replacement assistance.

Section 12 amends Section 331.429(1)(a-b), Code Supplement 1987, to strike references to the personal property tax replacement fund and livestock tax credits no longer applicable under this bill.

Section 14 strikes Subsection 427A.12(6), Code of Iowa,

to delete a reference to the personal property tax replacement fund which no longer applies due to this bill.

Section 15 amends Section 427A.13, Code of Iowa, to change and phaseout the amount of the personal property tax replacement appropriations. The table below sets out the changes:

	Prior Law (millions)	Current Law (millions)
FY 1988	\$59.0	\$57.5
FY 1989	68.0	32.5
FY 1990	60.0	0.0

##### City and County Allocations:

Section 3 adds Section 405A.3(1 - 2), Code of Iowa, to provide for the restructuring of state assistance to cities beginning in FY 1989. Subsection 405A.3(1), Code of Iowa, provides that payments to each city will consist of each city's share of the total general allocation created under Section 2 of this bill, plus that percent of \$27.3 million (equivalent to total municipal assistance + liquor assistance under prior law) which reflects the ratio of each city's population to the total population of all cities in Iowa, plus the amount of monies and credit replacement received by each city in FY 1987 under Section 422.100, Code of Iowa. Subsection 405A.3(2), Code of Iowa, provides that the county shall receive the general allocation in the case of the dissolution of the city.

Section 10 amends Section 123.53, Code of Iowa, by striking Subsections 3 through 6. This Section repeals references to the separate liquor assistance allocation made to cities under prior law, but now made under Section 405A.3(1), Code of Iowa, created under Section 3 of this bill.

Section 4 adds Section 405A.4(1 - 2), Code of Iowa, to provide state assistance to counties beginning in FY 1989. Subsection 405A.4(1), Code of Iowa, provides that payments to each county will consist of each county's share of the total general allocation created under Section 2 of this bill, plus that percent of \$5.4 million (equivalent to total county assistance under prior law) which reflects the ratio of each county's population residing in an unincorporated area to the total population residing in unincorporated areas in Iowa, plus each county's percentage share of the personal property replacement base multiplied times \$447,000 (equivalent to personal property tax replacement monies going to townships under prior law). Subsection 405A.4(2), Code of Iowa, provides that the county may credit the allocation to the county's General Fund, Rural Services Fund, Secondary Road Fund,

or other special revenue fund.

Section 13 amends Section 411.20(1), Code of Iowa, to clarify that city fire and police retirement systems organized according to Chapter 411, Code of Iowa, shall receive their authorized General Fund distributions directly from the General Fund rather than being transferred through the Municipal Assistance Fund which is repealed under Section 22 of this Act.

Section 19 amends Section 444.3, Code of Iowa, by striking unnumbered paragraphs 2 - 5. This Section strikes references to the monies and credit replacement which are no longer applicable under the bill.

Section 21 repeals Section 422.100 Code of Iowa, and Section 427.17, Code Supplement 1987, Section 422.100, Code of Iowa, provided for the monies and credits replacement; Section 427.17, Code Supplement 1987, provided for the livestock tax credit.

Section 22 repeals Chapters 334A and 405, Code of Iowa, which are no longer applicable. Chapter 334A, Code of Iowa, pertained to county assistance; Chapter 405, Code of Iowa, pertained to city assistance.

#### Local Conference Board Allocations:

Section 5 adds Section 405A.5(1 - 2), Code of Iowa. Subsection 405A.5(1), Code of Iowa, provides that local conference boards are to receive a general allocation as determined under Section 405A.2, Code of Iowa, created under this bill. The total general allocation to local conference boards--to begin in FY 1989--will be approximately \$0.5 million. Subsection 405A.5(2), Code of Iowa, provides that the county conference board shall receive the allocation that went to a city conference board in the case of the dissolution of the city.

#### County Hospital Allocations:

Section 6 adds Section 405A.6(1 - 2), Code of Iowa, which provides that county hospitals shall receive a general allocation as determined by Section 405A.2, Code of Iowa, created under this bill. The total general allocation to county hospitals--to begin in FY 1989--will be approximately \$0.8 million. Subsection 405A.6(2), Code of Iowa, provides that the county shall receive the general allocation in the case where the hospital is discontinued or organized under Chapter 37, Code of Iowa.

#### Agricultural Extension Council Allocations:

Section 7 adds Section 405A.7, Code of Iowa, which provides that County Agricultural Extension Councils shall receive a general allocation as determined by

Section 405A.2, Code of Iowa, created under this bill. The total general allocation to these councils--to begin in FY 1989--will be approximately \$0.2 million.

#### Appropriation and Payment Schedule for All Recipients Except Schools:

Section 8 adds Section 405A.8(1 - 2), Code of Iowa. Subsection 405A.8(1 - 2), Code of Iowa, appropriates \$67,737,000 to carry out provisions for payments for FY 1989 and beyond as provided by Sections 405A.1 to 405A.7, Code of Iowa, created under this bill. Subsection 405A.8(2), Code of Iowa, provides for an across the board reduction in allocations in case the entire \$67,737,000 is not appropriated.

Section 9 adds Section 405A.9, Code of Iowa, which provides that one-half the amount due for a given fiscal year shall be paid on December 15 of that fiscal year, and the other half shall be paid on March 15 of the same fiscal year.

#### Ared School and K - 12 School Allocations:

Section 11 adds Subsection 286A.11(4), Code of Iowa, which states that area schools are to receive a general allocation as determined under Section 405A.2, Code of Iowa, created under Section 2 of this bill. The total general allocation will be approximately \$1.2 million.

Section 16 strikes Subsections 442.2(2 and 3), Code of Iowa, to delete references to livestock tax credit and personal property tax replacement monies received by schools under prior law, but no longer applicable under this bill.

Section 17 adds Section 442.3, unnumbered paragraph 2, Code of Iowa, to provide that the school foundation base is to be increased by the amount of state assistance received under prior law for livestock tax credit and personal property tax replacement.

Section 18 amends Section 442.26, Code of Iowa, to appropriate this allocation for payment to the school district on July 15, of the subsequent fiscal year. This Section also specifies that the appropriation is to be made from the fiscal year it is paid, rather than the fiscal year for which the payment applies.

#### FY 1988 Payments Schedule:

Section 20 states that FY 1988 payments are scheduled to be paid on January 1, 1988, and July 1, 1988, with the July 1, 1988 payment being the final deferred payment of City Liquor Assistance provided as per Subsections 123.53 (3 - 6), Code of Iowa, under prior law.

H. F. 2461

SEC. 1 COUNTY TAX REFUNDSCODE CITATION

This Section amends Section 445.60, Code of Iowa, to provide that the county board of supervisors will not order the county treasurer to issue a refund of any tax paid unless the claim for refund was made within one year from the date the tax was due or if the tax was appealed to the board of review, the state board of tax review, or the district court within one year of the final decision.

H. F. 2476

SEC. 1 PROCEDURES FOR EXEMPTING PROPERTYCODE CITATION

This Section amends Section 421.1(4), Code of Iowa, to provide that administrative procedures be followed for questions relating to the identification and classification of taxable property when it is centrally assessed. Local administrative procedures also must be followed when these questions are raised.

SEC. 2 PROCEDURES FOR EXEMPTING PROPERTYCODE CITATION

This Section amends Section 441.37(1)C, Code of Iowa, to state that a taxpayer's protest against an assessment may be based on the argument that the property is not assessable, is exempt from taxes, or is misclassified.

## SALES, SERVICES AND USE TAX

S. F. 2058

SEC. 1 - 3 AGRICULTURAL COMMODITY WITMOLDING OPTIONCODE CITATION

Section 1 amends Section 422.16(12), Code of Iowa, by adding a new unnumbered paragraph which would allow withholding agents an exemption from the requirements for withholding Iowa income taxes from payments made to a nonresident who owns Iowa farmland under the following two conditions: (a) payments are from the sale of farm products or commodity credit certificates, and (b) the withholding agent provides an informational return to the Department of Revenue and Finance. This Section is retroactive to January 1, 1985. The fiscal impact of this Section is not known, though it may result in increased compliance due to the filing of the informational returns.

H. F. 2453

SEC. 1 DEGRADABLE PACKAGING - DEFINITIONSCODE CITATION

This Section adds Subsections to section 455B.301, Code of Iowa. Subsections 16-20 provide definitions of degradable, biodegradable, photodegradable, beverage and beverage container respectively.

SEC. 2 DEGRADABLE BEVERAGE CONNECTORSCODE CITATION

This Section adds Section 455B.314, Code of Iowa, making it a simple misdemeanor to sell or offer to sell beverage containers connected to each other by a device which is not photodegradable or biodegradable.

SEC. 3 AG LABORATORY DIVISION RESPONSIBILITIESCODE CITATION

This Section adds Section 159.30, Code of Iowa, requiring the Laboratory Division of the Department of Agriculture and Land Stewardship to: designate packaging products that are degradable, promote the use of packaging products that are designated as degradable, and promote the development of markets for degradable packaging alternatives.

SEC. 4 - 5 SALES TAX ON PACKAGING PRODUCTSCODE CITATION

These Sections amend Section 422.45, Code Supplement 1987, removing the state sales tax exemption from retail packaging products that are not degradable.

SEC. 6 DEGRADABLE PACKAGING - EFFECTIVE DATEEXPLANATION

This Section sets an effective date of July 1, 1989 for Sections 1-3 and 6 of this bill, and provides that Sections 4 and 5 will take effect when the Laboratory Division determines that degradable products are available to a degree which makes compliance reasonably possible. The effective date is to be established by rule adopted under Chapter 17A, Code of Iowa.

H. F. 2458

SEC. 1 SALES TAX EXEMPTION ON MODULAR HOME SALES

CODE CITATION

Section 1 amends Section 422.45, Code Supplement, by adding Subsection 36 which exempts from the sales and use tax 40% of the purchase price of a modular home. The modular home would be subject to sales and use tax when first purchased by the customer, before it is seated on a foundation and classified as real property. This Section takes effect July 1, 1988. This Section is estimated to reduce FV 1989 sales tax receipts for the General Fund by about \$155,000 to \$200,000.

H. F. 2459

SEC. 1 OUT-OF-STATE RETAILERS TO COLLECT SALES TAX

CODE CITATION

Section 1 adds Section 422.43(12), Code Supplement 1987, which states that the 4% sales, services and use tax also applies to the following:

(a) Retailers who solicit sales of tangible personal property from Iowa residents by advertising which is broadcast or transmitted from a location within Iowa;

(b) Retailers that solicit orders for tangible personal property from Iowa residents by mail or otherwise;

(c) Sales of tangible personal property made by a retailer owned or controlled by the same interests as any other retailer engaged in business in Iowa;

(d) Sales of tangible personal property made by a retailer that maintains or has a franchisee or licensee operating under the retailer's trade name in Iowa, and is required to collect the sales, services or use tax.

The estimated annual increase in revenues due to this Section is 917.0 to \$20.0 million annually; however, due to uncertainty as to the Department of Revenue and Finance's power to enforce the law, actual FV 1989 revenues stemming from this bill will probably differ substantially.

SEC. 2

GAAP ESCROW ACCOUNT

CODE CITATION

Section 2 adds Section 422.69(4), Code of Iowa, which requires the Department of Revenue and Finance to estimate the amount of revenues attributable to adoption of Section 1 of this bill, and to place these revenues in the newly created Generally Accepted Accounting Principles (GAAP) Escrow Account, which is to be part of the General Fund. These deposits are to be used in implementing GAAP as required under Chapter 1245, Section 2046 and Chapter 1238, Section 59, Acts of 1986.

SEC. 3

NOT APPLICABLE TO LOCAL OPTION SALES TAXES

CODE CITATION

Section 3 amends Section 4220.8, Code of Iowa, to specify that the mail-order sales tax to be collected under Section 1 of this bill shall not be subject to a city or county local option sales tax.

H. F. 2460

SEC. 1 CASH REBATES ON AUTO PURCHASES EXEMPTED

CODE CITATION

Section 1 amends Section 423.1(3)A, Code Supplement 1987, by exempting from the 4% use tax the amount of a cash rebate applied to the purchase price of the vehicle and provided by the motor vehicle manufacturer. This Section takes effect July 1, 1988 and would reduce the amount of use tax receipts deposited in the Road Use Tax Fund if motor vehicles subject to registration were sold with an eligible cash rebate.

H. F. 2477

SEC. 1 HORSE AND DOG RACING LICENSING

CODE CITATION

Section 1 amends Section 99D.8, Code of Iowa, by replacing it to include references to the Internal Revenue Code in addition to the original language which provided that qualified non-profit corporations may apply to the State Racing Commission for a license to conduct horse or dog racing. This Section also contains language, stating that taxable unrelated business income earned by licensees is to be distributed among the political subdivisions in the licensee's county of residence.

**SEC. 2. 6 HEALTH CENTERS & NON-PROFIT LENDERS EXEMPT****CODE CITATION**

Section 2 amends Section 422.45(22), Code Supplement 1987, by adding paragraph (e), which provides that qualified Community Health Centers and Migrant Health Centers are exempt from payment of sales and services tax.

Section 6 amends Section 422.45, Code Supplement 1987, by adding Subsections 36 and 37. Subsection 36 exempts non-profit lending organizations which lend tangible personal property to the general public from payment of sales tax on the purchase of the tangible personal property. Subsection 37 exempts legal aid organizations from payment of sales tax on the gross receipts of the sale of rental of tangible personal property, or for services performed, rendered or furnished to the legal aid organization.

**SEC. 3 - 5 FARM MACHINERY, EQUIPMENT AND PARTS****CODE CITATION**

Section 3 amends Section 422.45(26)(1), Code Supplement 1987, to strike a reference to the depreciable parts standard for exempting self-propelled and drawn farm machinery and equipment.

Section 4 amends Section 422.45(26), Code Supplement, by adding paragraph (c) which states that exempt replacement parts must be essential to the self-propelled or drawn farm machinery or equipment's exempt use in agricultural production.

Section 5 amends Section 422.45, Code Supplement, by adding Subsection 36. This Subsection exempts from sales tax the gross receipts from the sale or rental of non-self-propelled or non-drawn farm implements, machinery, or equipment used in livestock or dairy production, and their essential replacement parts. This exemption will be effective July 1, 1988.

**SEC. 7. 11 FARM FUEL CERTIFICATE CLEANUP****CODE CITATION**

Section 7 amends Section 422.47(4)(f), Code Supplement 1987, by striking language requiring fuel exemption certificates issued for agricultural fuel consumed in processing be applicable to implements which are self-propelled. By removing the "self-propelled" requirement, this section is made consistent with action taken by the 1987 General Assembly under House File 626. Section 11 provides that Section 7 is retroactive to January 1, 1988.

**SEC. 8 LIVESTOCK AND DAIRY REFUND CHANGES****CODE CITATION**

Section 8 amends Section 422.47C(1), Code Supplement 1987, by providing that replacement parts eligible for the refund need not be depreciable but rather essential to any repair or reconstruction necessary to the implement's exempt use in production. This refund applies to implements used in livestock or dairy production which are not self-propelled or drawn, and are not grain elevators. This Section also repeals the refund provision effective June 30, 1988.

**SEC. 9 STATES MAY AUDIT AFTER A FEDERAL AUDIT****CODE CITATION**

Section 9 amends Section 422.70(1), Code of Iowa, which relates to the examination of returns by the Department of Revenue and Finance. This Section strikes language that had limited transactions subject to examination by the Department of Revenue and Finance to those occurring not more than 5 years prior to the date of the examination.

**SEC. 10 MILITARY TAX EXEMPTION FOR MOBILE HOMES****CODE CITATION**

Section 10 amends Section 427.3, Code of Iowa, by adding Subsection 6 which makes the military service property tax exemption applicable to mobile homes as defined in Section 135D.1, Code of Iowa.

MISCELLANEOUS BILLS

S. F. 2338

SEC. 1 - 4

REPEAL PREM. TAX ON NON-QUALIFIED ANNUITIES

CODE CITATION

Section 1 amends Section 432.1(1), Code of Iowa, to allow the deduction of premiums for annuity contracts not qualified for a federal tax preference from premiums subject to the 2% premium tax. This is expected to reduce General Fund revenues by about \$850,000 in FY 1989 and about \$1.7 million for FY 1990 and thereafter.

Section 2 amends Section 505.8, Code of Iowa, to require the Insurance Commissioner to prepare the following: (a) a report on the level of Iowa investments of Iowa domestic and nondomestic insurance companies--due July 1, 1988; (b) an action plan outlining the alternatives and incentives for increasing investments of domestic and nondomestic insurance companies--due September 1, 1988; (c) a report on new jobs, companies, and subsidiaries in the state, and the estimated tax revenues resulting from the expanded deduction under Section 1--due July 1, 1989.

Section 3 states that the deduction will be allowed for premiums received after July 1, 1988 and Section 4 makes the act effective upon enactment.

H. F. 327

SEC. 1 - 3

CIGARETTE AND TOBACCO TAX INCREASE

EXPLANATION

Section 1 raises the tax on a pack of cigarettes from 26 cents to 34 cents beginning the last quarter of FY 1988. The tax is reduced to 31 cents per pack beginning FY 1990. Section 2 imposes a one-time inventory tax on cigarettes and tobacco products already in the distributors' stock. Section 3 raises the tax on tobacco products from 15% to 19% beginning the last quarter of FY 1988. The following table sets out the estimated increases to the General Fund resulting from these Sections.

**3 Cent Tax Increase: FY 1988 and FY 1989 (millions)**

	FY 1988	FY 1989
Cigarette tax increase	\$ 6.0	\$ 9.7
Tobacco tax increase	0.2	0.6
Inventory tax (one-time)	0.6	--
<b>TOTAL</b>	<b>\$ 6.8</b>	<b>\$ 0.3</b>

The 3 cent reduction in the tax on cigarettes is

estimated to reduce the General Fund receipts by about \$7.1 million in FY 1990.

CODE CITATION

Section 1 amends Section 98.6(2), Code of Iowa, by raising the millage rate per cigarette from thirteen mills to seventeen mills beginning March 1, 1988. On July 1, 1989 the millage rate will be reduced to fifteen and one-half mills.

Section 2 adds Section 98.40, Code of Iowa, which imposes an inventory tax on distributors cigarette tax stamps or metered imprints not used by the February 29, 1988. The rate of the inventory tax is equal to the difference between the tax initially paid and the new tax. The Department of Revenue and Finance shall adopt rules to carry out this section.

Section 3 amends Section 98.43(1) and (2), Code of Iowa, by raising the tax rate on tobacco products from 15% to 19%. This does not apply to little cigars which will be taxed at the same rate as cigarettes.

SEC. 4

CREDIT-PURCHASE OF TAX STAMPS OPTION

INTENT LANGUAGE

This Section contains language stating that current-holders of a state distributor's license may purchase cigarette tax stamps on credit for a 45 day period beginning March 1, 1988, and ending April 15, 1988. Distributors choosing to do this must post a bond for the amount due with the Department of Revenue and Finance. Distributors can only do this once.

H. F. 2269

SEC. 1

LOAN REPAYMENTS DEPOSITED IN RAILWAY FUND

CODE CITATION

This Section amends Section 3078.23, Code Supplement 1987, by adding a subsection which credits moneys received from repayment of a loan to Heartland Rail Corporation to a separate account within the special Railroad Facility Fund to be used by the Iowa Railway Finance Authority for debt service or rehabilitation on branch rail lines whose projected traffic is at least 50% agricultural products.

SEC. 2 CERTIFICATION FOR RECEIPT OF USE TAX FUNDSCODE CITATION

This Section adds Section 3070.25, Code of Iowa, to allow the Iowa Railway Finance Authority to receive appropriations from Use Tax receipts for payment on obligations or leases after July 1, 1988. The Section contains language stipulating certain conditions which must be met before appropriations are allocated.

SEC. 3 APPROPRIATION FROM USE TAX TO AUTHORITYCODE CITATION

This Section adds Section 3070.25, Code of Iowa, by providing a conditional standing appropriation to the Iowa Railway Finance Authority from Use Tax receipts for payments on obligations or leases provided under Section 3078.25. The total amount credited to the Authority shall not exceed \$2 million annually. The moneys credited to the Authority under this Section are to be repaid from the General Fund to the Road Use Tax Fund.

GOVERNOR'S VETO

The Governor vetoed the language in this Section which requires moneys credited to the Authority to be repaid from the General Fund to the Road Use Tax Fund using the rationale that to guarantee moneys from the General Fund may be unconstitutional and financially problematic.

FISCAL EFFECT OF VETO

The fiscal effect of this veto cannot be determined, but may save the State up to \$2 million annually. The actual impact would have depended on the amount of obligations issued by the Railway Finance Authority.

SEC. 4 GRANT REQUIREMENT ELIMINATEDCODE CITATION

This Section amends Section 327H.20, unnumbered paragraph 1, Code Supplement 1987, by eliminating the requirement that 50% of all rail assistance funds be provided as grants.

SEC. 5 INTEREST AND EARNINGS FOR GRANTSCODE CITATION

This Section amends Section 327H.24, unnumbered paragraph 2, Code Supplement 1987, by eliminating the requirement that interest and earnings on the Railroad Assistance Fund be used only as grants.

SEC. 6 LOAN REPAYMENTS TO BE USED FOR LOANSEXPLANATION

This Section amends Chapter 198, Section 22, Acts of 1983 (as amended), by allowing the Iowa Railway Finance Authority to lend moneys, which are being received from repayments of a loan which were provided from the Use Tax receipts to the Heartland Rail Corporation. There is a repayment schedule provided with the last payment due by the year 2029.

SEC. 7 RAIL LINE ASSISTANCE STUDYEXPLANATION

This Section provides the composition for a study committee to develop recommendations for the Branch Line Rail Assistance Program, if such a committee is authorized by the Legislative Council.

SEC. 8 ENACTMENT DATEEXPLANATION

This Section makes the bill effective upon enactment.

H. F. 2451

SEC. 1 - 3 CORPORATE ALT. MINIMUM TAX CORRECTIONCODE CITATION

Section 1 amends Section 422.33(4)A, Code Supplement 1987, to make a correction in the way corporations compute the alternative minimum tax by preventing the inclusion twice of interest and dividends from state and other political subdivisions and regulated investment companies exempt from federal tax. Section 2 makes the bill retroactive to January 1, 1988, for tax years on or after that date, and Section 3 makes the bill effective upon enactment.

H. F. 2463

SEC. 1 - 2 LOCAL OPTION TAX PROVISIONS

CODE CITATION

Section 1 eliminates Section 98.6(5), Code of Iowa, to clarify that sales of cigarettes and tobacco products are subject to local option sales tax where imposed.

Section 2 amends Section 123.37, Code of Iowa, to clarify that a local authority shall not require an establishment involved in the sale or serving of alcohol, wine or beer to purchase a license or permit.

SEC. 3 - 4 ACCESS TO LOCAL OPTION TAX RECEIPTS DATA

CODE CITATION

Section 3 amends Section 422.72(4), Code of Iowa, to include a reference to the new Section 422.72(6) added under Section 4 of this act.

Section 4 adds Section 422.72(6), Code of Iowa, which allows a city or county imposing a local option tax to enter into an agreement with the Department of Revenue and Finance allowing access to return information pertinent to the local option tax imposed. A maximum of two paid employees per city or county may have access to the return information and these employees are subject to confidentiality requirements. The Department of Revenue and Finance may refuse to enter into or abide by the agreement if the city or county does not pay the actual cost of providing the information.

SEC. 5, 7 LOCAL OPTION TAXES: EFFECTIVE DATES

CODE CITATION

Section 5 amends Section 422A.1(2), Code Supplement 1987, to reduce from 60 days to 45 days the amount of time required between notification of the Department of Revenue and Finance of the imposition, repeal or change in a city's local hotel and motel tax and the enactment of the imposition, repeal or change.

Section 7 provides that any local hotel and motel tax revenues prematurely collected between January 1, 1988, and the actual date of imposition shall be deemed to be collected as if the date of imposition were January 1, 1988.

Section 8 provides that H.F. 2463 is effective upon enactment.

SEC. 6 LOCAL OPTION TAXES: CONTRACTOR REFUNDS

CODE CITATION

Section 6 adds Section 4228.11, Code of Iowa, which provides for the refund of any local option sales and services tax paid for goods, wares, or merchandise incorporated into a real estate improvement contract that was entered into before the local sales and services tax was imposed. Claims for refunds must be submitted on prescribed forms within 6 months of the date the tax was paid.

H. F. 2474

SEC. 1 FINANCIAL INSTITUTION DEFINITION

CODE CITATION

Section 1 amends Section 422.61(1), Code Supplement 1987, to define for purposes of the franchise tax a taxable financial institution as an entity doing business within the state. Banks need not have their principle office within Iowa's borders.

GOVERNOR'S VETO

The Governor vetoed Section 1 because an act allowing interstate banking was not passed.

SEC. 2, 3 SATELLITE TERMINAL LOCATION

CODE CITATION

Section 2 amends Section 527.4(3)(a)(5), Code Supplement 1987, to replace the word "any" with "all" in reference to criteria relating to satellite terminals which may be placed by financial institutions in retail sales locations. Section 3 makes this bill effective July 1, 1988, for two years beginning on or after that date.

GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to this Section, using the rationale that the bill would limit the ability of Iowa banks to provide point-of-sale financial services outside of their market territories, thereby posing a significant adverse impact on economic development as it relates to the electronic fund transfer industry in Iowa.



## 1987 SPECIAL SESSION BILLS

S. F. 523

SEC. 1 - 33

FIRST EXTRAORDINARY SESSION

INTENT LANGUAGE

The 1987 First Extraordinary Session occurred from May 21 to May 23. The 1987 Act contains 33 Sections coupling the corporate income tax, franchise tax and generation-skipping transfer tax with changes in the Internal Revenue Code stemming from the 1986 Tax Reform Act. The Act conforms state individual income tax code with the Internal Revenue Code provisions relating to the following: business meals, travel and entertainment; depreciation of business property; capitalization rules for inventory, construction, and development costs; long-term business contracts; passive investment activities; and discharge of farmer's indebtedness. The Act (1) prevents the individual income tax brackets from being adjusted for inflation. (2) increases to \$5,000 the amount of net income a person needs to earn before having to file a state tax return, and (3) transfers funds from the Iowa Economic Emergency Fund to the General Fund to be used to defray FY 1988 expenses.

The table below provides midpoint estimates of the fiscal impact of provisions in which coupling occurred.

	FY 1988 (millions)
	-----
Corporate Minimum Tax	\$ 5.0
Business Meals, Travel, and Entertainment	6.0
Depreciation Revisions	(6.0)
Passive Investment Activities	7.5
Capitalization Rules for Inventory, Construction, and Development Costs	8.5
Long-term Business Contracts	<u>4.0</u>
TOTAL	\$25.0

The FY 1988 General Fund received \$67.9 million in funds from The Iowa Economic Emergency Fund. This is the amount of money in the Iowa Economic Emergency Fund as of July 1, 1987.

H. F. 689

SEC. 1 - 13

SECOND EXTRAORDINARY SESSION

INTENT LANGUAGE

The 1987 Second Extraordinary Session occurred on October 27. This Act coupled state individual income tax provisions with federal tax provisions revised as a result of the Tax Reform Act of 1986. The number of income tax brackets are reduced from 13 to 9 (see table below). The standard deduction for all filers is increased \$30 and the standard deduction limit of 15% of net income after federal tax deduction is eliminated. For all filers except singles, the amount of net income below which no tax is owed is raised from \$5,000 to \$7,500, with the provision of an alternate tax calculation for those earning more than \$7,500 that will allow these taxpayers to pay the lesser of (a) the maximum state individual income tax rate times the portion of the net income exceeding 37,500. or (b) the tax liability as regularly computed. This Act clarifies the taxation of interest and dividends from regulated investment companies exempt from federal tax and the loss from the sale or exchange of such shares. This Act extends the statute of limitations for filing of certain income tax refund claims permitted under the revised federal tax law.

This Act provides for taxpayers to receive the benefit of the repealed 60% capital gains deduction by allowing for the filing of refund claims by taxpayers based upon the difference in the amount of tax paid determined without the capital gains deduction and the amount that would have been paid if the deduction, not to exceed \$10,500, was allowed. The total amount of refunds paid out by the State shall not exceed \$8.0 million, with claims being reduced on a pro rata basis by any amount of total claims exceeding the \$8.0 million limit.

This Act was for tax year 1987 only; however, S.F. 2074 repealed the sunset provision of this Act, thus making rates, standard deduction increases, and coupling provisions permanent.

Rate Changes:

<u>Prior Law</u>		<u>H.F. 689</u>	
Taxable Income	Rate (%)	Taxable Income	Rate (%)
\$ 0 - 1,023	0.5	\$ 0 - 1,000	0.4
1,023 > 2,046	1.25	1,000 - 2,000	0.8
2,046 > 3,069	2.75	2,000 - 4,000	2.7
3,069 > 4,092	3.5	4,000 - 9,000	5.0
4,092 > 7,161	5.0	9,000 - 15,000	6.8
7,161 > 9,207	6.0	15,000 - 20,000	7.2
9,207 > 15,345	7.0	20,000 - 30,000	7.55
15,345 > 20,460	8.0	30,000 - 45,000	8.8
20,460 > 25,575	9.0	45,000 and over	9.98
25,575 > 30,690	10.0		
30,690 > 40,920	11.0		
40,920 > 76,725	12.0		
76,725 plus	13.0		

Fiscal Effect:

After the First Extraordinary Session in May 1987, when partial coupling with federal tax provisions occurred with the passage of S.F. 523, it was estimated that FY 1988 General Fund revenues would be \$894.1 million. With the passage of H.F. 689 in the Second Extraordinary Session, the estimate for FY 1988 General Fund revenues attributable to individual income taxes was reduced by \$18.1 million, to an estimated total of \$876.0 million (including reductions due to the alternate tax calculation, minimum AGI threshold changes, and an increase due to timing adjustments).

EDUCATION SUMMARY

<u>SUBJECT</u>	<u>BILL NUMBER</u>	<u>PAGE</u>
Human Growth Curriculum	S.F. 2094	265
Child Development Coordinating Council	S.F. 2192	265
Teacher Education Programs	S.F. 2193	266
Standards Delay	S.F. 2278	267
At Risk Program	S.F. 2295	268
Area Education Agency Reimbursements	S.F. 2296	269
Asbestos Removal	H.F. 2155	270
Budget Enrollment of Reorganized Districts	H.F. 2226	270
Changes in Educational Excellence	H.F. 2277	271
Whole Grade Sharing	H.F. 2419	272
Agricultural Education	H.F. 2433	273

S. F. 2278

SEC. 1 IMPLEMENTING SCHOOL STANDARDSEXPLANATION

The Department of Education estimates the total cost to all school districts of implementing new standards to be a range of 842.2 - 871.8 million. Delaying implementation of selected standards would delay a portion of this cost, however, it is not possible to come up with an exact estimate at this time.

CODE CITATION

This Section amends Section 256.11, Code Supplement 1987, to direct the State Board of Education to adopt rules under Chapter 7A, Code of Iowa, and a procedure for accrediting public and nonpublic schools in Iowa offering instruction from the prekindergarten level through grade twelve. These rules will require that a multicultural, ~~nonse~~ist approach be used by school districts. This Section takes effect July 1, 1989.

SEC. 2 IMPLEMENTING SCHOOL STANDARDSCODE CITATION

This Section amends Section 256.11(1-9), Code Supplement 1987, by outlining the educational program for: prekindergarten, kindergarten, subjects to be taught in grades one through six, grades seven and eight, grades nine through twelve, media center requirements, and guidance programs. This Section takes effect July 1, 1989.

SEC. 3 IMPLEMENTING SCHOOL STANDARDSCODE CITATION

This Section adds Section 256.11A, Code of Iowa, which states that schools and school districts are not required to meet the standards adopted by the State Board of Education requiring that ten units of vocational education be offered and taught in grades nine through twelve. The board of directors of a school district or authorities of a nonpublic school may file a written request with the Department of Education for a waiver of: the requirement that prohibits an individual who is employed or contracted as a superintendent from also serving as a principal in that school or school district; the requirement for a sequential elementary-secondary guidance program; and the requirement for a media services program to support the total curriculum. One-year waiver requests must be filed by January 1, 1990 for the school year beginning July 1, 1990.

SEC. 4 IMPLEMENTING SCHOOL STANDARDSEXPLANATION

This Section requests the Legislative Council to establish a study committee composed of members of the House and Senate Committees on Education to conduct a comprehensive study of the provision of vocational education courses for secondary school students. The study committee will submit a report of its recommendations to the Legislative Postsecondary Education Task Force, the Legislative Council, and the General Assembly in 1989.

SEC. 5 IMPLEMENTING SCHOOL STANDARDSEXPLANATION

This Section states that if the General Assembly adopts a concurrent resolution during the 1989 legislative session requesting a survey, the Legislative Fiscal Bureau will conduct a survey of school districts to determine the feasibility of requiring that the kindergarten program operate a minimum of 180 days and meet a minimum school day time requirement of 4.5 hours. The Legislative Fiscal Bureau is to report the results of the survey to the chairpersons and ranking members of the Senate and House Committees on Education no later than January 1, 1990.

SEC. 6 IMPLEMENTING SCHOOL STANDARDSEXPLANATION

This Section requests the Legislative Council to appoint an interim study committee to conduct a comprehensive study of the needs for all day, every day kindergarten as well as the need for additional care and activities in the school. The committee will develop recommendations and submit them in a report to the Legislative Council and the General Assembly no later than March 1, 1989.

**SEC. 7** IMPLEMENTING SCHOOL STANDARDS

CODE CITATION

This Section amends Section 23, Code of Iowa, by changing the citation for making voting machines or sample ballots available to schools for instructional purposes from Section 256.11(6), to Section 256.11(5), Code of Iowa.

**SEC. 8** IMPLEMENTING SCHOOL STANDARDS

CODE CITATION

This Section amends Section 455E.8(10), Code Supplement 1987, to direct the Director of the Department of Natural Resources to develop a program regarding water quality issues to be included in the minimum program required in grades seven and eight pursuant to rules adopted by the State Board of Education under Section 256.11(4), Code of Iowa.

**SEC. 9** IMPLEMENTING SCHOOL STANDARDS

CODE CITATION

This Section amends Section 467A.7(18), Code Supplement 1987, to direct a soil and water conservation district to encourage local school districts to provide instruction in soil conservation as a part of course work relating to conservation of natural resources and environmental awareness required in rules adopted by the State Board of Education pursuant to Section 256.11(3), Code of Iowa, and to offer technical assistance to schools in developing such instruction programs.

**SEC. 10** IMPLEMENTING SCHOOL STANDARDS

CODE CITATION

This Section amends Section 622.10, unnumbered paragraph 2, Code of Iowa, by changing the citation for school guidance counselor certification and approval standards from Section 257.25(9) to Section 256.11(10), Code of Iowa.

**SEC. 11** IMPLEMENTING-SCHOOL STANDARDS

EXPLANATION

This Section makes effective July 1, 1989, Sections 1, 2, and 7 through 10 of this Bill.

**SEC. 12** IMPLEMENTING SCHOOL STANDARDS

CODE CITATION

This Section repeals Section 256.17, Code Supplement 1987, effective July 1, 1989. This Section deals with the procedure for the State Board of Education to review and adopt new standards for accredited schools.

**S. F. 2295**

**SEC. 1** AT-RISK PROGRAMS

EXPLANATION

Although no funds have been provided For this purpose, the costs associated with this Section are estimated to be as follows:

	Fiscal Year 1989		
	Current Law	Proposed Law	Increase (Decrease)
<u>EXPENDITURES</u>			
Salaries (FTE's)	\$ 0	\$ 43,335	\$ 43,335
Support	(0.0)	(1.5)	(1.5)
Depart. of Education	0	4,000	4,000
DOE consultant	0	3,000	3,000
Area Education Agency			
Contractual Services	0	50,000	50,000
NET EFFECT	\$ 0	\$ 100,335	\$ 100,335

CODE CITATION

This Section amends Section 256.0, Code Supplement 1987, by adding new Subsections 31, 32, and 33 which add to the duties of the Director of Education. It directs the Department of Education to develop criteria, standards, and programs to identify and provide educational services to at-risk children. It also directs the Area Education Agencies to develop program plans to assist school districts.

SEC. 2 AT-RISK PROGRAMSEXPLANATION

The Department of Education estimates that this provision will cost an additional \$4,000 in support for the Board of Educational Examiners to develop the endorsements. However, no additional funding has been provided for this purpose.

CODE CITATION

This Section adds Section 260.34, Code of Iowa, which requires the Board of Educational Examiners to develop endorsements for early childhood education.

SEC. 3 AT-RISK PROGRAMSEXPLANATION

The development of a center for early childhood education by the Board of Regents could be approached in a number of different ways. Until a request for proposal process is initiated, it is not possible to determine an estimate of the cost of developing the center.

CODE CITATION

This Section adds Section 262.71, Code of Iowa, which directs the Board of Regents to develop a center for early development education at one of the three Regents universities.

SEC. 4 AT-RISK PROGRAMSCODE CITATION

This Section adds Section 280.19, Code of Iowa, which directs school districts to develop programs to identify at-risk children and accommodate their needs.

**S. F. 2296**SEC. 1 AEA THIRD PARTY REIMBURSEMENTSEXPLANATION

This Bill is estimated to bring in revenues from federal health care programs of \$4,586,000 for FY 1989 and \$6,879,000 for FY 1990. Estimated expenses for the Department of Human Services, the Department of Education and Area Education Agencies are expected to be \$1,426,500 for FY 1989 and \$2,128,200 for FY 1990.

CODE CITATION

This Section adds new Section 281.15, Code of Iowa, which contains language stating that:

- A. The State Board of Education, in conjunction with the Department of Education, will develop a program to use federally funded health care programs to share in the costs of services provided to children requiring special education.
- B. The Department, in conjunction with the Area Education Agency (AEA), will determine which services are covered by federally funded health care programs, which special services may be subject to reimbursement and the qualifications necessary for personnel providing those services.
- C. All services will be initially funded by the AEA and will be provided regardless of subsequent collections. The AEA will make a claim for reimbursement to federally funded health care programs.
- D. The AEA designated by the Department will develop the program for collecting for services provided no later than July 1, 1988. The program will be distributed to all AEAs, and they will begin collecting information on July 1, 1988.
- E. Effective November 1, 1988, all AEAs will participate in the program and will begin billing and collecting for services, including services retroactive to July 1, 1988. Retroactive Title XIX billing is contingent upon state plan approval.
- F. All reimbursements received by the AEA for eligible services will be paid annually to the Treasurer of State for credit to the General Fund.
- G. The Department of Education and the Department of Human Services may adopt rules pursuant to Chapter 17A, Code of Iowa, as deemed necessary.
- H. Students or their parents or guardians covered by a federal health care program will provide information to an AEA or local school district.
- I. The Department of Education and the Department of Human Services will adopt rules to implement this Section to be effective immediately upon filing with the administrative rules coordinator, or at a stated date prior to indexing and publication, or at a stated date less than 35 days after filing, indexing, and publication.

**SEC. 2            AEA THIRD PARTY REIMBURSEMENTS**

EXPLANATION

This Section contains language stating that the Department of Human Services will amend its Title XIX plan to include AEA's as eligible providers and to include as reimbursable medical expenditures physical therapy, occupational therapy, psychological evaluations, psychotherapy, speech therapy, and audiological services provided by an AEA. The AEA will determine their costs incurred in recording and billing the Medical Assistance Program Title XIX for services, and these costs will be recovered from federal funds recovered from the Title XIX program, not to exceed five percent of the amount recovered.

INTENT LANGUAGE

It is the intent of the General Assembly that the plan amendments be submitted as soon after July 1, 1988 as possible so that reimbursement for services can be made for the period beginning July 1, 1988 if state plan approval is secured.

**H. F. 2155            ASBESTOS IDENTIFICATION AND REMOVAL**  
**SEC. 1**

EXPLANATION

The Department of Education estimates that it will cost a minimum of 337.4 million to pay the costs of asbestos identification and removal. This bill provides local school districts with some options to fund these costs.

CODE CITATION

This Section amends Section 279.43(1), Code of Iowa, to allow the Board of Directors to pay the actual cost of removal, encapsulation, inspection and reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, development of management plans, and recordkeeping requirements related to the presence of asbestos in its school buildings from funds specified in this Section.

**SEC. 2            ASBESTOS-IDENTIFICATION AND REMOVAL**

CODE CITATION

This Section amends Section 279.43(2-6), Code of Iowa, to allow the Board of Directors to submit a proposal to qualified electors of the school district to determine whether to authorize an additional property tax levy certified for no more than three consecutive years to pay the actual cost of an asbestos project. As an alternative to an additional property tax levy, the board may authorize the levying and imposition of a combination of an enrichment property tax and income surtax, with no approval at an election required, to pay the actual cost of the asbestos project. The taxes certified for levy under this Section are in addition to any other taxes or additional enrichment amount raised for other programs as provided by law.

**H. F. 2226            BUDGET ENROLLMENT OF REORGANIZED DISTRICTS**  
**SEC. 1**

EXPLANATION

This bill is estimated to increase state aid to school districts by \$70,000 in FV 1989 and by \$40,000 in FV 1990.

CODE CITATION

This Section amends Section 442.4, Code Supplement 1987, by adding a new Subsection 7 which allows reorganized school districts an alternative method of calculating their budget enrollment. If a reorganized school district's budget enrollment, when calculated as if the districts involved had not been reorganized, is greater than the reorganized budget enrollment, the district may use the former in the first year following the reorganization.

**SEC. 2            BUDGET ENROLLMENT OF REORGANIZED DISTRICTS**

INTENT LANGUAGE

This Section contains language stating that school districts which reorganize on or after July 1, 1988 which do not utilize the alternative budget enrollment calculation for the 1988-89 school year may use it for the 1989-90 school year.

ti. F. 2277

SEC. 1 CHANGES IN EDUCATIONAL EXCELLENCE PROGRAM

CODE CITATION

This Section amends Section 294A.6, Code Supplement 1987, by adding a new paragraph which allows for the payment of minimum salary supplements to additional teachers if monies remain from the phase I allocation. If additional teachers are hired as a result of a whole grade sharing agreement in one district, with a concomitant reduction of staff in a district which is a party to that agreement, the former district may apply to the Department of Education for additional funding for minimum salary supplements for the new staff.

GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to Section 3. Please refer to that Section.

SEC. 2 CHANGES IN EDUCATIONAL EXCELLENCE PROGRAM

CODE CITATION

This Section amends Section 294A.14, Code Supplement 1987, by allowing phase III payments for performance-based pay plans to be paid to all of the teachers in a school district in a specific discipline and to teachers in an Area Education Agency (AEA) multidisciplinary team.

GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to Section 3. Please refer to that Section.

SEC. 3 CHANGES IN EDUCATIONAL EXCELLENCE PROGRAM

CODE CITATION

This Section amends Section 294A.15, Code Supplement 1987, by adding a new paragraph which would allow school districts to include as part of their phase III plan the continuation of a supplemental pay or performance-based pay plan which was in effect prior to the enactment of phase III.

GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to this Section. using the rationale that by allowing the continuation of existing programs, phase III funds would be used to supplant programs or activities that had been done previously, rather than be used as an incentive to supplement those existing activities.

SEC. 4 CHANGES IN EDUCATIONAL EXCELLENCE PROGRAM

CODE CITATION

This Section amends Section 294A.16, Code Supplement 1987, by changing the date that Area Education Agencies must submit phase III plans from July 1 to September 1.

GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to Section 3. Please refer to that Section.

SEC. 5 CHANGES IN EDUCATIONAL EXCELLENCE PROGRAM

EXPLANATION

Moneys available for the implementation of phase III plans are allocated to school districts and AEAs, respectively, based upon their 1986 certified headcount and their 1986 enrollment served. Although this Section will result in some shifting of funds between certain AEAs and school districts, the proposal will have a minimal impact to the General Fund of the State.

CODE CITATION

This Section amends Section 294A.16, Code Supplement 1987, by adding a paragraph which makes provisions for AEA teachers under contract with a school district to receive phase III funds beginning with the 1989-90 school year as follows:

1. If both the AEA and school district have approved phase III plans, the school district must pay the AEA a prorated portion of the funds based on the ratio of salary paid to AEA teachers under contract and the salary paid to teachers employed by the school district plus the salary paid to the AEA teachers.
2. If the AEA has an approved plan and the school district does not; the phase III money received by the AEA teachers under contract with the school district will be paid from the phase III moneys allocated to the school district which remain unobligated. The amount to be paid is prorated in the aforementioned manner.



GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to Section 3. Please refer to that Section.

**SEC. 6**            **CHANGES IN EDUCATIONAL EXCELLENCE PROGRAM**

CODE CITATION

This Section amends Section 294A.19, Code Supplement 1987, by changing the date that Area Education Agencies must submit reports of phase III plans from July 1 to September 1.

GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to Section 3. Please refer to that Section.

**SEC. 7**            **CHANGES IN EDUCATIONAL EXCELLENCE PROGRAM**

CODE CITATION

This Section amends Section 294A.22, Code Supplement 1987, by changing the payment schedule of each phase of the Educational Excellence Program from quarterly to monthly, taking into consideration the cash position of the State.

GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to Section 3. Please refer to that Section.

**SEC. a**            **CHANGES IN EDUCATIONAL EXCELLENCE PROGRAM**

CODE CITATION

This Section amends Section 294A.22, Code Supplement 1987, by adding a paragraph which would make payments made to teachers under the Educational Excellence Program subject to the wage collection law, except for certain phase III payments.

GOVERNOR'S VETO

The Governor vetoed this bill because of his objections to Section 3. Please refer to that Section.

H. F. 2419

**SEC. 1**            **WHOLE GRADE SHARING**

EXPLANATION

There would be additional costs associated with the requirement for feasibility studies, in that the Area Education Agencies may need additional staff and resources to meet this requirement. An estimate of these additional costs has not been determined.

CODE CITATION

This Section amends Section 256.9, Code Supplement 1987, by adding new Subsection 31 which requires the Area Education Agencies (AEAs) to conduct feasibility studies, if requested, prior to the adoption of a whole grade sharing agreement between school districts.

**SEC. 2, 6-9**            **WHOLE GRADE SHARING**

CODE CITATION

These Sections amend Sections 275.1, 282.1, Code of Iowa, 282.7, 282.10(1), and 282.24(1), Code Supplement 1987, by adding a Subsection and correcting internal references to enable school districts to enter into whole grade sharing agreements with a district in a contiguous state.

**SEC. 3**            **WHOLE GRADE SHARING**

CODE CITATION

This Section amends Section 275.51, Code of Iowa, by adding language which would enable the establishment of a school district dissolution committee if requested through a petition by the eligible electors.

**SEC. 4, 13**            **WHOLE GRADE SHARING**

EXPLANATION

The amount of state aid paid to school districts is equal to the difference between the foundation levy and the state foundation base. In most cases, a reduction in the foundation levy would result in an equivalent increase in state aid. Assuming that only one dissolution will take place within the next two years, these Sections would result in an estimated \$75,000 increase in state aid in FY 1990, and a \$60,000 increase in state aid in FY 1991.

CODE CITATION

These Sections amend Sections 275.55 and 442.2(1), Code of Iowa, by adding language which broadens the definition of a school district reorganization to include dissolutions for the purpose of eligibility for the foundation levy reduction incentive. The provision applies to school districts which absorb a portion of a school district being dissolved. The reduction applies only to the taxable property within those portions being absorbed. The foundation levy will be reduced from \$5.40 to \$4.40 per \$1,000 of assessed valuation if the school district being dissolved has an enrollment of less than 600 students, subject to the approval of the Department of Education. The foundation levy on that dissolved portion is then increased \$0.20 per year until the foundation levy is again \$5.40 per \$1,000 of assessed valuation. This provision is effective for dissolutions which occur on or after July 1, 1988.

SEC. 5           WHOLE GRADE SHARINGCODE CITATION

This Section adds Section 275.55A, Code of Iowa, which would allow high school students in a dissolving district to complete school in any of the school districts to which territory of the dissolved district was attached, and pay tuition to that receiving district.

SEC. 10          WHOLE GRADE SHARINGCODE CITATION

This Section amends Section 282.11, Code Supplement 1987, by adding language which outlines a procedure for public notification of whole grade sharing negotiations, and for public request of feasibility studies. It also establishes a procedure by which a parent or guardian of an affected pupil may request that the pupil be sent to another contiguous district.

SEC. 11          WHOLE GRADE SHARINGCODE CITATION

This Section amends Section 285.1(3), Code Supplement 1987, by adding language which requires school districts involved in a whole grade sharing agreement to reimburse parents for transportation costs where school bus transportation is impractical.

SEC. 12          WHOLE GRADE SHARINGCODE CITATION

This Section amends Section 290.1, Code Supplement 1987, by adding a paragraph which limits persons who can bring suit against a whole grade sharing agreement to parents or guardians of affected pupils.

SEC. 14          WHOLE GRADE SHARINGCODE CITATION

This Section amends Section 442.13(7), Code Supplement 1987, by adding language which would allow the School Budget Review Committee to authorize school districts involved in a reorganization or dissolution to pay the cost of demolition or conversion of unused buildings from their unexpended cash balance within three years after the reorganization or dissolution.

SEC. 15 - 16      WHOLE GRADE SHARINGCODE CITATION

This Section amends Sections 442.39(2) and (4), Code Supplement 1987, by adding language which limits the time a school district may add pupils to its weighted enrollment by sharing administrators with another district for up to five years.

H. F. 2433SEC. 1           AGRICULTURAL EDUCATIONEXPLANATION

Assuming that persons appointed to the Council or the Organization they represented would be willing to donate their time and expenses, there would be no costs associated with this Section.

LODE CITATION

This Section adds Section 256.31. Code of Iowa, to establish a nine-member advisory council to review, develop, and recommend standards for agricultural education. The Council is to submit reports to the Board of Education, and to the Agriculture and Education Committees.

SEC. 2      AGRICULTURE EDUCATION

EXPLANATION

The reports related to the Vocational Agriculture Programs would add no additional expense to the Department of Education. Forms for these purposes are already being printed by the Department as worksheets.

CODE CITATION

This Section adds Section 280.19. Code of Iowa, to permit school districts to develop comprehensive programs for vocational education in agriculture technology and sets minimum standards for such programs. This Section requires that certain reports be made available to the Council for Agricultural Education if requested.

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**PROGRAM EVALUATION AND RESEARCH ACTIVITIES**

In addition to the provision of fiscal analysis, the Legislature has assigned responsibility for conducting program evaluations and related research activities to the Legislative Fiscal Bureau. During the past year, two evaluations and a preliminary analysis of the results of the CEBA program were completed. Research on programs funded through the Iowa Plan Fund has continued but is not described here. The next report is scheduled to be published near the beginning of FY 1989.

**PROGRAM EVALUATION: THE CRIMINAL AND JUVENILE JUSTICE PLANNING AGENCY**

In July of 1987, the Legislative Fiscal Bureau was directed by the Fiscal Committee of the Legislative Council to conduct an evaluation of the Criminal and Juvenile Justice Planning Agency (CJJPA). The evaluation was to determine the effectiveness of the Agency in meeting mandated goals (including dispersal of federal grant moneys), activities of the Criminal and Juvenile Justice Advisory Council (CJJAC), Agency staffing patterns and the adequacy of staffing levels, and assistance provided by the Agency to other state and local units of government.

To focus the evaluation, several key issues were identified and are addressed in the report. They are as follows:

- A. The activities of the CJJPC.
- B. The composition and placement of the Agency within the state government table of organization.
- C. The staffing patterns and needs of the Agency.
- D. The progress of the Agency in meeting statutory goals.
- E. The coordination and expenditure of federal justice-related grant moneys.
- F. The activities of the Agency in assisting state and local units of government.
- G. The role of the Juvenile Justice Advisory Council (JJAC) in relation to the agency.
- H. The coordination of related activities between the Agency and the Department of Human Rights - Division of Children, Youth and Families (C, Y & F).

Based upon the analysis of the information gathered to address these issues, the Fiscal Bureau offered the following alternatives for consideration by the General Assembly.

Alternative 1: Eliminate the Agency.

The CJJPA should be eliminated if funding is not available. The CJJPA could not fulfill its mission of mandated goals with a staffing level of 2 FTE positions provided by the Department of Management (DOM). The report noted that elimination of the CJJPA would result in a loss of system-wide planning in the areas of criminal and juvenile justice, and without the agency, little or no coordination within these systems could be assured.

Adoption of this alternative was estimated to result in a reduction of 2 FTE positions and a savings to the General Fund of \$71,225.

Alternative 2: Retain the Agency with sufficient staffing.

- A. Place the CJJPA within the C, Y & F Division, Department of Human Rights. The Statistical Analysis Center (SAC) resources should be combined with it. **By** placing the CJJPA within C, Y & F, overhead could be shared and the Agency would remain free of the potential bias of being placed within a justice system agency. Placing SAC within the Agency would enhance statistical research capabilities.

Adoption of this alternative was estimated to cost \$46,000 in new General Fund moneys, and would include the upgrading of an Accounting Technician position II to a Fiscal Officer, adding .5 Program Planner, and replacing \$20,000 in federal funds which are due to expire in FY 1989.

- B. Place the CJJPA within **DOM** as a separate, independent agency. As above, SAC should be merged with the Agency and overhead could be shared. As DOM is responsible for planning and policy within state government, it was noted that this would be another logical location for the Agency.

Adoption of this alternative was estimated to cost \$20,000 in new General Fund money to replace the expiring federal grant money.

**PROGRAM EVALUATION: THE IOWA FOSTER CARE REVIEW BOARD**

In July of 1987, the Fiscal Committee of the Legislative Council authorized the Legislative Fiscal Bureau to conduct an evaluation of the Foster Care Review Board (FCRB). The evaluation was to measure the effectiveness of the external foster care review pilot program, including all duties assigned to the state and local foster care review boards, and to compare the external review system with the Department of Human Services' (DHS) internal review system.

**ISSUES**

To focus this evaluation several key issues were identified and are addressed in this report. They are:

- A. What is the cost of reviews conducted by the Foster Care Review Boards compared to reviews conducted by the Department of Human Services?
- B. Which review process -- FCRB or DHS is more efficient?
- C. What is the extent of the data reviewed by FCRB and by DHS?
- D. Are FCRB reviews decreasing the amount of time children spend in foster care?
- E. Are there any differences in the scope or nature of permanency plans established in counties where there is a FCRB operating and counties where there is no FCRB?

Based upon the analysis of the information gathered, the Fiscal Bureau developed the following findings and recommendations:

1. The Foster Care Review Boards should continue to provide independent review of individual cases. In order to maximize the utility of this relatively time-consuming and expensive review, FCRB written reports to the Courts should specifically address the Board's assessment concerning whether DHS is following the permanency plan, whether the child is getting the services he or she needs, and whether the placement is still the most appropriate and least restrictive. In order to minimize duplication of effort and make the FCRB reports as useful to the Courts as possible, the FCRB report should contain only information that is not in the DHS file and is therefore otherwise unavailable to the Courts.

2. The Foster Care Review Boards operate under severe structural constraints. The most critical of these constraints involve limitations on the amount of current information from DHS and other sources, a lack of authority to compel (or even encourage) interested parties to participate in reviews, and no independent investigatory powers. These constraints should be removed to improve citizen review before expanding the program statewide.
3. The limited relevant information available to the **FCRB** concerning many foster care cases make it difficult to develop a valid assessment of "whether satisfactory progress is being made towards the goals of the case permanency plan," as required by the Code of Iowa. This shortage of information is particularly noteworthy for those children who have been in the system for an extended period of time. Although these files may be several inches thick, they often are filled with biannual revisions of the same case plan, virtually unchanged from edition to edition. Few DHS or **FCRB** files appeared to have a clear and concise historical summary of the foster care and other services that have been provided to the child.
4. The recommendations sent to the Courts by the **FCRB's** usually do not contain a summary of the testimony or rationale upon which the local board's recommendations are based. Judges therefore do not have the information they need to determine how much weight they should give the recommendation. This is especially important since the local boards rarely disagree with the DHS recommendations. Only with a detailed and complete summary can a judicial officer know whether this agreement is simply rubber-stamping, whether it is due to the local board not having any information other than that provided by DHS, or whether the local board reached an independent conclusion based upon testimony. A summary of the testimony and rationale upon which the board's recommendations are based should be routinely included in the report.



## LEGISLATIVE OVERSIGHT: ANALYSIS OF JOB CREATION/RETENTION EFFECTS

As part of legislative oversight, staff of the Legislative Fiscal Bureau completed a preliminary analysis of the job creation and retention effects of the Community Economic Betterment Account (CEBA) Program in February 1988. The goal of the analysis was to (a) identify the actual job creation and retention effects for the first 24 businesses that received financial assistance through CEBA and (b) compare the actual employment effects to the expected employment effects.

Businesses that receive CEBA financial assistance are required to create or retain a certain number of jobs within the two year period after receiving the assistance. The oversight analysis was based upon the changes in actual employment levels of the CEBA-assisted businesses during the first 12 months after the CEBA award. Therefore, the analysis serves only as a preliminary status report on how the businesses are progressing in the creation and retention of jobs. Fiscal Bureau staff expect to continue researching the actual employment effects of the CEBA program during the interim.

The following is a summary of the conclusions and recommendations contained within the report:

- A. During the 12 month period after the CEBA award was made, 6 of the 24 CEBA-assisted businesses experienced declining employment. It was concluded that the minimum job creation and retention potential was not being fulfilled since none of the 24 businesses should have experienced declining employment during the 12 month period after the award.
- B. By comparing the actual and expected employment levels of the 24 businesses for the 12 month period after the CEBA award, 16 to 19 of the businesses were found to not have achieved the 12 month expected job creation and retention results.
- C. It was concluded that using potential job creation and retention effects as the dominant criteria in awarding CEBA funds has inherent difficulties due to the lack of definitions for "job creation" and "job retention", difficulty in quantifying the actual jobs that were created and/or retained, and the ambiguities concerning the duration of the jobs to be created or retained.

- D. To improve the accuracy in estimating and monitoring the job creation and retention effects of the CEBA program, it was recommended that the Department of Economic Development standardize definitions for "job creation and retention" effects and use the applicants' payroll reports to document the actual job creation and retention.

# **1988 SESSION FISCAL REPORT**

## **APPENDIX Enrolled Bills & Veto Messages**

**72nd General Assembly  
State of Iowa**

**Legislative Fiscal Bureau  
June, 1988**

ENROLLED BILLS AND VETO MESSAGES

BILL NUMBER

BILL TITLE

S.F. 452	Remove Personal Property Tax Liens
S.F. 523	First Special Session
S.F. 2037	College Aid
S.F. 2050	Legal Assistance for Farmers Supplemental
S.F. 2055	Registration and Use of Pesticides
S.F. 2058	Withholding Exemptions Option
S.F. 2074	Income Tax Coupling, Repeal Sunset on H.F. 689
S.F. 2092	Community Rural Development Program
S.F. 2094	Human Growth Curriculum
S.F. 2188	Increase Elderly and Disabled Property Tax Credit
S.F. 2192	Child Development Coordinating Council
S.F. 2193	Teacher Education Programs
S.F. 2196	Fuel Tax Increase
S.F. 2205	Interstate Natural Gas Pipelines
S.F. 2250	Groundwater Clean-up
S.F. 2278	Education Standards Delay
S.F. 2285	Motor Vehicle Fraud, Salvage, and Theft
S.F. 2295	At Risk Children Program
S.F. 2296	Area Education Agency Reimbursements
S.F. 2309	Economic Development Appropriations
S.F. 2310	Health & Human Rights Appropriations
S.F. 2311	Administration Appropriations
S.F. 2312	Education Appropriations
S.F. 2313	Hazardous Waste Fees
S.F. 2314	Transportation & Safety Appropriations
S.F. 2318	Registration of Construction Contractors
S.F. 2321	Salary Adjustment - Statutory
S.F. 2322	Salary Adjustment - Appropriation
S.F. 2323	Federal Block Grants
S.F. 2327	Olympic Checkoff
S.F. 2328	Iowa Plan Fund Appropriations
S.F. 2330	Bill of Rights - Case Management
S.F. 2331	Payment of Sheriff's Fees
S.F. 2335	Soil Survey & Agricultural Land Valuation
S.F. 2338	Insurance Premium Tax on Non-Qualified Annuities
S.F. 2344	Appropriation for Legal Counsel Assistance to D,E,D

**ENROLLED BILLS AND VETO MESSAGES**

<u>BILL NUMBER</u>	<u>BILL TITLE</u>
H.F. 327	Cigarette & Tobacco Tax
H.F. 665	City Library Levy
H.F. 666	Homestead Tax Credit Refiling
H.F. 678	Benefitted Recreational Lake District: Levy
H.F. 683	Low Income Energy Assistance Programs
H.F. 689	Second Special Session
H.F. 2082	Human Services Supplementals
H.F. 2155	Asbestos Removal
H.F. 2226	Budget Enrollment in Reorganized Districts
H.F. 2269	Railway Finance
H.F. 2277	Changes in Educational Excellence
H.F. 2400	Enhanced 911 Emergency Telephone Systems
H.F. 2419	Whole Grade Sharing
H.F. 2428	Increasing Court Filing Fees
H.F. 2433	Agricultural Education
H.F. 2440	Agriculture and Natural Resources Appropriations
H.F. 2441	Leaky Underground Storage Tanks
H.F. 2443	Justice System Appropriations
H.F. 2444	Regulation Appropriations
H.F. 2447	Human Services Appropriations
H.F. 2451	Corporate Alternative Minimum Tax Correction
H.F. 2452	Child Support Clearinghouse
H.F. 2453	Biodegradable Packaging Sales Tax Incentive
H.F. 2456	Human Services Statutory
H.F. 2457	Property Tax Replacement
H.F. 2458	Exempt 40% of Sales Tax on Catalogue Purchases
H.F. 2459	Sales Tax on Catalogue Purchases
H.F. 2460	Exempt Cash Rebates on Motor Vehicle Purchases
H.F. 2461	County Tax Refunds
H.F. 2462	Dog Regulation
H.F. 2463	Local Option Tax Provisions
H.F. 2464	Lease/Purchase
H.F. 2465	Aviation Fuel Tax Increase
H.F. 2469	Petroleum Overcharge
H.F. 2471	Dairy Inspection Fees & Fund
H.F. 2473	Military Service Tax Credit Fund
H.F. 2474	Franchise Tax On Out-of-State Financial Inst.
H.F. 2476	Procedures for Exempting Property
H.F. 2477	Farm Machinery & Equip. Audit Power, Tax Changes

tax liens filed in the office of the county recorder and to provide notice to the office of the county auditor.

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

I hereby certify that **this** bill originated in the Senate and is known as Senate File 452, Seventy-second General Assembly.

\_\_\_\_\_  
JORN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_ s 988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

SF 452

SENATE FILE 452

AN ACT

TO CANCEL ALL PERSONAL PROPERTY TAXES NOT COLLECTED BY JULY 1, 1988, INCLUDING THE RWOVAL OF TAX LIENS AGAINST PERSONAL PROPERTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 445.8, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Effective July 1, 1988, outstanding personal property taxes are canceled and all personal property tax liens are rescinded. The county treasurer shall take all administrative actions necessary to remove personal property

SENATE FILE 523

AN ACT

RELATING TO STATE FINANCES BY CONFORMING ITS CORPORATE INCOME TAX, FRANCHISE TAX, AND GENERATION SKIPPING TRANSFER TAX TO THE NEW FEDERAL TAX PROVISIONS; ONLY CONFORMING ITS INDIVIDUAL INCOME TAX TO THE NEW FEDERAL TAX PROVISIONS IN THOSE AREAS DEALING WITH TRADE, BUSINESS, AND INVESTMENT ACTIVITIES; SETTING THE LATEST CUMULATIVE INFLATION FACTOR FOR PURPOSES OF INDIVIDUAL INCOME TAX RATES AT THE PREVIOUS RATE; CHANGING THE CRITERIA FOR WHO MUST FILE AN INDIVIDUAL INCOME TAX RETURN; FORESTALLING THE TRANSFER OF FUNDS FROM THE GENERAL FUND TO THE IOWA ECONOMIC EMERGENCY FUND; AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.4, subsection 17, paragraph c, Code 1987, is amended to read as follows:

c. The annual inflation factor for the 1978 calendar year is one hundred percent, Notwithstanding the computation of the annual inflation factor under paragraph "a", the annual inflation factor for the 1987 calendar year is one hundred percent.

Sec. 2. Section 422.5, subsection 1, paragraph o, subparagraph (4), Code 1987, is amended by striking the subparagraph.

Sec. 3. Section 422.7, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. In determining the taxpayer's net income, the adjusted gross income computed for federal tax purposes shall be adjusted to reflect the following:

a. BUSINESS MEALS, TRAVEL, AND ENTERTAINMENT. Deductions for expenses incurred for meals, travel, and entertainment for business purposes shall be determined under sections 170 and

274 of the Internal Revenue Code in effect on January 1, 1987 and all other provisions of the Internal Revenue Code in effect on January 1, 1987 relating to such deductions.

b. DEPRECIATION. Deductions for depreciation for property used for business purposes shall be determined under sections 46, 167, 178, 179, 280, 291, 312, 465, 467, 514, 751, 1245, 4162, 6111, and 7701 of the Internal Revenue Code in effect on January 1, 1987 and all other provisions of the Internal Revenue Code in effect on January 1, 1987 relating to such deductions,

c. CAPITALIZATION RULES. capitalization rules for inventory, construction, and development costs as they relate to business activities shall be determined under sections 48, 263A, 312, 471, 267, 447, and 464 of the Internal Revenue Code in effect on January 1, 1987 and all other provisions of the Internal Revenue Code in effect on January 1, 1987 relating to such capitalization rules.

d. PASSIVE INVESTMENT ACTIVITIES. Deductions for passive investment activities shall be determined under section 469 of the Internal Revenue Code in effect on January 1, 1987 and all other provisions of the Internal Revenue Code in effect on January 1, 1987 relating to passive investment activities.

e. LONG-TERM CONTRACTS. Rules for determining the amount of deductions for long-term contracts relating to business activities shall be determined under sections 460 and 804 of the Internal Revenue Code in effect on January 1, 1987 and all other provisions of the Internal Revenue Code in effect on January 1, 1987 relating to such long-term contracts.

f. DISCHARGE OF INDEBTEDNESS. Treatment of income of a farmer resulting from the discharge of the farmer's indebtedness shall be determined under section 108(g) of the Internal Revenue Code in effect on January 1, 1987.

Sec. 4. Section 422.13, subsection 1, paragraph b, Code 1987, is amended to read as follows:

b. The individual has net income of four five thousand dollars or more for the tax year from sources taxable under this division,

Sec. 5. Section 422.32, subsections 4 and 11, Code 1987, are amended to read as follows:

4. The term "affiliated group" means a group of corporations as defined in section 1504(a) of the Internal Revenue Code of 1954.

11. ~~For purposes of section 422.37 subsection 57 the Internal Revenue Code of 1954 shall be interpreted to include the provisions of Pub. L. No. 98-47. "Internal Revenue Code" means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January 1, 1987, whichever is applicable.~~

Sec. 6. Section 422.33, subsection 4, Code 1987, is amended by striking the subsection and inserting in lieu thereof the following:

4. In addition to all taxes imposed under this division, there is imposed upon each corporation doing business within the state the greater of the tax determined in subsection 1, paragraphs "a" through "d" or the state alternative minimum tax equal to sixty percent of the maximum state corporate income tax rate, rounded to the nearest one-tenth of one percent, of the state alternative minimum taxable income of the taxpayer computed under this subsection.

The state alternative minimum taxable income of a taxpayer is equal to the taxpayer's state taxable income as computed with the adjustments in section 422.35 and with the following adjustments:

a. Add items of tax preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1) and (a)(5), of the Internal Revenue Code, make the adjustments included in federal alternative minimum taxable income under section 56, except subsections (a)(4) and (d), of the Internal Revenue Code, and add losses as required by section 58 of the Internal Revenue Code. In making the adjustment under section 56(c)(1) of the Internal Revenue

Code, interest and dividends from federal securities net of amortization of any discount or premium shall be subtracted.

b. Apply the allocation and apportionment provisions of subsection 2.

c. Subtract an exemption amount of forty thousand dollars. This exemption amount shall be reduced, but not below zero, by an amount equal to twenty-five percent of the amount by which the alternative minimum taxable income of the taxpayer, computed without regard to the exemption amount in this paragraph, exceeds one hundred fifty thousand dollars.

d. In the case of a net operating loss computed for a tax year beginning after December 31, 1986 which is carried back or carried forward to the current taxable year, the net operating loss shall be reduced by the amount of items of tax preference and adjustments arising in the tax year which is taken into account in computing the net operating loss in section 422.35, subsection 13. The deduction for a net operating loss for a tax year beginning after December 31, 1986 which is carried back or carried forward to the current taxable year shall not exceed ninety percent of the alternative minimum taxable income determined without regard for the net operating loss deduction.

Sec. 7. Section 422.33, subsection 5, Code 1987, is amended to read as follows:

5. The taxes imposed under this division shall be reduced by a state tax credit for increasing research activities in this state equal to six and one-half percent of the state's apportioned share of the qualifying expenditures for increasing research activities. The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to the total qualified research expenditures. For purposes of this subsection, "qualifying expenditures for increasing research activities" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be



allowable under section 39 ~~41~~ of the Internal Revenue Code of ~~1954~~ in effect on January 17, 1985.

Any credit in excess of the tax liability for the taxable year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on its final, completed return credited to the tax liability for the following taxable year.

Sec. 8. section 422.35, Code 1987, is amended to read as follows:

422.35 NET INCOME OF CORPORATION -- HOW COMPUTED,

The term "net income" means the taxable income before the net operating loss deduction, as properly computed for federal income tax purposes under the Internal Revenue Code of ~~1954~~, with the following adjustments:

1. Subtract interest and dividends from federal securities.
2. Add interest and dividends from foreign securities and from securities of state and other political subdivisions exempt from federal income tax under the Internal Revenue Code of ~~1954~~.
3. Where the net income includes capital gains or losses, or gains or losses from property other than capital assets, and such gains or losses have been determined by using a basis established prior to January 1, 1934, an adjustment may be made, under rules and regulations prescribed by the director, to reflect the difference resulting from the use of a basis of cost or January 1, 1934, fair market value, less depreciation allowed or allowable, whichever is higher. Provided that the basis shall be fair market value as of January 1, 1955, less depreciation allowed or allowable, in the case of property acquired prior to that date if use of a prior basis is declared to be invalid.
4. Subtract fifty percent of the federal income taxes paid or accrued, as the case may be, during the tax year, adjusted by any federal income tax refunds; and add the Iowa income tax deducted in computing said taxable income.

~~5. Add the amount by which the basis of qualified depreciable property is required to be increased for depreciation purposes under the Internal Revenue Code Amendments Act of 1964 to the extent that such amount equals the net amount of the special deduction allowed on the basis of the amount by which the depreciable basis of such qualified property was required to be reduced for depreciation purposes under the Internal Revenue Code Amendments Act of 1962. The "net amount of the special deduction" shall be computed by taking the sum of the amounts by which the basis of qualified property was required to be decreased for depreciation purposes for the years 1962 and 1963 and subtracting from it the sum of the amounts by which the basis of such property was required to be increased prior to 1964 for depreciation or disposition purposes under the Internal Revenue Code Amendments Act of 1962.~~

6. Subtract the amount of the jobs tax credit allowable for the tax year under section 51 of the Internal Revenue Code of ~~1954~~ to the extent that the credit increased federal taxable income.

7. If the taxpayer is a small business corporation, subtract an amount equal to fifty percent of the wages paid to individuals named in paragraphs "a", "b", and "c" who were hired for the first time by the taxpayer during the tax year for work done in this state:

a. A handicapped individual domiciled in this state at the time of the hiring who meets any of the following conditions:

- (1) Has a physical or mental impairment which substantially limits one or more major life activities.
- (2) Has a record of that impairment.
- (3) Is regarded as having that impairment.

b. An individual domiciled in this state at the time of the hiring who meets any of the following conditions:

- (1) Has been convicted of a felony in this or any other state or the District of Columbia.
- (2) Is on parole pursuant to chapter 906.

(3) Is on probation pursuant to chapter 907, for an offense other than a simple misdemeanor.

(4) Is in a work release program pursuant to chapter 246, division IX.

c. An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact, under section 907A.1 applies.

This deduction is allowed for the wages paid to the individuals successfully completing a probationary period named in paragraphs "a", "b", and "c" during the twelve months following the date of first employment by the taxpayer and shall be deducted in the tax years when paid.

For purposes of this subsection, "physical or mental impairment" means any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the body systems or any mental or psychological disorder, including mental retardation, organic brain syndrome, emotional or mental illness and specific learning disabilities.

For purposes of this subsection, "small business" means small business as defined in section 220.1, subsection 28, except that it shall also include the operation of a farm.

8. Subtract the amount of the alcohol fuel credit allowable for the tax year under section 40 of the Internal Revenue Code of-1954 to the extent that the credit increased federal taxable income.

9. Add the amounts deducted and subtract the amounts included in income as a result of the treatment provided sale-leaseback agreements under section 168(f)(8) of the Internal Revenue Code of-1954 for property placed in service by the transferee prior to January 1, 1986 to the extent that the amounts deducted and the amounts included in income are not otherwise deductible or included in income under the other provisions of the Internal Revenue Code of-1954 as amended to and including December 31, 1985. Entitlement to depreciation

ON any property involved in a sale-leaseback agreement which is placed in service by the transferee prior to January 1, 1986 shall be determined under the Internal Revenue Code of ~~1954~~ as amended to and including December 31, 1985, excluding section ~~168(f)(8)~~ in making the determination.

10. Add the amount of windfall profits tax deducted under section ~~164(a)~~ of the Internal Revenue Code of-1954.

11. Add the combined net losses from passive farming activity in excess of twenty-five thousand dollars that offset income from other sources. Net losses under section 165 of the Internal Revenue Code of-1954, exclusive of net gains incurred passively from the operation of a farming business, as defined in section ~~464(e)~~ of the Internal Revenue Code of ~~1954~~, are to be combined from businesses, rents, partnerships, corporations, estates or trusts except losses under sections 1211 and 1231 of the Internal Revenue Code of-1954. Farming activity is passive if the taxpayer does not materially participate in the activity nor provide substantial services to the farming business. A loss from an activity that is disallowed under this subsection shall be treated as a deduction allowable to that activity in the first succeeding tax year.

12. Add the percentage depletion amount determined with respect to an oil, gas, or geothermal well using methods in section 613 of the Internal Revenue Code of-1954 that is in excess of the cost depletion amount determined under section 611 of the Internal Revenue Code of-1954.

13. If after applying all of the adjustments provided for in this section and the allocation and apportionment provisions of section 422.33, the Iowa taxable income results in a net operating loss, such net operating loss shall be deducted as follows:

a. The Iowa net operating loss shall be carried back three taxable years or to the taxable year in which the corporation first commenced doing business in this state, whichever is later.

b. The Iowa net operating loss remaining after being carried back as required in paragraph "a" of this subsection or if not required to be carried back shall be carried forward fifteen taxable years.

c. If the election under section 172(b)(3)(C) of the Internal Revenue Code ~~of-1954~~ is made, the Iowa net operating loss shall be carried forward fifteen taxable years:

d. No portion of a net operating loss which was sustained from that portion of the trade or business carried on outside the state of Iowa shall be deducted.

Provided, however, that a corporation affected by the allocation provisions of section 422.33 shall be permitted to deduct only such portion of the deductions for net operating loss and federal income taxes as is fairly and equitably allocable to Iowa, under rules prescribed by the director.

Sec. 9. Section 422.35, subsection 2, Code 1987, is amended to read as follows:

2. Add interest and dividends from foreign securities, and from securities of state and other political subdivisions from regulated investment companies exempt from Federal income tax under the Internal Revenue Code ~~of-1954~~.

Sec. 10. Section 422.35, subsection 11, Code 1987, is amended by striking the subsection.

Sec. 11. Section 422.35, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. Subtract the loss on the sale or exchange of a share of a regulated investment company held for six months or less to the extent the loss was disallowed under section 852(b)(4)(B) of the Internal Revenue Code.

Sec. 12. Section 422.36, subsection 5, Code 1987, is amended to read as follows:

5. Where a corporation is not subject to income tax and the stockholders of such corporation are taxed on the corporation's income under the provisions of the Internal Revenue Code ~~of-1954~~, the same tax treatment shall apply to such corporation and such stockholders for Iowa income tax purposes.

Sec. 13. Section 422.37, subsection 7, Code 1987, is amended to read as follows:

7. The computation of consolidated taxable income for the members of an affiliated group of corporations subject to tax shall be made in the same manner and under the same procedures, including all intercompany adjustments and eliminations, ~~as are~~ required for consolidating the incomes of affiliated corporations for the taxable year for Federal income tax purposes in accordance with section 1502 of the Internal Revenue Code ~~of-1954~~.

Sec. 14. Section 422.60, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

422.60 IMPOSITION OF TAX.

1. A franchise tax according to and measured by net income is imposed on financial institutions for the privilege of doing business in this state as financial institutions.

2. In addition to all taxes imposed under this division, there is imposed upon each financial institution doing business within the state the greater of the tax determined in section 422.63 or the state alternative minimum tax equal to sixty percent of the maximum state franchise tax rate, rounded to the nearest one-tenth of one percent, of the state alternative minimum taxable income of the taxpayer computed under this subsection.

The state alternative minimum taxable income of a taxpayer is equal to the taxpayer's state taxable income as computed with the adjustments in section 422.61, subsection 4, and with the following adjustments:

a. Add items of tax preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1) and (a)(5), of the Internal Revenue Code, make the adjustments included in federal alternative minimum taxable income under section 56, except subsections (a)(4), (c)(1), (d), (e), and (g), of the Internal Revenue Code, and add losses as required by section 58 of the Internal Revenue Code.

b. Make the adjustments provided in section 56(c)(1) of the Internal Revenue Code, except that in making the calculation under sections 56(f)(1) and 56(g)(1) of the Internal Revenue Code the state alternative minimum taxable income, computed without regard to the adjustments made by this paragraph, the exemption provided for in paragraph "d", and the state alternative tax net operating loss described in paragraph "e", shall be substituted for the items described in sections 56(f)(1)(B) and 56(g)(1)(B) of the Internal Revenue Code.

c. Apply the allocation and apportionment provisions of section 422.60.

d. Subtract an exemption amount of forty thousand dollars. This exemption amount shall be reduced, but not below zero, by an amount equal to twenty-five percent of the amount by which the alternative minimum taxable income of the taxpayer, computed without regard to the exemption amount in this paragraph, exceeds one hundred fifty thousand dollars.

e. In the case of a net operating loss beginning after December 31, 1986 which is carried back or carried forward to the current taxable year, the net operating loss shall be reduced by the amount of items of tax preference and adjustments arising in the tax year which was taken into account in computing the net operating loss in section 422.35, subsection 13. The deduction for a net operating loss for a tax year beginning after December 31, 1986 which is carried back or carried forward to the current taxable year shall not exceed ninety percent of the alternative minimum taxable income determined without regard for the net operating loss deduction,

Sec. 15. Section 422.61, subsection 2, Code 1987, is amended to read as follows:

2. "Taxable year" means the calendar year or the fiscal year ending during a calendar year, for which the tax is payable. "Fiscal year" includes a tax period of less than twelve months if, under the Internal Revenue Code of 1954,

corporation is required to file a tax return covering a tax period of less than twelve months.

Sec. 16. Section 422.61, subsection 4, Code 1987, is amended to read as follows:

4. "Net income" means the net income of the financial institution computed in accordance with section 422.35, with the exception that interest and dividends from federal securities shall not be subtracted, no federal income taxes paid or accrued shall not be subtracted, and notwithstanding the provisions of sections 262.41 and 262.51 or any other provisions of the law, income from obligations of the state and its political subdivisions and any amount of franchise taxes paid or accrued under this division during the taxable year shall be added. Any deduction disallowed under section 265(b) or 291(e)(1)(B) of the Internal Revenue Code shall be subtracted.

Sec. 17. Section 450A.1, Code 1987, is amended to read as follows:

450A.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Generation skipping transfer" means the generation skipping transfer as defined in section 2611 of the Internal Revenue Code of 1954.

2. "Internal Revenue Code of 1954" means the same as the term is defined in section 422.3.

3. ~~"Deemed-transferor" means the deemed-transferor as defined in section 2612 of the Internal Revenue Code of 1954.~~

4. "Director" means the director of the department of revenue and finance.

5. ~~"Generation skipping trust" means a generation skipping trust as defined in section 2611 of the Internal Revenue Code of 1954.~~

6. ~~"Generation skipping trust equivalent" means a generation skipping trust equivalent as defined in section 2611 of the Internal Revenue Code of 1954.~~

7 4. "Distributee Transferee" means a person receiving property in a generation skipping transfer.

8 5. "Department" means the department of revenue and finance.

6. "Direct skip" means the same as the term is defined, in section 2612(c) of the Internal Revenue Code.

7. "Taxable termination" means the same as the term is defined in section 2612(a) of the Internal Revenue Code.

8. "Taxable distribution" means the same as the term is defined in section 2612(b) of the Internal Revenue Code.

9. "Transferor", "trust", "trustee" and "interest" means the same as those respective terms are defined in section 2652 of the Internal Revenue Code.

Sec. 18. Section 450A.2, Code 1987, is amended to read as follows:

450A.2 IMPOSITION OF TAX.

A tax is imposed on the transfer of any property, included in a generation skipping transfer, other than a direct skip, occurring at the same time as or after, and as a result of the death of the deemed transferor an individual, equal to the In an amount of equal to the maximum federal credit allowable under section 2602(c)(5)(B) 2604 of the Internal Revenue Code of 1954, for that portion of state estate inheritance, legacy, or succession tax the generation skipping transfer tax actually paid to the state in respect of any property included in the generation skipping transfer.

Where the deemed transferor is a resident of Iowa and all property included in a generation skipping transfer that is subject to tax under this section has a situs in Iowa, or is subject to the jurisdiction of the courts of Iowa, an amount equal to the total credit as allowed under the Internal Revenue Code of 1954 shall be paid to the state of Iowa. Where the deemed transferor is a nonresident or where the property included in a generation skipping transfer that is subject to tax under this section has a situs outside the state of Iowa and not subject to the jurisdiction of Iowa

courts, the tax shall be prorated on the basis that the value of Iowa property included in the generation skipping transfer bears to the total value of property included in the generation skipping transfer.

Sec. 19. Section 450A.3, Code 1987, is amended to read as follows:

450A.3 VALUE OF PROPERTY.

The value of property, included in a generation skipping transfer, shall be the same as determined for federal generation skipping transfer tax purposes under the Internal Revenue Code of 1954.

Sec. 20. Section 450A.4, Code 1987, is amended to read as follows:

450A.4 PAYMENT OF THE TAX.

The tax imposed by this chapter shall be paid within twelve months on or before the last day of the ninth month after the death of the deemed transferor if the transfer occurs at that time or if later, the day which is twelve months after the day on which such generation skipping transfer occurred individual whose death is the event causing the generation skipping transfer which is eligible for the credit for state taxes paid under section 2604 of the Internal Revenue Code. For purposes of this chapter any property transferred during the three-year period ending on the date of the deemed transferor's death and which is included in a generation skipping transfer under the Internal Revenue Code of 1954 shall be considered as transferred on the deemed transferor's death.

Sec. 21. Section 450A.5, Code 1987, is amended to read as follows:

450A.5 LIABILITY FOR THE TAX.

The distributee transferee of the property included in the generation skipping transfer shall be personally liable for the tax to the extent of the fair market its value, determined under section 2624 of the Internal Revenue Code as of the time of the distribution of the property received in the

distribution generation skipping transfer. If the tax is attributable to a taxable termination, as defined in section ~~2613~~ 2612(a) of the Internal Revenue Code ~~of 1954~~, the trustee and the transferee shall be personally liable for the tax to the extent of the value of the property subject to tax under the trustee's control.

Sec. 22. Section 450A.6, Code 1987, is amended to read as follows:

450A.6 LIEN OF THE TAX.

The tax imposed by this chapter shall be a lien on the property subject to the tax ~~for~~ a period of ten years from the time the generation skipping transfer occurs. Full payment of the tax, penalty and interest ~~due and interest, if any~~, shall release the lien and discharge the ~~distributtee~~ transferee and trustee of personal liability. Unless the lien has been perfected by recording, a transfer by the ~~distributtee~~ transferee or the trustee to a bona fide purchaser for value shall divest the property of the lien. If the lien is perfected by recording, the rights of the state under the lien have priority over all subsequent mortgages, purchases or judgment creditors. The department may release the lien prior to the payment of the tax due if adequate security ~~for~~ payment of the tax is given.

Sec. 23. Section 450A.10, Code 1987, is amended to read as follows:

450A.10 DIRECTOR TO ENFORCE COLLECTION.

It shall be the duty of the director to enforce collection of the tax imposed by this chapter and shall with all the rights of a party in interest, represent the state in any proceedings to collect the tax. The director shall have the power to bring suit against any person liable for the payment of the tax, penalty, interest and costs and may foreclose the lien of the tax in the same manner as is now prescribed for the foreclosure of real estate mortgages and upon judgment may cause execution to be issued to sell so much of the property necessary to satisfy the tax, penalty, interest and costs due.

Sec. 24. Section 450A.11, Code 1987, is amended to read as follows:

450A.11 DUTY TO CLAIM MAXIMUM CREDIT.

It shall be the duty of any person liable for the payment of the tax to claim the maximum federal credit allowable for that portion of the state ~~estate, inheritance, legacy or succession~~ generation skipping transfer tax paid in respect of any property included in a taxable generation skipping transfer. Claiming on a federal return a sum less than the maximum federal credit allowable shall not relieve any person liable for the tax of the duty to pay the tax imposed under this chapter.

If an amended ~~or~~ supplemental return is filed with the internal revenue service which results in a change in the amount of tax owing under this chapter, the persons liable for the payment of the tax shall submit an amended return, on forms prescribed by the director, indicating the amount of the tax then owing as a result of such change.

If any federal generation skipping transfer tax has been paid before the enactment of this chapter, the persons liable for the payment of the tax under this chapter shall file an amended federal return claiming the maximum federal credit allowable and file the Iowa returns specified in section 450A.8 within six months after the enactment of this chapter or within the time limit provided in section 450A.4 whichever is the later.

Sec. 25. Notwithstanding section 8.55, the moneys in the Iowa economic emergency fund on July 1, 1987 are transferred to the general fund of the state. Funds transferred to the general fund of the state shall be used to defray expenses incurred for the fiscal year beginning July 1, 1987 and ending June 30, 1988.

Sec. 26. 1987 Iowa Acts, House File 675, sections 4 and 13, are repealed.

Sec. 27. 1987 Iowa Acts, House File 377, section 10, is amended to read as follows:

SEC. 10. This Act takes effect January 1, 1988. Sections 4 7 through 6 9 apply to tax returns filed for tax years beginning on or after January 1, 1987. However, in determining the allocation between the political candidates fund and the Xowa election campaign fund of funds from the returns for the three tax years beginning on or after January 1, 1987, 1988, and 1989, only the first two hundred sixty thousand dollars received for the tax returns of each of those years shall be deposited in the Iowa election campaign fund and the remainder shall be deposited in the political candidates fund. In order to register for a restricted campaign in 1988, a candidate's committee existing in 1987 must characterize its December 31, 1987, balance as provided in section 56.33, subsection 10, and provide that information to the commission with the report filed in January, 1988.

Sec. 28. 1987 Iowa Acts, House File 153, sections 1 through 23, are repealed.

Sec. 29. 1987 Iowa Acts, House File 153, sections 57 and 58, are amended to read as follows:

SEC. 57. Sections 27-27-47-57-67-77-117-15 through 24, 26, 27, 31, 32, 34, and 36 of this Act are retroactive to January 1, 1986 for tax years beginning on or after that date.

SEC. 58. Sections 37-87-97-107-127-137-147 25, 28, 29, 30, 33, and 35 of this Act are retroactive to January 1, 1987 for tax years beginning on or after that date.

Sec. 30. Sections 5, 7, 8, 12, 13, and 15 of this Act are retroactive to January 1, 1986 for tax years beginning on or after that date.

Sec. 31. Sections 2, 3, 4, 6, 9, 10, 11, 14, and 16 of this Act are retroactive to January 1, 1987 for tax years beginning on or after that date.

Sec. 32. Sections 17 through 24 of this Act are retroactive to October 22, 1986 for generation skipping transfers which are eligible for the credit for state taxes under section 2604 of the Internal Revenue Code and are made after October 22, 1986, subject to the special rules of section 1433(b) of Public Law 99-514.

Sec. 33. This Act, being deemed of immediate importance, is effective upon enactment.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 523, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1987

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2037

AN ACT

RELATING TO CERTAIN SCHOLARSHIP AND GRANT PROGRAMS ADMINISTERED BY THE COLLEGE AID COMMISSION, INCLUDING THE REQUIREMENTS FOR RECEIPT OF A STATE SCHOLARSHIP AND THE REPEAL OF THE SUPPLEMENTAL GRANT PROGRAM, AND PROVIDING APPROPRIATIONS AND AN EFFECTIVE DATE FOR THE REPEAL.

§2 IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 261.2, subsection 4, Code 1987, is amended to read as follows:

4. Prepare and administer a state plan for a state supported and administered scholarship program. Said The state plan shall provide for scholarships based-on-ability-and need to deserving students of Iowa, matriculating in Iowa universities, colleges, area vocational schools, area community colleges, or schools of professional nursing. Eligibility of a student for receipt of a scholarship during

the student's first year of eligibility shall be based upon academic achievement and completion of advanced level courses prescribed by the commission. Continuation of the scholarship in subsequent years shall be based upon the student's financial need and the maintenance by the student of a cumulative grade point average of at least a three point zero on a four point zero grading scale or its equivalent.

Sec. 2. Section 161.25, subsection 2, Code Supplement 1987, is amended to read as follows:

2. There is appropriated ~~from~~ the general fund of the state to the commission for each fiscal year the sum of four ~~seven~~ hundred fifty thousand dollars for scholarships.

Sec. 3. Section 261.61, unnumbered paragraph 1, Code 1987, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

An individual who graduates from a public or nonpublic high school in this state and meets all of the following requirements is eligible for a supplemental grant:

1. Has successfully completed at least eight units of science and mathematics courses, and at least four of the eight units include sequential mathematics courses at the advanced algebra level or higher, chemistry, advanced chemistry, physics, or advanced physics courses.

2. Attends an eligible institution.

3. Has not received a state scholarship under section 261.2, subsection 4.

Sec. 4. Section 261.63, Code Supplement 1987, is amended to read as follows:

261.63 APPROPRIATION.

Commencing July 1, ~~1987~~ 1988, there is appropriated from the general fund of the state to the commission for each fiscal year the sum of eight four hundred fifty thousand dollars for supplemental grants.

Sec. 5. Section 261.62, Code 1987, is repealed effective July 1, 1989.

SH 2037



Sec. 6. Section 261.63, Code Supplement 1987, as amended by section 4 of this Act, is repealed effective July 1, 1989.

Sec. 7. Section 261.61, Code 1987, as amended by section of this Act, Code 1987, is repealed effective July 1, 1989.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2037, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_ 1988

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TERRY E. BRANSTAD  
Governor

Sec. 2. This Act, being deemed of immediate importance, takes effect upon its enactment.

SENATE FILE 2050

AN ACT

APPROPRIATING FUNDS TO THE OFFICE OF THE ATTORNEY GENERAL TO FUND THE LEGAL ASSISTANCE FOR FARMERS PROGRAM AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the office of the attorney general for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the sum of sixty thousand (60,000) dollars, or so much thereof as is necessary, to be used for the legal assistance for farmers program.

Notwithstanding section 8.33, funds appropriated by this section which are unexpended or unencumbered shall carry forward for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to be used for the same purpose as originally appropriated.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2050, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2055

AN ACT

RELATING TO THE REGISTRATION AND USE OF CERTAIN PESTICIDES,  
AUTEORIZING A DEPARTMENTAL STUDY, AND PROVIDING AN EFFECTIVE  
DATE,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 206.2, subsections 12 and 18, Code Supplement 1987, are amended to read as follows:

12. "Commercial applicator" means any a person, corporation, or employee of a person or corporation who enters into a contract or an agreement for the sake of monetary' payment and agrees to perform a service by applying any a pesticide ~~or servicing any device~~ but ~~shall~~ does not include a farmer trading work with another, a person employed by a farmer not solely as a pesticide applicator who applies pesticide as an incidental part of the person's general duties, or a person who applies pesticide as an incidental part of a custom farming operation.

18. "Certified private applicator" means a certified applicator who uses or supervises the use of any pesticide which is classified for restricted use on property owned or rented by the applicator or the applicator's employer or, if applied without compensation other than trading of personal services between producers of agricultural commodities, on the property of another person.

Sec. 2. Section 206.5, unnumbered paragraphs 2 through 4, Code Supplement 1987, are amended to read as follows:

The secretary shall adopt, by rule, requirements for the examination, re-examination, and certification of applicants.

Commercial and public applicators shall choose between one-year certification for which the applicator shall pay a twenty-five ~~thirty~~ dollar fee or three-year certification for

which the applicator shall pay a seventy-five dollar fee. Public applicators ~~who are captoyad by a rtste agency~~ shall be exempt ~~from the twenty-five thirty~~ and seventy-five dollar certification ~~fees~~ and instead be subject to a ~~five-dollar ten-dollat~~ annual certitication ~~fee~~ or a fifteen dollar fee for a three-year certification. The commercial, or public, ~~applicator shall be tested prior to certification annually, if the applicator chooses a one-year certification or each three years if the applicator chooses three-year certification,--A~~ or private applicator shall be tested prior to initial certification. In addition, a commercial, public, or private applicator shall be reexamined every three years following initial certification before the applicator is eligible for a renewal ot certification. However, a commercial, public, or private applicator need not be certified to apply pesticides for a period of twenty-one days from the date of initial employment if the commercial, public, or private applicator is under the direct supervision of a certified applicator. For the purposes of this section, "under the direct supervision of" means that the application of a pesticide is made by a competent person acting under the instructions and control of a certified applicator who is physically present, by being in sight or hearing distance of the supervised person. A commercial applicator who applies Pesticides to agricultural land may, in lieu of the requirement of direct supervision, elect to be exempt from the certification requirements for a commercial applicator for a period of twenty-one days, if the applicator meets the requirements of a private applicator. The test shall include, but ~~is~~ not limited to, the area of safe handling of agricultural chemicals and the effects of these chemicals on groundwater. The secretary shall also adopt by rule, the criteria tor the allowance of the selection of the written or oral examination by a person requiring certification. A person employed by a farmer not solely as a pesticide applicator who applies restricted use pesticides as an incidental part of the perscn's general duties or a person

who applies restricted use pesticides as an incidental part of a custom farming operation is required to meet the certification requirements of a private applicator.

An employee of a food processing and distribution establishment is exempt from the certification requirements of this section provided that at least one person holding a supervisory position is certified and provided that the employer provides a program, approved by the department, for training, testing, and certification of personnel who apply, as an incidental part of their duties, any pesticide on property owned or rented by the employer. The secretary shall adopt rules to administer the provisions of this paragraph.

The secretary may adopt rules to provide for license and certification adjustments, including fees, which may be necessary to provide for an equitable transition for licenses and certifications issued prior to January 1, 1989. The rules shall also include a provision for renewal of certification ~~through-the-administering-of-an-approved-exam~~ and a provision for a thirty-day renewal grace period. The secretary shall also adopt rules which allow for an exemption from certification for a person who uses certain services and is not solely a pesticide applicator, but who uses the services as an incidental part of the person's duties.

Sec. 3. Section 206.31, subsections 1 through 4, Code Supplement 1987, are amended to read as follows:

1. DEFINITIONS. Notwithstanding section 206.2, as used in this chapter with regard to the application of pesticides used ~~inside-the-home-or-injected-into-the-ground-around-the-home~~ for structural pest control:

a. "Commercial applicator" means a person, or employee of a person, who enters into a contract or an agreement for the sake of monetary payment and agrees to perform a service by applying a pesticide or servicing a device but shall not include a farmer trading work with another.

b. "Public applicator" means an individual who applies pesticides as an employee of a state agency, county, municipal corporation, or other governmental agency.

c. \*structural pest control\* means controlling any pests in, on, OR around food handling establishments; human dwellings; institutions such as schools and hospitals; Industrial establishments, including warehouses and grain elevators; and any other structures in adjacent areas.

2. ADDITIONAL CERTIFICATION REQUIREMENTS. A person shall not apply a restricted use pesticide ~~inside-a-home-or-injected into-the-ground-around-a-home~~ used for structural pest control without first complying with the certification requirements of this chapter and other ~~restrictions~~ as determined by the secretary.

The secretary shall ~~require~~ applicants for certification as commercial ~~or public~~ applicators of pesticides applied ~~inside a-home-or-injected-into-the-ground-around-a-home~~ for structural pest control to take and pass a written test.

3. EXAMINATION FOR COMMERCIAL APPLICATOR LICENSE. The secretary ~~of agriculture~~ shall not issue a commercial applicator license for applying pesticides ~~inside-homes-or injecting-pesticides-into-ground-surrounding-homes~~ for structural pest control until the individual engaged in or managing the ~~pesticide~~ application business ~~or~~ employed by the business ~~is certified~~ by passing an examination to demonstrate to the secretary the individual's knowledge of how to apply pesticides under the ~~classifications~~ the individual has applied for, and the individual's knowledge of the nature and effect of ~~pesticides~~ the individual may apply under such classifications.

4. RENEWAL OF APPLICANT'S LICENSE. The secretary of agriculture shall ~~renew~~ an applicant's license for applying pesticides ~~inside-homes-or-injecting-pesticides-into-ground surrounding-homes~~ for structural pest control under the classifications ~~for which~~ the applicant ~~is~~ licensed, provided that all of the applicant's personnel who apply pesticides ~~inside-homes-or-inject-pesticides-into-ground-surrounding homes~~ for structural pest control have also been certified.

Sec. 4. The department of natural resources, in conjunction with the department of public health, shall conduct a study regarding the shortage, treatment, disposal, and transportation of infectious waste. The departments shall submit to the legislative council, the general assembly, and the governor a report, including recommendations for appropriate legislation, on or before January 15, 1989.

Sec. 5. This Act, **being** deemed of immediate importance, takes **effect upon** enactment.

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30 ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2055, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

**SF 2055**

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TERRY E. BRANSTAD  
Governor

Sec. 3. This Act, being deemed of immediate importance, takes effect upon enactment.

SENATE FILE 2058

AN ACT

EXEMPTING THE WITHHOLDING AGENT FROM THE REQUIREMENT TO WITHHOLD STATE INCOME TAXES FROM PAYMENTS MADE TO A NONRESIDENT, IF THE PAYMENTS ARE FROM THE SALE OF FEDERAL COMMODITY CERTIFICATES OR AGRICULTURAL COMMODITIES OR PRODUCTS AND THE WITHHOLDING AGENT SUBMITS NEEDED INFORMATION AND PROVIDING FOR RETROACTIVE APPLICABILITY AND AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.16, subsection 12, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding this subsection, withholding agents are not required to withhold state income tax from payments subject to taxation made to nonresidents for commodity credit certificates, grain, livestock, domestic fowl, or other agricultural commodities or products sold to the withholding agents by the nonresidents or their representatives, if the withholding agents provide on forms prescribed by the department information relating to the sales required by the department to determine the state income tax liabilities of the nonresidents.

Sec. 2. This Act is retroactive to January 1, 1985, for payments made to nonresidents on or after January 1, 1985.

JO ANN ZIMMERMAN  
President of the Senate

DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2058, Seventy-second General Assembly.

JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

TERRY E. BRANSTAD  
Governor

SF 2058

SENATE FILE 2074

AN ACT

RELATING TO THE EXTENSION OF THE APPLICABILITY OF HOUSE FILE 689, ENACTED DURING THE SECOND EXTRAORDINARY SESSION OF THE SEVENTY-SECOND GENERAL ASSEMBLY DURING 1987, UPDATING REFERENCES TO THE INTERNAL REVENUE CODE, PROVIDING FOR RETROACTIVE APPLICABILITY, TAXING UNRELATED BUSINESS INCOME OF CERTAIN NONPROFIT ORGANIZATIONS, STRIKING OBSOLETE PROVISIONS, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA;

Section 1. Section 422.3, subsection 5, Code 1987, is amended by striking the subsection and inserting in lieu thereof the following:

5. "Internal Revenue Code" means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January 1, 1988, whichever is applicable.

Sec. 2. Section 422.4, subsections 1, 4, 10, 11, 14, 17, and 18, Code Supplement 1987, are amended to read as follows:

1. The words "taxable income" mean the net income as defined in section 422.7 minus the deductions allowed by

section 422.9, in the case of individuals; in the case of estates or trusts, the words "taxable income" mean the taxable income (without a deduction for personal exemption) as computed for federal income tax purposes under the Internal Revenue Code of 1954, but with the adjustments specified in section 422.7 plus the Iowa income tax deducted in computing said the federal taxable income and minus federal income taxes do provided in section 412.9.

4. The words "tax year" mean the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed under this division.

a. If a taxpayer has made the election provided by section 441, subsection "f", of the Internal Revenue Code of 1954, "tax year" means the annual period so elected, varying from fifty-two to fifty-three weeks.

b. If the effective date or the applicability of a provision of this division is expressed in terms of a tax year beginning, including, or ending with reference to a specified date which is the first or last day of a month, a tax year described in paragraph "a" of this subsection shall be treated as beginning with the first day of the calendar month beginning nearest to the first day of the tax year or as ending with the last day of the calendar month ending nearest to the last day of the tax year.

c. This subsection is effective for tax years ending on or after December 14, 1975.

10. The word "individual" means a natural person; and where if an individual is permitted to file as a corporation, under the provisions of the Internal Revenue Code of 1954, such that fictional status shall not be recognized for purposes of this chapter, and such the individual's taxable income shall be computed as required under the provisions of the Internal Revenue Code of 1954 relating to individuals not filing as a corporation, with the adjustments allowed by this chapter.

11. The term words "head of household" shall have has the same meaning as provided by the Internal Revenue Code of 1954.

14. The term word "wages" shall have has the same meaning as provided by the Internal Revenue Code of 1954.

17. a. "Annual inflation factor" means an index expressed as a percentage determined by the department each year to reflect the purchasing power of the dollar as a result of inflation during the preceding calendar year. For the 1981 and subsequent calendar years, "annual inflation factor" means an index, expressed as a percentage, determined by the department by October 15 of the calendar year preceding the calendar year for which the factor is determined, to reflect which reflects the purchasing power of the dollar as a result of inflation during the fiscal year ending in the calendar year preceding the calendar year for which the factor is determined. In determining the annual inflation factor, the department shall use the annual percent change, but not less than zero percent, in the implicit price deflator for the gross national product computed for the whole calendar year or for the second quarter of the calendar year. In the case of the annual inflation factor for the 1981 and subsequent calendar years, by the bureau of economic analysis of the United States department of commerce and shall add two-fourths for the 1980 and subsequent calendar years one-half of that percent change to one hundred percent. The annual inflation factor for the 1979 calendar year is one hundred two point three percent. The annual inflation factor and the cumulative inflation factor shall each be expressed as a percentage rounded to the nearest one-tenth of one percent. The annual inflation factor shall not be less than one hundred percent.

b. "Cumulative inflation factor" means the product of the annual inflation factor for the 1978 1988 calendar year and all annual inflation factors for subsequent calendar years as determined pursuant to this subsection. The cumulative inflation factor applies to all tax years beginning on or

after January 1 of the calendar year for which the latest annual inflation factor has been determined.

c. The annual inflation factor for the 1978 1988 calendar year is one hundred percent. Notwithstanding the computation of the annual inflation factor under paragraph "a", the annual inflation factor for the 1987 calendar year is one hundred percent.

d. Notwithstanding the computation of the annual inflation factor under paragraph "a" of this subsection, the annual inflation factor is one hundred percent for any calendar year in which the unobligated state general fund balance on June 30 as certified by the director of revenue and finance by September 10 of the fiscal year beginning in that calendar year is less than sixty million dollars. However, for the 1981 and subsequent calendar years, the annual inflation factor is one hundred percent for any calendar year if the unobligated state general fund balance on June 30 of the calendar year preceding the calendar year for which the factor is determined, as certified by the director of revenue and finance by October 10, is less than sixty million dollars.

18. For purposes of section 422.3, subsection 5, the Internal Revenue Code of 1954 shall be interpreted to include the provisions of Pub. L. No. 99-514.

Sec. 3 Section 412.4, subsections 19 and 20, Code Supplement 1987, are amended to read as follows:

19. The definition of the Internal Revenue Code of 1954 in section 422.3, subsection 5, shall be interpreted to include provisions of the Tax Reform Act of 1966, Pub. L. No. 99-514 which amended the Internal Revenue Code of 1954, and the Revenue Act of 1967, Pub. L. No. 100-203, unless the context otherwise requires.

20. "Internal Revenue Code of 1986" means the Internal Revenue Code of 1954 as amended by the Tax Reform Act of 1986, Pub. L. No. 99-514 and the Revenue Act of 1987, Pub. L. No. 100-203.



Sec. Section 422.4, subsections 19 and 20, Code Supplement 1987, are amended by striking the subsections,

Sec. 5. Section 422.5, subsection 1, Code Supplement 1987, is amended by striking the subsection.

Sec. 6. Section 422.5, subsection 1A, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

~~In lieu of subsection 17-a~~ A tar is imposed upon every resident and nonresident of the state which tax shall be levied, collected, and paid annually upon and with respect to the entire taxable income as defined in this division at rates as follows:

Sec. 7. Section 422.5, subsection 1A, paragraph k, subparagraph (1), Code Supplement 1987, is amended to read as follows:

(1) ~~hdd~~ Items of tar preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1), (a)(2), and (a)(5), of the Internal Revenue Code of 1986, ~~make~~ the adjustments included in federal alternative minimum taxable income under section 56, except subsections (a)(4), (b)(1)(C)(iii), and (d), of the Internal Revenue Code of 1986, and add losses as required by section 58 of the Internal Revenue Code of 1986. In the case of an estate or trust, the items of tar preference, adjustments, and losses shall be apportioned between the estate or trust and the beneficiaries in accordance with rules prescribed by the director .

Sec. 8. Section 422.5, subsection 2, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

However, for married persons filing jointly or filing separately on a combined return, unmarried heads of household, and surviving spouses, references in this subsection and subsections 6 and 10 to five thousand dollars shall be interpreted to mean seven thousand five hundred dollars. In addition, if the married persons', filing jointly or filing separately on a combined return, unmarried head of

household's, or surviving spouse's net income exceeds seven thousand five hundred dollars, the regular tax imposed under this division shall be the lesser of the maximum state individual income tax rate times the portion of the net income in excess of seven thousand five hundred dollars or the regular tax liability computed without regard to this sentence. Taxpayers electing to file separately shall compute the alternate tar described in this paragraph using the total net income of the husband and wife. However, the alternate tax described in this paragraph does not apply if one spouse elects to carry back or carry forward the loss as provided in section 422.9, subsection 3.

Sec. 9. Section 422.5, subsection 2, Code Supplement 1987, is amended by striking the subsection and inserting in lieu thereof the following:

2. However, the tax shall not be imposed on a resident or nonresident whose net income, as defined in section 422.7, is seven thousand five hundred dollars or less in the case of married persons filing jointly or filing separately on a combined return, unmarried heads of household, and surviving spouses or five thousand dollars or less in the case of all other persons, but in the event that the payment of tar under this division would reduce the net income to less than seven thousand five hundred dollars or five thousand dollars as applicable, then the tar shall be reduced to that amount which would result in allowing the taxpayer to retain a net income of seven thousand five hundred dollars or five thousand dollars as applicable. The preceding sentence does not apply to estates or trusts. For the purpose of this subsection, the entire net income, including any part of the net income not allocated to Iowa, shall be taken into account. For purposes of this subsection, net income includes all amounts of pensions or other retirement income received from any source which is not taxable under this division as a result of any other state law. If the combined net income of a husband and

wife exceeds seven thousand five hundred dollars, neither of them shall receive the benefit of this subsection, and it is immaterial whether they file a joint return or separate returns. However, if a husband and wife file separate returns and have a combined net income of seven thousand five hundred dollars or less, neither spouse shall receive the benefit of this paragraph, if one spouse has a net operating loss and elects to carry back or carry forward the loss as provided in section 422.9, subsection 3. A person who is claimed as a dependent by another person as defined in section 422.12 shall not receive the benefit of this subsection if the person claiming the dependent has net income exceeding seven thousand five hundred dollars or five thousand dollars as applicable or the person claiming the dependent and the person's spouse have combined net income exceeding seven thousand five hundred dollars or five thousand dollars as applicable.

In addition, if the married persons, filing jointly or filing separately on a combined return, unmarried head of household's, or surviving spouse's net income exceeds seven thousand five hundred dollars, the regular tax imposed under this division shall be the lesser of the maximum state individual income tax rate times the portion of the net income in excess of seven thousand five hundred dollars or the regular tax liability computed without regard to this sentence. Taxpayers electing to file separately shall compute the alternate tax described in this paragraph using the total net income of the husband and wife. The alternate tax described in this paragraph does not apply if one spouse elects to carry back or carry forward the loss as provided in section 422.9, subsection 3.

Sec. 10. Section 422.5, subsection 6, Code Supplement 1987, is amended to read as follows:

6. A person who is disabled, is sixty-two years of age or older or is the surviving spouse of an individual or survivor having an insurable interest in an individual who would have

qualified for the exemption under this paragraph for this tax year and receives one or more annuities from the United States civil service retirement and disability trust fund, and whose net income, as defined in section 422.7, is sufficient to require that the tax be imposed upon it under this section, may determine final taxable income for purposes of imposition of the tax by excluding the amount of annuities received from the United States civil service retirement and disability trust fund, which are not already excluded in determining net income, as defined in section 422.7, up to a maximum each tax year of five thousand five hundred six hundred twenty-seven dollars for a person who files a separate state income tax return and eight thousand one hundred eighty-four dollars total for a husband and wife who file a joint state income tax return. However, a surviving spouse who is not disabled or sixty-two years of age or older can only exclude the amount of annuities received as a result of the death of the other spouse. The amount of the exemption shall be reduced by the amount of any social security benefits received. For the purpose of this section, the amount of annuities received from the United States civil service retirement and disability trust fund taxable under the Internal Revenue Code of 1954 shall be included in net income for purposes of determining eligibility under the five thousand dollar or loss exclusion.

Sec. 11. Section 422.5, subsections 6, 7, 8, and 10, Code Supplement 1987, are amended to read as follows:

6. A person who is disabled, is sixty-two years of age or older or is the surviving spouse of an individual or survivor having an insurable interest in an individual who would have qualified for the exemption under this paragraph for this tax year and receives one or more annuities from the United States civil service retirement and disability trust fund, and whose net income, as defined in section 422.7; is sufficient to require that the tax be imposed upon it under this section, may determine final taxable income for purposes of imposition

of the tax by excluding the amount of annuities received from the United States civil service retirement and disability trust fund, which are not already excluded in determining net income, as defined in section 422.7, up to a maximum each tax year of five thousand ~~five-hundred six hundred twenty-seven~~ dollars for a person who files a separate state income tax return and eight thousand ~~one hundred eighty-four~~ dollars total for a husband and wife who file a joint state income tax return. However, a surviving spouse who is not disabled or sixty-two years of age or older can only exclude the amount of annuities received as a result of the death of the other spouse. The amount of the exemption shall be reduced by the amount of any social security benefits received. For the purpose of this section, the amount of annuities received from the United States civil service retirement and disability trust fund taxable under the Internal Revenue Code of-1954 shall be included in net income for purposes of determining eligibility under the seven thousand five hundred dollar or less or five thousand dollar or less exclusion, as applicable.

7. Upon determination of the latest cumulative inflation factor, the director shall multiply each dollar amount set forth in subsection 1, paragraphs "a" through-"m" and "I" of this section, and each dollar amount specified in this section as the maximum amount of annuities received which may be excluded in determining final taxable income, by this cumulative inflation factor, shall round off the resulting product to the nearest one dollar, and shall incorporate the result into the income tax forms and instructions for each tax year.

~~8. Income of an individual which is excluded from gross income under the Internal Revenue Code of 1954 as a result of the provisions of the Hostage Relief Act of 1988, 94 Stat. 1967, shall not be included as income in computing the tax imposed by this section.~~

10. In addition to the other taxes imposed by this section, a tax is imposed on the amount of a lump sum distribution for which the taxpayer has elected under section 402(e) of the Internal Revenue Code of-1954 to be separately taxed for federal income tax purposes for the tax year. The rate of tax is equal to twenty-five percent of the separate federal tax imposed on the amount of the lump sum distribution. A nonresident is liable for this tax only on that portion of the lump sum distribution allocable to Iowa. The total amount of the lump sum distribution subject to separate federal tax shall be included in net income for purposes of determining eligibility under the seven thousand five hundred dollar or less or five thousand dollar or less exclusion, as applicable.

Sec. 12. Section 422.6, unnumbered paragraph 2, Code 1987, is amended to read as follows:

The beneficiary of a trust who receives an accumulation distribution shall be allowed credit without interest for the Iowa income taxes paid by the trust attributable to such the accumulation distribution in a manner corresponding to the provisions for credit under the federal income tax relating to accumulation distributions as contained in the Internal Revenue Code of-1954. The trust shall not be entitled to a refund of taxes paid on the distributions. The trust shall maintain detailed records to verify the computation of the tax.

Sec. 13. Section 422.7, unnumbered paragraph 1 and subsections 2, 6, 7, 8, 9, 11, 16A, 19, 21, 23, 24, and 27, Code Supplement 1987, are amended to read as follows:

The term "net income" means the adjusted gross income as properly computed for federal income tax purposes under the Internal Revenue Code of-1954, with the following adjustments:

2. Add interest and dividends from foreign securities and from securities of state and other political subdivisions exempt from federal income tax under the Internal Revenue Code of-1954.

6. Individual taxpayers and married taxpayers who file a joint federal income tax return and who elect to file a joint return, separate returns, or separate filing on a combined return for Iowa income tax purposes, may avail themselves of the disability income exclusion and shall compute the amount of the disability income exclusion subject to the limitations for joint federal income tax return filers provided by section 105(d) of the Internal Revenue Code of-1954. The disability income exclusion provided in section 105(d) of the Internal Revenue Code of-1954, as amended up to and including December 31, 1982, continues to apply for state income tax purposes for tax years beginning on or after January 1, 1984.

7. Add to the taxable income of trusts, that portion of trust income excluded from federal taxable income under section 641(c) of the Internal Revenue Code of-1954.

8. Married taxpayers who file a joint federal income tax return and who elect to file separate returns or separate filing on a combined return for Iowa income tax purposes, may avail themselves of the expensing of business assets and capital loss provisions of sections 179(a) and 1211(b) respectively of the Internal Revenue Code of-1954 and shall compute the amount of expensing of business assets and capital loss subject to the limitations for joint federal income tax return filers provided by sections 179(b) and 1211(b) respectively of the Internal Revenue Code of-1954.

9. Subtract the amount of the jobs tax credit allowable for the tax year under section 51 of the Internal Revenue Code of-1954 to the extent that the credit increased federal adjusted gross income.

11. Subtract the amount of the alcohol fuel credit allowable for the tax year under section 40 of the Internal Revenue Code of-1954 to the extent that the credit increased federal adjusted gross income.

16A. ~~Notwithstanding any other provision, add~~ Add the amounts deducted and subtract the amounts included as income

as a result of the treatment provided sale-leaseback agreements under section 168(f)(8) of the Internal Revenue Code of-1954 for property placed in service by the transferee prior to January 1, 1986, to the extent that the amounts deducted and the amounts included in income are not otherwise deductible or included in income under the Internal Revenue Code of-1954 as amended to and including December 31, 1985. Entitlement to depreciation on any property included in a sale-leaseback agreement which is placed in service by the transferee prior to January 1, 1986, shall be determined under the Internal Revenue Code of-1954 as amended to and including December 31, 1985, excluding section 168(f)(8) in making the determination.

19. Married taxpayers, who file a joint federal income tax return and who elect to file separate returns or who elect separate filing on a combined return for state income tax purposes, shall include in not income any social security benefits or tier-1-railroad-retirement-benefits received to the same extent as those benefits are taxable on the taxpayer's joint federal return for that year under section 86 of the Internal Revenue Code of-1954. The benefits included in not income must be allocated between the spouses in the ratio of the social security benefits or tier-1-railroad retirement-benefits received by each spouse to the total of these benefits received by both spouses.

21. Add the four percent of the basic salary of a judge, who is a member of the judicial retirement system established in chapter 602, article 9, which is exempt from federal income tax under the Internal Revenue Code of-1954.

23. Add the amount of intangible drilling and development costs optionally deducted in the year paid or incurred as described in section 57(a)(2) of the Internal Revenue Code of 1954. This amount may be recovered through cost depletion or depreciation, as appropriate under rules proscribed by the director.

24. Add the percentage depletion amount determined with respect to an oil, gas, or geothermal well as described in section 57(a)(1) of the Internal Revenue Code of 1954.

27. Add interest and dividends from regulated investment companies exempt from federal income tax under the Internal Revenue Code of 1986 and subtract the loss on the sale or exchange of a share of a regulated investment company held for six months or less to the extent the loss was disallowed under section 852(b)(4)(B) of the Internal Revenue Code of 1986.

Sec. 14. Section 422.7, subsection 15, Code Supplement 1987, is amended by striking the subsection and inserting in lieu thereof the following:

15. Notwithstanding the method for computing the amount of travel expenses that may be deducted under section 162(h) of the Internal Revenue Code, for tax years beginning on or after January 1, 1987, a member of the general assembly whose place of residence within the legislative district is greater than fifty miles from the capitol building of the state may deduct the total amount per day determined under section 162(h)(1)(B) of the Internal Revenue Code and a member of the general assembly whose place of residence within the legislative district is fifty or fewer miles from the capitol building of the state may deduct fifty dollars per day. This subsection does not apply to a member of the general assembly who elects to itemize for state tax purposes the member's travel expenses.

Sec. 15. Section 422.7, subsections 5, 10, 12, 13, 14, 16, 17, 20, 22, and 26, Code Supplement 1987, are amended by striking the subsections.

Sec. 16. Section 422.8, subsections 2 and 4, Code 1987, are amended to read as follows:

2. Nonresident's net income allocated to Iowa is the net income, or portion thereof, which is derived from a business, trade, profession, or occupation carried on within this state or income from any property, trust, estate, or other source

within Iowa. If any a business, trade, profession, or occupation is carried on partly within and partly without the state, only the portion of the net income which is fairly and equitably attributable to that part of the business, trade, profession, or occupation carried on within the state is allocated to Iowa for purposes of section 422.5, subsection 1, paragraph "a" and section 422.13 and income from any property, trust, estate, or other source partly within and partly without the state is allocated to Iowa in the same manner, except that annuities, interest on bank deposits and interest-bearing obligations, and dividends are allocated to Iowa only to the extent to which they are derived from a business, trade, profession, or occupation carried on within the state. However, income received by an individual who is a resident of another state is not allocated to Iowa if the income is subject to an income tax imposed by the state where the individual resides, and if the state of residence allows a similar exclusion for income received in that state by residents of Iowa. In order to implement the exclusions, the director shall designate by rule the states which allow a similar exclusion for income received by residents of Iowa, and may enter into agreements with other states to provide that similar exclusions will be allowed, and to provide suitable withholding requirements in each state.

4. The amount of minimum tax paid to another state or foreign country by a resident taxpayer of this state from preference items derived from sources outside of Iowa shall be allowed as a credit against the tax computed under this division except that the credit shall not exceed what the amount of state alternative minimum tax would have been on the same preference items which were taxed by the other state or foreign country. The limitation on this credit shall be computed according to the following formula: The total of preference items earned outside of Iowa and taxed by another state or foreign country shall be divided by the total of

preference items of the resident taxpayer of Iowa. In computing this quotient, those items excludable under section 422.5, subsection 1, paragraph "o" "k", subparagraph (1) shall not be used in computing the preference items. This quotient multiplied times the net state alternative minimum tax as determined in section 422.5, subsection 1, paragraph "o" "k" on the total of preference items as if entirely earned in Iowa shall be the maximum tax credit against the Iowa alternative minimum tax. However, the maximum tax credit will not be allowed to the extent that the minimum tax imposed by the other state or foreign country is less than the maximum tax credit computed above.

Sec. 17. Section 422.9, subsection 1, Code Supplement 1987, is amended by striking the subsection and inserting in lieu thereof the following:

1. An optional standard deduction, after deduction of federal income tax, equal to one thousand two hundred thirty dollars for a married person who files separately or a single person or equal to three thousand thirty dollars for a husband and wife who file a joint return, a surviving spouse, or an unmarried head of household. The optional standard deduction shall not exceed the amount remaining after deduction of the federal income tax.

Sec. 18. Section 422.9, subsection 2, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

The total of contributions, interest, taxes, medical expense, nonbusiness losses, and miscellaneous expenses; and moving expenses; deductible for federal income tax purposes under the Internal Revenue Code of-1954, with the following adjustments:

Sec. 19. Section 422.9, subsection 2, paragraph e, Code Supplement 1987, is amended by striking the paragraph.

Sec. 20. Section 422.9, subsection 3, unnumbered paragraph 1 and paragraph c, Code Supplement 1987, are amended to read as follows:

If, after applying all of the adjustments provided for in section 422.7, the allocation provisions of section 422.8, and the deductions allowable in this section subject to the modifications provided in section 172(d) of the Internal Revenue Code of-1954, the taxable income results in a net operating loss, the net operating loss shall be deducted as follows:

a. If the election under section 172(b)(3)(C) of the Internal Revenue Code of-1954 is made, the Iowa net operating loss shall be carried forward fifteen taxable years.

Sec. 21. Section 422.10, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

The taxes imposed under this division shall be reduced by a state tax credit for increasing research activities in this state. For individuals, the credit shall equal equal ~~is~~ and one-half percent of the state's apportioned share of the qualifying expenditures for increasing research activities. The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to total qualified research expenditures. For purposes of this section, an individual may claim a research credit for qualifying research expenditures incurred by a partnership, subchapter S corporation, and estate or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, subchapter S corporation, or estate or trust. For purposes of this section, "qualifying expenditures for increasing research activities" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under section 38 ~~41~~ of the Internal Revenue Code of-1954-in-effect-on-January-1-1985-or-which-would-be allowable-under-section-41-of-the-Internal-Revenue-Code-of 1986.

Sec. 22. Section 422.12, subsection 1, paragraph c, Code Supplement 1987, is amended to read as follows:

c. For each dependent, an additional ten dollars. As used in this section, the term "dependent" shall have has the same meaning as provided by the Internal Revenue Code of-2954.

Sec. 23. Section 422.12, subsection 2, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

A child and dependent care credit equal to forty-five percent of the federal child and dependent care credit provided in section 21 of the Internal Revenue Code of-5954.

Sec. 24. Section 422.13, subsection 1, paragraph a, Code Supplement 1987, is amended to read as follows:

a. The individual is required to file a federal income tax return under the Internal Revenue Code of-2954.

Sec. 25. Section 422.16, subsection 1, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

Every withholding agent and every employer as defined in this chapter and further defined in the Internal Revenue Code of-2954, with respect to income tax collected at source, making payment of wages to a nonresident employee working in Iowa, or to a resident employee, shall deduct and withhold from the wage an amount which will approximate the employee's annual tax liability on a calendar year basis, calculated on the basis of tables to be prepared by the department and schedules or percentage rates, based on the wages, to be prescribed by the department. Every employee or other person shall declare to the employer or withholding agent the number of the employee's or other person's personal exemptions and dependency exemptions or credits to be used in applying the tables and schedules or percentage rates. However, no greater number of personal or dependency exemptions or credits may be declared by the employee or other person than the number to which the employee or other person is entitled except as

allowed under section 3402(m)(1) of the Internal Revenue Code of-2954. The claiming of exemptions or credits in excess of entitlement is a serious misdemeanor.

Sec. 26. Section 422.16, subsection 1, paragraphs a and d, Code Supplement 1987, are amended to read as follows:

a. Every person or married couple filing a return shall make estimated tax payments if the person's or couple's Iowa income tax attributable to income other than wages subject to withholding can reasonably be expected to amount to fifty dollars or more for the taxable year, except that, in the cases of farmers and fishers fishermen, the exceptions provided in the Internal Revenue Code of-2954 with respect to making estimated payments apply. The estimated tax shall be paid in quarterly installments. The first installment shall be paid on or before the last day of the fourth month of the taxpayer's tax year for which the estimated payments apply. The other installments shall be paid on or before June 30, September 30, and January 31. However, at the election of the person or married couple, any installment of the estimated tax may be paid prior to the date prescribed for its payment. If a person or married couple filing a return has reason to believe that the person's or couple's Iowa income tax may increase or decrease, either for purposes of meeting the requirement to make estimated tax payments or for the purpose of increasing or decreasing estimated tax payments, the person or married couple shall increase or decrease any subsequent estimated tax payments accordingly.

d. Any amount of estimated tax paid is a credit against the amount of tax found payable on a final, completed return, as provided in subsection 9, relating to the credit for the tax withheld against the tax found payable on a return properly and correctly prepared under sections 422.5 through 422.25, and any overpayment of one dollar or more shall be refunded to the taxpayer and the return constitutes a claim for refund for this purpose. Amounts less than one dollar

shall not be refunded. The method provided by the Internal Revenue Code of-1954 for determining what is applicable to the addition to tax for Underpayment of the tax payable applies to persons required to make payments of estimated tax under this section except the amount to be added to the tax for underpayment of estimated tax is an amount determined at the rate in effect under section 421.7. This addition to tax specified for underpayment of the tax payable is not subject to waiver provisions relating to reasonable cause, except as provided in the Internal Revenue Code of-2964. Underpayment of estimated tax shall be determined in the same manner as provided under the Internal Revenue Code of-1954 and the exceptions in the Internal Revenue Code of-2954 also apply.

Sec. 27. Section 422.20, subsection 2, Code Supplement 1987, is amended to read as follows:

2. It shall be is unlawful for any an officer, employee, or agent, or former officer, employee, or agent of the state to disclose to any person, except as authorized in subsection 1 of this section, any federal tax return or return information as defined in section 6103(b) of the Internal Revenue Code of-1954, It shall further be is unlawful for any a person to whom any federal tax return or return information, as defined in section 6103(b) of the Internal Revenue Code of 1954, is disclosed in a manner unauthorized by subsection 1 of this section to thereafter print or publish in any manner not provided by law any such return or return information. Any A person committing-an-offense-against-the-foregoing-violating this provision shall be is guilty of a serious misdemeanor.

Sec. 28. Section 422.21, unnumbered paragraphs 4, 5, and 6, Code Supplement 1987, are amended to read as follows:

The director shall determine for the 1979 1989 and each subsequent calendar years year the annual and cumulative inflation factors for those each calendar years year to be applied to tax years beginning on or after January 1 of that calendar year. The director shall compute the new dollar

amounts as specified therein to be adjusted in section 422.5 by the latest cumulative inflation factor and round off the result to the nearest one dollar. The annual and cumulative inflation factors determined by the director are not rules as defined in section 17A.2, subsection 7.

The department shall provide on income tax forms or in the instruction booklets in a manner that will be noticeable to the taxpayers a statement to-the-extent that, even though the taxpayer may not have any federal or state income tax liability, the taxpayer may be eligible for the federal earned income tax credit. The statement shall also contain notice of where the taxpayer may check on the taxpayer's eligibility for this credit.

~~The department shall prepare and make available a special return for filing a tax refund claim resulting from the net capital gain deduction authorized in section 422.97 subsection 6. The special returns shall be designed so that the department will be able to compile data that identifies the source and type of the capital gains and losses and the geographical location of the transactions involving the capital gains and losses. By January 15, 1989, the department shall make available to the general assembly the data compiled from the special returns filed during the previous calendar year.~~

Sec. 29. Section 422.25, subsection 1, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Within three years after the return is filed or within three years after the return became due, including any extensions of time for filing, whichever time is the later, the department shall examine it and determine the correct amount of tax, and the amount determined by the department is the tax. However, if the taxpayer omits from income an amount which will, under the Internal Revenue Code of-1954, extend the statute of limitations for assessment of federal tax to six years under the federal law, the period for examination



and determination is six years. In addition to the applicable period of limitation for examination and determination, the department may make an examination and determination at any time within six months from the date of receipt by the department of written notice from the taxpayer of the final disposition of any matter between the taxpayer and the internal revenue service with respect to the particular tax year. In order to begin the running of the six-month period, the notice shall be in writing in any form sufficient to inform the department of the final disposition with respect to that year, and a copy of the federal document showing the final disposition or final federal adjustments shall be attached to the notice.

Sec. 30. Section 422.32, subsection 1, Code Supplement 1987, is amended to read as follows:

1. The word "corporation" includes joint stock companies, and associations organized for pecuniary profit, ~~except limited-partnerships-organized-under-chapter-545 and publicly traded partnerships taxed as corporations under the Internal Revenue Code,~~

Sec. 31. Section 422.32, subsection 11, Code Supplement 1987, is amended to read as follows:

11. "Internal Revenue Code. means the Internal Revenue Code of 1954, prior to the date of its redesignation as the Internal Revenue Code of 1986 by the Tax Reform Act of 1986, or means the Internal Revenue Code of 1986 as amended to and including January 1, ~~1987~~ 1988, whichever is applicable.

Sec. 32. Section 422.32, subsection 11, Code Supplement 1987, is amended by striking the subsection.

Sec. 33. Section 422.33, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. There is imposed upon each corporation exempt from the general business tax on corporations by section 422.34, subsections 2 through 6, a tax at the rates in subsection 1 upon the state's apportioned

share computed in accordance with subsections 2 and 3 of the unrelated business income computed in accordance with the Internal Revenue Code and with the adjustments set forth in section 422.35.

Sec. 34. Section 422.72, subsection 2, Code Supplement 1987, is amended to read as follows:

2. Federal tax returns, copies of returns, and return information as defined in section 6103(b) of the Internal Revenue Code of 1954, which are required to be filed with the department for the enforcement of the income tax laws of this state, shall be deemed and hold as confidential by the department and subject to the disclosure limitations in subsection 1 of this section.

Sec. 35. Section 450.1, unnumbered paragraph 2, Code 1987, is amended to read as follows:

For purposes of this chapter, unless the context otherwise requires, "personal representative" means an executor, administrator, or trustee and each is defined in section 633.3 and "Internal Revenue Code" means the same as defined in section 422.3.

Sec. 36. Section 450.3, subsections 2 and 7, Code 1987, are amended to read as follows:

2. By deed, grant, sale, gift or transfer made within three years of the death of the grantor or donor, which is not a bona fide sale for an adequate and full consideration in money or money's worth and which is in excess of the annual gift tax exclusion allowable for each donee under section 2503, subsections b and c of the Internal Revenue Code of 1954 as defined in section 422.3. If both spouses consent, a gift made by one spouse to a person who is not the other spouse is considered, for the purposes of this subsection, as made one half by each spouse under the same terms and conditions provided for in section 2513 of the Internal Revenue Code of 1954 as defined in section 422.3.

7. Which qualifies as a qualified terminable interest property as defined in section 2056(b)(7)(B) of the Internal Revenue Code of-1954-as-defined-in-section-422r3, shall, if an election is made, be treated and considered as passing in fee, or its equivalent, to the surviving spouse in the estate of the donor-grantor. Property on which the election is made shall be included in the gross estate of the surviving spouse and shall be deemed to have passed in fee from the surviving spouse to the persons succeeding to the remainder interest, unless the property was sold, distributed, or otherwise disposed of prior to the death of the surviving spouse. A sale, disposition, or disposal of the property prior to the death of the surviving spouse shall void the election, and shall subject the property disposed of, less amounts received or retained by the surviving spouse, to tax in the donor-grantor's estate in the same manner as if the tax had been deferred under sections 430.44 through 450.49.

Sec. 37. Section 450.37, subsection 1, paragraph b, Code 1987, is amended to read as follows:

b. The alternate value of the property, if the personal representative so elects, that has been established for federal estate tax purposes under section 2032 of the Internal Revenue Code of-1954-as-defined-in-section-422r3. The election shall be exercised on the return by the personal representative or other person signing the return, within the time prescribed by law for filing the return or before the expiration of any extension of time granted for filing the return.

Sec. 38. Section 450A.1, subsection 5, Code Supplement 1987, is amended to read as follows:

5. "Internal Revenue Code" means the same as the term is defined in section 422r3 422.32.

Sec. 39. Section 4508.1, Code 1987, is amended to read as follows:

4506.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Internal Revenue Code of-1954" means the same as defined in section 422.3.

2. "Taxpayer" means a qualified heir liable for the inheritance tax imposed under chapter 450 on qualified real property.

3. "Qualified real property", "qualified use", "cessation of qualified use", and "qualified heir" mean the same as defined in section 2032A of the Internal Revenue Code of-1954.

4. For purposes of subsection 1, the Internal Revenue Code of-1954 shall be interpreted to include the provisions of Pub. L. No. 98-4.

Sec. 40. Section 450B.2, Code 1987, is amended to read as follows:

450B.2 ALTERNATE ELECTION OF VALUE FOR QUALIFIED USE.

Notwithstanding section 450.37, the value of qualified real property for the purpose of the tax imposed under chapter 450 may, at the election of the taxpayer, be its value for the use under which it qualifies as prescribed by section 2032A of the Internal Revenue Code of-1954. A taxpayer may make an election under this section only if all of the following conditions are met:

1. An election for federal estate tax purposes was made with regard to the qualified real property under section 2032A of the Internal Revenue Code of-1954.

2. All persons who signed the agreement referred to in section 2032A(d)(2) of the Internal Revenue Code of-1954 make the election under this section and sign an agreement with the department of revenue and finance consenting to the application of section 4508.3 with respect to the qualified real property.

3. The total decrease in the value of the qualified real property as a result of the election under this section does not exceed the dollar limitation specified in section 2032A(a)(2) of the Internal Revenue Code of-1954.

The election under this section shall be made by the taxpayer in the manner as the director of revenue and finance may prescribe by rule. The value for the qualified use under this section shall be the value as determined and accepted for federal estate tax purposes.

The definitions and special rules specified in section 2032A(e) of the Internal Revenue Code of 1954 shall apply with respect to qualified real property for which an election was made under this section except that rules shall be prescribed by the director of revenue and finance in lieu of the regulations promulgated by the secretary of treasury.

The director shall prescribe regulations setting forth the application of this chapter in the case of an interest in a partnership, corporation, or trust which, with respect to the decedent, is an interest in a closely held business within the meaning of section 6166(b)(1) of the Internal Revenue Code of 1954. Such regulations shall conform as nearly as possible with the regulations promulgated by the United States secretary of treasury in respect to such interests.

Sec. 41. Section 4508.3, Code 1987, is amended to read as follows:

**450B.3 ADDITIONAL INHERITANCE TAX APPLICABLE.**

There is imposed upon the qualified heir an additional inheritance tax if, within ten years after the decedent's death and before the death of the qualified heir, the qualified heir disposes of, other than to a member of the family, any interest in qualified real property for which an election under section 450B.2 was made or ceases to use for the qualified use the qualified real property for which an election under section 4508.2 was made as prescribed in section 2032A(c) of the Internal Revenue Code of 1954. The additional inheritance tax shall be the amount computed under section 4508.5 and shall be due six months after the date of the disposition or cessation of qualified use referred to in this section. The amount of the additional inheritance tax

shall accrue interest at the rate of ten percent per year from nine months after the decedent's death to the due date of the tax. The tax shall be paid to the department of revenue and finance and shall be deposited into the general fund of the state. Taxes not paid within the time prescribed in this section shall draw interest at the rate of ten percent per annum until paid. There shall not be an additional inheritance tax if the disposition or cessation occurs ten years or more after the decedent's death.

Sec. 42. Section 451.1, subsection 8, Code 1987, is amended to read as follows:

8. "Internal Revenue Code of 1954" means the same as defined in section 422.3.

Sec. 43. Section 451.2, unnumbered paragraph 1, Code 1987, is amended to read as follows:

An amount equal to the federal estate tax credit for state death taxes as allowed in the Internal Revenue Code of 1954 is hereby imposed upon every transfer of the net estate of every decedent, being a resident of, or owning property in this state-as-herein-provided.

Sec. 44. Section 451.3, Code 1987, is amended to read as follows:

**451.3 GROSS AND NET ESTATE.**

The gross estate shall be the same as finally determined for federal estate tax and the net estate shall be the gross estate less deductions as permitted by federal law, in arriving at the net taxable federal estate, all determined as provided in the Internal Revenue Code of 1954.

Sec. 45. 1987 Iowa Acts, Second Extraordinary Session, chapter 1, section 13, is amended to read as follows:

SEC. 13. Section 422.4, subsection 17, section 422.5, subsection 7, section 422.7, subsections 10, 12, 14, 15, 22, and 26, section 422.9, subsection 2, paragraph "e", and section 422.21, unnumbered paragraph 4, do not apply.

Sec. 46. 1987 Iowa Acts, Second Extraordinary Session, chapter 1, section 16, is amended to read as follows:

SEC. 16. Sections 1 through 10, 13, and 14 of this Act are retroactive to January 1, 1907 for tax year. beginning in the 1987-calendar-year-only on or after that date,

Sec. 47. 1987 Iowa Acts, second Extraordinary Session, chapter 1, sections 13 and 14, are repealed.

Sec. 48. For purposes of tax years beginning in the 1988 calendar year, references in section 422.9, subsection 6, unnumbered paragraph 4 and section 422.21, unnumbered paragraph 6, to the year 1987, 1908, or 1989, shall mean the year 1980, 1989, or 1990, respectively.

Sec. 49. The Code editor shall renumber section 422.5, subsection 1A, as section 422.5, subsection 1. References in the Iowa Code to section 422.5, subsection 1, shall mean section 422.5, subsection 1A, as renumbered. The Code editor may renumber other subsections as a result of this Act.

Sec. 50. Sections 3, 8, 10, 14, 30, 31, 45, and 46 of this Act are retroactive to January 1, 1987, for tax years beginning on or after that date.

Sec. 51. Sections 1, 2, 4, 5, 6, 7, 9, 11, 12, 13, 15 through 20, 21 through 27, 29, 32, 33, 34, 47, and 49 of this Act are retroactive to January 1, 1988, for tax year. beginning on or after that date.

Sec. 52. Section 28 of this Act is effective January 1, 1989, for tax years beginning on or after that date.

Sec. 53. Sections 35, 36, 37, and 39 through 44 of this Act are effective January 1, 1988, for estate of persons dying on or after that date.

Sec. 54. Section 38 of this Act is retroactive to October 22, 1986, for generation skipping transfers which are eligible for the credit for state taxes under section 2604 of the Internal Revenue Code and are made after October 22, 1986, subject to the special rules of section 1433(b) of Pub. L. No. 99-514.

Sec. 55. Sections 3, 8, 31, 38, and 45 of this Act are repealed January 1, 1988, for tax years beginning on or after that date or for estates of persons dying on or after that date.

Sec. 56. This Act, being deemed of immediate importance, takes effect upon enactment.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2074, Seventy-second General Assembly.

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JOHN P. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2092

AN ACT

ESTABLISHING A COMMUNITY AND RURAL DEVELOPMENT LOAN PROGRAM AND A SEWAGE TREATMENT WORKS FINANCING PROGRAM TO ASSIST COMMUNITIES IN FINANCING SEWAGE TREATMENT PROJECTS AND IN FINANCING TRADITIONAL AND NEW INFRASTRUCTURE AND HOUSING FOR NEEDY AND ELDERLY, AUTHORIZING THE IOWA FINANCE AUTHORITY TO ISSUE BONDS AND NOTES FOR THE PROGRAM, AND PROVIDING AN APPROPRIATION FROM A REVOLVING FUND TO BE USED FOR EACH PROGRAM, AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA;

Section 1. NEW SECTION. 15.281 TITLE.

This part shall be known as the "Community and Rural Development Loan Program".

Sec. 2. NEW SECTION. 15.282 PURPOSE.

The purpose of this part is to assist communities and rural areas of the state with their development and governmental responsibilities by providing low interest and no-interest loans for traditional infrastructure, new infrastructure, and housing..

Sec. 3. NEW SECTION. 15.783 PROGRAM.

The department shall establish a program to effectuate the purposes of this part subject to the following guidelines:

1. General program criteria and applications are to be developed by the finance division of the department in conjunction with the Iowa finance authority, subject to approval of the boards of the department and Iowa finance authority.

2, The program shall provide for three categories of assistance. These are the traditional infrastructure category, the new infrastructure category, and the housing category.

3. All monryr available for the traditional infrastructure category and the new infrastructure category shall be administered by the department. All moneys available for the housing category shall be administered by the Iowa finance authority.

4. Moneys available under this program shall be allocated so that at least fifty-five percent of the moneys are for the traditional infrastructure category, at least fifteen percent of the moneys are for the new infrastructure category, and thirty percent of the moneys are for the housing category, If moneys allocated to the housing category are not used or dedicated by January 1, of the fiscal year, the moneys shall

be reallocated to the other categories that have the most need as determined by the department. At least one-third of the monryr allocated to each category shall be set aside for cities with populations of five thousand or less. For purposes of this part, any city located in a county with a population in excess of two hundred thousand that is contiguous to another municipality in the county and that municipality is contiguous to the largest city in that county shall be considered as having a population in excess of twenty thousand.

Sec. 4. NEW SECTION. 15.284 TRADITIONAL INFRASTRUCTURE.

1. The traditional infrastructure category contains projects that include, but are not limited to, sewer, water, roads, bridges, airports, and other projects described in section 384.24, subsection 3.

7. any Iowa city or county is eligible to apply for loans from this category. Along with the application, the city or county shall submit the following:

a. A needs assessment study.

b. A capital improvement program,

c. Evidence of matching contribution of at least twenty-five percent of the total project cost,

3. Applications must be seeking funds to improve the physical assets of the traditional infrastructure of the political subdivision in need of development.

4. The finance division of the department shall rank the applicants according to financial need, cost-benefit of the project, percent of match, impact, and ability to administer project.

5. The interest rate shall range from zero to five percent. The department may charge applicants an administration fee, not to exceed one percent of the principal amount of the loan, to be paid as a lump sum percent or a percent of the interest rate.

6. The department may coordinate with the department of natural resources to assist political subdivisions receiving federal or other state aid for waste water treatment facilities. However, the department shall not allocate more than fifty percent of the moneys available to their category for this purpose,

**Sec. 5. NEW SECTION. 15.285 NEW INFRASTRUCTURE.**

1. The new Infrastructure category contains projects which are services or processes that do not currently meet the guidelines of standard public works projects. These include, but are not limited to, communication systems, day care, technology transfer adaptation, medical decision-support systems, special transportation services, physical improvements under town square and main street programs, physical improvements to historic, art, and cultural sites and attractions, emergency medical services, and other projects described in section 384.24, subsection 4.

2. Any political subdivision, or nonprofit development corporation, is eligible to apply for loans under this category.

3. Along with the application, the following shall be submitted:

- a. A needs assessment study.
- b. A capital improvement plan.
- c. Evidence of a match of at least ten percent.

4. The finance division of the department shall rank the applications according to the applicant's financial need,

cost-benefit of the project, current condition or situation, percent of private investment or contribution, and ability to administer the project.

5. The interest rate shall range from zero to five percent. The department may charge applicants an administration fee, not to exceed one percent of the principal amount of the loan, to be paid as a lump sum percent or a percent of the interest rate.

**Sec. 6. NEW SECTION. 15.286 HOUSING.**

1. Any Iowa city, county, housing agency, or developer shall be eligible to apply for loans under their category. Along with the application the person shall submit the following:

- a. A needs assessment for the area to be served.
- b. A demographic documentation of the housing trend.
- c. Evidence of a local commitment of at least twenty-five percent.

2. Applicants must be seeking funds to assist in meeting the area needs of low and moderate income in pursuit of decent housing or in meeting the purposes of the housing trust fund program as described in section 220.100, subsection 2.

3. For purposes of this section:

a. "Low-income" means an amount less than or equal to one hundred fifty percent of the then current poverty level as published by the federal department of health and human services in the federal register.

b. "Moderate-income" means an amount less than or equal to three hundred percent of the then current poverty level as published by the federal department of health and human services in the federal register.

4. a. The Iowa finance authority shall develop criteria to award assistance based upon the applicant's financial need, the cost-benefit of the project, the accessibility to the project by handicapped persons as defined in section 601E.1, percent of private investment, percent leveraged by other programs, assessment of local housing situation, and ability to administer the program.

b. The Iowa finance authority shall give a preference in the awarding of assistance to the following:

- (1) The assistance will be used to meet the purposes of the housing trust fund program.
- (2) The applicant is a nonprofit entity.
- (3) Programs to assist low income and the disadvantaged.
- (4) A project that will qualify for the low-income housing credit under section 42 of the Internal Revenue Code.
- (5) A project that will not otherwise qualify for the low-income housing credit but will provide an income mix of the residents as described in section 42(g)(1)(A) or (8) of the Internal Revenue Code.

5. Interest charged to applicants shall range from zero to five percent. The Iowa finance authority may charge applicants an administration fee, not to exceed one percent of the principal amount of the loan, to be paid as a lump sum percent, or a percent of the interest rate.

Sec. 7. NEW SECTION. 15.287 REVOLVING FUND.

The Iowa finance authority shall establish a revolving fund for the program and shall transfer to the department moneys to be administered by the department. The moneys in the revolving fund are appropriated for purposes of the program. Notwithstanding section 8.33, moneys in the fund at the end of a fiscal year shall not revert to any other fund but shall remain in the revolving fund. The fund shall consist of all appropriations, grants, or gifts received by the authority or the department specifically for use under this part; revenues designated in section 98.35 to be deposited in the fund; and all repayments of loans made under this part.

Sec. 8. NEW SECTION. 15.208 LOCAL BONDS NOT REQUIRED -- INDEBTEDNESS LIMITATIONS.

A city, county, political subdivision, or other municipal corporation shall not be required to issue its bonds to secure loans under the community and rural development loan program. It is the intent of the general assembly that loans received by a city, county, political subdivision, or other municipal

corporation under the loan program shall not constitute an indebtedness of that entity within the meaning of any state constitutional provision or statutory limitation.

Sec. 9. Section 98.35, Code 1987, is amended to read as follows:

98.35 TAX AND FEES PAID TO GENERAL FUND.

The proceeds derived from the sale of stamps and the payment of taxes, fees and penalties provided for under this chapter, and the permit fees received from all permits issued by the department, shall be credited to the general fund of the state, except as otherwise provided in this section. All permit fees provided for in this chapter and collected by cities in the issuance of permits granted by the cities shall be paid to the treasurer of the city where the permit is effective, or to another city officer as designated by the council, and credited to the general fund of the city. Permit fees so collected by counties shall be paid to the county treasurer. One and one-half cents of the first five cents received from the sale of each stamp and the payment of the tax on each pack of cigarettes or little cigars, not to exceed four million dollars in a fiscal year, shall be deposited into the revolving fund established by the Iowa finance authority under section 15.287. Deposits under this section to the revolving fund in section 15.287 shall not be made during a fiscal year for which an appropriation from other sources to the revolving fund has been made. However, if the amount of such appropriations does not equal four million dollars or has to be reduced below that amount for any reason, deposits under this section shall be made to the extent that the amount appropriated, less any reduction, is less than four million dollars.

Sec. 10. NEW SECTION. 455B.291 DSPINITIONS.

As used in this part, unless the context requires otherwise:

1. "Authority" means the Iowa finance authority established in section 220.2.

2. "Cost" means all costs, charges, expenses, or other indebtedness incurred by a municipality and determined by the director as reasonable and necessary for carrying out all works and undertakings necessary or incidental to the accomplishment of any project.

3. "Municipality" means the city, county, sanitary district, or other governmental body or corporation empowered to provide sewage collection and treatment services, or any combination of two or more of such governmental bodies or corporations acting jointly, in connection with a project.

4. "Project" means the acquisition, construction, reconstruction, extension, equipping, improvement, or rehabilitation of any works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner including treatment works as defined in section 212 of the Clean Water Act, or the implementation and development of management programs established under sections 319 and 320 of the Clean Water Act.

5. "Clean Water Act" means the federal Water Pollution Control Act of 1972, Pub. L. No. 92-500, as amended by the Water Quality Act of 1987, Pub. L. No. 100-4, as published in 33 U.S.C. §§ 1251-1376.

6. "Sewage treatment works revolving loan fund" or "revolving loan fund" means the sewage treatment works revolving loan fund established in section 4558.295.

7. "Sewage treatment works administration fund" or "administration fund" means the sewage treatment works administration fund established in section 4558.295.

8. "Program" means the Iowa sewage treatment works financing program created pursuant to section 4550.294.

9. "Executive director" means the executive director of the Iowa finance authority.

Sec. 11. NEW SECTION. 4558.292 FINDINGS.

The general assembly finds that the proper construction, rehabilitation, operation, and maintenance of modern and efficient sewer systems and wastewater treatment works are

essential to protecting and improving the state's water quality; that protecting water quality is an issue of concern to the citizens of the state; that in addition to protecting and improving the state's water quality, adequate wastewater treatment works are essential to economic growth and development; that during the last several years the amount of federal grant money available to states and local governments for assistance in constructing and improving wastewater treatment works has sharply diminished and will likely continue to diminish; and that it is proper for the state to encourage local governments to undertake wastewater treatment projects through the establishment of a state mechanism to provide loans at the lowest reasonable rates.

Sec. 12. NEW SECTION, 4558.293 POLICY,

It is the policy of the general assembly that it is in the public interest to establish a sewage treatment works financing program and a revolving loan fund and administration fund to make loans available from the state to municipalities to acquire, construct, reconstruct, extend, equip, and improve works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner.

Sec. 13. NEW SECTION. 4558.294 ESTABLISHMENT OF THE IOWA SEWAGE TREATMENT WORKS FINANCING PROGRAM.

The Iowa sewage treatment works financing program is established for the purpose of making loans available to municipalities to finance all or part of the costs of projects. The Program shall be a joint and cooperative undertaking of the department and the authority. The department and the authority may enter into and provide any agreements, documents, instruments, certificates, data, or information necessary in connection with the operation, administration, and financing of the program consistent with this part, the rules of the department and the commission, the rules of the authority, and state law.

Sec. 14. NEW SECTION. 4558.295 FUNDS AND ACCOUNTS.



1. Two separate funds are established in the state treasury, to be known as the "sewage treatment works revolving loan fund", and the "sewage treatment works administration fund".

2. The revolving loan fund shall include sums appropriated to the revolving loan fund by the general assembly, sums allocated to the state expressly for the purposes of establishing a revolving loan fund under the Clean Water Act, all receipts by the revolving loan fund, and any other sums designated for deposit to the revolving loan fund from any public or private source. All moneys appropriated to and deposited in the revolving fund are appropriated and shall be used for the sole purpose of making loans to the municipalities to finance all or part of the cost of projects. The moneys appropriated to and deposited in the revolving loan fund shall not be used to pay the nonfederal share of the cost of projects receiving grants under the Clean Water Act. The moneys in the revolving loan fund are not considered as a part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state but shall remain in the revolving loan fund to be used for its purposes. The revolving loan fund is a dedicated fund under the administration and control of the authority and subject to section 220.31. Moneys on deposit in the revolving loan fund shall be invested by the treasurer of state in cooperation with the authority, and the income from the investments shall be credited to and deposited in the revolving loan fund.

3. The sewage treatment works administration fund shall include sums appropriated to the administration fund by the general assembly, sums allocated to the state for the express purposes of administering the program authorized by the Clean Water Act, and all receipts by the administration fund from any public or private source. All moneys appropriated to and deposited in the administration fund are appropriated for and

shall be used and administered by the department to pay the costs and expenses associated with the program, including administration of the program, as may be determined by the department.

4. The department and the authority may establish and maintain other funds or accounts determined to be necessary to carry out the purposes of this part and shall provide for the funding, administration, investment, restrictions, and disposition of the funds and accounts.

Sec. 15. NEW SECTION. 4558.296 INTENDED USE PLANS -- CAPITALIZATION GRANTS -- ACCOUNTING.

1. Each fiscal year beginning July 1, 1988, the department may prepare and deliver intended use plans and enter into capitalization grant agreements with the administrator of the United States environmental protection agency under the terms and conditions set forth in Title VI of the Clean Water Act and federal regulations adopted pursuant to the Act and may accept capitalization grants for the revolving loan fund in accordance with payment scheduler established by the administrator. All payments from the administrator shall be deposited in the revolving loan fund.

2. The department and the authority shall establish fiscal controls and accounting procedures during appropriate accounting periods for payments and disbursements received and made by the revolving loan fund, the administration fund, and other funds established pursuant to section 4558.295, subsection 4, and to fund balancrr at the beginning and end of the accounting periods.

Sec. 16. NEW SECTION. 4558.297 LOANS TO MUNICIPALITIES.

Moneys deposited in the revolving loan fund shall be used for the sole purpose of making loans to municipalities to finance the cost of projects in accordance with the intended use plans developed by the department under section 4558.296. The municipalities to which loans are to be made, the purposes of the loan, the amount of each loan, the interest rate of the loan, and the repayment terms of the loan, shall be determined

by the director, in accordance with rules adopted by the commission, in compliance with and subject to the terms and conditions of Title VI of the Clean Water Act and any resolution, agreement, indenture, or other document of the authority, and rules adopted by the authority, relating to any bonds, notes, or other obligations issued for the program which may be applicable to the loan.

Sec. 17. NEW SECTION. 4558.298 POWERS AND DUTIES OF THE DIRECTOR,

The director shall:

1. Process and review loan applications to determine if an application meets the eligibility requirements set by the rules of the department.

2. Approve loan applications of municipalities which satisfy the rules adopted by the commission, and the intended use plan developed by the department under section 4558.296.

3. Process and review all documents relating to projects and the extending of loans.

4. Prepare and process, in coordination with the authority, documents relating to the extending of loans to municipalities, the sale and issuance of bonds, notes, or other obligations of the authority relating to the program, and the administration of the program.

5. Include in the budget prepared pursuant to section 4551.4, subsection 1, paragraph "c", an annual budget for the administration of the program and the use and disposition of amounts on deposit in the administration fund.

6. Charge each municipality receiving a loan from the revolving loan fund a loan origination fee and an annual loan servicing fee. The amount of the loan origination fees and the loan servicing fees established shall be relative to the amount of a loan made from the revolving loan fund. The director shall deposit the receipts from the loan origination fees and the loan servicing fees in the administration fund.

7. Consult with and receive the approval of the authority concerning the terms and conditions of loan agreements with municipalities as to the financial integrity of the loan.

8. Perform other acts and assume other duties and responsibilities necessary for the operation of the program.

Sec. 18. NEW SECTION. 4553.290 ADOPTION OF RULES.

The commission shall adopt rules pursuant to chapter 17A appropriate for the administration of this part.

Sec. 19. Section 220.100, subsection 7, Code Supplement 1987, is amended by striking the subsection.

Sec. 20. NEW SECTION. 220.131 IOWA SEWAGE TREATMENT WORKS FINANCING PROGRAM -- DEFINITIONS -- FUNDING -- BONDS AND NOTES.

1. The authority shall cooperate with the department of natural resources in the creation, administration, and financing of the Iowa sewage treatment works financing program established in sections 455B.291 through 4558.299.

2. Terms used in this part have the meanings given them in sections 4558.101 and 4556.291 unless the context requires otherwise.

3. The authority may issue its bonds and notes for the purpose of funding the revolving loan fund created under section 4558.295 and defraying the costs of payment of the twenty percent state matching funds required for federal funds received for projects.

4. The authority may issue its bonds and notes for the purposes established and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee agent designated by the authority may enter into agreements to provide for any of the following:

a. That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the authority or by a trustee or agent designated by the authority.

b. That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and

apply the amount payable under the loan agreements or any other instruments securing the debt obligations under the loan agreements.

c. That the bondholders or noteholders may enforce the remedies provided in the loan agreements or other instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or other instruments, the payment or performance may be enforced in accordance with the loan agreement or other instrument.

d. Other terms and conditions as deemed necessary or appropriate by the authority.

5. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 220.28, subsection 4, apply to bonds or notes issued and powers granted to the authority under this section except to the extent they are inconsistent with this section.

6. All bonds or notes issued by the authority in connection with the program are exempt from taxation by this state and the interest on the bonds or notes is exempt from state income tax.

Sec. 21. NEW SECTION. 220.132 SECURITY -- RESERVE FUNDS -- PLEDGES -- NONLIABILITY -- IRREVOCABLE CONTRACTS.

1. The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of its bonds or notes pursuant to section 220.131 that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to its bonds and notes:

a. The income and receipts or other money derived from the projects financed with the proceeds of the bonds or notes.

b. The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

c. The amounts on deposit in the revolving loan fund.

d. The amounts payable to the department by municipalities pursuant to loan agreements with municipalities.

e. Any other funds or accounts established by the authority in connection with the program or the sale and issuance of its bonds or notes.

2. The authority may establish reserve funds, to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection the proceeds of the sale of its bonds or notes and other money which is made available from any other source.

3. It is the intention of the general assembly that a pledge made in respect of bonds or notes shall be valid and binding from the time the pledge is made, that the money or property so pledged and received after the pledge by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created needs to be recorded or filed under the Iowa uniform commercial code to be valid, binding, or effective against the parties.

4. Neither the members of the authority nor persons executing the bonds or notes are liable personally on the bonds or notes or are subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The bonds or notes issued by the authority are not an indebtedness or other liability of the state or of a political subdivision of the state within the meaning of any constitutional or statutory debt limitations but are special obligations of the authority, and are payable solely from the income and receipts or other funds or property of the department, and the amounts on deposit in the revolving loan

fund, and the amounts payable to the department under its loan agreements with the municipalities to the extent that the amounts are designated in the resolution, trust agreement, or other Instrument of the authority authorizing the issuance of the bonds or notes as being available as security for such bonds or notes. The authority shall not pledge the faith or credit of the state or of a political subdivision of the state to the payment of any bonds or notes. The issuance of any bonds or notes by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bonds or notes.

6. The state pledges to and agrees with the holders of bonds or notes issued under the Iowa sewage treatment works financing program, that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds or notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.

Sec. 22. NEW SECTION. 220.133 ADOPTION OF RULES.

The authority shall adopt rules pursuant to chapter 17A to implement sections 220.131 and 220.132.

Sec. 23. NEW SECTION, 220.134 COMMUNITY AND RURAL DEVELOPMENT LOAN PROGRAM,

The authority may exercise all of its powers contained in this chapter, including but not limited to, the power to issue bonds and notes, to implement and carry out the purposes of the community and rural development loan program established pursuant to sections 15.281 through 15.288. The authority

shall issue its bonds and notes for the loan program consistent with the loan program and shall provide that the bonds and notes shall be payable solely from moneys in the revolving fund established pursuant to section 15.287. The authority shall not issue more than fifteen million dollars in bonds or notes in any one calendar year.

Sec. 24. Sections 1 through 7 and 9 of this Act are affective July 1, 1988.

Sec. 25. This Act, being deemed of immediate importance takes effect upon enactment.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2092, Seventy-second General Assembly.

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JOHN P. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor



TERRY E. BRANSTAD  
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL  
DES MOINES, IOWA 50319  
515 281-5211

May 11, 1988

The Eonorable Elaine Baxter  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2092 an act establishing a community and rural development loan program and a sewage treatment works financing program to assist communities in financing sewage treatment projects and in financing traditional and new infrastructure and housing for needy and elderly, authorizing the Iowa Finance Authority to issue bonds and notes for the program, and providing an appropriation from a revolving fund to be used for each program, and providing effective dates,

Senate File 2092, the so-called rural development financing bill contains many positive features which I am approving, Specifically, this bill would allow the Department of Economic Development to establish a low interest loan revolving fund to aid small communities in rural development projects. The Governor's Rural Development Task Force report of last summer indicated the need for the state to provide targeted financial assistance to small communities in the area of traditional infrastructure, new infrastructure, and housing. Clearly, the maintenance of sewers, water, road, bridges and airports is critical to the economic vitality of small communities. In addition, I understand the need for so-called new infrastructure services -- communications systems, day care, and technology transfer -- in order to support economic diversity in our smaller communities. And, in many small communities the availability of housing is a critical component of economic development efforts-

I believe state financial assistance to communities in these areas will do much to assist us to implement our rural development strategy.

The Honorable-Elaine Baxter  
May 11, 1988  
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However, Senate File 2092 also contains two fiscally unsound and unworkable provisions which are not approved-

I am unable to approve the item designated as Section 9 in its entirety.

This section of the bill diverts one and one-half cents of the state's cigarette tax to the community development revolving loan fund. Apparently, this \$4 million is to be used by the Iowa Finance Authority to back up to \$15 million worth of bonds to be issued per year for the purposes specified in the act,

I cannot approve *this* item because *it* sets a bad precedent by diverting general fund dollars for debt service. While I understand that these funds will not be utilized unless the legislature does not make a specific appropriation to provide for the debt service, I believe this provision could put the state in a fiscal straitjacket by tying up portions of state general fund revenue sources to pay off bonds. It is fiscally unwise in the long term to be dedicating a portion of our general fund tax revenues for bonding-

The general fund is just now beginning to be restored to reasonable fiscal health and diverting significant revenue sources from the general fund into debt service would restrict the state's ability to respond to financial emergencies in the future and limit our ability to return the state to a sound fiscal condition.

Moreover, the use of general funds dollars for debt service raises serious constitutional questions, given the constitutional prohibition on state indebtedness,

I am unable to approve the Section designated as Section 23 in its entirety.

This section of Senate File 2092 authorizes the Iowa Finance Authority to issue bonds to capitalize the community and rural development loan program. The Iowa Finance Authority is authorized to issue up to \$15 million of bonds under this provision in any one calendar year. This provision is simply unworkable and could jeopardize the entire community and rural development loan program. It would put the state too far in debt at too high a cost-

The Honorable Elaine Baxter  
May 11, 1988  
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First, sufficient funds are *not* provided to service up to \$15 million per year of *debt*. In fact, due to the fact that loans are required to be made from these funds at a zero to five percent interest rate, it is anticipated that up to \$14 million may have to be used over *the* life of each \$15 million bond issue just to buy-down the interest rate. **And**, it is anticipated that one-third to one-half of each year's available appropriations would have to be used to buy-down *the* interest rate to the five percent maximum allowed.

Secondly, *this* provision would put the state too far in debt, **Indeed**, each \$15 million of debt would require up to \$43 million worth of debt service, **This** could financially hamstring *the* state and prevent us from having the financial flexibility to react to changing needs in *the* future.

And finally, *this* item in Senate Pile 2092 does not put an overall limit on the amount of bonds that could be issued under *this* section. The \$15 million limit *is* for each calendar year. Conceivably IFA would be authorized to issue \$15 million each and every subsequent year. Clearly, if that were to be done, *the* one and one-half cent *cigarette* tax diversion which is to be used to service these bonds would be woefully inadequate. As a result, *the* state would be forced to dedicate a larger and larger portion of its cigarette tax revenues for debt service,

In short, I believe that the community and rural development loan program *can* work effectively to provide *essential* infrastructure and housing services to small communities through a zero to five percent revolving loan fund. **This** approach was successfully achieved in *the* community revolving loan program established in 1983. However, it is simply unworkable and fiscally unwise to require the authority to issue bonds to capitalize the fund. Moreover, given the dubious financial feasibility of these bonds *the* authority had *not* planned on making use of the bonding authority included in Senate File 2092 in the near term in any event.

For the *above* reasons, **I** hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in *Senate* File 2092 are hereby approved as of *this* date-

Sincerely,



Terry E. Branstad  
Governor

TEB:cd

cc: Secretary of *the* Senate  
Chief Clerk of *the* House

SENATE FILE 2094

AN ACT

RELATING TO INSTRUCTIONAL REQUIREMENTS FOR HUMAN GROWTH AND DEVELOPMENT IN GRADES KINDERGARTEN THROUGH TWELVE AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 256.11, subsections 2, 3, and 4, Code Supplement 1987, are amended to read as follows:

2. The kindergarten program shall include experiences designed to develop healthy emotional and social habits and growth in the language arts and communication skills, as well as a capacity for the completion of individual tasks, and protection and development of physical well-being with attention given to experiences relating to the development of life skills and human growth and development. A kindergarten teacher shall hold a certificate providing that the holder is qualified to teach in kindergarten. An accredited nonpublic school must meet the requirements of this subsection only if the nonpublic school offers a kindergarten program.

3. The following areas shall be taught in the grades one through six: English-language arts, including reading, handwriting, spelling, oral and written English, and literature; social studies, including geography, history of the United States and Iowa, cultures of other peoples and nations, and American citizenship, including the study of national, state, and local government in the United States; mathematics: science, including environmental awareness and

conservation of natural resources; health and physical education, including the effects of alcohol, tobacco, drugs, and poisons ON the human body, human sexuality, self-esteem, stress management, and interpersonal relationships; the characteristics of communicable diseases, including acquired immune deficiency syndrome; traffic safety, including pedestrian and bicycle safety procedures; music; and art.

4. The following shall be taught in grades seven and eight as a minimum program: science, including environmental awareness and conservation of natural resources; mathematics) social studies; cultures of other peoples and nations, and American citizenship; English-language arts which shall include reading, spelling, grammar, oral and written composition, and may include other communication subjects; health and physical education, including the effects of alcohol, tobacco, drugs, and poisons on the human body, the characteristics of communicable diseases, including venereal sexually transmitted diseases and acquired immune deficiency syndrome, current crucial health issues, human sexuality, self-esteem, stress management, and interpersonal relationships; music; and art.

Sec. 2. Section 256.11, subsection 6, paragraph j, Code Supplement 1987, is amended to read as follows:

j. Health education, including an awareness of physical and mental health needs, the effects of alcohol, tobacco, drugs, and poisons ON the human body, the characteristics of communicable diseases, including venereal sexually transmitted diseases and acquired immune deficiency syndrome, and current crucial health issues, human sexuality, self-esteem, stress management, and interpersonal relationships.

Sec. 3. NEW SECTION. 279.50 HUMAN GROWTH AND DEVELOPMENT INSTRUCTION.

SF 209 4



1. Each board of directors of a public school district shall appoint a resource committee composed of representatives of the following groups: parents, teachers, school administrators, pupils, health care professionals, members of the clergy, members of the business community, and other residents of the school district deemed appropriate. The resource committee shall study the provision of instruction to pupils in grades kindergarten through twelve appropriate to the pupils' grade level, age, and level of maturity, in topics related to human growth and development in order to promote accurate and comprehensive knowledge in this area, to foster responsible decision making, based on cause and effect, and to support and enhance the efforts of parents to provide moral guidance to their children. The resource committee shall address and make recommendations to the board concerning the school district's curriculum on each of the following topics of instruction:

- a. Self-esteem, responsible decision making, and personal responsibility and goal setting.
- b. Interpersonal relationships.
- c. Discouragement of premarital adolescent sexual activity.
- d. Family life and parenting skills.
- e. Human sexuality, reproduction, contraception and family planning, prenatal development including awareness of mental retardation and its prevention, childbirth, adoption, available prenatal and postnatal support, and male and female responsibility.
- f. Sex stereotypes.
- g. Behaviors to prevent sexual abuse or sexual harassment.
- h. Sexually transmitted diseases, including acquired immune deficiency syndrome, and their causes and prevention.
- i. Substance abuse treatment and prevention.

- j. suicide prevention.
- k. Stress management.

2. The resource committee shall make its recommendations regarding the implementation of human growth and development instruction for the school district, including the instructional topics specified in subsection 1, paragraphs "a" through "k", to the school board at least every three years and shall provide written notification to the state department of education.

3. The school board may designate the advisory committee appointed pursuant to section 280.12, subsection 2, as the resource committee to perform the duties required by this section, provided the advisory committee appointed under section 280.12, subsection 2 meets the resource committee composition requirements in subsection 1 of this section.

4. Each school board shall provide instruction in kindergarten which gives attention to experiences relating to life skills and human growth and development as required in section 256.11.

Each school board shall provide instruction in human growth and development including instruction regarding human sexuality, self-esteem, stress management, interpersonal relationships, and acquired immune deficiency syndrome as required in section 256.11, in grades one through twelve. Each school board shall annually provide to a parent or guardian of any pupil enrolled in the school district, information about the human growth and development curriculum used in the pupil's grade level and the procedure for inspecting the instructional materials prior to their use in the classroom. A pupil shall not be required to take instruction in human growth and development if the pupil's parent or guardian files with the appropriate principal a written request that the pupil be excused from the

instruction. Notification that the written request may be made shall be included in the information provided by the school district.

Each school board or merged area school which offers general adult education classes or courses shall periodically offer an instructional program in parenting skills and in human growth and development for parents, guardians, prospective biological and adoptive parents, and foster parents.

5. The state department of education shall make available model human growth and development curricula for grades kindergarten through twelve which shall include the instructional topics specified in subsection 1, paragraphs "a" through "k". The department of education shall distribute the model curricula to each school board, to the authorities in charge of each accredited nonpublic school, and to each resource committee appointed pursuant to subsection 1, and shall provide technical assistance to school boards and resource committees in the use or adaptation of the curricula.

6. Each area education agency shall periodically offer a staff development program for teachers who provide instruction in human growth and development.

7. The department of education shall identify and disseminate information about early intervention programs for students who are at the greatest risk of suffering from the problems of dropping out of school, substance abuse, adolescent pregnancy, or suicide.

Sec. 4. HUMAN GROWTH AND DEVELOPMENT. Rules adopted by the state board under section 256.17 which prescribe standards for accredited schools shall include human sexuality, self-esteem, stress management, interpersonal relationships, the characteristics of acquired immune deficiency syndrome, and give attention to experiences relating to the development of life skills and human growth and development.

Sec. 5. Section 279.50, subsections 1 through 3 and 5, as enacted in this Act, are amended by striking the subsections.

Sec. 6. Section 5 of this Act takes effect July 1, 1992.

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JO ANN ZIMMERMAN  
President of the Senate

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2094 Seventy-second General Assembly.

\_\_\_\_\_  
JOHN P. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

SENATE FILE 2188

AN ACT  
 RELATING TO THE MOBILE HOME ANNUAL TAX, THE PROPERTY TAX CREDIT  
 AND RENT REIMBURSEMENT FOR ELDERLY AND DISABLED INDIVIDUALS  
 BY CHANGING THE FORMULA USED FOR DETERMINING THE AMOUNT OF  
 THE ANNUAL TAX, CREDIT AND REINBURSEMENT AND PROVIDING  
 EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 135D.22, subsection 2, Code Supplement  
 1987, is amended to read as follows:

2. If the owner of the mobile home is an Iowa resident,  
 was totally disabled, as defined in section 425.17, subsection  
 6 on or before December 31 of the base year, is a surviving  
 spouse having attained the age of fifty-five years on or  
 before December 31 of the base year, 1988 or has attained the  
 age of sixty-five years on or before December 31 of the base  
 year and has an income when included with that of a spouse  
 which is less than five thousand dollars per year, no annual  
 tax shall be imposed on the mobile home. If the income is  
 five thousand dollars or more but less than twelve thousand  
 dollars, the annual tax shall be computed as follows:

If the Household Income is:	Annual Tax Per Square Foot:
\$ 5,000 -- 5,999.99	6.0 cents
6,000 -- 6,999.99	<u>3.0</u>
7,000 -- 7,999.99	<u>6.0</u>
	<u>9.0</u>

8,000 -- 8,999.99	14.0
	<u>9,999.99</u>
9,000 -- 11,999.99	15.0
<u>10,000</u>	

For purposes of this subsection "income" means income as  
 defined in section 425.17, Subsection 1, and "base year" means  
 the calendar year preceding the year in which the claim for a  
 reduced rate of tax is filed. The mobile home reduced rate of  
 tax shall only be allowed on the mobile home in which the  
 claimant is residing at the time in which the claim for a  
 reduced rate of tax is filed.

Sec. 2. Section 425.17, subsections 5 and 9, Code 1987,  
 are amended to read as follows:

5. "Claimant" means a person filing a claim for credit or  
 reimbursement under this division who has attained the age of  
 sixty-five years on or before December 31 of the base year or  
 who is a surviving spouse having attained the age of fifty-  
 five years on or before December 31 of the base year, 1988, or  
 who is totally disabled and was totally disabled on or before  
 December 31 of the base year, and was domiciled in this state  
 during the entire base year and is domiciled in this state at  
 the time the claim is filed or at the time of the person's  
 death in the case of a claim filed by the executor or  
 administrator of the claimant's estate. "Claimant" includes a  
 vendee in possession under a contract for deed and may include  
 one or more joint tenants or tenants in common. In the case  
 of a claim for rent constituting property taxes paid, the  
 claimant shall have rented the property during any part of the  
 base year. If a homestead is occupied by two or more persons,  
 and more than one person is able to qualify as a claimant, the  
 persons may determine among them who will be the claimant, if  
 they are unable to agree, the matter shall be referred to the  
 director of revenue and finance not later than October 31 of  
 each year and the director's decision shall be final.

9. "Property taxes due" means property taxes including any special assessments, but exclusive of delinquent interest and charges for services, due on a claimant's homestead in this state, but includes only property taxes for which the claimant is liable and which will actually be paid by the claimant. However, if the claimant is a person whose property taxes have been suspended under sections 421.8 and 427.9, "property taxes due" means property taxes including any special assessments, but exclusive of delinquent interest and charges for services, due on a claimant's homestead in this state, but includes only property taxes for which the claimant is liable and which would have to be paid by the claimant if the payment of the taxes have not been suspended pursuant to sections 427.8 and 427.9. "Property taxes due" shall be computed with no deduction for any credit under this division or for any homestead credit allowed under section 425.1. Each claim shall be based upon the taxes due during the fiscal year next following the base year. If a homestead is owned by two or more persons as joint tenants or tenants in common, and one or more persons are not a member of claimant's household, "property taxes due" is that part of property taxes due on the homestead which equals the ownership percentage of the claimant and the claimant's household. The county treasurer shall include with the tax receipt a statement that if the owner of the property is sixty-five years of age or over or is totally disabled, or is a surviving spouse of such person who ~~is over~~ was fifty-five years of age on or before December 31, 1988, the person may be eligible for the credit allowed under this division. If a homestead is an integral part of a farm, the claimant may use the total property taxes due for the larger unit. If a homestead is an integral part of a multidwelling or multipurpose building the property taxes due for the purpose of this subsection shall be prorated to reflect the portion which the value of the property that the household occupies as its homestead is to the value of the

entire structure. For purposes of this subsection, "unit" refers to that parcel of property covered by a single tax statement of which the homestead is a part.

Sec. 3. Section 425.17, subsection 7, Code 1987, is amended to read as follows:

7. "Rent constituting property taxes paid" means twenty-five twenty-seven and one-half percent of the gross rent actually paid in cash or its equivalent during the base year by the claimant or the claimant's household solely for the right of occupancy of their homestead in the base year, and which rent constitutes the basis, in the succeeding year, of a claim for reimbursement under this division by the claimant.

Sec. 4. Section 425.23, subsection 1, Code 1981, is amended to read as follows:

1. The tentative credit or reimbursement shall be determined in accordance with the following schedule:

		Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:
If the household income is:		
\$ 0 - 4,999.99	.....	100%
5,000 - 5,999.99	.....	70 <u>85</u>
6,000 - 6,999.99	.....	50 <u>70</u>
7,000 - 7,999.99	.....	40 <u>55</u>
8,000 - 8,999.99	.....	30 <u>40</u>
9,000 - 10,000	.....	25

Sec. 5. Section 1 of this Act is effective January 1, 1989, for mobile home tax claims filed on or after that date.

Sec. 6. Section 2 of this Act is effective January 1, 1989.

Sec. 7. Section 3 of this Act is effective January 1, 1990.

Sec. 8. Section 4 of this Act is effective January 1, 1989, for property tax claims filed on or after that date.

Section 4 of this Act is applicable to rent reimbursement claims filed on or after January 1, 1990.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2188, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

**SF 2188**

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2192

AN ACT

TO ESTABLISH A CHILD DEVELOPMENT COORDINATING COUNCIL FOR THE PROMOTION OF CHILD DEVELOPMENT SERVICES TO CERTAIN AT-RISK CHILDREN AND TO PRESCRIBE ITS DUTIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. FINDINGS. Programs designed to provide child development services to at-risk three-year and four-year old children have proven to have the potential to be cost-effective investments in the future productivity of these children. To be effective, these programs must be tailored to the needs of the whole child within the context of school, family, and community. The state has an opportunity to make a strong investment in assuring that these services are available to at-risk three-year and four-year old children throughout the state.

Sec. 2. NEW SECTION, 256A.1 TITLE.

This chapter shall be known as the "Child Development Assistance Act".

Sec. 3. NEW SECTION, 256A.2 CHILD DEVELOPMENT COORDINATING COUNCIL ESTABLISHED.

A child development coordinating council is established to promote the provision of child development services to at-risk three-year and four-year old children. The council shall consist of the following members:

1. The administrator of the division of children, youth, and families of the department of human rights or the administrator's designee.
  2. The director of the department of education or the director's designer,
  3. The commissioner of human services or the commissioner's designee.
  4. The director of the department of public health or the director's designee.
  5. An early childhood specialist of an area education agency selected by the area education agency administrators.
  6. The dean of the college of family and consumer sciences at Iowa State University of science and technology or the dean's designee,
  7. The dean of the college of education from the University of Northern Iowa or the dean's designee.
  8. The professor and head of the department of pediatrics at the University of Iowa or the professor's designee.
  9. A resident of this state who is a parent of a child who is or has been served by a federal head start program.
- Staff assistance for the council shall be provided jointly by the department of education and the division of children, youth, and families of the department of human rights.

Sec. 4. NEW SECTION, 256A.3 COUNCIL RESPONSIBILITIES.

The child development coordinating council shall:

1. Develop a definition of at-risk children for the purposes of this chapter, The definition shall include income, family structure; the child's level of development, and availability or accessibility for the child of a head start or other child day-care program as criteria.

2. Establish minimum guidelines for comprehensive early child development services for at-risk three-year and four-year old children. The guidelines shall reflect current research findings on the necessary components for cost-effective child development services.

3. At least biennially, develop an inventory of child development services provided to at-risk three-year and four-year old children in this state and identify the number of children receiving and not receiving these services, the types of programs under which the services are received, the degree to which each program meets the council's minimum guideline for a comprehensive program, and the reasons children not receiving the services are not being served. The council is not required to conduct independent research in developing the inventory, but shall determine information needs necessary to provide a more complete inventory.

4. Make recommendations to the department of education and the general assembly regarding appropriate curricula and staff qualifications and training for early elementary education and the coordination of the curricula with early child development programs.

5. Subject to the availability of funds appropriated or otherwise available for the purpose of providing child development services, award grants for programs that provide new or additional child development services to at-risk children.

In awarding program grants to an agency or individual, the council shall consider the following:

a. The quality of the staff and staff background in child development services.

b. The degree to which the program is or will be integrated with existing community resources and has the support of the local community.

c. The ability of the program to provide for child care in addition to child development services for families needing full-day child care.

d. A staff-to-children ratio within the guidelines established under subsection 2 of this section, but not less than one staff member per eight children.

e. The degree to which the program involves and works with the parents, and includes home visits, optional parental instruction on parenting and tutoring skills, and experiential education,

f. The manner in which health, medical, dental, and nutrition services are incorporated into the program.

g. The degree to which the program complements existing programs and services for at-risk three-year and four-year old children available in the area, including other day-care services, services provided through the school district, and services available through area education agencies.

h. The degree to which the program can be monitored and evaluated to determine its ability to meet its goals.

i. The provision of transportation or other auxiliary services that may be necessary for families to participate in the program.

j. The provision of staff training and development, and staff compensation sufficient to assure continuity.

6. Encourage the submission of grant requests from all potential providers of child development services and shall be flexible in evaluating grants, recognizing that different types of programs may be suitable for different locations in the state. However, requests for grants must contain a procedure for evaluating the effectiveness of the program and accounting procedures for monitoring the expenditure of grant moneys,

The council shall seek to use performance-based measures to evaluate programs. Not more than five percent of any state funds appropriated for child development purposes may be used for administration and evaluation.

7. Encourage the establishment of regional councils designed to facilitate the development on a regional basis of programs for at-risk three-year and four-year old children.

8. Annually, submit recommendations to the governor and the general assembly on the need for investment in child development services in the state.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2192, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

**SF 2192**



Sec. 2. NEW SECTION. 256.31 CERTIFICATION ADVISORY COMMITTEE.

1. A certification advisory committee is established to advise the board of educational examiners concerning the requirements for certification of elementary and secondary school personnel and standards for the preparation and certification of school personnel. The advisory committee shall consist of the following members appointed by the board of educational examiners:

a. Eight members who are certificated classroom teachers, three of whom are currently employed as classroom teachers in school districts in this state, and one of whom is currently employed as a classroom teacher in an approved nonpublic school in this state.

b. One member who is employed as a school service person.

c. One member who is employed as a certificated principal in this state.

d. One member who is employed as a certificated superintendent in this state.

e. Two members of the teacher education faculty from institutions of higher education in this state which are approved for teacher education. One member shall be from an institution of higher education under the control of the state board of regents and one member shall be from a private college or university in this state.

f. One member who is a certificated employee of an area education agency in this state assigned to instructional programs or staff development responsibilities.

2. Committee members shall be appointed to staggered four-year terms. They shall be reimbursed for actual and necessary expenses incurred in the performance of their duties from funds appropriated to the department of education.

3. The committee shall meet at least quarterly. staff assistance shall be provided by the department of education,

SENATE FILE 2193

AN ACT

RELATING TO REQUIREMENTS FOR APPROVED TEACHER EDUCATION PROGRAMS AND THE ESTABLISHMENT OF A TEACHER CERTIFICATION ADVISORY COMMITTEE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 256.7, subsection 3, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. By January 1, 1989, the state board shall adopt rules under chapter 17A that prescribe a process for the appointment and operation of evaluation panels for evaluating the performance of teachers possessing initial certification to determine whether the teachers meet the requirements adopted by the board for progressing to the next certification level.

4. A vacancy on the advisory committee shall be filled for the unexpired portion of the term in the same manner as the original appointment.

Sec. 3. NEW SECTION. 260.25 RULES FOR TEACHER EDUCATION PROGRAMS.

Not later than January 1, 1990, the board of educational examiners shall adopt rules pursuant to chapter 17A to implement the following for approved teacher education programs:

1. A requirement that each student admitted to an approved teacher education program, must participate in field experiences that include both observation and participation in teaching activities in a variety of school settings. These field experiences shall comprise a total of at least fifty hours' duration at least forty hours of which shall occur after a student's admission to an approved teacher education program. The student teaching experience shall be a minimum of twelve weeks in duration during the student's final year of the teacher education program.

2. A requirement that faculty members in professional education maintain an ongoing involvement in activities in elementary, middle, or secondary schools. The activities shall include at least forty hours of team teaching during a period not exceeding five years in duration at the elementary, middle, or secondary level.

3. A requirement that the program includes instruction in skills and strategies to be used in classroom management of individuals, and of small and large groups, under varying conditions; skills for communicating and working constructively with pupils, teachers, administrators, and parents; and skills for understanding the role of the board of education and the functions of other education agencies in the state. The requirement shall be based upon recommendations of the department of education after consultation with teacher education faculty members in colleges and universities.

4. A requirement that prescribes minimum experiences and responsibilities to be accomplished during the student teaching experience by the student teacher and by the cooperating teacher based upon recommendations of the department of education after consultation with teacher education faculty members in colleges and universities. The student teaching experience shall consist of interactive experiences involving the college or university personnel, the student teacher, the cooperating teacher, and administrative personnel from the cooperating teacher's school district.

5. A requirement that each approved teacher education institution annually offer a workshop of at least one day in duration for prospective cooperating teachers. The workshop shall define the objectives of the student teaching experience, review the responsibilities of the cooperating teacher, and provide the cooperating teacher other information and assistance the institution deems necessary.

6. A requirement that teacher education students receive instruction in the use of electronic technology for classroom and instructional purposes.

7. A requirement that approved teacher education institutions annually solicit the views of the education community regarding the institution's teacher education programs.

8. A requirement that an approved teacher education institution submit evidence that the college or department of education is communicating with other colleges or departments in the institution so that teacher education students may integrate teaching methodology with subject matter areas of specialization,

9. A requirement that an approved teacher education program submit evidence that the evaluation of the performance of a student teacher is a cooperative process that involves both the faculty member supervising the student teacher and the cooperating teacher. The rules shall require that each

institution develop a written evaluation procedure for use by the cooperating teacher and a form for evaluating student teachers, and require that a copy of the completed form be included in the student teacher's permanent record.

Sec. 4. NEW SECTION. 262.75 PROGRAMS FOR TEACHER EDUCATION.

A cooperating teacher incentive program is established to encourage experienced teachers to serve as cooperating teachers for student teachers enrolled in the institutions of higher education under the control of the board. An individual who submits evidence to an institution that the individual has satisfactorily served as a cooperating teacher for a student teacher from any of the institutions of higher education under the control of the board for the duration of the student teaching experience shall receive from the Institution either a monetary recompense or a reduction in tuition for graduate hours of coursework equivalent to the value of the monetary recompense, rounded to the nearest whole credit hour. If, because of a policy adopted by the board of directors employing the teacher, the amount of the monetary recompense is not made available to the teacher for the teacher's own personal use or the salary paid to the cooperating teacher by the employing board is correspondingly reduced, the institution shall grant the teacher the reduction in tuition pursuant to this section in lieu of the monetary recompense.

Sec. 5. DEPARTMENT OF EDUCATION STUDIES.

1. The department of education is directed to develop recommendations concerning incentives that might be used to encourage experienced teachers in elementary and secondary schools to serve as cooperating teachers for student teachers enrolled in approved teacher education programs.

The recommendations shall be submitted to the general assembly not later than February 1, 1989.

2. The department of education is directed to develop recommendations for the establishment of programs that provide for interaction between faculty members in colleges and departments of education at approved teacher education institutions and teachers and students at the elementary and secondary schools.

The recommendations shall be submitted to the general assembly not later than February 1, 1989.

Sec. 6. Section 294A.2, subsection 5, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. effective July 1, 1988, "teacher" includes an individual employed on less than a full-time basis by a school district through a contract between the school district and an institution of higher education with an approved teacher education program in which the teacher is enrolled in a graduate teacher education program.

Sec. 7. Section 294A.14, unnumbered paragraph 9, Code Supplement 1987, is amended to read as follows:

For school districts, additional instructional work assignments may include but are not limited to general curriculum planning and development, vertical articulation of curriculum, horizontal curriculum coordination, development of educational measurement practices for the school district, attendance at workshops and other programs for service as cooperating teachers for student teachers' development of plans for assisting beginning teachers during their first year of teaching, attendance at summer staff development programs, development of staff development programs for other teachers to be presented during the school year, and other plans locally determined in the manner specified in section 294A.15 and approved by the department of education under section 294A.16 that are of equal importance or more appropriately meet the educational needs of the school district.

Sec. 8. Notwithstanding section 256.31, for the initial membership, two teachers and the area education agency representative shall serve one-year terms; two teachers, the principal, and a teacher education faculty member shall serve two-year terms; two teachers and the superintendent shall serve three-year terms: and two teachers and the other teacher education faculty member shall serve four-year terms.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2193, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2196

AN ACT

RELATING TO TRANSPORTATION FUNDING BY PROVIDING FOR A NETWORK OF COMMERCIAL AND INDUSTRIAL HIGHWAYS, INCREASING THE EXCISE TAXES ON MOTOR FUEL AND SPECIAL FUEL, INCREASING THE STANDING APPROPRIATION FOR PUBLIC TRANSIT ASSISTANCE, AUTHORIZING THE TRANSFER OF RISE FUNDS TO THE PRIMARY ROAD FUND, PROVIDING FOR A STUDY OF HIGHWAY FINANCING, MAKING APPROPRIATIONS FROM THE ROAD USE TAX FUND, AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 307A.2, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The commission shall identify, within the primary road system, a network of commercial and industrial highways. The improvement of this network shall be considered in the development of the long-range program and plan of improvements under this section,

Sec. 2. Section 312.1, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 453.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the road use tax fund and the funds to which moneys from the road use tax fund are credited shall be credited to the respective funds which generated the interest or earnings.

Sec. 3. Section 312.2, subsection 17, Code Supplement 1987, is amended to read as follows:

17. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the public transit assistance fund, created under section 6015.6, an amount equal to one-fortieth One-twentieth of the revenue credited to the road use tax fund under section 423.24, subsection 1, paragraph "b".

Sec. 4. Section 312.2, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 20. The treasurer of state, before making the allotments provided for in this section, shall credit annually from the revenue to be credited to the road use tax fund under section 423.24, subsection 1, paragraph "b", the sum of one million dollars to the state department of transportation for the purpose of acquiring, constructing, and improving recreational trails within the state. Unobligated portions of this allotment shall remain available to the state department of transportation for the purposes for which the funds are originally allocated. The state department of transportation shall adopt rules under chapter 17A to establish procedures for the expenditure of the funds allotted under this Subsection.

Sec. 5. Section 312.2, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 21. The treasurer of state shall credit for the fiscal period beginning July 1, 1988, and ending March 31, 1990, the moneys received under section 314.20 to the living roadway trust fund, which is created in the office of the treasurer of state. The moneys in this fund shall be used exclusively for the development of alternative roadside vegetation for living windbreaks, wildlife habitat, roadside erosion control, and aesthetic purposes. The moneys shall only be expended adjacent to streets and highways. The state department of transportation and the department of natural resources shall jointly establish standards relating to the type of projects available for assistance. Of the moneys in the fund, fifty-six percent shall be expended for state department of transportation projects. Thirty percent shall be expended on county projects and fourteen percent shall be expended for city projects. Any city or county which has a project which qualifies for the use of these funds shall submit a request for the funds to the state department of transportation. The state department of transportation and the department of natural resources shall determine which

projects qualify for the funds and which projects shall be funded if the requests for the funds exceed the availability of the funds. Funds allocated under this subsection shall be in addition to expenditures currently made for the purposes specified in this subsection, Beginning April 1, 1990, the moneys in the fund shall be allocated between the state, counties, and cities in the same proportion that the road use tax funds are allocated under section 312.2, subsections 1, 2, 3, and 4.

Sec. 6. Section 313.4, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 5. During the fiscal year beginning July 1, 1990, and ending June 30, 1991, and each subsequent fiscal year, the department shall spend from the primary road fund an amount of not less than thirty million dollars for the network of commercial and industrial highways,

Sec. 7. Section 313.8, Code 1987, is amended to read as follows:

313.8 IMPROVEMENT OF PRIMARY SYSTEM.

The department shall proceed to the improvement of the primary road system as rapidly as funds become available therefor until the entire mileage of the primary road system is built to established grade, bridged and surfaced with pavement or other surface suited to the traffic on such road. Improvements shall be made and carried out in such manner as to equalize the condition of the primary roads and accessibility for commercial and industrial economic development purposes, as nearly as possible, in all sections of the state.

Sec. 8. NEW SECTION, 314.15 ENVIRONMENTAL PROTECTION.

Highway construction and reconstruction shall not cause unnecessary destruction of the natural or historic heritage of the state. Accordingly, the following features shall be protected in the design, construction, and reconstruction of highways;

1. WOODLANDS. All natural woodland removed shall be replaced by plantings of the same species mix on the same

number of acres as the woodland removed on similar terrain as close as possible to the construction site, or by purchase of an equal number of acres of natural woodland in the general vicinity for public ownership and preservation.

2. WETLANDS. All natural wetlands removed shall be replaced by purchase of natural wetlands in the same general vicinity for public ownership and preservation.

3. PUBLIC PARKS. Highways constructed through publicly owned parks, preserves, and recreation areas shall be designed to blend aesthetically with the areas and to minimize noise as requested by the public entity owning the land. Highways crossing rivers, streams, or wetlands and their associated riparian vegetation within publicly owned areas shall be built on structures to minimize damage to aesthetic and natural values. Any land taken from publicly owned parks, preserves, or recreation areas for highway construction shall be replaced by purchase of an equal or greater number of acres for public use, to be chosen in cooperation with the public entity owning the land.

4. PRIME AGRICULTURAL LAND. Topsoil shall be removed and stockpiled and shall be made available at no cost to the former landowner or other landowners whose land was purchased for the highway construction. Excess topsoil shall be utilized for landscaping.

Sec. 9. NEW SECTION. 314.20 UTILITY EASEMENTS ON HIGHWAY RIGHT-OF-WAY.

The department shall develop an accommodation plan for the longitudinal utility use of freeway right-of-way, in consultation with the utilities board. The plan shall be consistent with the rules of the federal highway administration of the United States department of transportation and shall be submitted to the federal highway administration for its approval by January 1, 1989. In developing the plan, the department shall provide for extended payment and lease agreements to provide continuous funding for the living roadway trust fund. The plan shall provide for charges for the use of the right-of-way and all moneys

collected shall be credited to the living roadway trust fund established in section 312.2, subsection 21. and shall be used by the department for the planting and maintenance of alternative roadside vegetation on interstate highways.

Sec. 10. Section 315.3, Code 1987. is amended by adding the following new subsection:

NEW SUBSECTION. 3. The state transportation commission may authorize the temporary transfer of funds between the department's share of the RISE fund under section 315.4 and the primary road fund in an amount not to exceed forty million dollars at one time. Transferred funds shall be repaid not later than July 1, 1993. The commission shall manage the RISE fund to ensure that funds will be available to meet contract obligations on approved RISE projects.

Sec. 11. Section 321.122, subsection 1. paragraph a. Code 1987. is amended to read as follows:

a. For a combined gross weight of three tons or less forty-five sixty-five dollars and a vehicle which is more than ten model years old thirty-five fifty-five dollars and a vehicle which is more than thirteen model years old forty-five dollars and a vehicle which is more than fifteen years old thirty-five dollars.

Sec. 12. Section 321.122, subsection 1, paragraph b. Code 1987. is amended to read as follows:

b. For a combined gross weight exceeding three tons. the annual registration fee shall be as set forth in the following schedule:

For a combined gross weight exceeding:	And not exceeding:	The annual registration fee shall be:
3 Tons .....	4 Tons .....	\$ 68
		<u>80</u>
4 Tons .....	5 Tons .....	\$ 70
		<u>90</u>
5 Tons .....	6 Tons .....	\$ 85
		<u>105</u>
6 Tons .....	7 Tons .....	\$ 110

		130
7 Tons .....	8 Tons .....	\$ f 4 5
		165
8 Tons .....	9 Tons .....	\$ 3 6 8
		200
9 Tons .....	10 Tons .....	\$ 2 5 5
		235
10 Tons .....	11 Tons .....	\$ 250
		<u>210</u>
11 Tons .....	12 Tons .....	\$ 2 8 5
		<u>305</u>
12 Tons .....	13 Tons .....	\$ 3 1 0
		<u>340</u>
13 Tons .....	14 Tons .....	\$ 3 5 5
		<u>375</u>
14 Tons .....	15 Tons .....	\$ 4 4 5
15 Tons .....	16 Tons .....	\$ 4 8 5
16 Tons .....	17 Tons .....	\$ 5 2 5
17 Tons .....	18 Tons .....	\$ 5 6 5
18 Tons .....	19 Tons .....	\$ 6 1 0
19 Tons .....	20 Tons .....	\$ 6 1 5
20 Tons .....	21 Tons .....	\$ 7 1 5
21 Tons .....	22 Tons .....	\$ 7 5 5
22 Tons .....	23 Tons .....	\$ 7 9 5
23 Tons .....	24 Tons .....	\$ 8 3 5
24 Tons .....	25 Tons .....	\$ 9 6 5
25 Tons .....	26 Tons .....	\$1. 010
26 Tons .....	27 Tons .....	\$1. 060
27 Tons .....	28 Tons .....	\$1,105
28 Tons .....	29 Tons .....	\$1,150
29 Tons .....	30 Tons .....	\$1. 200
30 Tons .....	31 Tons .....	\$1,245
31 Tons .....	32 Tons .....	\$1. 295
32 Tons .....	33 Tons .....	\$1. 340
33 Tons .....	34 Tons .....	\$1. 415
34 Tons .....	35 Tons .....	\$1. 465
35 Tons .....	36 Tons .....	\$1. 510

36 Tons .....	37 Tons .....	\$1,555
37 Tons .....	38 Tons .....	\$1,605
38 Tons .....	39 Tons .....	\$1,650
39 Tons .....	40 Tons .....	\$1,695

Sec. 13. Section 324.3, unnumbered paragraph 1, Code 1987, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of ~~fifteen cents per gallon for the period beginning July 1, 1985 and ending December 31, 1985, and sixteen cents per gallon for the period beginning January 1, 1986, and ending March 31, 1988, and eighteen cents per gallon for the period beginning April 1, 1988, and ending December 31, 1988, and twenty cents per gallon beginning January 1, 1989,~~ is imposed upon the use of all motor fuel used for any purpose except motor fuel containing at least ten percent alcohol distilled from cereal grains grown in the United States for the period beginning July 1, 1978 and ending June 30, 1992 and except as otherwise provided in this division.

Sec. 14. Section 324.3, unnumbered paragraph 4, Code 1987, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of ~~fourteen cents per gallon beginning July 1, 1985 and ending December 31, 1985, and fifteen cents per gallon for the period beginning January 1, 1986, and ending March 31, 1988, and seventeen cents per gallon for the period beginning April 1, 1988, and ending December 31, 1988, and nineteen cents per gallon beginning January 1, 1989, and ending June 30, 1992,~~ is imposed upon the use of gasohol used for any purpose except as otherwise provided in this division.

Sec. 15. Section 324.34, unnumbered paragraph 1, Code 1987, is amended to read as follows:

For the privilege of operating motor vehicles in this state, there is imposed an excise tax on the use, as defined in section 324.33, of special fuel in a motor vehicle. The tax rate on special fuel for diesel engines is sixteen and one-half cents per gallon for the period beginning July 1, 1985 and ending December 31, 1985, is seventeen and one-half

~~cents per gallon for the period beginning January 1, 1986 and ending December 31, 1986, and is~~ eighteen and one-half cents per gallon for the period beginning January 1, 1987, and ending March 31, 1988, and is twenty and one-half cents per gallon for the period beginning April 1, 1988, and ending December 31, 1988, and twenty-two and one-half cents per gallon beginning January 1, 1989. On all other special fuel the per gallon rate is the same as the motor fuel tax.

Sec. 16. Section 324.34, unnumbered paragraph 9, Code 1987, is amended to read as follows:

For natural gas used as a special fuel the rate of tax that is equivalent to the motor fuel tax shall be thirteen ~~sixteen~~ cents per hundred cubic feet adjusted to a base temperature of sixty degrees Fahrenheit and a pressure of fourteen and seventy-three hundredth pounds per square inch absolute. The tax on natural gas shall attach at the time of delivery into equipment for compressing the gas for subsequent delivery into the fuel supply tank of a motor vehicle and shall be paid over to the department by the person operating the compressing equipment under the applicable provisions for users or dealers. Natural gas used as a special fuel shall be delivered into compressing equipment through sealed meters certified for accuracy by the department of agriculture and land stewardship.

Sec. 17. There is appropriated from the road use tax fund to the legislative service bureau the sum of three hundred thousand (300,000) dollars, or so much thereof as may be necessary, for the purpose of carrying out a study of the needs for the total road network and the mechanisms for the distribution of the revenues derived from fuel taxes, vehicle registration fees, license fees, the use tax on vehicles, and other sources of the road use tax fund. The study shall be independently conducted but administered by a steering committee composed of two members appointed by the state transportation commission, two members appointed by the Iowa state association of counties, and two members appointed by the league of Iowa municipalities. The steering committee



shall report the findings of the study to the governor, the chief clerk of the house of representatives, and the secretary of the senate not later than January 31, 1989.

Sec. 18. There is appropriated from the public transit assistance fund to the legislative service bureau the sum of seventy-five thousand (75,000) dollars, or so much thereof as may be necessary, for the purpose of carrying out a study of the mechanisms for the distribution of the public transit assistance fund. All sources of funding for public transit shall be considered for purposes of this study. The study shall be independently conducted but administered by a steering committee composed of two members appointed by the state transportation commission, two members appointed by the regional transit systems, two members appointed by the large urban transit systems, and two members appointed by the small urban transit systems. The steering committee shall report the findings of the study to the governor, the chief clerk of the house of representatives, and the secretary of the senate not later than January 31, 1989.

Sec. 19. There is appropriated from the road use tax fund to the legislative service bureau the sum of fifty thousand (50,000) dollars, or so much thereof as is necessary, for the purpose of conducting a study to develop an immediate long-range policy for the planting and maintenance of alternative roadside vegetation adjacent to the streets and highways in the state. The study shall be independently conducted by a consultant employed by a steering committee composed of two members appointed by the state transportation commission, two members appointed by the Iowa state association of counties, and two members appointed by the league of Iowa municipalities. The steering committee shall report the findings of the study to the governor, the chief clerk of the house of representatives, and the secretary of the senate not later than January 31, 1989.

Sec. 20. There is appropriated from the road use tax fund for the fiscal year beginning July 1, 1988, and ending June 30, 1989, for the purpose of replacing lost federal highway

funds, to the primacy road fund the sum of twelve million seven hundred eighty-eight thousand one hundred forty-four (12,788,144) dollars, to the farm-to-market road fund the sum of three million fifty-four thousand six hundred eighty-eight (3,054,688) dollars, to the secondary road fund of the counties the sum of nine hundred forty-one thousand four hundred fifty-five (941,455) dollars, and to the street construction fund of the cities the sum of seven hundred eleven thousand one hundred thirty-one (711,131) dollars.

Sec. 21. There is appropriated from the road use tax fund for the fiscal year beginning July 1, 1989, and ending June 30, 1990, for the purpose of replacing lost federal highway funds, to the primary road fund the sum of twenty million nine hundred thirty-two thousand (20,932,000) dollars, to the farm-to-market road fund the sum of five million (5,000,000) dollars, to the secondary road fund of the counties the sum of one million five hundred forty-one thousand (1,541,000) dollars, and to the street construction fund of the cities the sum of one million one hundred sixty-four thousand (1,164,000) dollars.

Sec. 22. There is appropriated from the road use tax fund for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the primacy road fund for the commercial and industrial network of highways the sum of eleven million nine hundred seventy-four thousand three hundred seventy-five (11,974,375) dollars, to the secondary road fund of the counties the sum of nine million nine hundred fifty-eight thousand two hundred eighty-one (9,958,281) dollars, and to the street construction fund of the cities the sum of five million nine hundred eighty-seven thousand one hundred eighty-eight (5,987,188) dollars.

Sec. 23. There is appropriated from the road use tax fund for the fiscal period beginning July 1, 1989, and ending March 31, 1990, to the primary road fund for the commercial and industrial network of highways the sum of ten million four hundred thousand (10,400,000) dollars, to the secondary road fund of the counties the sum of eight million seven hundred

thousand (8,700,000) dollars, and to the street construction fund of the cities the sum of five million two hundred thousand (5,200,000) dollars.

Sec. 24. Beginning April 1, 1990, the treasurer of state shall, each month before distributing funds allotted from the road use tax fund under section 312.2, credit to a separate fund held by the treasurer of state the following amounts:

1. From the moneys allotted to the primary road fund, one-twelfth of twenty-eight million three hundred thousand dollars.

2. From the moneys allotted to the secondary road fund of the counties, one-twelfth of eleven million three hundred thousand dollars.

3. From the moneys allotted to the farm-to-market road fund, one-twelfth of three million six hundred thousand dollars.

4. From the moneys allotted to the street construction fund of the cities, one-twelfth of six million eight hundred thousand dollars.

The moneys in this separate fund, together with interest or earnings on investments or time deposits of the moneys, shall be restored to the road use tax fund upon completion of the study required by section 17 of this Act and action by the general assembly on the formula for allocating road use tax funds between jurisdictions.

Sec. 25. Sections 2, 3, and 4 of this Act take effect July 1 following enactment.

Sec. 26. Sections 11 and 12 of this Act take effect July 1 following enactment for vehicle registrations subject to renewal and new vehicle registrations on or after that date for vehicles registered for a combined gross weight of five tons or less.

Sec. 27. Section 12 of this Act takes effect December 1 following enactment for vehicle registrations subject to renewal and new vehicle registrations on or after that date for vehicles registered for a combined gross weight exceeding five tons.

Sec. 28. Section 16 of this Act takes effect April 1 following enactment.

Sec. 29. This Act, being deemed of immediate importance, takes effect upon its enactment.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2196, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2205

AN ACT

RELATING TO INTERSTATE NATURAL GAS PIPELINES BY ESTABLISHING A NEW CHAPTER TO DEFINE JURISDICTION OVER INTERSTATE NATURAL GAS PIPELINES, REMOVING REFERENCES TO INTERSTATE NATURAL GAS PIPELINES FROM THE CURRENT CHAPTER RELATING TO PIPELINES AND NATURAL GAS STORAGE, AND ADJUSTING FEES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 479A.1 PURPOSE.

It is the purpose of the general assembly in enacting this law to confer upon the utilities board the power and authority to implement certain controls over the transportation of natural gas to protect landowners and tenants from environmental or economic damages which may result from the construction, operation, or maintenance of a pipeline within the state. It is also the purpose of the general assembly in enacting this law to provide for the board to act as an agent for the federal government in determining pipeline company compliance with the standards of the federal government for pipelines within the boundaries of the state.

Sec. 2. NEW SECTION. 479A.2 DEFINITIONS.

As used in this chapter, unless the context requires otherwise:

1. "Board" means the utilities board within the utilities division of the department of commerce.
2. "Pipeline" means an interstate pipe, pipes, or pipelines used for the transportation or transmission of natural gas within or through this state.

3. "Pipeline company" means a person engaged in or organized for the purpose of owning, operating, or controlling pipelines,

4. "Underground storage" means the storage of natural gas in a subsurface stratum or formation of the earth by a pipeline company,

Sec. 3. NEW SECTION. 479A.3 CONDITIONS ATTENDING OPERATION.

A pipeline company shall not construct, maintain, or operate pipeline under, along, over, or across any public or private highways, grounds, waters, or streams of any kind in this state except in accordance with this chapter.

Sec. 4. NEW SECTION. 479A.4 CONSTRUCTION INSPECTION.

The board shall supervise pipelines, pipeline companies, and underground storage, and shall inspect the construction, maintenance, and condition of pipelines and underground storage facilities in accordance with section 479A.18. When inspecting for safety standard compliance, the board shall apply only United States department of transportation safety standards.

Sec. 5. NEW SECTION. 479A.5 NOTICE PRIOR TO CONSTRUCTION.

Before beginning construction in this state, a pipeline company shall provide an adequate opportunity for state inspection, by giving written notice to the chairperson of the board stating the time, date, location, and nature of the construction. The notice shall be filed with the chairperson of the board not less than five business days before commencement of the construction.

Sec. 6. NEW SECTION. 479A.6 COST OF CONSTRUCTION INSPECTION.

A pipeline company shall pay actual unrecovered costs directly attributable to construction inspections conducted by the board or the board's designee,

Sec. 7. NEW SECTION. 479A.7 ANNUAL INSPECTION FEE.

A pipeline company shall pay an annual inspection fee of fifty cents per mile of pipeline or fraction thereof for each inch of diameter of the pipeline located in this state. The annual inspection fee shall be paid for the calendar year in advance between January 1 and February 1 of each year.

Sec. 8. NEW SECTION. 479A.8 FAILURE TO PAY -- PENALTIES.

The board shall collect the inspection fees, and failure to pay an inspection fee within thirty days after the time the fee becomes due is cause for the assessment of civil penalties in accordance with section 479A.16.

Sec. 9. NEW SECTION. 479A.9 DEPOSIT OF FUNDS.

Except as otherwise provided in section 479A.14, subsection 8, moneys received under this chapter shall be credited to the utilities trust fund established in section 476.10.

Sec. 10. NEW SECTION. 479A.10 RULES.

The board shall adopt rules, pursuant to chapter 17A for the enforcement of this chapter.

Sec. 11. NEW SECTION. 479A.11 DAMAGES.

Pipeline companies operating pipelines or underground storage shall be given reasonable access to the pipelines and storage areas for the purpose of constructing, reconstructing, enlarging, repairing, or locating their pipes, pumps, pressure apparatus, or other stations, wells, devices, or equipment used in or upon a pipeline or storage area, but shall pay the owner of the lands for the right of entry and the owner of crops on the land all damages caused by entering, using, or occupying the lands for these purposes; and shall pay to the owner of the lands, after the completion of construction of the pipeline or storage, all damages caused by settling of the soil along and above the pipeline, and wash or erosion of the soil along the pipeline due to the construction of the pipeline. However, this section does not prevent the execution of an agreement with other terms between the pipeline company and the owner of the land or crops with reference to their use.

Sec. 12. NEW SECTION. 479A.12 FINANCIAL CONDITION OF COMPANY -- BOND OR OTHER SECURITY.

Before construction is begun by a pipeline company, the company shall satisfy the board that the company has property subject to execution within this state other than pipelines, of a value in excess of two hundred fifty thousand dollars, or the company must file and maintain with the board a surety bond in the penal sum of two hundred fifty thousand dollars with surety approved by the board, conditioned that the company will pay any and all damages legally recovered against it growing out of the construction or operation of its pipeline and underground storage facilities in this state, or the company shall deposit with the board security satisfactory to the board as a guaranty for the payment of that amount of damages, or furnish to the board satisfactory proofs of its solvency and financial ability to pay that amount of damages.

Sec. 13. NEW SECTION. 479A.13 VENUE -- SERVICE OF ORIGINAL NOTICE.

In all cases arising under this chapter, the district court of any county in which property of a pipeline company is located, has jurisdiction of a case involving that company, and service of original notice on the pipeline company may be made by serving the chairperson of the board.

Sec. 14. NEW SECTION. 479A.14 LAND RESTORATION -- STANDARDS -- INSPECTION.

1. The board shall adopt rules establishing standards to protect underground improvements during the construction of pipelines, to protect soil conservation and drainage structures from being permanently damaged by pipeline construction, and for the restoration of agricultural lands after pipeline construction. To ensure that all interested persons are informed of this rulemaking procedure and are afforded a right to participate, the board shall schedule an opportunity for oral presentations on the proposed rulemaking and, in addition to the requirements of section 17A.4, shall distribute copies of the notice of intended action and

opportunity for oral presentations to each county board of supervisors. A county board of supervisors may, under chapter 17A and subsequent to the rulemaking proceedings, petition for additional rulemaking to establish standards to protect soil conservation practices, structures, and drainage structures within that county. Upon the request of the petitioning county, the board shall schedule a hearing to consider the merits of the petition. Rules adopted under this section do not apply within the boundaries of a city.

2. The county board of supervisors shall cause an on-site inspection for compliance with the standards adopted under this section to be performed at any pipeline construction project in the county. A professional engineer familiar with the standards adopted under this section and registered under chapter 114 shall be placed in charge of the inspection. The reasonable costs of the inspection shall be borne by the pipeline company.

3. If the inspector determines that there has been a violation of the standards adopted under this section, the inspector shall give oral notice, followed by written notice, to the pipeline company and the contractor operating for the pipeline company, and order corrective action to be taken in compliance with the standards. The costs of the corrective action shall be borne by the contractor operating for the pipeline company.

4. As a part of the inspection process, the inspector shall ascertain that the trench excavation has been filled in a manner to provide that the topsoil has been replaced on top and rocks and debris have been removed from the topsoil of the easement area. An existing topsoil layer extending at least one foot in width on either side of the pipeline excavation at a maximum depth of one foot shall be removed separately and shall be stockpiled and preserved separately during subsequent construction operations, unless other means for separating the topsoil are provided in the easement. The topsoil shall be replaced so the upper portion of the pipeline excavation and

the crowned surface contain only the topsoil originally removed.

5. Adequate inspection of underground improvements altered during construction of a pipeline shall be conducted at the time of the replacement or repair of the underground improvements. An inspector shall be present on the site at all times at each phase and separate activity of the opening of the trench, the restoration of underground improvements, and backfilling. The pipeline company and its contractor shall keep all county inspectors continually informed of the work schedule and any schedule changes.

6. If the pipeline company or its contractor does not comply with the orders of the inspector for compliance with the standards, the county board of supervisors may direct the county attorney to petition the district court for an order requiring corrective action to be taken in compliance with the standards adopted under this section.

7. The pipeline company shall allow landowners and inspectors to view the proposed center line of the pipeline before commencing trenching operations to ensure that construction takes place in the proper location.

8. An inspector may temporarily halt the construction if the construction is not in compliance with this chapter and the standards adopted under it, or the terms of the agreement with the pipeline company regarding topsoil removal and replacement, drainage structures, soil moisture conditions, or the location of construction, until the inspector consults with the supervisory personnel of the pipeline company. If the construction is continued over the inspector's objection and is found not to be in compliance with this chapter, the standards, or the agreement, and is found to cause damage, a civil penalty recovered under section 479A.16 as a result of that violation shall be paid to the landowner.

9. The board shall instruct inspectors appointed by the county board of supervisors regarding the content of this chapter and the standards and the inspectors' responsibility to require construction conforming with them.

10. An underground drain tile damaged, cut, or removed shall be temporarily repaired and maintained as necessary to allow for its proper function during construction of the pipeline. If temporary repair is determined not to be necessary, the exposed line shall be screened or otherwise protected to prevent the entry of foreign material or small animals into the tile line system.

11. This section does not preclude the application of provisions for protecting or restoring property contained in agreements independently executed by the pipeline company and the landowner if the provisions are not inconsistent with state law or with rules adopted by the board.

Sec. 15. NEW SECTION. 479A.15 ENTRY FOR LAND SURVEYS.

A pipeline company may enter upon private land for the purpose of making land surveys to determine direction or depth of pipelines by giving ten days' written notice by restricted certified mail to the landowner and to any person residing on or in possession of the land. For purposes of this section only, "landowner" means a person listed on the tax assessment rolls as responsible for the payment of real estate taxes imposed on the property. The entry for land surveys authorized in this section is not a trespass and may be aided by injunction. The pipeline company shall pay the actual damages caused by the entry and survey.

Sec. 16. NEW SECTION. 479A.16 CIVIL PENALTY.

A person who violates a provision of this chapter or a rule or standards issued pursuant to this chapter is subject to a civil penalty not to exceed one thousand dollars for each violation. Each day that the violation continues constitutes a separate offense. However, the civil penalty shall not exceed two hundred thousand dollars for any related series of violations.

A civil penalty may be compromised by the board. In determining the amount of the penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the size of the business of the person charged, the gravity of the

violation, and the good faith of the person charged in attempting to achieve compliance after notification of a violation, shall be considered. The amount of the penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the state to the person charged, or may be recovered in a civil action.

Sec. 17. NEW SECTION. 479A.17 REHEARING -- JUDICIAL REVIEW.

Rehearing procedure for a person aggrieved by the action of the board in assessing or failing to assess civil penalties under this chapter shall be as provided in section 476.12. Judicial review may be sought in accordance with chapter 17A.

Sec. 18. NEW SECTION. 479A.18 FEDERAL INSPECTION.

The board may enter into agreements with and receive moneys from the United States department of transportation for the inspection of pipelines to determine compliance with the applicable standards of pipeline safety as provided by Pub. L. No. 90-481, the Natural Gas Pipeline Safety Act of 1968, 49 U.S.C. § 1671-1684.

Sec. 19. NEW SECTION. 479A.19 RIGHT TO CANCEL AGREEMENT.

1. A person seeking to acquire an easement or other property interest for the construction, maintenance, or operation of a pipeline shall allow the landowner or a person serving in a fiduciary capacity in the landowner's behalf to cancel an agreement granting an easement or other interest by certified mail with return requested to the company's principal place of business if received by the company within seven days, excluding Saturday and Sunday, of the date of the contract; shall inform the landowner or fiduciary in writing of the right to cancel prior to the signing of the agreement by the landowner or fiduciary; and shall provide the landowner or fiduciary with a form in duplicate for the notice of cancellation.

2. A person seeking to acquire an easement or other property interest for the construction, maintenance, or operation of a pipeline shall not record an agreement until after the

period for cancellation has expired, and shall not include in an agreement a waiver of the right to cancel in accordance with this section.

3. The landowner or a person serving in a fiduciary capacity in the landowner's behalf may exercise the right of cancellation only once for each pipeline project.

Sec. 20. NEW SECTION. 479A.20 ARBITRATION AGREEMENTS.

Notwithstanding conflicting provisions of chapter 679A, if an easement or other written agreement between a landowner and a pipeline company provides for the determination through arbitration of the amount of monetary damages sustained by a landowner and caused by the construction, maintenance, or repair of a pipeline, and if either person has not appointed its arbitrator or agreed to an arbitrator under the agreement within thirty days after the other person has invoked the arbitration provisions of the agreement by written notice to the other party by restricted certified mail, the landowner or the pipeline company may petition a magistrate in the county where the real property is located for the appointment of an arbitrator to serve in place of the arbitrator who would have been appointed or agreed to by the other person. Before filing the petition the landowner or pipeline company shall give notice of the petitioning of the magistrate by restricted certified mail to the other person and file proof of mailing with the petition. If, after hearing, the magistrate finds that the landowner or pipeline company has not been diligent in appointing or reasonable in agreeing to an arbitrator, the magistrate shall appoint an impartial arbitrator who shall have all of the powers and duties of an arbitrator appointed or agreed to by the other person under the agreement.

For purposes of this section only, "landowner" means the persons who signed the easement or other written agreement, their heirs, successors, and assigns.

Sec. 21. NEW SECTION. 479A.21 SUBSEQUENT PIPELINES.

A pipeline company shall not install a subsequent pipeline upon its existing easement when a damage claim from the

installation of its previous pipeline has not been determined by negotiation, arbitration, or action of the courts. However, this section does not apply if the damage claim is under litigation or arbitration.

Sec. 22. NEW SECTION. 479A.22 DAMAGE STATEMENT.

A pipeline company shall not install a pipeline unless there is a written statement on file with the board as to how damages resulting from the construction of the pipeline shall be determined and paid, except in cases of eminent domain. The company shall provide a copy of the statement to the landowner.

Sec. 23. NEW SECTION. 479A.23 NEGOTIATED ANNUAL FEE.

In lieu of a one-time lump sum payment for an easement or other property interest allowing a pipeline to cross property, a landowner and the pipeline company may negotiate an annual fee, to be paid over a fixed number of years. Unless the easement provides otherwise, the annual fee shall run with the land and shall be payable to the owner of record.

Sec. 24. NEW SECTION. 479A.24 PARTICULAR DAMAGE CLAIMS.

1. The loss of gain by, or the death or injury of livestock caused by the interruption or relocation of normal feeding of the livestock due to the construction or repair of a pipeline is a compensable loss and shall be so recognized by a pipeline company.

2. A claim for damage for future crop deficiency within the easement strip shall not be precluded from renegotiation under section 472.52 on the grounds that it was apparent at the time of settlement unless the settlement expressly releases the pipeline company from claims for damage to the productivity of the soil. The landowner shall notify the company thirty days prior to harvest in each year to assess crop deficiency.

3. With the exception of claims for damage to drain tile and future crop deficiency, landowners and tenants must submit in writing their claims for damages caused by installation of the pipeline within one year of completion of installation of a pipeline as determined by the county board of supervisors.

Sec. 25. NEW SECTION. 379A.25 DETERMINATION OF INSTALLATION DAMAGES.

1. The county board of supervisors shall determine when installation of a pipeline has been completed in that county for the purposes of this section. Within one year of the completion of installation, a landowner whose land was affected by the installation of the pipeline may file with the board of supervisors a petition asking that a compensation commission determine the damages arising from the installation of the pipeline.

2. If the board of supervisors by resolution approves the petition, the landowner shall commence the proceeding by filing an application with the chief judge of the judicial district of the county for the appointment of a compensation commission as provided in section 472.4.

The application shall contain all of the following:

a. The name and address of the petitioning landowner and a description of the land on which the damage is claimed to have occurred.

b. A description of the nature of the damage claimed to have occurred and the amount of the damage claimed,

c. The name and address of the pipeline company claimed to have caused the damage.

3. After the commissioners have been appointed, the landowner shall serve notice on the pipeline company stating all of the following:

a. That a compensation commission has been appointed to determine the damages caused by the installation of the pipeline.

b. The name and address of the landowner and a description of the land on which the damage is claimed to have occurred.

c. The place, date, and time when the commissioners will view the premises and proceed to appraise the damages.

d. That the pipeline company may appear before the commissioners.

Sections 472.10 to 472.13 apply to this notice. If more than one landowner petitions the county board of supervisors, the application to the chief judge, notice to the pipeline company, and appraisal of damages shall be consolidated into one application, notice, and appraisal. The county attorney may assist in coordinating the consolidated application and notice, but does not become an attorney for the landowners by doing so.

4. The commissioners shall view the land at the time provided in the notice and assess the damages sustained by the landowner by reason of the installation of the pipeline. The commissioners shall file their report with the sheriff. The appraisal of damages returned by the commissioners is final unless appealed. After the appraisal of damages has been delivered to the sheriff by the compensation commission, the sheriff shall give written notice by ordinary mail to the pipeline company and the landowner of the date the appraisal of damages was made, the amount of the appraisal, and that any interested party may appeal to the district court within thirty days of the date of mailing. The sheriff shall endorse the date of mailing of notice on the original appraisal of damages. At the time of appeal, the appealing party shall give written notice to the adverse party or the party's attorney and the sheriff.

5. Chapter 472 applies to this section to the extent it is applicable and consistent with this section.

6. The pipeline company shall pay all costs of the assessment made by the commissioners and reasonable attorney fees and costs incurred by the landowner as determined by the commissioners, if the award of the commissioners exceeds one hundred ten percent of the final offer of the pipeline company prior to the determination of damages. If the award does not exceed one hundred ten percent, the landowners shall pay the fees and costs incurred by the pipeline company. The pipeline company shall file with the sheriff an affidavit setting forth the most recent offer made to the landowner. Commissioners



shall receive a per diem of fifty dollars and actual and necessary expenses incurred in the performance of their official duties. The pipeline company shall also pay all costs occasioned by the appeal, including reasonable attorney fees to be taxed by the court, unless on the trial of the appeal the same or a lesser amount of damages is awarded than was allowed by the commission from which the appeal was taken.

7. As used in this section, "damages" means compensation for damages to the land, crops, and other personal property caused by the construction activity of installing a pipeline and its attendant structures but does not include compensation for a property interest, and "landowner" includes a tenant.

8. This section does not apply if the easement provides for any other means of negotiation or arbitration.

Sec. 26. NEW SECTION. 479A.26 SUBSEQUENT TILING.

Additional costs of new tile construction caused by an existing pipeline shall be paid by the pipeline company. The additional costs shall be paid by the pipeline company upon presentation of an invoice, verified by the county engineer or soil conservation district conservationist and specifically showing the added costs caused by the presence of the pipeline. A copy of the county engineer's or district conservationist's verification of additional costs shall accompany the invoice to the pipeline company.

Before performing earthwork, tiling, or excavation within three hundred feet of an existing pipeline, a landowner, tenant, contractor, or the representative of any one of them shall notify the pipeline company or its representative by calling the pipeline company telephone number listed on the roadside right-of-way marker. The pipeline company shall mark the location of the existing pipeline within forty-eight hours of notification with appropriate marker flags or stakes on the land surface directly above the pipeline for a distance of one hundred fifty feet either side of the proposed work site. Markers shall be placed at twenty-five foot intervals, where physically possible, along with the pipeline route indicating

the diameter of the pipeline. The pipeline company shall not charge the landowner, tenant, or contractor for the placement of the markers. Excavation, earthwork, or tiling shall not be commenced in that area until the markers are in place and the pipeline company representative is present and has notified the contractor of the depth of the pipeline at the site of crossing. The pipeline company representative shall be present during all the excavation, earthwork, or tiling within the marked area when that area is any one of the following:

1. Land located outside the corporate limits of a city.
2. Agricultural land within the corporate limits of a city.
3. Nonagricultural land within the corporate limits of a city when the pipeline facility is operated at a pressure in excess of one hundred fifty pounds per square inch.

As used in this section, "agricultural land" means land of one or more acres suitable for cultivation for the production of crops, fruit, or other horticultural purposes or for the grazing or production of livestock.

Sec. 27. Section 479.1, Code 1987, is amended to read as follows:

479.1 PURPOSE AND POLICY.

It is hereby ~~devised to be~~ the purpose and policy of the legislature in enacting this law to confer upon the utilities board the power and authority to supervise the transportation or transmission of any solid, liquid, or gaseous substance, except water, within or through this state by pipeline, whether specifically mentioned herein in this chapter or not, and the power and authority to supervise the underground storage of gas, ~~so-as~~ to protect the safety and welfare of the public in its use of any public or private highways, grounds, waters, and streams of any kind in this state. However, this chapter does not apply to interstate natural gas pipelines, pipeline companies, and underground storage, as these terms are defined in chapter 479A.

Sec. 28. Section 479.2, unnumbered paragraphs 1 and 2, Code 1987, are amended to read as follows:

The term "pipeline" insofar as "Pipeline" as used in this chapter is concerned shall include and mean any means a pipe, pipes, or pipelines used for the transportation or transmission of any a solid, liquid, or gaseous substance, except water, within or through this state. However, the term does not include interstate pipe, pipes, or pipelines used for the transportation or transmission of natural gas.

The term "pipeline company" insofar as used in this chapter is concerned shall include and mean any means a person, firm, copartnership, association, corporation or syndicate engaged in or organized for the purpose of owning, operating, or controlling pipelines for the transportation or transmission of any solid, liquid, or gaseous substance, except water, within or through this state. However, the term does not include a person owning, operating, or controlling interstate pipelines for the transportation or transmission of natural gas.

Sec. 29. Section 479.5, unnumbered paragraph 5, Code 1987, is amended to read as follows:

The person, company or corporation seeking the permit shall give notice of the informational meeting to each person, company or corporation determined to be the a landowner affected by the proposed project and any each person, company or corporation in possession of or residing on the property. For the purposes of this section the informational meeting, "landowner" means a person, company or corporation listed on the tax assessment rolls as responsible for the payment of real estate taxes imposed on the property and "pipeline" means any a line transporting any a solid, liquid, or gaseous substance, except water, under pressure in excess of one hundred fifty pounds per square inch and extending a distance of not less than live miles or having a future anticipated extension of an overall distance of five miles.

Sec. 30. Section 479.12, Code 1987, is amended to read as follows:

**473.12 FINAL ORDER •• CONDITION.**

It The board may grant such a permit in whole or in part upon such terms, conditions, and restrictions as to safety requirements and as to location and route as may be determined by it to be just and proper. Provided, however, that before any before a permit shall be is granted to any a pipeline company proposing to engage in intrastate commerce, the board shall, after a public hearing as provided in this chapter, shall determine whether the services proposed to be rendered will promote the public convenience and necessity, and an affirmative finding to sack that effect shall be is a condition precedent to the granting of sack a permit.

Sec. 31. Section 479.13, Code 1987, is amended to read as follows:

**479.13 COSTS AND FEES.**

Applicant The applicant shall pay all costs and expenses of the informational meetings, hearing, and necessary preliminary investigation in connection therewith including the cost of publishing notice of hearing, and shall pay a construction inspection fee in the sum of fifty cents per mile of pipeline or fraction thereof for each inch of diameter of such pipeline located in the state the actual unrecovered costs directly attributable to construction inspections conducted by the board or the board's designee,

Sec. 32. Section 479.14, Code 1987, is amended to read as follows:

**479.14 INSPECTION FEE.**

Every A pipeline company shall pay an annual inspection fee in the sum of twenty-five fifty cents per mile of pipeline or fraction thereof for each inch of diameter of such the pipeline located in the state, and said the inspection fee to be paid to the board for the calendar year in advance between January 1 and February 1 of each year to the board.

Sec. 33. Section 479.33, Code 1987, is amended to read as follows:

**479.33 AUTHORIZED FEDERAL AID.**

The board may enter into agreements with and receive moneys from the United States department of transportation for the inspection of pipelines to determine compliance with applicable standards of pipeline safety, and for enforcement of the applicable standards of pipeline safety as provided by Public Law 90-481, the Natural Gas Pipeline Safety Act of 1968 (49 United States Code 1671-1684).

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**JO ANN ZIMMERMAN**

President of the Senate

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**DONALD D. AVENSON**

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2205, Seventy-second General Assembly.

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**JOHN F. DWYER**

Secretary of the Senate

Approved \_\_\_\_\_, 1988

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**TERRY E. BRANSTAD**

Governor

**SF 2205**

AND BY SPECIFYING THE CONTENT AND LIABILITY FOR THE CONTENT OF STATEMENTS SUBMITTED WITH A DECLARATION OF VALUE REGARDING THE EXISTENCE AND LOCATION OF WELLS, DISPOSAL SITES, UNDERGROUND STORAGE TANKS, AND HAZARDOUS WASTE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2250

AN ACT

RELATING TO ENVIRONMENTAL PROTECTION BY EXEMPTING CERTAIN PERSONS FROM PESTICIDS APPLICATION CERTIFICATION REQUIREMENTS, BY CORRECTING THE REFERENCE TO THE MEMBERSHIP OF THE ADVISORY COMMITTEE FOR THE CENTER FOR HEALTH EFFECTS OF ENVIRONMENTAL CONTAMINATION; BY ESTABLISHING REQUIREMENTS REGARDING SANITARY DISPOSAL PROJECT INSPECTIONS, THE DISPOSAL OF SOLID WASTE, AND THE SOLID WASTE TONNAGE FEE; BY MAKING CORRECTIONS RELATING TO THE COLLECTION AND ALLOCATION OF MONIES WITHIN THE SOLID WASTE ACCOUNT AND THE AGRICULTURE MANAGEMENT ACCOUNT; BY CORRECTING A REFERENCE TO THE DUTIES OF THE DEPARTMENT OF NATURAL RESOURCES REGARDING HOUSEHOLD HAZARDOUS MATERIALS;

**Section 1.** Section 200.8, subsection 1, unnumbered paragraph 3, Code Supplement 1987, is amended to read as follows:

Any person other than a manufacturer who annually offers for sale, sells, or distributes specialty fertilizer in the amount of four thousand pounds or more in packages of twenty-five pounds or less or applies specialty fertilizer for compensation shall be required to pay an annual inspection fee of forty ~~thirty~~ dollars in lieu of the semiannual inspection fee as set forth in this chapter.

**Sec. 2.** Section 206.5, Code Supplement 1987, is amended by adding the following new unnumbered paragraph after unnumbered paragraph 3:

NEW UNNUMBERED PARAGRAPH. An employee of a food processing and distribution establishment is exempt from the certification requirements of this section provided that at least one person holding a supervisory position is certified and provided that the employer provides a program, approved by the department, for training, testing, and certification of personnel who apply, as an incidental part of their duties, any pesticide on property owned or rented by the employer. The secretary shall adopt rules to administer the provisions of this paragraph.

**Sec. 3.** Section 263.17, subsection 4, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

An advisory committee consisting of one representative of each of the organizations enumerated in subsection 2, paragraph "a", ~~a representative of the Iowa department of~~

public-health-and-a-representative-of-the-department-of-natural-resources is established. The advisory committee shall:

Sec. 4. Section 455B.302, unnumbered paragraph 2, Code 1987, is amended to read as follows:

Cities and counties may execute with public and private agencies contracts, leases, or other necessary instruments, purchase land and do all things necessary not prohibited by law for the collection of solid waste, establishment and operation of sanitary disposal projects, and general administration of the same. Any agreement executed with a private agency for the operation of a sanitary disposal project shall provide for the posting of a sufficient surety bond by the private agency conditioned upon the faithful performance of the agreement. A city or county may at any time during regular working hours enter upon the premises of a sanitary disposal project, including the premises of a sanitary landfill, in order to inspect the premises and monitor the operations and general administration of the project to ensure compliance with the agreement and with state and federal laws. This includes the right of the city or county to enter upon the premises of a former sanitary disposal project which has been closed, including the premises of a former sanitary landfill, owned by a private agency, for the purpose of providing required postclosure care.

Sec. 5. Section 455B.307, subsection 1, Code Supplement 1987, is amended to read as follows:

1. A private agency or public agency shall not dump or deposit or permit the dumping or depositing of any solid waste resulting from its own residential, farming, manufacturing, mining or commercial activities at any place other than a sanitary disposal project approved by the director unless the agency has been granted a permit by the department which allows the dumping or depositing of solid waste on land owned or leased by the agency. The department shall adopt rules regarding the permitting of this activity which shall provide

that the public interest is best served, but which may be based upon criteria less stringent than those regulating a public sanitary disposal project provided that the rules adopted meet the groundwater nondegradation protection goal specified in section 455E.4. The comprehensive plans for these facilities may be varied in consideration of the types of sanitary disposal practices, hydrologic and geologic conditions, construction and operations characteristics, and volumes and types of waste handled at the disposal site. The director may issue temporary permits for dumping or disposal of solid waste at disposal sites for which an application for a permit to operate a sanitary disposal project has been made and which have not met all of the requirements of part 1 of this division and the rules adopted by the commission if a compliance schedule has been submitted by the applicant specifying how and when the applicant will meet the requirements for an operational sanitary disposal project and the director determines the public interest will be best served by granting such temporary permit.

Sec. 6. Section 455B.310, subsection 2, Code Supplement 1987, is amended to read as follows:

2. The tonnage fee is twenty-five cents per ton of solid waste. However, for the year beginning July 1, 1988, the tonnage fee is one dollar and fifty cents per ton of solid waste for the year beginning July 1, 1988 and shall increase annually in the amount of fifty cents per ton through July 1, 1992. The city or county providing for the establishment and operation of the sanitary landfill may charge an additional tonnage fee for the disposal of solid waste at the sanitary landfill to be used exclusively for the development and implementation of alternatives to sanitary landfills. A county in which a privately operated landfill accepts solid waste from outside of the county may charge an additional tonnage fee for the disposal of solid waste at the sanitary landfill which is not more than one hundred percent of the fee otherwise established in this section. The additional fee

charged and the moneys collected shall be used exclusively for the development and implementation of alternatives to sanitary landfills or for the costs incurred by the county to abate problems associated with the operation of the sanitary landfill.

Sec. 7. Section 455B.310, subsection 3, Code Supplement 1987, is amended to read as follows:

3. Solid waste disposal facilities with special provisions which limit the site to the disposal of construction and demolition waste and, landscape waste, and coal combustion waste, or foundry sand, or solid waste materials approved by the department for lining or capping or for construction berms, dikes or roads in a sanitary disposal project or sanitary landfill or which limit the site to the disposal of excess-fly-ash-used-in-the-reclamation-of-strip-mined-land are exempt from the tonnage fees imposed under this section. However, solid waste disposal facilities under this subsection are subject to the fees imposed pursuant to section 455B.105, subsection 12, paragraph "a". Notwithstanding the provisions of section 455B.105, subsection 12, paragraph "b", the fees collected pursuant to this subsection shall be used by the department for the regulation of these solid waste disposal facilities.

Sec. 8. Section 455B.310, subsection 5, Code Supplement 1987, is amended to read as follows:

5. Fees imposed by this section prior to July 1, 1988, are due on April 15, 1988, for the previous calendar year and are due on July 30, 1988, for the period January 1, 1988, through June 30, 1988. The fees shall be paid to the department and shall be accompanied by a return in the form prescribed by the department. Fees imposed by this section beginning July 1, 1988 shall be paid to the department on a quarterly basis. The initial payment of fees collected beginning July 1, 1988 shall be paid to the department on by January 1, 1989 and on a quarterly basis thereafter. The payment shall be accompanied by a return in the form prescribed by the department.

Sec. 9. Section 455E.11, subsection 1, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

A groundwater protection fund is created in the state treasury. Moneys received from sources designated for purposes related to groundwater monitoring and groundwater quality standards shall be deposited in the fund. Notwithstanding section 8.33, any unexpended balances in the groundwater protection fund and in any of the accounts within the groundwater protection fund at the end of each fiscal year shall be retained in the fund and the respective accounts within the fund. Notwithstanding section 453.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the groundwater protection fund or in any of the accounts within the groundwater protection fund shall be credited to the groundwater protection fund or the respective accounts within the groundwater protection fund. The fund may be used for the purposes established for each account within the fund.

Sec. 10. Section 455E.11, subsection 2, paragraph a, Code Supplement 1987, is amended by adding the following new subparagraph (1) and by renumbering the subsequent subparagraphs:

NEW SUBPARAGRAPH. (1) The moneys received from the tonnage fee imposed under section 455B.310 for the fiscal year beginning July 1, 1987, and ending June 30, 1988, shall be used for the following purposes:

(a) An amount equal to fifty percent of the moneys received from the tonnage fee imposed pursuant to section 455B.310 shall be reserved for the purpose of providing grants to cities and counties required to provide for sanitary disposal projects under section 455B.302 for the purpose of developing or updating plans required to be filed under section 455B.306. Grants shall be governed by section 455B.311.

(b) An amount equal to twenty-five percent of the moneys received from the tonnage fee imposed under section 455B.310 shall be reserved for the purpose of providing grants to public water supply systems to abate or eliminate threats to public health and safety resulting from contamination of the water supply source. However, a public water supply shall not receive a grant for more than ten percent of the moneys available for those purposes.

(c) An amount equal to twenty-five percent of the moneys received from the tonnage fee imposed under section 455B.310 shall be appropriated to the waste management authority.

Sec. 11. Section 455E.11, subsection 2, paragraph a, Code Supplement 1987, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (8A) Fifty cents per ton per year of funds received from the tonnage fee imposed under section 455B.310 for the fiscal year beginning July 1, 1990, and thereafter may be retained by the agency making the payments to the state provided that a separate account is established for these funds and that they are used in accordance with the requirements of section 455B.306.

Sec. 12. Section 455E.11, subsection 2, paragraph b, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

b. An agriculture management account. Moneys collected from the groundwater protection fee levied pursuant to section 200.8, subsection 4, the portion of the fees collected pursuant to sections 206.8, subsection 2, and 206.12, subsection 3, and other moneys designated for the purpose of agriculture management shall be deposited in the agriculture management account. The agriculture management account shall be used for the following purposes:

Sec. 13. Section 455E.11, subsection 2, paragraph b, subparagraph (2), subparagraph subdivision (c), Code Supplement 1987, is amended to read as follows:

(c) The department shall allocate a sum not to exceed seventy-nine thousand dollars of the moneys appropriated for the fiscal year beginning July 1, 1987, and ending June 30, 1988 for the preparation of a detailed report and plan for the establishment on July 1, 1988 of the center for health effects of environmental contamination. The plan for establishing the center shall be presented to the general assembly on or before January 15, 1988. The report shall include the assemblage of all existing data relating to Iowa drinking water supplies, including characteristics of source, treatment, presence of contaminants, precise location, and usage patterns to facilitate data retrieval and use in research; and detailed organizational plans, research objectives, and budget projections for the anticipated functions of the center in subsequent years. The department may allocate annually a sum not to exceed nine percent of the moneys appropriated of the account to the center, beginning July 1, 1988.

Sec. 14. Section 455F.6, subsection 4, Code Supplement 1987, is amended by striking the subsection.

Sec. 15. Section 455P.7, Code Supplement 1987, is amended to read as follows:

455P.7 HOUSEHOLD HAZARDOUS MATERIALS PERMIT.

1. A retailer offering for sale or selling a household hazardous material shall have a valid permit for each place of business owned or operated by the retailer for this activity. All permits provided for in this division shall expire on June 30 of each year. Every retailer shall submit an annual application by July 1 of each year and a fee of ~~ten-dollars based-upon-gross-retail-sales-of-up-to-fifty-thousand-dollars; twenty-five dollars based-upon-gross-retail-sales-of-fifty thousand-dollars-to-three-million-dollars; and one-hundred dollars-based-upon-gross-retail-sales-of-three-million-dollars~~ or more to the department of revenue and finance for a permit upon a form prescribed by the director of revenue and finance. Permits are nonrefundable, are based upon an annual operating period, and are not prorated. A person in violation of this

section shall be subject to permit revocation upon notice and hearing. The department shall remit the fees collected to the household hazardous waste account of the groundwater protection fund. A person distributing general use pesticides labeled for agricultural or lawn and garden use with gross annual pesticide sales of less than ten thousand dollars is subject to the requirements and fee payment prescribed by this section.

2. A manufacturer or distributor of household hazardous materials, which authorizes retailers as independent contractors to sell the products of the manufacturer or distributor on a person-to-person basis primarily in the customer's home, may obtain a single household hazardous materials permit on behalf of its authorized retailers in the state, in lieu of individual permits for each retailer, and pay a fee ~~based upon the manufacturer's or distributor's gross retail sales in the state according to the fee schedule and requirements of subsection 1~~ of twenty-five dollars. However, a manufacturer or distributor which has gross retail sales of three million dollars or more in the state shall pay an additional permit fee of one hundred dollars for each subsequent increment of three million dollars of gross retail sales in the state, up to a maximum permit fee of three thousand dollars.

Sec. 16. Section 558.69, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

With each declaration of value submitted to the county recorder under chapter 428A, there shall also be submitted a statement that no known wells are situated on the property, or if known wells are situated on the property, the statement must state the approximate location of each known well and its status with respect to section 159.29 or 455B.190. The statement shall also state that no known disposal site for solid waste, as defined in section 4558.301, which has been deemed to be potentially hazardous by the department of natural resources, exists on the property, or if such a known

disposal site does exist, the location of the site on the property. The statement shall additionally state that no known underground storage tank, as defined in section 455B.471, subsection 6, exists on the property, or if an a known underground storage tank does exist, the type and size of the tank, and the any known substance in the tank. The statement shall also state that no known hazardous waste as defined in section 4558.411, subsection 4, or listed by the department pursuant to section 4558.412, subsection 2, or section 4558.464, exists on the property, or if known hazardous waste does exist, that the waste is being managed in accordance with rules adopted by the department of natural resources. The statement shall be signed by the grantors or the transferees of the property at least one of the sellers or their agents. The county recorder shall refuse to record any deed, instrument, or writing for which a declaration of value is required under chapter 428A unless the statement required by this section has been submitted to the county recorder. A buyer of property shall be provided with a copy of the statement submitted, and, following the fulfillment of this provision, if the statement submitted reveals no well, disposal site, underground storage tank, or hazardous waste on the property, the county recorder may destroy the statement.

Sec. 17. Section 558.69, Code Supplement 1987, is amended by inserting the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The owner of the property is responsible for the accuracy of the information submitted on the form. The owner's agent shall not be liable for the accuracy of information provided by the owner of the property. The provisions of this paragraph do not limit liability which may be imposed under a contract or under any other law.

Sec. 18. CASH ADVANCE -- SMALL BUSINESS ASSISTANCE CENTER. The department of natural resources shall provide a cash advance with repayment and deposit of the funds in the account of origin of not more than one hundred thousand dollars for the period beginning July 1, 1988, and ending June 30, 1989,



to the University of Northern Iowa to develop and maintain the small business assistance center for the safe and economic management of solid waste and hazardous substances established at the University of Northern Iowa.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2250, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2278

AN ACT

RELATING TO SCHOOL STANDARDS, PROVIDING FOR IMPLEMENTATION OF EDUCATIONAL STANDARDS DEVELOPED AND ADOPTED BY THE STATE BOARD OF EDUCATION, ENACTMENT OF EDUCATIONAL STANDARDS, PROVIDING A WAIVER PROCEDURE, PROVIDING FOR ADDITIONAL STUDY OF CERTAIN STANDARDS, AND PROVIDING DELAYED EFFECTIVE DATES FOR CERTAIN STANDARDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 256.11, unnumbered paragraph 1, Code Supplement 1987, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

The state board shall adopt rules under chapter 17A and a procedure for accrediting all public and nonpublic schools in Iowa offering instruction at any or all levels from the prekindergarten level through grade twelve. The rules of the state board shall require that a multicultural, nonsexist approach is used by school districts. The educational program shall be taught from a multicultural, nonsexist approach. Global perspectives shall be incorporated into all levels of the educational program.

The rules adopted by the state board pursuant to section 256.17, Code Supplement 1987, to establish new standards shall satisfy the requirements of this section to adopt rules to implement the educational program contained in this section.

The educational program shall be as follows:

Sec. 2. Section 256.11, subsections 1 through 9, Code Supplement 1987, are amended by striking the subsections and inserting in lieu thereof the following:

1. If a school offers a prekindergarten program, the program shall be designed to help children to work and play with others, to express themselves, to learn to use and manage

their bodies, and to extend their interests and understanding of the world about them. The prekindergarten program shall relate the role of the family to the child's developing sense of self and perception of others. Planning and carrying out prekindergarten activities designed to encourage cooperative efforts between home and school shall focus on community resources. A prekindergarten teacher shall hold a certificate certifying that the holder is qualified to teach in prekindergarten. A nonpublic school which offers only a prekindergarten may, but is not required to, seek and obtain accreditation.

2. The kindergarten program shall include experiences designed to develop healthy emotional and social habits and growth in the language arts and communication skills, as well as a capacity for the completion of individual tasks, and protect and increase physical well-being with attention given to experiences relating to the development of life skills and human growth and development. A kindergarten teacher shall be certificated to teach in kindergarten. An accredited nonpublic school must meet the requirements of this subsection only if the nonpublic school offers a kindergarten program.

3. The following areas shall be taught in grades one through six: English-language arts, social studies, mathematics, science, health, human growth and development, physical education, traffic safety, music, and visual art. The health curriculum shall include the characteristics of communicable diseases including acquired immune deficiency syndrome. The state board as part of accreditation standards shall adopt curriculum definitions for implementing the elementary program.

4. The following shall be taught in grades seven and eight: English-language arts, social studies, mathematics, science, health, human growth and development, physical education, music, and visual arts. The health curriculum shall include the characteristics of sexually transmitted diseases and acquired immune deficiency syndrome. The state board as part of accreditation standards shall adopt

curriculum definitions for implementing the program in grades seven and eight.

5. In grades nine through twelve, a unit of credit consists of a course or equivalent related components or partial units taught throughout the academic year. The minimum program to be offered and taught for grades nine through twelve is:

a. Five units of science including physics and chemistry; the units of physics and chemistry may be taught in alternate years.

b. Five units of the social studies including instruction in voting statutes and procedures, voter registration requirements, the use of paper ballots and voting machines in the election process, and the method of acquiring and casting an absentee ballot.

The county auditor, upon request and at a site chosen by the county auditor, shall make available to schools within the county voting machines or sample ballots that are generally used within the county, at times when these machines or sample ballots are not in use for their recognized purpose.

c. Six units of English-language arts.

d. Four units of a sequential program in mathematics.

e. Two units of general mathematics.

f. Four sequential units of one foreign language. The department may waive the third and fourth years of the foreign language requirement on an annual basis upon the request of the board of directors of a school district or the authorities in charge of a nonpublic school if the board or authorities are able to prove that a certificated teacher was employed and assigned a schedule that would have allowed students to enroll in a foreign language class, the foreign language class was properly scheduled, students were aware that a foreign language class was scheduled, and no students enrolled in the class.

g. All students physically able shall be required to participate in physical education activities during each semester they are enrolled in school except as otherwise

provided in this paragraph. A minimum of one-eighth unit each semester is required. A twelfth grade student who meets the requirements of this paragraph may be excused from the physical education requirement by the principal of the school in which the student is enrolled if the parent or guardian of the student requests in writing that the student be excused from the physical education requirement. A student who wishes to be excused from the physical education requirement must be enrolled in a cooperative or work-study program or other educational program authorized by the school which requires the student to leave the school premises for specified periods of time during the school day. The student must seek to be excused from the physical education requirement in order to enroll in academic courses not otherwise available to the student. The principal of the school shall inform the superintendent of the school district or nonpublic school that the student has been excused. Physical education activities shall emphasize leisure time activities which will benefit the student outside the school environment and after graduation from high school.

h. Five units of occupational education subjects, which may include, but are not limited to, programs, services, and activities which prepare students for employment in office and clerical, trade and industrial, consumer and homemaking, agriculture, distributive, and health occupations.

i. Three units in the fine arts which shall include at least two of the following: dance, music, theatre, and visual art.

j. One unit of health education which shall include personal health; food and nutrition; environmental health; safety and survival skills; consumer health; family life; human growth and development; substance abuse and nonuse; emotional and social health; health resources; and prevention and control of disease, including sexually transmitted diseases and acquired immune deficiency syndrome. The state board as part of accreditation standards shall adopt curriculum standards for implementing the program in grades nine through twelve.

6. A pupil is not required to enroll in either physical education or health courses if the pupil's parent or guardian files a written statement with the school principal that the course conflicts with the pupil's religious belief.

7. Programs that meet the needs of each of the following:

- a. Pupils requiring special education.
- b. Gifted and talented pupils.
- c. Programs for at-risk students.

Rules adopted by the state board to implement this paragraph shall be based upon the definition of at-risk student developed by the child coordinating council established in section 256A.2 and the state board shall consider the recommendations of the child coordinating council in developing the rules.

8. Upon request of the board of directors of a public school district or the authorities in charge of a nonpublic school, the director may, for a number of years to be specified by the director, grant the district board or the authorities in charge of the nonpublic school exemption from one or more of the requirements of the educational program specified in subsection 5. The exemption may be renewed. Exemptions shall be granted only if the director deems that the request made is an essential part of a planned innovative curriculum project which the director determines will adequately meet the educational needs and interests of the pupils and be broadly consistent with the intent of the educational program as defined in subsection 5.

The request for exemption shall include all of the following:

- a. Rationale of the project to include supportive research evidence.
- b. Objectives of the project.
- c. Provisions for administration and conduct of the project, including the use of personnel, facilities, time, techniques, and activities.
- d. Plans for evaluation of the project by testing and observational measures of pupil progress in reaching the objectives.

e. Plans for revisions of the project based on evaluation measures.

f. Plans for periodic reports to the department.

g. The estimated cost of the project.

9. a. Effective July 1, 1989, through June 30, 1990, to facilitate the implementation and economical operation of the educational program defined in subsections 4 and 5, each school offering any of grades seven through twelve, except a school which offers grades one through eight as an elementary school, shall meet the media center requirements specified in section 256.11, subsection 9, paragraph "a", Code Supplement 1987.

b. Effective July 1, 1990, unless a waiver has been obtained under section 256.11A, each school or school district shall have a qualified school media specialist who shall meet the certification and approval standards prescribed by the department and shall be responsible for supervision of the media centers. Each school or school district shall establish a media center, in each attendance center, which shall be accessible to students throughout the school day.

10. Each school or school district shall provide an articulated sequential guidance program for grades kindergarten through twelve. Until July 1, 1991, a school or school district may obtain a waiver from meeting the requirements of this subsection pursuant to section 256.11A. The guidance counselor shall meet the certification and approval standards of the department.

Sec. 3. NEW SECTION. 256.11A IMPLEMENTATION OF STANDARDS.

1. Schools and school districts are not required to meet the standard adopted by the state board under section 256.17, Code Supplement 1987, requiring that ten units of vocational education be offered and taught in grades nine through twelve unless the general assembly enacts legislation relating to the requirements stated in the standard. Until the time schools and school districts are required to meet the standard, the occupational education requirements stated in section 256.11, subsection 5, paragraph "h", apply.

2. Schools and school districts are not required to meet the requirement stated in the standards adopted by the state board under section 256.17, Code Supplement 1987, that prohibits an individual who is employed or contracted as superintendent from also serving as a principal in that school or school district until July 1, 1990, except as otherwise provided in this subsection. Not later than January 1, 1990, for the school year beginning July 1, 1990, the board of directors of a school district or authorities in charge of a nonpublic school, may file a written request with the department of education that the department waive the requirement for that district or school. The procedures specified in subsection 5 apply to the request.

3. Schools and school districts unable to meet the standard adopted by the state board under section 256.17, Code Supplement 1987, and contained in section 256.11, subsection 9, effective July 1, 1989, requiring that on July 1, 1989, each board operating a kindergarten through grade twelve program provide an articulated sequential elementary-secondary guidance program may, not later than January 1, 1989, for the school year beginning July 1, 1989, file a written request to the department of education that the department waive the requirement for that school or school district. The procedures specified in subsection 5 apply to the request. Not later than January 1, 1990, for the school year beginning July 1, 1990, the board or authorities may request a one-year extension of the waiver.

If a waiver is approved under subsection 5, the school or school district shall meet the requirements of section 256.11, subsection 9, paragraph "b", Code Supplement 1987, for the period for which the waiver is approved.

4. Schools and school districts are not required to meet the standard adopted by the state board of education under section 256.17, Code Supplement 1987, and contained in section 256.11, subsection 9, paragraph "b", effective July 1, 1990, that requires the board to establish and operate a media services program to support the total curriculum until July 1,

1990, except as otherwise provided in this subsection. Not later than January 1, 1990, for the school year beginning July 1, 1990, the board of directors of a school district, or authorities in charge of a nonpublic school, may file a written request with the department of education that the department waive the requirement for that district or school. The procedures specified in subsection 5 apply to the request.

If a waiver is approved under subsection 5, the school district or school shall meet the requirements of section 256.11, subsection 9, paragraph "a", Code Supplement 1987, for the period for which the waiver is approved.

5. A request for a waiver filed by the board of directors of a school district or authorities in charge of a nonpublic school shall describe actions being taken by the district or school to meet the requirement for which the district or school has requested a waiver. The state board of education shall adopt rules under chapter 17A to implement a procedure and criteria for the department to use in making a decision to approve a waiver under subsections 2, 3, and 4.

Sec. 4. The legislative council is requested to establish a study committee composed of members of the house and senate committees on education from both political parties to conduct a comprehensive study of the provision of vocational education courses for secondary school students. The study shall include, but not be limited to, the vocational education requirements contained in the rules adopted by the state board of education pursuant to section 256.17, the courses offered by school districts, the costs of offering the various areas of vocational education courses, enrollment trends, and the feasibility of alternative means of offering vocational education courses, including but not limited to, requiring that secondary school vocational education courses be provided by the area schools in either the high school or area school setting or an alternative setting.

The study committee shall submit a report of its recommendations to the legislative postsecondary education task force if one is established, the legislative council, and the general assembly meeting in 1989.

Sec. 5. If the general assembly adopts a concurrent resolution during the 1989 legislative session requesting a survey, the legislative fiscal bureau shall conduct a survey of school districts to determine the feasibility of requiring that the kindergarten program operate a minimum of one hundred eighty days and meet a minimum school day time requirement of .four and one-half hours. The survey shall include an inventory of additional space requirements and the availability of vacant classrooms in school district facilities, additional staff requirements, factors affecting pupil/teacher ratios, availability of educational materials, and transportation needs.

The legislative fiscal bureau shall report the results of the survey to the chairpersons and ranking members of the senate and house committees on education not later than January 1, 1990.

Sec. 6. It is the intent of the general assembly to develop a standard relating to kindergarten requirements which is based on the unique needs of young children in school settings. The legislative council is requested to appoint an interim study committee to conduct a comprehensive study of the needs of young children for all day, every day kindergarten as well as the need for additional care and activities in the school environment, including but not limited to recreation, child care, health, developmental, and latchkey programs. The committee shall consider the preliminary findings of the legislative fiscal bureau space study. The committee shall be composed of members of the house and senate, from both political parties, and persons knowledgeable in the field of child development, including members of the state child development coordinating council. The committee shall develop recommendations and submit the recommendations in a report to the legislative council and the general assembly not later than March 1, 1989.

Sec. 7. Section 331.502, subsection 23, Code 1987, is amended to read as follows:

23. Make available to schools, voting machines or sample ballots for instructional purposes as provided in section 256.11, subsection 6 5.

Sec. 8. Section 455E.8, subsection 10, Code Supplement 1987, is amended to read as follows:

10. Develop a program, in consultation with the department of education and the department of environmental education of the University of Northern Iowa, regarding water quality issues which shall be included in the minimum program required in grades seven and eight pursuant to rules adopted by the state board of education under section 256.11, subsection 4.

Sec. 9. Section 467A.7, subsection 18, Code Supplement 1987, is amended to read as follows:

18. To encourage local school districts to provide instruction in the importance of and in some of the basic methods of soil conservation, as a part of the course work relating to conservation of natural resources and environmental awareness required in rules adopted by the state board of education pursuant to section 256.11, subsections 3 and 4, and to offer technical assistance to schools in developing such instructional programs.

Sec. 10. Section 622.10, unnumbered paragraph 2, Code 1987, is amended to read as follows:

No qualified school guidance counselor, who has met the certification and approval standards of the department of education as provided in section ~~257.25~~ 256.11, subsection 9 10, who obtains information by reason of the counselor's employment as a qualified school guidance counselor shall be allowed, in giving testimony, to disclose any confidential communications properly entrusted to the counselor by a pupil or the pupil's parent or guardian in the counselor's capacity as a qualified school guidance counselor and necessary and proper to enable the counselor to perform the counselor's duties as a qualified school guidance counselor.

Sec. 11. Sections 1, 2, and 7 through 10 of this act take effect July 1, 1989.

Sec. 12. Section 256.17, Code Supplement 1987, is repealed effective July 1, 1989,

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2278, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2285

AN ACT

RELATING TO THE ENFORCEMENT OF LAWS CONCERNING MOTOR VEHICLE FRAUD, SALVAGE, AND THEFT, CERTIFICATES OF TITLE, AND TRANSFER OF OWNERSHIP OF FOREIGN, WRECKED, AND SALVAGE VEHICLES AND MAKING PENALTIES APPLICABLE AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 307.37, Code 1987, is amended to read as follows:

307.37 MOTOR VEHICLE FRAUD AND ODOMETER LAW ENFORCEMENT.

The department shall investigate and prosecute violators of the laws concerning motor vehicle fraud including, but not limited to, the state and federal odometer law. The department shall refer available evidence concerning a possible violation of the laws concerning motor vehicle fraud including, but not limited to, section 321.71 or the federal odometer law or a rule or order issued under section 321.71 or the federal odometer law, to the attorney general. The attorney general, with or without the referral, may institute appropriate criminal proceedings or may direct the case to the appropriate county attorney to institute appropriate criminal proceedings. The attorney general may use those funds available to the department of justice for this purpose and law enforcement agencies may be reimbursed for expenses incurred in the enforcement of the-state-and-federal-odometer those laws, rules, or orders with the approval of the attorney general and-concurrence-by-the-department.

Sec. 2. Section 312.2, subsection 15, Code Supplement 1987, is amended to read as follows:

15. The treasurer of state, before making the allotments provided for in this section, shall credit annually to the

state department of transportation justice from the road use tax fund an amount equal to twenty-five cents on each title issuance for motor vehicle fraud law enforcement and prosecution purposes including, but not limited to, the enforcement of state and federal odometer enforcement purposes laws. ~~This subsection is effective for the fiscal period beginning July 1, 1984 and ending June 30, 1989.~~

Sec. 3. Section 321.24, unnumbered paragraph 3, Code Supplement 1987, is amended to read as follows:

The certificate of title shall contain upon its face the identical information required upon the face of the registration receipt. In addition, the certificate of title shall contain a statement of the owner's title, the amount of tax paid pursuant to section 423.7, the name and address of the previous owner, and a statement of all security interests and encumbrances as shown in the application, upon the vehicle described, including the nature of the security interest, date of notation, and name and address of the secured party. If the prior certificate of title was a salvage, rebuilt, or junking certificate of title in any other state, or if the prior certificate of title in any other state indicates that the vehicle was salvaged, rebuilt, or junked, the new certificate of title shall contain the same information together with the name of the state issuing the prior salvage, rebuilt, or junking certificate of title and a salvage, rebuilt, or junking designation together with the name of the state issuing the prior salvage, rebuilt, or junking certificate of title shall be retained on all subsequent Iowa certificates of title for the vehicle, except as provided in section 321.52. In the event a vehicle which previously had a salvage certificate of title from another state is repaired and a regular certificate of title is to be issued for it pursuant to section 321.52 without the designation rebuilt, the regular certificate of title shall indicate the state which had issued the prior salvage certificate of title in the

SC 2285



7. An early childhood development specialist from an area education agency.

8. A parent of a child in a head start program.

9. The department of education.

10. The child development coordinating council.

Sec. 4. NEW SECTION. 280.19 AT-RISK STUDENT PLANS.

The board of directors of each public school district shall incorporate, into the kindergarten admissions program, criteria and procedures for identification and integration of at-risk children and their developmental needs.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2295, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

SENATE FILE 2296

AN ACT

REQUIRING THE AREA EDUCATION AGENCIES TO UTILIZE FEDERALLY FUNDED HEALTH CARE PROGRAMS TO SHARE IN THE COSTS OF SERVICES PROVIDED TO CERTAIN CHILDREN REQUIRING SPECIAL EDUCATION AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 281.15 SPECIAL EDUCATION SERVICES.

1. The state board of education in conjunction with the department of education shall develop a program to utilize federally funded health care programs, except the federal medically needy program for individuals who have a spend-down, to share in the costs of services which are provided to children requiring special education.

2. The department of education shall designate an area education agency to develop a system for collecting the information necessary to implement procedures for billing and collecting the costs of the services. The area education agency shall begin to develop the system immediately. The area education agency shall consult with and work jointly with state agencies and federal agencies to determine procedures and standards which shall be initiated by all area education agencies to qualify for receipt of benefits under federal programs.

3. The department of education, in conjunction with the area education agency, shall determine those specific services which are covered by federally funded health care programs, which shall include, but not be limited to, physical therapy, audiology, speech language therapy, and psychological evaluations. The department shall also determine which other special services may be subject to reimbursement and the

qualifications necessary for personnel providing those services. If it is determined that services are required from other service providers, these providers shall be reimbursed for those services.

4. All services referred to in subsection 1 shall be initially funded by the area education agency and shall be provided regardless of subsequent subrogation collections. The area education agency shall make a claim for reimbursement to federally funded health care programs.

5. Not later than July 1, 1988, the area education agency designated by the department of education shall have developed the program for collecting for the services provided. The program shall be distributed to all of the area education agencies in the state. All area education agencies shall begin collecting the information on July 1, 1988.

6. Effective November 1, 1988, all area education agencies in the state shall participate in the program and begin billing for and collecting for the covered services and shall bill for services provided retroactive to July 1, 1988. Retroactive Title XIX billing is contingent upon state plan approval. Nothing contained in this section shall be construed to allow nonlicensed individuals to perform services which otherwise require licenses under the laws of this state or to allow licensed providers to perform services outside their scope of practice.

7. All reimbursements received by the area education agencies for eligible services shall be paid annually to the treasurer of state. The treasurer of state shall credit all receipts received under this subsection to the general fund of the state.

8. The department of education and the department of human services may adopt rules pursuant to chapter 17A as these agencies deem necessary to implement this section. These rules shall take effect immediately as provided in section 17A.5, subsection 2, paragraph "b".

9. Students or their parents or guardians covered by a federal health care program shall provide health care information to an area education agency or local school district.

10. The department of education and the department of human services shall adopt rules to implement this section to be effective immediately upon filing with the administrative rules coordinator, or at a stated date prior to indexing and publication, or at a stated date less than thirty-five days after filing, indexing, and publication.

Sec. 2. RESPONSIBILITIES OF THE DEPARTMENT OF HUMAN SERVICES. The department of human services shall amend its Title XIX plan to include area education agencies as eligible Title XIX providers and to include as reimbursable medical expenditures physical therapy, occupational therapy, psychological evaluations, psychotherapy, speech therapy, and audiological services provided by an area education agency. It is the intent of the general assembly that the plan amendments be submitted as soon after July 1, 1988, as possible, so that reimbursement for services can be made for the period beginning July 1, 1988 if state plan approval is secured. The department shall adopt rules to be effective immediately upon filing with the administrative rules coordinator, or at a stated date less than thirty-five days after filing, indexing, and publication. The rules also shall provide that the services provided under the Title XIX plan shall be considered separate and distinct from other services provided under Title XIX and shall not limit the rights of Title XIX clients to receive services from other providers as long as those services meet standards of appropriateness and necessity. The area education agencies shall determine their costs incurred in recording and billing the medical assistance program Title XIX for services, and these costs shall be recovered from federal funds recovered from the Title XIX program, not to exceed five percent of the amount recovered.

Sec. 3. This Act, being deemed of immediate importance, takes effect upon enactment.

JO ANN ZIMMERMAN  
President of the Senate

DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2296, Seventy-second General Assembly.

JOAN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

TERRY E. BRANSTAD  
Governor

SENATE FILE 2309

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF  
ECONOMIC DEVELOPMENT, PROVIDING FOR THE CREATION AND REPEAL  
OF PROGRAMS, AND TRANSFERRING ADMINISTRATION OF A PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:.

Section 1. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. General administration

For salaries and support for not more than twenty-one point flve full-time equivalent positions, maintenance, and other operational purposes;

..... \$ 266,027

2. For tourism and promotion programs, including salaries and support for not more than fifteen full-time equivalent positions:

..... \$ 926,533

The department shall evaluate the feasibility of providing financial and nonfinancial assistance to local and regional tourism organizations to promote local and regional tourism and recreational attractions and sites at the Iowa state fair, and to educate residents of this state and out-of-state visitors about the significant number of tourism and

recreational attractions and sites within the state. The department shall consult with regional tourism councils and local tourism organizations to evaluate the type, extent, and effectiveness of providing financial and nonfinancial assistance programs. The department shall report the recommendations, findings, and conclusions resulting from the evaluation to the governor's office and the general assembly on or before February 15, 1989.

3. For contracting exclusively for advertising for in-state and out-of-state tourism, tourism marketing, and tourism promotion programs for electronic media and printed materials:

..... \$ 915,000

Of the funds appropriated in this subsection thirty thousand (308000) dollars shall be used for the promotion of state-owned historic attractions and thirty thousand (30,000) dollars shall be used for the promotion of other cultural attractions as determined by the department of cultural affairs.

The department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the advertising contract.

4. For participation in the development, printing, and distribution of multistate regional tourism materials:

..... \$ 5,000

5. For national marketing programs, including salaries and support for not more than twelve point seventy-five full-time equivalent positions:

..... \$ 716,623

6. For the operation and maintenance of the film office, including salaries and support for not more than one full-time equivalent position:

SF 2309

.....\$ 114,000

7. For contracting exclusively for marketing and advertising contracts for out-of-state national marketing programs for electronic media and printed materialst

.....\$ 790,000

The department shall develop public-private partnerships with Iowa businesses, Iowa business organizations, Iowa chambers of commerce, and political subdivisions in this state, to assist in the development of the marketing efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the marketing contracts.

8. International trade programs

For salaries and support for not more than six point zero full-time equivalent positions, maintenance, and miscellaneous purposes:

.....\$ 403,669

The department shall give attention to using a portion of these funds to contract and coordinate with international programs at Iowa colleges and universities to develop a network of trade contacts overseas through the use of alumni from Iowa colleges and universities.

9. Export trade activities.

For the establishment of international trade activities including a program to encourage and increase participation in trade shows and trade missions by providing financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions, lease/sublease showcase space in existing world trade centers, provide temporary office space for foreign buyers, international prospects, and potential reverse investors, development of an Iowa export trading company, and other promotional and assistance activities.

.....\$ 400,000

10. For the operation and maintenance of the West German trade office, including salaries and support for not more than one point five full-time equivalent positionst

..... \$ 195,350

11. For the operation and maintenance of the Hong Kong trade office, including salaries and support for not more than two point zero full-time equivalent positions:

..... \$ 163,939

12. For the operation and maintenance of the Asian trade office, including salaries and support for not more than two point zero full-time equivalent positions;

.....\$ 290,709

13. Agricultural product advisory council

For support, maintenance, and miscellaneous purposes:

.....\$ 4,885

14. For small business programs, including salaries and support for not more than five point zero full-time equivalent positions:

..... \$ 302,094

15. For community progress programs, including salaries and support for not more than eight point five full-time equivalent positions;

..... \$ 426,768

16. For additional and supplemental funding for the child care services program and the displaced homemakers program, including salaries and support for not more than zero point seventy-five full-time equivalent positions:

..... \$ 727,272

17. Mississippi river parkway commission

For support, maintenance, and miscellaneous purposes:

..... \$ 19,533

18. Community development block grant administration and related federal housing and urban development grant administration

For salaries and support for not more than thirteen point five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 55,509

19. Job training partnership Act: dislocated workers

For salaries and support for not more than twenty-eight point five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 480,000

20. Iowa youth corps and youth services administration

For salaries and support for not more than two point zero full-time equivalent positions, maintenance, and miscellaneous purposes to develop and administer employment opportunities for youth:

..... \$ 286,287

21. Iowa finance authority.

For the housing trust fund program, to be deposited in the housing trust fund and to be used for the grant program for the homeless for the construction, rehabilitation, or expansion of group home shelter for the homeless:

..... \$ 100,000

Sec. 2. 1987 Iowa Acts, chapter 233, section 301, subsection 9, is amended to read as follows:

9. Job training partnership Act: dislocated workers

For salaries and support for not more than twenty-eight point seven full-time equivalent positions, maintenance, and miscellaneous purposes .....

\$ 960,151

Notwithstanding section 8.33, funds appropriated under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, shall not revert to the general fund of the state but shall remain available for expenditure in the fiscal year beginning July 1, 1988, and ending July 1, 1989.

Sec. 3. Section 10A.104, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Establish by rule standards and procedures for certifying that targeted small businesses are eligible to participate in the procurement set-aside program established in sections 73.15 through 73.21. The procedure for determination of eligibility shall not include self-certification by a business. Rules and guidelines adopted pursuant to this subsection are subject to review and approval by the director of the department of management. The director shall maintain a current directory of targeted small businesses which have been certified pursuant to this subsection.

Sec. 4. Section 12.43, subsections 1 and 2, Code Supplement 1987, are amended to read as follows:

1. "Targeted small business" means a business as defined in section ~~220.111~~ 15.102, subsection ~~1~~ 5.

2. A linked deposit shall only be approved in connection with a loan application for a targeted small business which has been certified pursuant to section ~~15.100~~ 10A.104, subsection ~~7~~ ~~87-paragraph-c7-subparagraph-44~~.

Sec. 5. Section 12.44, unnumbered paragraphs 1 and 2, Code Supplement 1987, are amended to read as follows:

Agencies of state government shall be required to waive the requirement of satisfaction or performance bonds for targeted small businesses which are able to demonstrate the inability of securing such a bond because of a lack of experience. This waiver shall not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver shall be applied only to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding section 573.2. In order to qualify, the targeted small business shall provide written evidence to the department of economic development inspections and appeals that the bond would otherwise be denied the business. The granting of the waiver shall in no way relieve the business from its contractual obligations and

shall not preclude the state agency from pursuing any remedies under law upon default or breach of contract.

The department of economic-development inspections and appeals shall certify targeted small businesses for eligibility and participation in this program and shall make this information available to other state agencies.

Sec. 6. Section 15.106, subsection 7, paragraph c, unnumbered paragraph 1, subparagraph (2), and subparagraph (5), unnumbered paragraph 1, Code Supplement 1987, are amended to read as follows:

Aid in the development and implementation of the Iowa targeted small business procurement Act established in sections 73.15 through 73.21 and the targeted small business loan-guarantee financial assistance program of-the-fowa finance-authority established in section ~~220v11~~ 15.111. The duties of the director under this paragraph include the following:

(2) The director, in conjunction with the director of the department of management, shall publicize the foan-guarantee financial assistance program of-the-fowa-ftnance-authority established in section 15.111 to targeted small businesses.

The director shall submit an annual report to the governor and the general assembly relating progress toward realizing the goals and objectives of the procurement set-aside program and the foan-guarantee financial assistance program of-the fowa-finance-authority established in section 15.111 during the preceding fiscal year. The fowa-finance-authority-and-the director of the department of management shall assist in compiling the data to be included in the report. The report shall include the following information:

Sec. 7. Section 15.108, subsection 7, paragraph c, subparagraph (4), Code Supplement 1987, is amended by striking the subparagraph.

Sec. 8. Section 15.108, subsection 7, paragraph g, subparagraph (1), Code Supplement 1987, is amended to read as follows:

(1) Developing a uniform small business vendor application form which can be adopted by all agencies and departments of state government to identify small businesses and targeted small businesses which desire to sell goods and services to the state. This form shall also contain information which can be used to determine certification as a targeted small business pursuant to ~~paragraph-c2, subparagraph-4~~ section 10A.104, subsection 8.

Sec. 9. NEW SECTION. 15.111 TARGETED SMALL BUSINESS FINANCIAL ASSISTANCE PROGRAM.

1. As used in this section, "small business" and "targeted small business" mean the same as defined in section 15.102, subsections 4 and 5.

2. The department shall establish, contingent upon the availability of funds authorized for the program, a targeted small business financial assistance program, to provide for loans, loan guarantees, or grants to targeted small businesses. A targeted small business in any year shall receive under this program not more than twenty-five thousand dollars in a loan or grant, and not more than forty thousand dollars in a guarantee, or a combination of loans, grants, or guarantees. The program shall provide guarantees not to exceed seventy-five percent for loans made by qualified lenders. The department shall establish a financial assistance reserve account from funds provided for this program, from which any default on a guaranteed loan under this section shall be paid. In administering the program the department shall not guarantee loan values in excess of the amount credited to the reserve account and only moneys set aside in the loan reserve account may be used for the payment of a default..

3. All moneys designated for the targeted small business financial assistance program shall be credited to the financial assistance reserve account. The department shall also establish an administrative account from which the

operating costs of the program shall be paid. The department may transfer moneys between the reserve and the administrative accounts except that not more than twenty-five percent of the funds, pursuant to section 15.241, shall be used to administer the fund. The department shall determine what is the actuarially sound reserve requirement for the amount of guaranteed loans outstanding.

4. The department shall adopt rules as necessary for the administration of the financial assistance program under this section.

5. The general assembly is not obligated to appropriate moneys to pay for any defaults or to appropriate moneys to be credited to the loan reserve account. The loan guarantee program does not obligate the state except to the extent provided in this section, and the department in administering the program shall not give or lend the credit of the state of Iowa.

Sec. 10. NEW SECTION. 15.235 AMBASSADOR'S PROGRAM ESTABLISHED.

The department shall administer, contingent upon the availability of funds authorized for the program, an ambassador's program as originally established pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 4. However, notwithstanding that Act, the program shall be administered to attract capital to be used by the department to develop a comprehensive national and state marketing program. Funds appropriated by the general assembly to support the program shall be matched on a dollar-for-dollar basis with capital provided by private sources. The program shall implement a statewide initiative that includes a toll-free number, billboards, displays in key business locations, a direct marketing program, a "trade and marketing institute", and an "invest in Iowa" program. The department shall secure the necessary private participation from groups and organizations most appropriate for any particular function.

In-kind expenditures from the private sector may be considered as a portion of the dollar-for-dollar match.

Sec. 11. Section 73.16, subsection 2, Code 1987, is amended to read as follows:

2. The director of each agency or department of state government having purchasing authority shall designate and set aside for awarding to certified targeted small businesses identified pursuant to section ~~15:1007-subsection-77-paragraph~~ 10A.104, subsection 8, at least two percent, and should set a goal of up to ten percent, of the value of anticipated procurements of goods and services, including construction, but not including utility services, each fiscal year. The director of each department and agency of state government shall cooperate with the director of the department of inspections and appeals, the director of the department of economic development and the director of the department of management and do all acts necessary to carry out the provisions of this division.

Sec. 12. Section 73.18, Code 1987, is amended to read as follows:

73.18 NOTICE OF SOLICITATION FOR BIDS -- IDENTIFICATION OF TARGETED SMALL BUSINESSES.

The director of each agency or department releasing a solicitation for bids or request for proposal under the set-aside program shall notify the director of the department of ~~economic-development~~ inspections and appeals prior to or upon release of the solicitation. The director of the department of ~~economic-development~~ inspections and appeals shall notify the soliciting agency or department of any targeted small businesses which have been certified pursuant to section ~~15:1007-subsection-77-paragraph-c47-subparagraph-44~~ 10A.104, subsection 8, and which may be qualified to bid.

Sec. 13. The department shall honor a contract executed prior to the effective date of this Act under the ambassador's program established pursuant to 1986 Iowa Acts, chapter 1246,



section 1, subsection 4, as amended by 1987 Iowa Acts, chapter 233, section 303. However, the department shall not extend the date that a contract executed under either Act terminates, if the contract is not allowed under section 15.235, and the department shall not execute a contract or begin or continue an initiative allowed under either Act but not allowed under section 15.235, unless discontinuing the initiative involves a breach of contract.

Sec. 14. Notwithstanding section 8.33, funds appropriated under 1986 Iowa Acts, chapter 1246, section 1, subsection 4, as amended by 1987 Iowa Acts, chapter 233, section 303, shall not revert to the general fund of the state but shall remain available for expenditure by the department to administer section 15.235 for the fiscal year beginning July 1, 1988, and ending June 30, 1989.

Sec. 15. 1987 Iowa Acts, chapter 233, section 305, is amended to read as follows:

SEC. 305. Notwithstanding section 8.33, moneys appropriated pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 6, not in excess of five hundred thousand (500,000) dollars to the department of economic development for the establishment and maintenance of an export finance program for the fiscal year beginning July 1, 1986, and ending June 30, 1987, which remain unexpended or unencumbered shall carry forward to the fiscal year beginning July 1, 1987, and ending June 30, 1988, to be used for the same purpose as originally appropriated. On June 30, 1988, the unobligated funds up to four hundred eighty thousand (480,000) dollars shall be transferred ~~to~~ the general administration of the department of economic development as provided in section 1, subsection 1, of this Act.

Sec. 16. The director of the department of inspections and appeals shall maintain the directory of targeted small businesses which have been certified prior to the effective date of this Act pursuant to section 15.108, subsection 7,

paragraph "c", subparagraph (4). Businesses certified by the department of economic development prior to the effective date of this Act shall remain certified unless decertified.

Sec. 17. All federal grants to and federal receipts of the agencies appropriated under this Act are appropriated ~~to~~ the purposes set forth in such federal grants and receipts unless otherwise provided by the general assembly.

Sec. 18. REPEALS.

1. Section 15.110, Code Supplement 1987, is repealed.
2. Section 220.111, Code 1987, is repealed.

Sec. 19. Moneys credited to the loan reserve account and administrative account established under section 220.111 shall be transferred to the department of economic development prior to that section's repeal. The department ~~may~~ use uncommitted moneys in the loan reserve account and the administrative account for purposes of the case management assistance program established pursuant to House File 2416, ~~if enacted by the~~ Seventy-second General Assembly, 1988 Session. The department shall make a good faith effort to serve clients of the self-employment loan program, clients that meet the definition of a targeted small business, or clients that qualify under the unemployment insurance demonstration project if authorized by the Federal government.

Sec. 20. The department of economic development and not the Iowa finance authority shall administer any guarantee and may enforce any agreement or collect any loan made pursuant to section 15.110 or 220.111 to the same extent the department did or the Iowa finance authority did prior to the repeal of those sections. Any rule, regulation, order, or guideline established by the department of economic development pursuant to section 15.110 or by the Iowa finance authority pursuant to section 220.111 and in effect on the effective date of this Act shall continue in full force and effect until amended, repealed, or supplemented by affirmative action of the department of economic development. All guarantees made under

section 15.110 or 220.111 shall be maintained by the department of economic development.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2309, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

**SF 2309**



# OFFICE OF THE GOVERNOR

STATE CAPITOL  
DES MOINES, IOWA 50319  
515 281-5211

TERRY E. BRANSTAD  
GOVERNOR

April 13, 1988

The Honorable Jo Ann Zimmerman  
President of the Senate  
State Capitol Building  
L O C A L

Dear ~~Madam~~ President:

I hereby transmit Senate File **2309**, an act relating to and making appropriations to the department of economic development, providing for the creation and repeal of programs, and transferring administration of a program.

Senate **File** 2309 is approved with the following exception which I hereby disapprove.

I **am unable** to approve the item designated as that portion of Section **15**, which reads as follows:

Notwithstanding section 8.33, moneys appropriated pursuant to **1986** Iowa Acts, chapter **1246**, section 1, subsection 6, not in excess of five hundred thousand (\$500,000) dollars to the department of economic development for the establishment and maintenance of an export finance program for the fiscal **year** beginning July 1, **1986**, and **ending** June 30, **1987**, which remain unexpended or unencumbered shall carry forward to the fiscal year beginning July 1, **1987**, and ending June 30, **1988**, to be used for the same purpose as originally appropriated,

It is clear that the intent of Section 15 in Senate File 2309 is to allow \$480,000 of carryover **funds** from the Export Finance Program to be used for the general administration of the Department of Economic Development. I approve of this utilization of these funds since they are needed to maintain the necessary operations of this important department. A portion of Section 15 authorizes the **use** of those carryover Export Finance Funds for that purpose.

The Honorable Jo Ann Zimmerman  
April 13, 1988  
Page 2

However, a separate item in Section 15 inadvertently prevents that carryover from being fully utilized. In fact, a drafting error in this section would, if allowed to stand, reduce the operating budget for the Department of Economic Development by \$220,000.

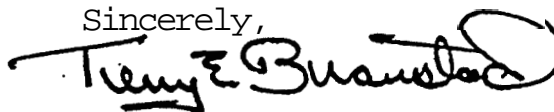
The vetoed language limits the amount of funds from *the* Export Finance Program that are allowed to be carried over by the department from fiscal year 1987 to fiscal year 1988 to **\$500,000**. In fact, **\$720,000** was carried over during that time.

Thus, retroactively capping the allowable carryover to **\$500,000** would effectively reduce the available funds **for** the department's general administration budget by \$220,000,

It is my understanding that the Economic Development Appropriation Subcommittee Chairpersons have been notified of this drafting error **and** approve of my action to item veto this restrictive carryover language.

For the above reasons, I hereby respectfully disapprove **this** item in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in Senate File 2309 are hereby approved as of this date.

Sincerely,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of State  
Secretary of the Senate  
Chief Clerk of the House

SENATE FILE 2310

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE IOWA STATE CIVIL RIGHTS COMMISSION, THE DEPARTMENT OF HUMAN RIGHTS, THE DEPARTMENT FOR THE BLIND, THE DEPARTMENT OF ELDER AFFAIRS, AND THE DEPARTMENT OF PUBLIC HEALTH AND ESTABLISHING A DIVISION OF CRIMINAL AND JUVENILE JUSTICE PLANNING,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the Iowa state civil rights commission for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries and support of not more than thirty-one full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 875,000

Sec. 2. There is appropriated from the general fund of the state to the department of human rights for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, for salaries and support of not more than thirty-four and three-tenths full-time equivalent positions and to be used for the purposes designated:

1. CENTRAL ADMINISTRATION DIVISION

For salaries and support of not more than five full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 104,000

It is the intent of the general assembly that the department establish a visitation rights advisory committee composed of volunteer members with expertise or interest in the area of visitation rights.

2. SPANISH-SPEAKING PEOPLE DIVISION

For salaries and support of not more than one and one-half full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 60,000

3. PERSONS WITH DISABILITIES DIVISION

For salaries and support of not more than three full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 125,000

4. STATUS OF WOMEN DIVISION

For salaries and support of not more than two and eight-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 110,000

5. CHILDREN, YOUTH, AND FAMILIES DIVISION

For salaries and support of not more than five and five-tenths full-time equivalent positions annually, maintenance and miscellaneous purposes:

..... \$ 134,000

Of the funds appropriated in this subsection, no less than thirty-six thousand (36,000) dollars shall be spent for expenses relating to the administration of federal funds for juvenile and victim assistance. It is the intent of the general assembly that the department of human rights employ sufficient staff to meet the federal funding match requirements established by the federal office for juvenile justice delinquency prevention, The governor's advisory

council on juvenile justice shall determine the staffing level necessary to carry out federal and state mandates for juvenile justice.

6. DEAF SERVICES DIVISION

For salaries and support of not more than ten full-time equivalent positions annually, maintenance, and miscellaneous purposes:

.....\$ 238,000

7. STATUS OF BLACKS DIVISION

For salaries and support of not more than one and one-half full-time equivalent positions annually, maintenance, and miscellaneous purposes:

.....\$ 52,000

8. DIVISION OF CRIMINAL AND JUVENILE JUSTICE PLANNING.

For salaries and support of not more than five full-time equivalent positions annually, maintenance, and miscellaneous purposes:

.....\$ 215,392

The criminal and juvenile justice advisory council of the division of criminal justice planning and the juvenile justice advisory council of the division of children, youth, and families shall coordinate their efforts in carrying out their respective duties relative to juvenile justice.

Sec. 3. There is appropriated from the general fund of the state to the department for the blind, on the condition that the department is established statutorily under this Act, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries and support of not more than one hundred two and five-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes:

.....\$ 1,298,000

Sec. 4. There is appropriated from the general fund of the state to the department of elder affairs for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the

following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For salaries and support of not more than twenty-eight full-time equivalent positions annually, maintenance, and miscellaneous purposes:

.....\$ 319,000

It is the intent of the general assembly that the department employ an alternative housing/long-term care coordinator as one of the full-time equivalent positions,

It is the intent of the general assembly that the department establish an Alzheimer's disease task force to collect comprehensive information regarding the incidence and impact of Alzheimer's disease in Iowa; to determine the existing programs and mechanisms for dealing with dementia-related illness including a determination of barriers to access; to develop policy recommendations based upon the scope of the problem, review of relevant literary data regarding cost-effectiveness of care delivery, and the perceived needs to families of Alzheimer's disease victims; and to recommend policy for the enhancement of service delivery and training for families and caregivers through coordination of the increased utilization of existing resources related to the treatment and understanding of Alzheimer's disease victims. The members of the task force shall be reimbursed for actual and necessary expenses incurred by them in the discharge of their official duties.

2. For the administration of area agencies on aging: .....\$ 114,000

3. For the retired Iowans community employment program: .....\$ 104,000

4. For the older Iowans legislature: .....\$ 13,000

5. For the retired seniors volunteer program: .....\$ 14,000

All of the funds appropriated under subsection 5 shall be divided equally among the programs in existence as of July 1,

1988, and shall not be used by the department for administrative purposes.

6. For elderly services programs:

..... \$ 1,356,000

All funds appropriated under this subsection shall be received and disbursed by the director of elder affairs for the elderly services program, shall not be used for administrative purposes, and shall be used for citizens of Iowa over sixty years of age for chore, telephone reassurance, adult day care, and home repair services, including the winterizing of homes, and for the construction of entrance ramps which meet the requirements of section 104A.4 and make residences accessible to the physically handicapped. Funds appropriated under this subsection may be used to supplement Federal funds under federal regulations. Funds appropriated under this subsection may be used for elderly services not specifically enumerated in this subsection only if approved by an area agency for provision of the service within the area.

Of the funds appropriated in this subsection, one hundred fifty thousand (150,000) dollars, or so much thereof as is necessary, are allocated for a respite care program, administered by the department of elder affairs.

Area agencies on aging shall expend no less than the same amount expended on adult day care programs in the fiscal year beginning July 1, 1988, than during the fiscal year beginning July 1, 1987.

Of the funds appropriated in this subsection, thirty-five thousand (35,000) dollars, or so much thereof as is necessary, is allocated to each of the case management pilot projects established in Cerro Gordo and Linn counties for continuation of the projects; ten thousand (10,000) dollars, or so much thereof as is necessary, is allocated for the evaluation of both of the existing case management pilot projects in Cerro Gordo and Linn counties; and one hundred thousand (100,000) dollars, or so much thereof as is necessary, is allocated for the funding of grants for additional case management pilot

projects, The department shall establish grant application and grant acceptance criteria. It is the intent of the general assembly that existing and subsequent pilot projects funded under this subsection include a component for the preadmission screening of persons considering admittance to an intermediate care facility in order to determine whether or not the provision of alternative care services is more appropriate.

7. For contractual services for the elder law education program:

..... \$ 100,000

Sec. 5. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CENTRAL ADMINISTRATION DIVISION

For salaries and support of not more than forty-seven full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 737,000

2. HEALTH PLANNING DIVISION

For salaries and support of not more than eleven and seventy-six one-hundredths equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 1,222,000

The department shall allocate from the funds appropriated under this subsection eight hundred ninety-one thousand (891,000) dollars for the fiscal year beginning July 1, 1988, for the chronic renal disease program. The types of assistance to eligible recipients under the program may include hospital and medical expenses, home dialysis supplies, insurance premiums, travel expenses, prescription and nonprescription drugs, and lodging expenses for persons in training. The program expenditures shall not exceed these allocations. If projected expenditures will exceed the

allocations, the department shall establish by administrative rule a mechanism to reduce financial assistance under the renal disease program In order to keep expenditures within the allocations.

3. DISEASE PREVENTION DIVISION

a. For salaries and support of not more than fifty-nine full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 1,717,000

b. For salaries and support of not more than five full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 1,000,000

It is the intent of the general assembly that the moneys appropriated under this paragraph shall be used for the training of emergency medical services personnel at the state, county, and local levels.

4. PROFESSIONAL LICENSURE

For salaries and support of not more than eleven full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 461,000

5. STATE BOARD OF DENTAL EXAMINERS

For salaries and support of not more than four full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 168,000

6. STATE BOARD OF MEDICAL EXAMINERS

For salaries and support of not more than eighteen full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 884,000

7. STATE BOARD OF NURSING EXAMINERS

For salaries and support of not more than seventeen full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 708,000

8. STATE BOARD OF PHARMACY EXAMINERS

For salaries and support of not more than twelve full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 516,000

Professional licensure pursuant to subsection 4 and the boards pursuant to subsections 5 through 8 shall prepare estimates of projected receipts to be generated by the licensing, certification, and examination fees of each board as well as a projection of the fairly apportioned administrative costs and rental expenses attributable to each board. Each board shall annually review and adjust its schedule of fees so that, as nearly as possible, projected receipts equal projected costs.

9. SUBSTANCE ABUSE DIVISION

a. For salaries and support of not more than seventeen and fifty-five one-hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 471,000

b. For program grants:

..... \$ 7,021,000

c. For salaries and support of not more than four and three-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes for the governor's alliance on substance abuse:

..... \$ 45,000

10. HEALTH DATA COMMISSION

For the health data clearinghouse:

..... \$ 250,000

It is the intent of the general assembly that the commission shall not enter into an agreement with an entity that engages in whole or in part in the provision of health care services or an entity that has a material financial interest in the provision of such services.

11. FAMILY AND COMMUNITY HEALTH DIVISION



a. For salaries and support of not more than sixty-seven and two-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes:

..... \$ 2,210,000

The department shall allocate from the funds appropriated under this paragraph at least six hundred twenty-six thousand (626,000) dollars for the fiscal year beginning July 1, 1988, and ending June 30, 1989, for the birth defects and genetics counseling program and of these funds, thirty-nine thousand (39,000) dollars shall be allocated for a central birth defects registry program.

Of the funds appropriated under this paragraph forty-nine thousand (49,000) dollars shall be used for a lead abatement program.

Of the funds appropriated in this paragraph, the following amounts shall be allocated to the University of Iowa hospitals and clinics under the control of the state board of regents for the following programs under the Iowa specialized child health care services:

(1) Mobile and regional child health specialty clinics:

..... \$ 308,000

(2) Muscular dystrophy and related genetic disease programs:

.....\$ 125,000

(3) Statewide perinatal program:

..... \$ 67,000

The birth defects and genetic counseling service shall apply a sliding fee scale to determine the amount a person receiving the services is required to pay for the services. These fees shall be considered repayment receipts and used for the program.

Of the funds allocated to the mobile and regional child health specialty clinics under subparagraph (1) of this paragraph, sixty-eight thousand (68,000) dollars shall be used for a specialized medical home care program providing care planning and coordination of community support services for individuals who require technical medical care in the home.

The University of Iowa hospitals and clinics shall not receive indirect costs from the funds for each program.

The Iowa department of public health shall administer the statewide maternal and child health program and the crippled children's program by conducting mobile and regional child health specialty clinics and conducting other activities to improve the health of low-income women and children and to promote the welfare of children with actual or potential handicapping conditions and chronic illnesses in accordance with the requirements of Title V of the Social Security Act.

b. Sudden infant death syndrome autopsies.

For reimbursing counties for expenses resulting from autopsies of suspected victims of sudden infant death syndrome required under section 331.802, subsection 3, paragraph "j";

..... \$ 14,000

c. For grants to local boards of health for the public health nursing program:

..... \$ 2,175,000

Funds appropriated under this paragraph shall be used to maintain and expand the existing public health nursing program for elderly and low-income persons with the objective of preventing or reducing inappropriate institutionalization. The funds shall not be used for any other purpose. As used in this paragraph, "elderly person" means a person who is sixty years of age or older and "low-income person" means a person whose income and resources are below the guidelines established by the department.

One-fourth of the total amount to be allocated shall be divided so that an equal amount is available for use in each county in the state. Three-fourths of the total amount to be allocated shall be divided so that the share available for use in each county is proportionate to the number of elderly and low-income persons living in that county in relation to the total number of elderly and low-income persons living in the state.

In order to receive allocations under this paragraph, the local board of health having jurisdiction shall prepare a proposal for the use of the allocated funds available for that jurisdiction that will provide the maximum benefits of expanded public health nursing care to elderly and low-income persons in the jurisdiction. After approval of the proposal by the department, the department shall enter into a contract with the local board of health. The local board of health shall subcontract with a nonprofit nurses' association, an independent nonprofit agency, or a suitable local governmental body to use the allocated funds to provide public health nursing care. Local boards of health shall make an effort to prevent duplication of services.

If by July 30 of each fiscal year, the department is unable to conclude contracts for use of the allocated funds in a county, the department shall consider the unused funds appropriated under this paragraph an unallocated pool. If the unallocated pool is fifty thousand (50,000) dollars or more it shall be reallocated to the counties in substantially the same manner as the original allocations. The reallocated funds are available for use in those counties during the period beginning January 1 and ending June 30 of each fiscal year. If the unallocated pool is less than fifty thousand (50,000) dollars, the department may allocate it to counties with demonstrated special needs for public health nursing.

The department shall maintain rules governing the expenditure of funds appropriated by paragraph "d". The rules require each local agency receiving funds to establish and use a sliding fee scale for those persons able to pay for all or a portion of the cost of the care.

The department shall annually evaluate the success of the public health nursing program. The evaluation shall include the extent to which the program reduced or prevented inappropriate institutionalization, the extent to which the program increased the availability of public health nursing care to elderly and low-income persons, and the extent of

public health nursing care provided to elderly and low-income persons. The department shall submit a report of each annual evaluation to the governor and the general assembly.

d. For grants to county boards of supervisors for the homemaker-home health aide program:  
..... \$ 7,787,000

Funds appropriated under this paragraph shall be used to provide homemaker-home health aide services with emphasis on services to elderly and persons below the poverty level and children and adults in need of protective services with the objective of preventing or reducing inappropriate institutionalization. In addition, up to fifteen percent of the funds appropriated under this paragraph may be used to provide chore services. The funds shall not be used for any other purposes. As used in this paragraph:

(1) "Chore services" means services provided to individuals or families, who, due to absence, incapacity, or illness, are unable to perform certain home maintenance functions. The services include but are not limited to yard work such as mowing lawns, raking leaves, and shoveling walks; window and door maintenance such as hanging screen windows and doors, replacing window panes, and washing windows; and minor repairs to walls, floors, stairs, railings, and handles. It also includes heavy house cleaning which includes cleaning attics or basements to remove fire hazards, moving heavy furniture, extensive wall washing, floor care or painting, and trash removal.

(2) "Elderly person" means a person who is sixty years of age or older.

(3) "Homemaker-home health aide services" means services intended to enhance the capacity of household members to attain or maintain the independence of the household members and provided by trained and supervised workers to individuals or families, who, due to the absence, incapacity, or limitations of the usual homemaker, are experiencing stress or crisis. The services include but are not limited to essential

shopping, housekeeping, meal preparation, child care, respite care, money management and consumer education, family management, personal services, transportation and providing information, assistance, and household management.

(4) "Low-income person" means a person whose income and resources are below the guidelines established by the department.

(5) "Protective services" means those homemaker-home health aide services intended to stabilize a child's or an adult's residential environment and relationships with relatives, caretakers, and other persons or household members in order to alleviate a situation involving abuse or neglect or to otherwise protect the child or adult from a threat of abuse or neglect.

The amount appropriated under this paragraph shall be allocated for use in the counties of the state. Fifteen percent of the amount shall be divided so that an equal amount is available for use in each county in the state. The following percentages of the remaining amount shall be allocated to each county according to that county's proportion of residents with the following demographic characteristics: sixty percent according to the number of elderly persons living in the county; twenty percent according to the number of persons below the poverty level living in the county; and twenty percent according to the number of substantiated cases of child abuse in the county during the three most recent fiscal years for which data is available.

In order to receive allocations under this paragraph, the county board of supervisors, after consultation with the local boards of health, county board of social welfare, area agency on aging advisor council, local office of the department of human services, and other in-home health care provider agencies in the jurisdiction, shall prepare a proposal for the use of the allocated funds available for that jurisdiction that will provide the maximum benefits of expanded homemaker-home health aide services to elderly and low-income persons

and children and adults in need of protective services in the jurisdiction. The proposal may provide that a maximum of fifteen percent of the allocated funds will be used to provide chore services. The proposal shall include a statement assuring that children and adults in need of protective services are given priority for homemaker-home health aide services and that the appropriate local agencies have participated in the planning for the proposal. After approval of the proposal by the department, the department shall enter into a contract with the county board of supervisors or a governmental body designated by the county board of supervisors. The county board of supervisors or its designee shall subcontract with a nonprofit nurses' association, an independent nonprofit agency, the department of human services, or a suitable local governmental body to use the allocated funds to provide homemaker-home health aide services and chore services providing that the subcontract requires any service provided away from the home to be documented in a report available for review by the department, and that each homemaker-home health aide subcontracting agency shall maintain the direct service workers' time assigned to direct client service at seventy percent or more of the workers' paid time and that no more than thirty-five percent of the total cost of the service be in the combined costs for service administration and agency administration. The subcontract shall require that each homemaker-home health aide subcontracting agency shall pay the employer's contribution of Social Security and provide workers' compensation coverage for persons providing direct homemaker-home health aide service and meet any other applicable legal requirements of an employer/employee relationship.

If by July 30 of each fiscal year, the department is unable to conclude contracts for use of the allocated funds in a county, the department shall consider the unused funds appropriated under this paragraph an unallocated pool. The department shall also identify any allocated funds which the

counties do not anticipate spending during each fiscal year. If the anticipated excess funds to any county are substantial, the department and the county may agree to return those excess funds, if the funds are other than program revenues, to the department, and if returned, the department shall consider the returned funds a part of the unallocated pool. The department shall prior to February 15 of each fiscal year, reallocate the funds in the unallocated pool among the counties in which the department has concluded contracts under this paragraph. The department shall also review the first ten months' expenditures for each county in May of each year, to determine if any counties have contracted funds which they do not anticipate spending. If such funds are identified and the county agrees to release the funds, the released funds will be considered a new reallocation pool. The department may, prior to June 1 of each year, reallocate funds from this new reallocation pool to those counties which have experienced a high utilization of protective service hours for children and dependent adults.

The department shall maintain rules governing the expenditure of funds appropriated by this paragraph. The rules require each local agency receiving funds to establish and use a sliding fee scale for those persons able to pay for all or a portion of the cost of the services and shall require the payments to be applied to the cost of the services. The department shall also maintain rules for standards regarding training, supervision, recordkeeping, appeals, program evaluation, cost analysis, and financial audits, and rules specifying reporting requirements.

The department shall annually evaluate the success of the homemaker-home health aide program. The evaluation shall include a description of the program and its implementation, the extent of local participation, the extent to which the program reduced or prevented inappropriate institutionalization, the extent to which the program provided or increased the availability of homemaker-home health aide services to

elderly and low-income persons and children and adults in need of protective services, any problems and recommendations concerning the program, and an analysis of the costs of services across the state. The department shall submit a report of the annual evaluation to the governor and the general assembly.

e. For the development and maintenance of well-elderly clinics in the state:

..... **S 494,000**

Appropriations made in this paragraph shall be provided to well-elderly clinics by a formula prioritizing clinics located in counties which provide funding on a matching basis for the well-elderly clinics.

f. For the decentralized indigent obstetrical patient program for salaries and support of not more than one full-time equivalent position annually, maintenance, and miscellaneous purposes there is appropriated the amount of seven hundred seventy thousand (770,000) dollars; however, if the provisions of 1988 Iowa Acts, House File 2447, section 3, subsection 14 are not enacted, there is appropriated, in lieu of the prior amount, the amount of one million seventy thousand (1,070,000) dollars.

It is the intent of the general assembly that a person certified under chapter 255A, who is not included in the patient quota for which care is provided at the university hospitals, but who gives birth or receives obstetrical care at the university hospitals, shall receive payment for care through the funds available under chapter 255 and the moneys not expended for the person certified under chapter 255A shall be available for use by the county of residence of the person certified.

It is also the intent of the general assembly that if delivery costs for persons certified under chapter 255A are less than one thousand nine hundred (1,900) dollars, the excess moneys shall revert to a fund for reallocation under chapter 255A in accordance with the allowable reimbursement

level established and in accordance with the patient quota formula.

Appropriations made in this paragraph shall be provided in accordance with the county patient quota formula established. The costs of provision of services to indigent obstetrical patients not provided services locally that are provided services at the university hospital shall be paid from the appropriation for the support of the hospital.

Sec. 6. There is appropriated from the separate fund created under section 3215.17 to the family and community health division of the Iowa department of public health for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the amount of seventy-six thousand (76,000) dollars, or so much thereof as is necessary, to pay the costs of medical examinations in crimes of sexual abuse and of treatments for prevention of venereal disease as required by section 709.10.

Sec. 7. There is appropriated from the separate fund created under section 601K.117 to the division of deaf services of the department of human rights for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the amount of fifty thousand (50,000) dollars, or so much thereof as is necessary, to be used for the funding of interpretation services provided by the division. If the moneys generated for deposit in the separate fund created under section 601K.117 are less than fifty thousand (50,000) dollars, an amount which is the difference between fifty thousand dollars and the amount generated for deposit in the fund shall be appropriated from the general fund of the state to the division of deaf services of the department of human rights for the year beginning July 1, 1988, and ending June 30, 1989. Four thousand (4,000) dollars of the moneys appropriated under this section shall be used for the payment of interpretation services contracted by the division of deaf services for the fiscal period beginning July 1, 1988, and ending June 30, 1989. Any balance in the fund on June 30, 1989, or June 30 of a succeeding fiscal year shall remain in the fund.

Sec. 8. The licensing boards for which general fund appropriations have been provided for in section 5, subsections 4, 5, 6, 7, and 8 of this Act may expend additional funds, if those additional expenditures are directly the cause of actual examination expenses exceeding funds budgeted for examinations. Before a licensing board included in section 5, subsections 4, 5, 6, 7, and 8 of this Act expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the department of management shall determine that the examination expenses exceed the funds budgeted by the general assembly to the board and the board does not have other funds from which examination expenses can be paid. Upon approval of the department of management the licensing board may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected as fees from additional examination applicants and shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 9. All federal grants to and federal receipts of the agencies appropriated funds under this division of this Act are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly. Full-time equivalent positions funded entirely with federal funds are exempt from the limits on the number of full-time equivalent positions provided in this division of this Act, but are approved only for the period of time for which the federal funds are available for the position.

Sec. 10. NEW SECTION. 255A.14 FUNDS -- REVERSION OF UNENCUMBERED BALANCE.

Notwithstanding the provisions of section 8.33 or any other provision of law, any unencumbered balance remaining in the decentralized indigent obstetrical patient program fund on June 30 of each year shall be used for the payment of warrants issued pursuant to section 255.25.

Sec. 11. Section 331.424, subsection 1, Code 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. p. Training of emergency medical services personnel and the acquisition of emergency medical services equipment.

Sec. 12. Section 331.424, subsection 2, Code 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Training of emergency medical services personnel and the acquisition of emergency medical services equipment.

Sec. 13. NEW SECTION. 601K.117 INTERPRETATION SERVICES FUND.

All fees collected by the division for provision of interpretation service by the division to obligated agencies shall be transmitted to the treasurer of the state who shall deposit the money in a separate fund dedicated to and used by the division for the provision of continued and expanded interpretation services. The commission shall adopt rules which establish a fee schedule for the costs of provision of interpretation services, for collection of the fees, and for disposition of moneys received under this section.

DIVISION OF CRIMINAL AND JUVENILE JUSTICE PLANNING.

Sec. 14. NEW SECTION. 601K.131 DEFINITIONS.

For the purpose of this subchapter, unless the context otherwise requires:

1. "Council" means the criminal and juvenile justice advisory council.
2. "Division" means the division of criminal and juvenile justice planning.
3. "Administrator" means the administrator of the division of criminal and juvenile justice planning.

Sec. 15. NEW SECTION. 601K.132 COUNCIL ESTABLISHED -- TERMS -- COMPENSATION.

A criminal and juvenile justice advisory council is established consisting of thirteen members. The governor shall appoint seven members each for a four-year term

beginning and ending as provided in section 69.19 and subject to confirmation by the senate as follows:

1. Three persons, each of whom is a county supervisor, county sheriff, mayor, city chief of police, or county attorney.
2. Two persons who represent the general public and are not employed in any law enforcement, judicial, or corrections capacity.
3. Two persons who are knowledgeable about Iowa's juvenile justice system.

The departments of human rights, human services, corrections, and public safety, the attorney general, and the chief justice of the supreme court shall each designate a person to serve on the council.

Members of the council shall receive reimbursement from the state for actual and necessary expenses incurred in the performance of their official duties. Members may also be eligible to receive compensation as provided in section 7E.3.

Sec. 16. NEW SECTION. 601K.133 DUTIES.

The council shall do all of the following:

1. Identify issues and analyze the operation and impact of present criminal and juvenile justice policy and make recommendations for policy changes.
2. Coordinate with data resource agencies to provide data and analytical information to federal, state, and local governments, and assist agencies in the use of criminal and juvenile justice data.
3. Report criminal and juvenile justice system needs to the governor, the general assembly, and other decision makers to improve the criminal and juvenile justice system.
4. Provide technical assistance upon request to state and local agencies.
5. Administer federal funds and funds appropriated by the state or that are otherwise available for study, research, investigation, planning, and implementation in the areas of criminal and juvenile justice.

6. Make grants to cities, counties, and other entities pursuant to applicable law.

Sec. 17. NEW SECTION. 601K.134 ADMINISTRATOR.

The administrator shall be responsible to the council, and pursuant to section 601K.2, with the approval of the council, shall employ and supervise other persons necessary to carry out the programs and policies established by the council.

Sec. 18. NEW SECTION. 601K.135 PLAN AND REPORT.

Beginning in 1989, and every five years thereafter, the division shall develop a twenty-year criminal and juvenile justice plan for the state which shall include ten-year, fifteen-year, and twenty-year goals and a comprehensive five-year plan for criminal and juvenile justice programs. The five-year plan shall be updated annually and each twenty-year plan and annual updates of the five-year plan shall be submitted to the governor and the general assembly by February 1.

Sec. 19. NEW SECTION. 601K.136 STATISTICAL ANALYSIS CENTER.

The division shall maintain an Iowa statistical analysis center for the purpose of coordinating with data resource agencies to provide data and analytical information to federal, state, and local governments, and assist agencies in the use of criminal and juvenile justice data. The division of criminal and juvenile justice planning and the statistical analysis center are considered criminal justice agencies for the purposes of receiving criminal history data.

Sec. 20. Section 7E.5, subsection 1, paragraph t, Code 1987, is amended to read as follows:

t. The department of human rights, created in section 601K.1, which has primary responsibility for services relating to Spanish-speaking people, children, youth, and families, women, persons with disabilities, community action agencies, and deaf and blind persons.

Sec. 21. Section 7E.5, Code 1987, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. v. The department for the blind, created in section 601L.1, which has primary responsibility for services relating to blind persons.

Sec. 22. Section 7E.6, subsection 5, Code 1987, is amended by striking the subsection.

Sec. 23. Section 18.3, subsection 1, unnumbered paragraphs 1 and 2, Code Supplement 1987, are amended to read as follows:

Establishing and developing, in co-operation with the various state agencies, a system of uniform standards and specifications for purchasing. When the system is developed, all items of general use shall be purchased through the department, except items used by the state department of transportation, institutions under the control of the board of regents, the commission department for the blind, and any other agencies exempted by law.

Life cycle cost and energy efficiency shall be included in the criteria used by the department of general services, institutions under the state board of regents, the state department of transportation, the commission department for the blind and other state agencies in developing standards and specifications for purchasing energy consuming products. As used in this paragraph "life cycle cost" means the expected total cost of ownership during the life of a product.

Sec. 24. Section 18.8, Code 1987, is amended to read as follows:

18.8 CAPITOL BUILDINGS AND GROUNDS -- SERVICES.

The director shall provide necessary telephone, telegraph, lighting, fuel, and water services for the state buildings and grounds located at the seat of government, except the buildings and grounds referred to in section ~~601K.133~~ 601L.3, subsection 6.

The director shall establish, supervise, and maintain a central mail unit for the use of all state officials and agencies located at the seat of government. All state officials and agencies located at the seat of government shall be required to dispatch first and second class mail and parcel

post mail, at the mail unit for the purpose of having the mail sealed, metered, and posted.

The director shall allow a department to seal, meter or stamp, and post mail directly from such department if it would be more efficient and economical.

Postage shall not be furnished to the general assembly, its members, officers, employees, or committees.

Except for buildings and grounds described in section ~~601K.123~~ 601L.3, subsection 6, and section 2.43, unnumbered paragraph 1, the director shall assign office space at the capitol, other state buildings and elsewhere in the city of Des Moines, for all executive and judicial state agencies. Assignments may be changed at any time. The various officers to whom rooms have been so assigned may control the same while the assignment to them is in force. Official apartments shall be used only for the purpose of conducting the business of the state. The term "capitol" or "capitol building" as used in the Code shall be descriptive of all buildings upon the capitol grounds. The capitol building itself is reserved for the operations of the general assembly, the governor and the courts and the assignment and use of physical facilities for the general assembly shall be pursuant to section 2.43.

The director shall appoint a superintendent of buildings and grounds, who shall serve at the pleasure of the director and shall not be governed by the provisions of chapter 19A.

Sec. 25. Section 18.12, subsection 2, Code Supplement 1907, is amended to read as follows:

2. Have at all times, charge of and supervision over the janitors, and other employees of the department in and about the capitol and other state buildings, except the buildings and grounds referred to in section ~~601K.123~~ 601L.3, subsection 6, at the seat of government.

Sec. 26. Section 135.62, subsection 2, paragraph C, Code 1987, is amended to read as follows:

c. MEETINGS. The council shall hold an organizational meeting in July of each odd-numbered year, or as soon

thereafter as the new appointee or appointees are confirmed and have qualified. Other meetings shall be held at least once each month, and may be held more frequently if necessary to enable the council to expeditiously discharge its duties. Meeting dates shall be set upon adjournment or by call of the chairperson upon five days' notice to the other members. Each member of the council shall receive an annual salary of three ~~thousand dollars~~ a forty dollar per diem and reimbursement for actual expenses while engaged in official duties.

Sec. 21. Section 601K.1, Code Supplement 1907, is amended to read as follows:

601K.1 DEPARTMENT OF HUMAN RIGHTS.

A department of human rights is created, with the following divisions:

1. Division of Spanish-speaking people.
2. Division of children, youth, and families.
3. Division on the status of women.
4. Division of persons with disabilities.
5. Division of **community** action agencies.
6. Division of deaf services.
7. Division for the ~~blind~~ criminal and juvenile justice planning.

Sec. 28. Section 601K.3, subsection 1, Code 1987, is amended to read as follows:

1. A human rights policy-coordinating council composed of seven ~~eight members~~ is created within the department of human rights. The council is composed of the administrators within the department.

Sec. 29. Section 601K.121, Code 1987, is amended to read as follows:

601K.121 DEFINITIONS.

For purposes of this subchapter chapter, unless the context otherwise requires

1. "Commission" means the commission for the blind.
2. "~~Division~~" "Department" means the ~~division~~ department for the blind ~~of the department of human rights~~.



3. "Administrator" "Director" means the ~~administrator~~  
~~director~~ of the ~~division~~ department for the blind ~~ef-the~~  
~~department-of-human-rights~~.

Sec. 30. Chapter 80C, Code 1987, is repealed.

Sec. 31. The Code editor shall renumber sections 601K.121  
through 601K.127 of the Code as a new chapter 601L.

Sec. 32. Section 13 of this Act takes effect upon  
enactment.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and  
is known as Senate File 2310, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

**SF 2310**

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TERRY E. BRANSTAD  
Governor



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD  
GOVERNOR

April 14, 1988

The Honorable Jo Ann Zimmerman  
President of the Senate  
State Capitol Building  
L O C A L

Dear Madam President:

I hereby transmit Senate File 2310, an **act** relating to and making appropriations to the Iowa **state** civil rights **commission, the** department of **human** rights, **the** department for **the** blind, the department of elder affairs, and the department of public health and establishing a division of criminal. **and** juvenile justice planning.

Senate File 2310 is approved with the following exception which I hereby **disapprove**.

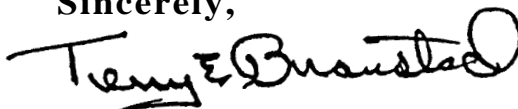
I am unable to approve the item designated as Sections 11 and 12 of Senate File 2310.

**These sections** of this bill authorize counties to **levy additional property taxes** to fund the training of **emergency** medical services personnel and the acquisition of emergency medical services equipment. I am **unable to approve this authorization for an** additional supplemental levy because I do **not** believe that property taxpayers should be **made** subject **to** the additional burden of paying for emergency medical services. This **same** bill adopts my recommendation to provide **state** funding of **\$1** million for emergency medical services. These state dollars can be well utilized to make certain **the** rural areas retain access to critical emergency medical services. Thus, adding this additional burden on the property taxpayer is unnecessary and **unwise,**

The Honorable Jo Ann Zimmerman  
April 14, 1988  
Page 2

For the above reasons, I hereby respectfully disapprove of this item in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in Senate File 2310 are hereby approved as of *this* date.

Sincerely,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of State  
Secretary of the Senate  
Chief Clerk of the House

SENATE FILE 2311

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO VARIOUS STATE AGEN- CIES INCLUDING THE ELECTED OFFICIALS, THE EXECUTIVE COUNCIL, THE DEPARTMENT OF GENERAL SERVICES, THE DEPARTMENT OF PER- SONNEL, THE DEPARTMENT OF REVENUE AND FINANCE, THE OFFICE OF STATE-FEDERAL RELATIONS, AND THE DEPARTMENT OF MANAGEMENT APPROPRIATING CERTAIN MEMBERSHIP FEES, INCREASING FEES COL- LECTED BY FILING OFFICERS, TRANSFERRING MONEYS IN THE IOWA ECONOMIC EMERGENCY FUND TO TRE GENERAL FUND OF THE STATE, AND APPROPRIATING MONEYS TO THE COUNTY ASSISTANCE FUND, THE MUNICIPAL ASSISTANCE FUND, AND THE MONEYS AND CREDITS RE- PLACEMENT FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

- 1. For salaries and support for not more than forty-six full-time equivalent positions, maintenance, and other operational purposes: \$ 1,450,431
2. For editing and printing the Iowa official register:

- ..... \$ 72,410
SEC. 2. There is appropriated from the general fund of the state to the office of the governor for the fiscal year com- mencing July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:
1. For salaries and support for not more than fifteen full-time equivalent positions, maintenance, and miscellaneous purposes of the general office of the governor: \$ 728,028
2. For the governor's expenses connected with office: \$ 5,434
3. For salaries and support for not more than three full- time equivalent positions, and miscellaneous purposes of the governor's quarters at Terrace Hill: \$ 82,676
4. For the payment of expenses of ad hoc committees, councils, and task forces appointed by the governor to research and analyze a particular subject area relevant to the problems and responsibilities of state and local government, including the employment of professional, technical, and administrative staff and the payment of per diem, not exceeding forty dollars, and actual expenses of committee, council, or task force members and as a condition, limitation, and qualification of this appropriation, the ad hoc committees, councils, and task forces appointed by the governor shall be subject to the provisions of chapters 21 and 22 and the members shall be so informed: \$ 8,009
5. For salaries and support for not more than two full- time equivalent positions, maintenance, and miscellaneous purposes of the office of administrative rules coordinator: \$ 86,898
6. For payment of Iowa's membership in the national governors' conference: \$ 68,980

SC 2311

Sec. 3. There is appropriated from the general fund of the state to the office of the lieutenant governor for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries and support for not more than two point five full-time equivalent positions, maintenance, and miscellaneous purposes including the lieutenant governor's compensation and expenses as provided in subsection 2 of section 2.10 including service as a member of the legislative council and for per diem and expenses incurred while performing duties of the lieutenant governor when the general assembly is not in session:

..... \$ 124,664

Sec. 4. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries and support for not more than twenty-six full-time equivalent positions, maintenance, and other operational purposes:

..... \$ 632,543

Sec. 5. There is appropriated from the general fund of the state to the executive council for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries and support for not more than one point twelve full-time equivalent positions, maintenance, and miscellaneous purposes:

.....\$ 38,379

Sec. 6. There is appropriated from the general fund of the state to the following named agencies for the fiscal year commencing July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. NATIONAL CONFERENCE OF STATE LEGISLATURES

For support of the membership assessment:

..... \$ 64,701

2. COMMISSION ON UNIFORM STATE LAWS

For support of the commission and expenses of the members:

..... \$ 12,100

3. PIONEER LAWMAKERS

For expenses of the biennial meeting:

..... \$ 700

Sec. 7. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, for general operations the sum of five million two hundred forty-six thousand four hundred ninety-seven (5,246,497) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than five million one hundred thirty-six thousand two hundred one (5,136,201) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43 may be expended for salaries and benefits for not more than two hundred twenty point ten full-time equivalent positions and not more than five hundred sixty-one thousand six hundred twenty-four (561,624) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition..

Savings achieved in providing telecommunications services shall be used by the department of general services to increase efficiencies in the provision of those services, however, if the revenue estimate for the fiscal year beginning July 1, 1988, approved by the revenue estimating conference as of December 15, 1988, is less than two billion seven hundred forty million seven hundred thousand (2,740,700,000) dollars the department shall transfer three hundred fifty thousand (350,000) dollars, or so much thereof as is necessary, of

those savings to the general fund of the state on June 30, 1989.

Sec. 8. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, for the division of information services the sum of five million four hundred four thousand four hundred seventy (5,404,470) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than four million seven hundred sixty-seven thousand seven hundred twenty-eight (4,767,728) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43 may be expended for salaries and benefits for not more than one hundred fifty-eight full-time equivalent positions and not more than three million four hundred seventy-six thousand three hundred thirty (3,476,330) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are subject to this condition.

Sec. 9. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CAPITOL PLANNING COMMISSION

For expenses of the members in carrying out their duties under chapter 18A:
..... \$ 1,542

2. UTILITY COSTS

for payment of utility costs:
..... \$ 1,667,302

The department of general services may use funds appropriated in this subsection for utility costs to fund energy conservation projects in the state capitol complex which will have a one hundred percent payback within a twelve-month period.

3. RENTAL SPACE

For payment of lease or rental costs of buildings and office space at the seat of government as provided in section 18.12, subsection 9, notwithstanding section 18.16:

..... \$ 655,431

Sec. 10. There is appropriated from the revolving funds designated to the department of general services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

DEPARTMENT OF GENERAL SERVICES -- REVOLVING FUNDS

1. From the centralized printing permanent revolving fund established by section 18.57 for salaries and support for not more than twenty-nine full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 751,500

2. The remainder of the centralized printing permanent revolving fund is appropriated for the expense incurred in supplying paper stock, offset printing, copy preparation, binding, distribution costs, original payment of printing and binding claims and contingencies arising during the fiscal year beginning July 1, 1988, which are legally payable from this fund.

3. From the centralized purchasing permanent revolving fund established by section 18.9 for salaries and support for not more than fifteen full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 492,886

4. The remainder of the centralized purchasing permanent revolving fund is appropriated for the payment of expenses incurred through purchases by various state departments and for contingencies arising during the fiscal year beginning July 1, 1988, and ending June 30, 1989, which are legally payable from this fund.

5. From the vehicle dispatcher revolving fund established by section 18.119 for salaries and support for not more than

fifteen full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 442,028

6. The remainder of the vehicle dispatcher revolving fund is appropriated for the purchase of gasoline, gasohol, oil, tires, repairs and all other maintenance expenses incurred in the operation of state-owned motor vehicles and for contingencies arising during the fiscal year beginning July 1, 1988, which are legally payable from this fund.

. Sec. 11. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 1988, and ending June 30, 1989, for operations the sum of three million three hundred eighty-six thousand six hundred fifty-four (3,386,654) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than three million forty-seven thousand nine hundred eighty-eight (3,047,988) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43 may be expended for salaries and benefits for not more than ninety-nine point twenty-five full-time equivalent positions and not more than three hundred thirty-eight thousand six hundred sixty-six (338,666) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

Sec. 12. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of fifty thousand (50,000) dollars, or so much thereof as is necessary, for the transfer of eight full-time equivalent positions from the department of human services to the department of personnel to accomplish state government reorganization or the purpose of fulfilling federal billing and reimbursement requirements.

Sec. 13. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries and support for not more than two point five full-time equivalent positions, maintenance, and other operational purposes to pay the costs of administration of federal old age benefit and Iowa old age survivors insurance programs:

..... \$ 102,517

Sec. 14. There is appropriated from the Iowa public employees' retirement system fund to the department of personnel for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the following purposes designated:

For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system:

..... \$ 2,306,059

It is the intent of the general assembly that the Iowa public employees' retirement system employ sufficient staff within the appropriation provided in this section to meet the developing requirements of the investment program.

Sec. 15. There is appropriated from the general fund of the state to the department of revenue and Linance for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, to be used for the funding of the following programs for the purposes designated:

For salaries and support for not more than six hundred twelve point twenty-seven full-time equivalent positions, maintenance, and miscellaneous purposes:

.....\$ 18,130,891

Of the funds appropriated by this section, it is the intent of the general assembly that the department of revenue and finance shall expend one hundred seventy-six thousand eight hundred three (176,803) dollars to employ additional auditors for tax auditing and collection purposes.

Notwithstanding any other provisions, not more than one million (1,000,000) dollars of the funds received in payment of taxes to the state of Iowa from audits conducted by the department of revenue and finance shall be transferred to the general fund of the state but shall be placed in a special account within the department of revenue and finance and may be used by the director of the department to hire or retain not more than thirty-three full-time equivalent positions to conduct audits and investigations and initiate tax collection proceedings and enforcements, provided the director of the department determines that the effect of the use of the funds for this purpose will result in collecting an additional two dollars in tax collections for every dollar expended in fiscal year 1989, and result in at least three dollars collected for every dollar expended over a longer time period. The director shall report at least quarterly to the fiscal committee of the legislative council when the general assembly is not in session and to the general assembly when the general assembly is in session, on the personnel and support services provided, the funds expended, the tax obligations established, and the taxes collected under the provisions of this paragraph.

The department shall review the net fiscal impact of joining the multistate tax commission, including convening a meeting with officials from the multistate tax commission, the department, and the fiscal committee of the legislative council prior to October 1, 1988.

Sec. 16. There is appropriated from the motor vehicle fuel tax fund to the department of revenue and finance for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, for salaries, support, maintenance, and other operational

purposes for administration and enforcement of the provisions of chapter 324 and the motor vehicle use tax program:  
..... \$ 1,032,836

The department shall continue to report quarterly to the legislative fiscal bureau the estimates of additional revenue collected as a result of any increase in auditing and enforcement provided under this appropriation.

Sec. 17. There is appropriated from the lottery fund to the department of revenue and finance for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For salaries and support for not more than one hundred forty-six point thirty-five full-time equivalent positions, maintenance, and miscellaneous purposes:  
..... \$ 7,424,465

Sec. 18. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of one million four hundred eighty-five thousand eight hundred fifty-one (1,485,851) dollars, or so much thereof as is necessary, and as a condition, limitation, or qualification of this appropriation, no more than one million three hundred thirty-five thousand seven hundred fifty (1,335,750) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43 may be expended for salaries and benefits for not more than thirty-three full-time equivalent positions and not more than two hundred six thousand five hundred one (206,501) dollars from all revenue sources may be expended for support and miscellaneous purposes. unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

Sec. 19. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the



following amounts, or so much thereof as is necessary, to be used for the following purpose:

COUNCIL OF STATE GOVERNMENTS

For support of the membership assessment:

..... \$ 55,900

Sec. 20. There is appropriated from the general fund of the state to the office of state-federal relations for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the following purposes designated:

For salaries and support for not more than three full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 186,522

Sec. 21. There is appropriated from the general fund of the state to the moneys and credits replacement fund established in section 422.100 for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of one million four hundred seventy-five thousand (1,475,000) dollars, or so much thereof as may be necessary, to be used for payments to counties as provided in section 422.100. Notwithstanding section 422.100, all of the funds allocated to the counties from the moneys and credits replacement fund during the fiscal year beginning July 1, 1988, and ending June 30, 1989, shall be allocated to cities as required by law by the county treasurer.

If the governor's proposed standing limited property tax replacement program is adopted by the Seventy-second General Assembly, 1988 Session, and becomes law, this section is void.

Sec. 22. There is appropriated from the general fund of the state to the municipal assistance fund established in section 405.1 for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for state assistance to municipalities, with distribution in accordance with section 405.1:

..... \$ 14,500,000

If the governor's proposed standing limited property tax replacement program is adopted by the Seventy-second General Assembly, 1988 Session, and becomes law, this section is void.

Sec. 23. There is appropriated from the general fund of the state to the county assistance fund established in section 334A.1 for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for state assistance to counties, with distribution in accordance with section 334A.2:

..... \$ 5,400,000

If the governor's proposed standing limited property tax replacement program is adopted by the Seventy-second General Assembly, 1988 Session, and becomes law, this section is void.

Sec. 24. There is appropriated from the centralized printing permanent revolving fund to the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of forty-seven thousand (47,000) dollars.

Sec. 25. There is appropriated from the centralized purchasing permanent revolving fund to the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of fifty-three thousand (53,000) dollars.

Sec. 26. Notwithstanding section 8.55, the moneys in the Iowa economic emergency fund are transferred to the general fund of the state if necessary to avoid a deficit in the general fund of the state and to defray expenses at the conclusion of the fiscal year beginning July 1, 1988, and ending June 30, 1989.

Sec. 27. For purposes of this Act and any other appropriations statute enacted by the Seventy-second General Assembly, 1988 Session, "full-time equivalent position" means a budgeting and monitoring unit that equates the aggregate of full-time positions, part-time positions, a vacancy and turnover factor, and other adjustments. One full-time equivalent position represents two thousand eighty working

hours, which is the regular number of hours one full-time person works in one fiscal year. The number of full-time equivalent positions shall be calculated by totaling the regular number of hours that could be annually worked by persons in all authorized positions, reducing those hours by a vacancy and turnover factor and dividing that amount by two thousand and eighty hours. In order to achieve the full-time equivalent position level, the number of filled positions may exceed the number of full-time equivalent positions during parts of the fiscal year to compensate for time periods when the number of filled positions is below the authorized number of full-time equivalent positions.

Sec. 28. Section 18.75, Code 1987, is amended by inserting the following new subsection after subsection 7 and renumbering the subsequent subsection:

NEW SUBSECTION. 8. By September 1 of each year supply a report which contains the name, gender, county or city of residence when possible, official title, salary received during the previous fiscal year, base salary as computed on July 1 of the current fiscal year, and traveling and subsistence expense of the personnel of each of the departments, boards, and commissions of the state government except personnel who receive an annual salary of less than one thousand dollars. The number of the personnel and the total amount received by them shall be shown for each department in the report. All employees who have drawn salaries, fees, or expense allowances from more than one department or subdivision shall be listed separately under the proper departmental heading. On the request of the superintendent, the head of each department, board, or commission shall furnish the data covering that agency. The report shall be paid for out of moneys in the general fund not otherwise appropriated. A report shall be distributed upon request without charge to each member of the general assembly and the state law library. Other persons may purchase a copy for a fee not less than the amount required to print the copy. All

funds from the sale of the report shall be deposited in the general fund.

Sec. 29. Section 2.10, subsection 7, Code Supplement 1987, is amended to read as follows:

7. If a special session of the general assembly is convened, members of the general assembly shall receive, in addition to their annual salaries, the sum of forty dollars per day for each day the general assembly is actually in special session, and the same travel allowances and expenses as authorized by this section. A member of the general assembly shall receive the additional per diem, travel allowances and expenses only for the days of attendance during a special session.

Sec. 30. Section 19.29, Code 1987, is amended to read as follows:

19.29 PERFORMANCE OF DUTY -- EXPENSE.

The executive council shall not employ others, or incur any expense, for the purpose of performing any duty imposed upon such the council when such the duty may, without neglect of their usual duties, be performed by the members, or by their regular employees, but, subject to such this limitation, the council may incur the necessary expense to perform or cause to be performed any legal duty imposed on said the council, and pay the same out of any money in the state treasury not otherwise appropriated. The council shall consider the original sources of funds prior to committing general fund moneys in performing its duties under this section.

Sec. 31. Section 19A.12, subsection 2, Code 1987, is amended to read as follows:

2. An Iowa management training revolving fund is created in the state-treasury. The moneys credited to the fund shall be used for the purpose of paying actual and necessary expenses incurred by the department in administering the Iowa management training system. All fees, grants, or specific appropriations for this purpose shall be credited to the fund. The fees for the Iowa management training system courses shall

be set by the director to cover the cost of administration, course development, training materials and equipment, and professional instructors. The fees shall be paid to the department by the state agency sending the employees for training and the payment shall be credited to the Iowa management training revolving fund. ~~Section 8.33 does not apply to the unobligated or unencumbered balance in this fund.~~ Notwithstanding section 8.33, the department shall not revert any unencumbered or unobligated balance in the fund, except amounts in excess of fifty thousand dollars, beginning on June 30, 1988.

Sec. 32. Section 77.4, subsection 5, Code 1987, is amended to read as follows:

5. Remit the sum of ~~fifteen~~ thirty dollars to the secretary of state.

Sec. 33. Section 331.609, subsection 7, Code 1987, is amended to read as follows:

7. Upon request of a person, the filing officer shall issue a certificate showing whether there ~~is~~ on file, on the date and hour stated, a notice of federal tax lien or certificate or notice affecting the lien, filed on or after July 1, 1970, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate is ~~five~~ six dollars. Upon request the filing officer shall furnish a copy of any notice of federal tax lien or notice or certificate affecting a federal tax lien for a fee of five dollars per page.

Sec. 34. Section 496A.126, Code 1987, is amended to read as follows:

496A.126 ANNUAL LICENSE FEES PAYABLE BY DOMESTIC CORPORATIONS.

At the time of filing its annual report, each domestic corporation shall pay to the secretary of state an annual license fee for the calendar year, which shall be due on January 1, payable March 31, to be based on its stated capital, as follows:

	STATED CAPITAL	FEE
Over	Not over	\$ 20,000
		\$ 15
\$ 20,000	but not over	20
		20
40,000	but not over	25
		25
60,000	but not over	30
		30
80,000	but not over	35
		35
100,000	but not over	40
		40
150,000	but not over	45
		45
200,000	but not over	50
		50
250,000	but not over	55
		55
300,000	but not over	60
		60
350,000	but not over	65
		65
400,000	but not over	70
		70
500,000	but not over	75
		75
600,000	but not over	80
		80
700,000	but not over	85
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800,000	but not over	90
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900,000	but not over	95
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1,000,000	but not over	100
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			<u>190</u>
2,500,000	but not over	5,000,000	<del>268</del>
			<u>265</u>
5,000,000	but not over	10,000,000	<del>360</del>
			<u>365</u>
10,000,000	but not over	50,000,000	<del>818</del>
			<u>815</u>
50,000,000	but not over	100,000,000	<del>1,218</del>
			<u>1,215</u>
100,000,000	but not over	200,000,000	<del>1,618</del>
			<u>1,615</u>
200,000,000	but not over	300,000,000	<del>2,018</del>
			<u>2,015</u>
300,000,000	but not over	500,000,000	<del>2,518</del>
			<u>2,515</u>
500,000,000			3,015

Provided, that a domestic corporation having no stated capital, or a foreign corporation having no stated capital or no property in Iowa, shall pay an annual license fee of fifteen twenty dollars.

Sec. 35. Section 496A.127, unnumbered paragraph 3, Code 1987, is amended to read as follows:

The minimum annual license fee shall be fifteen twenty dollars.

Sec. 36. Section 554.9403, subsection 5, Code 1987, is amended to read as follows:

5. The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing shall be as follows:

a. For Five dollars for an original financing statement if the statement is in the standard form prescribed by the secretary of state, and otherwise five six dollars.

b. For Five dollars for a continuation statement if the statement is in the standard form prescribed by the secretary of state, and otherwise five six dollars.

Sec. 37. Section 554.9405, subsections 1 and 2, Code 1987, are amended to read as follows:

1. A financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face or back of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in section 554.9403, subsection 4. The uniform fee for filing, indexing and furnishing filing data for a financing statement so indicating an assignment on a form conforming to standards prescribed by the secretary of state shall be ~~four~~ five dollars, or ~~if~~ such statement otherwise conforms to the requirements of this section, five six dollars.

2. A secured party may assign of record all or a part of the rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and setting forth the name of the secured party of record and the debtor, the file number and the date of filing of the financing statement and the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement ~~if~~ it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. The filing officer shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to section 554.9103, subsection 5, the filing officer shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee,

the filing officer shall index the assignment of the financing statement under the name of the assignee. The uniform fee for filing, indexing and furnishing filing data about such a separate statement of assignment on a form conforming to standards prescribed by the secretary of state shall be ~~four~~ five dollars, or if such statement otherwise conforms to the requirements of this section, five six dollars.

Notwithstanding the provisions of this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (section 554.9402, subsection 6), may be made only by an assignment of the mortgage in the manner provided by the law of this state other than this chapter.

For financing statements covering fixture filings, changes in the filings, and termination of the filings, an additional fee shall be charged for recording in an amount specified in section 331.604.

Sec. 38. Section 554.9406, Code 1987, is amended to read as follows:

554.9406 RELEASE OF COLLATERAL -- DUTIES OF FILING OFFICER -- FEES.

A secured party of record may **by** a signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor, the name and address of the secured party, and the file number of the financing statement. A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with section 554.9405, subsection 2, including payment of the required fee. Upon presentation of such a statement of release the filing officer shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing of the financing statement. The uniform fee for filing and noting

such a statement of release on a form conforming to standards prescribed by the secretary of state shall be ~~four~~ five dollars, or if such statement otherwise conforms to the requirements of this section, five six dollars.

Sec. 39. Section 554.9407, subsections 2 and 3, Code 1987, are amended to read as follows:

2. Upon a verbal request of a person, the filing officer shall verbally give information concerning a presently effective financing statement. The uniform fee for responding to a verbal request is four five dollars. The requesting party may request a certificate from the filing officer confirming the information given. The uniform fee for a certificate is one dollar.

3. Upon written request of any person, the filing officer shall issue a certificate showing whether there is **on** file on the date and hour stated therein, any presently effective financing statement or verified lien statement under chapter 570A naming a particular debtor and any financing statement or verified lien statement changes and if there are, giving the date and hour of filing of each such filing and the names and addresses of each secured party therein. **The uniform fee for** such a certificate shall be four five dollars if the request for the certificate is on a form conforming to standards prescribed by the secretary of state; otherwise, five six dollars. Upon request and the payment of the appropriate fee the filing officer shall furnish a certified copy of **any** filed financing statement or financing statement changes or verified lien statement or lien statement changes for a uniform fee of one dollar per page.

Sec. 40. Section 570A, 4, subsection 4, Code 1987, is amended to read as follows:

4. The secretary of state shall note the filing of a lien statement under this section in the manner provided by chapter 554, the uniform commercial code, and shall charge a ~~five~~ five dollar filing fee if the statement is the standard form prescribed by the secretary of state, and otherwise a fee of ~~five~~ six dollars.

Sec. 41. All federal grants to and the federal receipts of agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants or receipts.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2311, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

**SF 2311**

SENATE FILE 2312

AN ACT

RELATING TO THE FUNDING OF, OPERATION OF, AND APPROPRIATION OF HONEYS TO AGENCIES, INSTITUTIONS, COMMISSIONS, DEPARTMENTS, AND BOARDS RESPONSIBLE FOR EDUCATIONAL, CULTURAL, AND REHABILITATIONAL PROGRAMS OF THIS STATE AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

DEPARTMENT OF CULTURAL AFFAIRS

Section 1. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. For the administration division for salaries and support for not more than eight full-time equivalent positions, maintenance, and miscellaneous purposes: \$ 273,190

2. For the arts division for salaries and support for not more than ten full-time equivalent positions, maintenance, and miscellaneous purposes including funds to match federal grants: \$ 493,069

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the arts division shall expend moneys to develop a basic art education curriculum in cooperation with the department of education in order to qualify for receipt of federal matching funds from the national endowment for the arts.

3. For the historical division:

a. For salaries and support for not more than fifty-seven full-time equivalent positions, maintenance, and miscellaneous purposes:

\$ 1,899,128

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this paragraph one of the full-time equivalent positions employed by the historical division be assigned marketing duties relating to the historical division and the department of cultural affairs.

b. For equipment, planning and construction costs for exhibits:

\$ 600,060

4. For the library division for salaries and support for not more than forty point five full-time equivalent positions, maintenance, and miscellaneous purposes:

\$ 1,177,842

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the library division shall expend moneys for open access of libraries, for library cooperation grants, and for the operation of the blue ribbon task force on library cooperation and technology established in section 4 of this Act.

5. For the public broadcasting division for salaries and support for not more than one hundred full-time equivalent positions, maintenance, capital expenditures, and miscellaneous purposes:

\$ 6,280,706

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the public broadcasting division shall expend moneys for the replacement of the channel 12 transmitter located at West Branch and for narrowcast production facilities. Notwithstanding section 8.33, if a portion of the moneys appropriated in this subsection is not expended or encumbered on June 30, 1989, the amount remaining

shall not revert to the general fund of the state but is appropriated for expenditure for the purposes specified in this subsection during the fiscal year beginning July 1, 1989.

6. For the Terrace Hill commission for salaries and support for not more than five point twenty-five full-time equivalent positions, maintenance, and miscellaneous purposes for the operation of Terrace Hill and for conducting tours:  
.....\$ 179,284

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the Terrace Hill commission shall expend moneys for the replacement or repair of all porches at Terrace Hill.

7. For the regional library system for state aid:  
.....\$ 1,458,985

8. To assist the Iowa newspaper association in funding the Iowa tomorrow: 2010 project, a project that will consist of statewide consensus building for Iowa's economic future:  
.....\$ 100,000

Sec. 2. It is the intent of the general assembly that as a condition, limitation, and qualification of funds appropriated in section 1, subsection 3, of this Act, the historical division solicit voluntary contributions on behalf of the historical division at entrance locations and other locations throughout the historical building. Voluntary contributions collected in this manner and entrance fees for the Hontauk governor's mansion shall be used to pay principal and interest on moneys borrowed from the permanent school fund under section 303.18.

Sec. 3. Notwithstanding sections 302.1 and 302.1A, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the portion of the interest earned on the permanent school fund that is not transferred to the credit of the first in the nation in education foundation and not transferred to the credit of the national center for gifted and talented education shall be credited as a payment by the historical division of the department of cultural affairs of principal

and interest due on moneys loaned to the historical division under section 303.18.

Sec. 4. As a condition, limitation, and qualification of funds appropriated in section 1, subsection 4, of this Act, the director of the department of cultural affairs shall appoint a blue ribbon task force on libraries to examine the potential for cooperation among various library and media centers in this state through the utilization of new technology. The members of the blue ribbon task force shall consist of representatives from public libraries, university and college libraries, public and nonpublic elementary and secondary school libraries, area education agency media centers, regional libraries, libraries in area schools, the narrowcast division of the public broadcasting division, and the library division, and members of the general assembly. The administrator of the library division shall serve as chairperson of the task force.

The task force is directed to:

1. Evaluate the new technology available for libraries and the potential for cooperative use of the technology deemed to be useful.
2. Discuss problem areas from the view of the library user in the establishment of cooperative programs.
3. Develop a comprehensive long-range plan for library cooperation that will provide for a sharing of resources and use of new technology. The plan shall include free and equal access to library resources to citizens of the state and a plan for funding the services and purchase and operation of the new technology.

The task force shall hold meetings as deemed necessary and shall submit the plan to the governor and to the general assembly not later than December 1, 1988.

Sec. 5. The public broadcasting division of the department of cultural affairs may use the state of Iowa facilities improvement corporation to purchase energy efficiency packages for its ultrahigh frequency transmitters without meeting the requirements of section 19.34.



Sec. 6. Notwithstanding 1986 Iowa Acts, chapter 1246, section 102 and section 103, as amended by 1987 Iowa Acts, chapter 228, section 7, moneys appropriated in those sections that remain unobligated and unencumbered on June 30, 1988, shall not revert to the general fund on June 30, 1988, but shall remain available for expenditure for the purposes specified until June 30, 1989.

Sec. 7. Section 99E.32, subsection 3, paragraph c, Code Supplement 1987, is amended to read as follows:

c. ~~To~~ For the fiscal years beginning July 1, 1986, and July 1, 1987, to the department of cultural affairs, and for the fiscal years beginning July 1, 1988, and July 1, 1989, to the arts division of the department of cultural affairs, for the purposes designated in section 99E.31, subsection 3, paragraph "d". For the fiscal year beginning July 1, 1987, the amount appropriated is six hundred seventy-five thousand dollars.

Sec. 8. Section 303.9, subsection 1, Code 1987, is amended to read as follows:

1. All funds received by the department, including but not limited to gifts, endowments, funds from the sale of memberships in the state historical society, funds from the sale of mementos and other items relating to Iowa history as authorized under subsection 2, interest generated by the life membership trust fund, and fees, except-entrnsnce-fees-fat-the Montauk-governor's-mansion, shall be credited to the account of the department and are appropriated to the department to be invested or used for programs and purposes under the authority of the department. Interest earned on funds credited to the department, except funds appropriated to the department from the general fund of the state, shall be credited to the department. Section 8.33 does not apply to funds credited to the department under this section.

DIVISION II

COLLEGE AID COMMISSION

Sec. 9. There is appropriated from the general fund of the state to the college aid commission for the fiscal year

beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, to be used by the following agency for the purposes designated:

COLLEGE AID COMMISSION

For salaries and support for not more than five point thirty-two full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 279,251

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this section, the college aid commission shall expend moneys for the occupational therapist loan repayment program established in section 261.46.

Sec. 10. There is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of seven hundred fifteen thousand (715,000) dollars, or so much thereof as may be necessary, to be paid to the college of osteopathic medicine and surgery for the subvention program created pursuant to sections 261.18 and 261.19.

Notwithstanding section 261.19, for the fiscal year beginning July 1, 1988, the subvention shall be used for the admission and education of students enrolled in each of the four years of classes in the college of osteopathic medicine and surgery.

Sec. 11. There is appropriated from the guaranteed student loan reserve fund to the college aid commission for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, to be used for the funding of the following programs for the guaranteed student loan program:

1. OPERATING COSTS

For operating costs, including salaries and support for not more than twenty-six point eighty full-time equivalent positions:

..... \$ 2,202,606

2. LOAN CONSOLIDATION SERVICES

For loan consolidation services:

.....\$ 200,000

Sec. 12. As a condition, limitation, and qualification of the appropriation made in section 261.25, subsection 1 for the fiscal year beginning July 1, 1988, the Institutions of higher education that enroll recipients of Iowa tuition grants shall transmit to the Iowa college aid commission information about the numbers of minority students enrolled and minority faculty members employed at the institution, and existing or proposed plans for the recruitment and retention of minority students and faculty as well as existing or proposed plans to serve nontraditional students. The Iowa college aid commission shall compile and report the enrollment and employment information and plans to the chairpersons and ranking members of the house and senate education committees, and chairpersons and ranking members of the joint education appropriations subcommittee and the governor by February 1, 1989.

Sec. 13. Notwithstanding the appropriation provided in section 261.25, subsection 3, there is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of six hundred forty-four thousand two hundred ninety-four (644,294) dollars for vocational-technical tuition grants.

Sec. 14. Notwithstanding the appropriation provided in section 261.45, there is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of eighty-four thousand six hundred ninety-nine (84,699) dollars for reimbursement payments for the guaranteed loan payment program.

Sec. 15. Notwithstanding section 261.53, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, funds shall not be appropriated from the general fund of the state and loans shall not be made under sections 261.51 and 261.52.

Sec. 16. The legislative fiscal bureau shall study options for providing guaranteed student loan services to eligible borrowers and make recommendations to the education

appropriations subcommittee chairpersons and ranking members not later than November 1, 1988.

Sec. 17. The college aid commission shall review during the fiscal year beginning July 1, 1988, the impact of the rule adopted by the commission that extends the deadline for applications for the Iowa tuition grant program and shall continue to pursue administrative methods that will promote access to the tuition grant program for those individuals seeking to receive an education in this state from an independent college or university. The college aid commission shall consider making a recommendation to the general assembly that increases the maximum amount of a tuition grant for those individuals who are expected to have a substantial debt burden upon graduation. The commission shall submit a report that outlines its conclusions to the general assembly by December 1, 1988.

Sec. 18. Section 993.31, subsection 4, paragraph b, Code Supplement 1987, is amended to read as follows:

b. To the Iowa college aid commission for the summer institute program established pursuant to this paragraph the sum of one million dollars. Institutions of higher education in the state may submit proposals to the council for postsecondary education for eight-week summer institute programs to upgrade the skills of Iowa teachers in-the-subject ~~areas-of-math-science-foreign-languages-and-such-other-areas as-the-department-of-public-instruction-has-indicated-a teaching-shortage-exists.~~ A summer institute program shall consist of an intensive immersion of at least eight weeks' duration in the subject area of the program except that a summer institute program that assists teachers to use technology in the classroom may have a duration of three weeks. In determining programs to be funded, preference shall be given to programs that will allow teachers to gain endorsements in other subject areas, or to add to their endorsements in mathematics, science, foreign languages, and other areas that the department of education has determined are areas in which a shortage of teachers currently exists or is predicted to occur.

PARAGRAPH DIVIDED. The proposals shall provide for the institutional reimbursement for the costs of instruction, materials, and room and board for the participants as well as for a weekly stipend of one hundred fifty dollars per week for each participant. The council for postsecondary education shall select the institutions at which the summer institutes shall be conducted based upon recommendations of the department of education. The council for postsecondary education in consultation with the Iowa college aid commission shall establish the criteria for the selection of the teachers to participate in the programs.

Sec. 19. Section 99E.32, subsection 4, paragraph c, Code Supplement 1987, is amended to read as follows:

c. To the Iowa college aid commission for the purposes and under the conditions specified in section 99E.31, subsection 4, paragraph "b", for the fiscal year years beginning July 1, 1987, and July 1, 1988, no amount is appropriated. However, the funds transferred under paragraph "a" are available for use under this paragraph for the fiscal year years beginning July 1, 1987, and July 1, 1988.

Sec. 20. Section 261.2, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 10. Prepare and administer the occupational therapists loan program under this chapter.

Sec. 21. Section 261.2, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 11. Review reports filed by accredited private institutions under section 261.9, subsection 5, to determine compliance.

Sec. 22. Section 261.9, subsection 4, Code Supplement 1987, is amended to read as follows:

4. "Qualified student" means a full-time resident student who has established financial need and who is making satisfactory progress toward graduation.

Sec. 23. Section 261.9, subsection 5, Code Supplement 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. Which promotes equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel at the institution. In carrying out this responsibility the institution shall do all of the following:

- (1) Designate a position as the affirmative action coordinator.
- (2) Adopt affirmative action standards.
- (3) Gather data necessary to maintain an ongoing assessment of affirmative action efforts.
- (4) Monitor accomplishments with respect to affirmative action remedies identified in affirmative action plans.
- (5) Conduct studies of preemployment and postemployment processes in order to evaluate employment practices and develop improved methods of dealing with all employment issues related to equal employment opportunity and affirmative action.
- (6) Establish an equal employment committee to assist in addressing affirmative action needs, including recruitment.
- (7) Address equal opportunity and affirmative action training needs by:
  - (a) Providing appropriate training for managers and supervisors.
  - (b) Insuring that training is available for all staff members whose duties relate to personnel administration.
  - (c) Investigating means for training in the area of career development.
- (8) Require development of equal employment opportunity reports, including the initiation of the processes necessary for the completion of the annual EEO-6 reports required by the federal equal employment opportunity commission.
- (9) Address equal opportunity and affirmative action policies with respect to employee benefits and leaves of absence.
- (10) File annual reports with the college aid commission of activities under this paragraph.

Sec. 24. Section 261.9, subsection 7, Code Supplement 1987, is amended to read as follows:

7. "~~Half-time~~ Part-time resident student" means an individual resident of Iowa who is enrolled at an accredited private institution in a course of study including at least six three semester hours or the trimester or quarter equivalent of six three semester hours. "Course of study" does not include correspondence courses.

Sec. 25. Section 261.10, Code 1987, is amended to read as follows:

261.10 WHO QUALIFIED.

A tuition grant may be awarded to any a resident of Iowa who is admitted and in attendance as a Cull-time or hasf-time part-time resident student at any an accredited private institution and who establishes financial need.

Sec. 26. Section 261.11, Code 1987, is amended to read as follows:

261.11 EXTENT OF GRANT.

A qualified full-time resident student may receive tuition grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent. A qualified ~~half-time~~ part-time resident student may receive tuition grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent.

Sec. 27. Section 261.12, subsection 2, Code 1987, is amended to read as follows:

2 The amount of a tuition grant to a qualified haff-time part-time student enrolled in a course of study including at least six semester hours for the fall and spring semesters, or the trimester or quarter equivalent, shall be one-half the amount which would be paid for a qualified full-time student under the-provisions-of subsection 1.

The amount of a tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours 'out fewer than six semester hours for the fall and spring semesters, or trimester or auarter equivalent, shall be one-fourth the amount which would be paid for a qualified Cull-rime student under subsection 1.

Sec. 28. Section 261.25, subsection 1, Code Supplement 1987, is amended to read as follows:

1. There ~~is~~ appropriated from the general fund of the state to the Commission for each fiscal year the sum of twenty-four twenty-eight million three eight hundred nineteen thousand-eighty-four ninety-four thousand seven hundred sixty-five dollars for tuition grants.

See. 29. Section 261.37, subsection 8, Code Supplement 1987, is amended to read as follows:

8. To develop and disseminate informational and educational materials to lenders, postsecondary institutions and borrowers. The commission shall provide applicants, as deemed necessary by the commission, with information about the past default rate rates of borrowers, enrollment, and placement statistics by postsecondary institutions institution.

Sec. 30. NEW SECTION. 261.46 OCCUPATIONAL THERAPIST LOAN PAYMENTS.

An occupational therapist loan payment program is established to be administered by the commission.

An occupational therapist is eligible for reimbursement payments under this section if the individual:

1. Has entered into a payment agreement with the commission on or after July 1, 1988.
2. Is a licensed occupational therapist under chapter 1488.
3. Is an Iowa resident employed in Iowa as an occupational therapist as certified by the board of physical and occupational therapy examiners.
4. Has an outstanding debt with an eligible lender under the Iowa guaranteed student loan program, or has parents with an outstanding debt with an eligible lender under the Iowa PLUS loan program, for the third and fourth years of an occupational therapist program.

The commission shall adopt rules under chapter 17A to provide for the administration of the program. The maximum annual reimbursement to an eligible occupational therapist for

loan payments made during a year for loans qualifying under subsection 4 shall be equal to four thousand dollars or the remainder of a loan, whichever is less. Total payments for an eligible occupational therapist are limited to a two-year period and shall not exceed a total of eight thousand dollars.

If an occupational therapist fails to complete a year of employment as provided in subsection 3, the individual shall not be reimbursed for payments made during that year.

Sec. 31. Section 261.81, Code 1987, is amended to read as follows:

261.81 WORK-STUDY PROGRAM.

The Iowa college work-study program is established to stimulate and promote the part-time employment of students attending Iowa postsecondary educational institutions who are in need of employment earnings in order to pursue postsecondary education. The program shall be administered by the commission. The commission shall adopt rules under chapter 17A to carry out the program. The employment under the program shall be employment by the postsecondary education institution itself or work in a public agency or private nonprofit organization under a contract between the institution and the agency or organization. An eligible postsecondary institution that is allocated twenty thousand dollars or more for the work-study program by the commission shall allocate at least ten percent of the funds received for student employment in a public agency or private nonprofit organization that is accredited, approved, licensed, registered, certified, or operated by the department of human services or the department of corrections. However, if by October 1, for the first semester of an academic year, or by March 1, for the second semester of an academic year, contracts have not been signed, the funds may be used for employment by the postsecondary institution itself. The work shall not result in the displacement of employed workers or impair existing contracts for services.

Sec. 32. Section 261.85, Code Supplement 1987, is amended to read as follows:

261.85 APPROPRIATION.

There is appropriated from the general fund of the state to the commission for each fiscal year the sum of two million one six hundred fifty thousand dollars for the work-study program.

From moneys appropriated in this section, one million one five hundred ~~fifty~~ thousand dollars shall be allocated to institutions of higher education under the state board of regents and merged ~~area~~ schools and the remaining one-million dollars appropriated in this section shall be allocated by the commission on the basis of need as determined by the portion of the federal formula for distribution of work study funds that relates to the current need of institutions.

DIVISION III

DEPARTMENT OF EDUCATION

Sec. 33. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, to be used in the manner designated:

1. GENERAL ADMINISTRATION

For salaries and support for not more than one hundred twenty-one full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 5,371,825

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the department shall expend moneys for the development of model human growth and development curricula for grades kindergarten through twelve and for the identification and dissemination of information about early intervention programs for students who are at the greatest risk of suffering from the problems of dropping out of school, substance abuse, adolescent pregnancy, or suicide.

As a condition, limitation, and qualification of the appropriation made in this section, the department shall cooperate with the college aid commission and survey a representative sample of individuals graduating from high school during the school year beginning July 1, 1987. The

purpose of this study is to determine why high school graduates are choosing not to pursue further education or technical training and identify the unmet needs for postsecondary education. For comparison purposes, high school graduates who do continue their education may be examined. In addition, this study will lay the groundwork for the development of a tracking mechanism to evaluate the effectiveness of each school district's preparation of its students for obtaining a college education or technical training. The survey shall elicit information about the sex of the student, race of the student, educational background of parents or guardians, location of residence, family income, reasons for not enrolling, and other relevant information. The college aid commission and the department of education shall compile the information received from the survey and other relevant sources and report the results to the general assembly by November 1, 1989.

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall expend moneys to contract with institutions of higher education to provide a summer residence program for gifted and talented elementary and secondary school students and to support existing law-related education centers for training seminars and workshops in law-related education, summer institutes relating to law-related education and methodology and substance, and mock trial competitions for junior and senior high school students. The law-related education program shall include the legislative lawmaking process. Educational materials for this segment of the program shall be developed by the law-related education centers in consultation with the legislative council.

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall expend moneys to provide funds for the lift up program administered by the fifth judicial district department of correctional

services to assist clients to obtain high school equivalency diplomas. The department of education shall assist the fifth judicial district department of correctional services in the development of an analysis of the effectiveness of the program. The department of correctional services shall submit a report analyzing the effectiveness of the program to the chairpersons and ranking members of the education appropriations subcommittee and to the legislative fiscal bureau not later than February 1, 1989.

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall expend moneys for funding pilot projects of school corporations to encourage the advancement of women and minorities to administrative positions within that school corporation. Each school corporation receiving moneys for a pilot project under this section shall submit a written report to the department analyzing the results of the project not later than October 1, 1989.

2. SPECIAL, PROGRAMS AND PROJECTS.

For enhancing the preparation, teaching experiences, and induction of educators, and for assisting teachers to use technologies in the classroom:

..... \$ 750,000

The department shall expend the moneys appropriated in this subsection for the following programs:

a. To develop, in cooperation with approved teacher education programs, model training and incentive programs for cooperating teachers, including studying the feasibility of establishing a cooperating teacher approval.

b. To develop criteria for enhancing the clinical experiences of prospective teachers and for grants for pilot projects that designate certain schools as clinical schools.

c. For grants for pilot projects that enhance the interaction between the faculty of approved teacher education institutions and teachers in school districts that accept student teachers from that institution.

d. For developing an evaluation system to be used by evaluator panels that are evaluating teachers after the initial certification and before advancement to the next certification level.

e. For developing, in cooperation with approved teacher education institutions, model systems for evaluating student teachers and for self-evaluation systems for student teachers and teachers.

f. To provide funds to be used in conjunction with the University of Northern Iowa to develop a networking system that translates effective teaching methods through the use of a computer conferencing system to form information exchange networks.

g. For grants for pilot projects for approved teacher education institutions to develop instructional programs that will instruct teachers in the use of electronic technologies. The pilot projects may include a demonstration project that involves classroom teachers and student teachers in the use of instructional technologies.

h. To conduct a feasibility study of the establishment of five-year teacher education programs.

School districts and institutions receiving moneys under this subsection shall file a report with the department upon completion of the pilot project.

Notwithstanding the maximum number of full-time equivalent employees authorized in subsection 1, the department may employ a full-time equivalent individual to assist the department employees in fulfilling the requirements of this subsection.

Notwithstanding section 8.33, moneys appropriated in this subsection shall not revert to the general fund of the state but shall remain available for expenditure for the purposes specified until June 30, 1990.

3. VOCATIONAL EDUCATION ADMINISTRATION

For salaries and support for not more than forty-four full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 844,671

4. VOCATIONAL EDUCATION AID

FOC vocational education aid to secondary schools:

..... \$ 3,666,360

Funds appropriated by this subsection are to be used for aid to school districts for development and the conduct of both continuing and new vocational programs, services and activities of vocational education through secondary schools, and for aid to existing jointly administered secondary vocational education programs, in accordance with chapter 258 and chapter 280A, and to purchase instructional equipment for vocational and technical courses of instruction in such schools,

5. VOCATIONAL YOUTH ORGANIZATION FUND

To carry out section 258.14:

..... \$ 9,000

6. SCHOOL FOOD SERVICE

For the purpose of providing assistance to students enrolled in public school districts and nonpublic schools of the state for breakfasts, lunches and minimal equipment programs with the funds being used as state matching funds for federal programs and which shall be disbursed according to federal regulations, including salaries and support for not more than sixteen full-time equivalent positions:

..... \$ 3,146,215

7. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide funds for costs of providing textbooks to each resident pupil who attends a nonpublic school or authorized by section 301.1. Such funding is limited to ten dollars per pupil and shall not exceed the comparable services offered to resident public school pupils:

..... \$ 348,413

8. PROFESSIONAL TEACHING PRACTICES COMMISSION

for the use of the commission to carry out chapter 272A, including salaries and support for not more than one point forty-six full-time equivalent positions:

..... \$ 66,454

9. IOWA ACADEMY OF SCIENCE

For support and maintenance:

..... \$ 50,000

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this subsection, the Iowa academy of science annually submit a report of its activities, including a report of its expenditures, income from all sources, and current asset and liability base, for each fiscal year beginning with the fiscal year commencing July 1, 1987, to the legislative fiscal bureau not later than September 15 of the following fiscal year.

10. NON-ENGLISH SPEAKING

To provide funding to public schools and for nonpublic school students attending approved nonpublic schools for special instruction:

..... \$ 150,000

11. VOCATIONAL REHABILITATION DIVISION

a. For salaries and support for not more than three hundred eight point five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 2,732,253

b. For matching funds for programs to enable severely physically or mentally disabled persons to funct on more independently including salaries and support for not more than one point five full-time equivalent positions:

..... \$ 17,715

12. MERGED AREA SCHOOLS

a. For general state financial aid to merged areas as defined in section 280A.2 and for vocational education programs in accordance with chapters 258 and 280A, to purchase instructional equipment for vocational and technical courses of instruction in such schools, and for salary increases, the amount of fifty-seven million two hundred ninety-five thousand eight hundred twenty-seven (57,295,827) dollars to be allocated as follows:

(1) Merged Area I ..... \$ 2,654,050

(2) Merged Area II ..... \$ 3,294,267

(3) Merged Area III ..... \$ 3,058,380

(4) Kerged Area IV ..... \$ 1,493,218

(5) Merged Area V ..... \$ 3,160,235

(6) Merged Area VI ..... \$ 3,465,025

(7) Herged Area VII ..... \$ 4,573,775

(8) Merged Area IX ..... \$ 4,739,009

(9) Merged Area X ..... \$ 7,529,839

(10) Merged Area XI ..... \$ 7,392,910

(11) Merged Area XII ..... \$ 3,392,923

(12) Merged Area XIII ..... \$ 3,584,746

(13) Merged Area XIV ..... \$ 1,489,940

(14) Merged Area XV ..... \$ 4,432,771

(15) Merged Area XVI ..... \$ 2,734,739

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation in this paragraph, the merged area schools shall expend from moneys appropriated in this paragraph a minimum of three

million five hundred thousand (3,500,000) dollars for additional salary increases for certificated nonadministrative faculty members of the merged area schools. A faculty member employed in both an administrative and a nonadministrative position shall be considered a part-time nonadministrative faculty member for the portion of time in the nonadministrative position. Distribution of the moneys for salary increases shall be negotiated pursuant to chapter 20 if the certificated nonadministrative faculty members of the area school are organized for collective bargaining purposes.

b. For distribution as property tax replacement moneys to each of the merged area schools in amounts determined by the department:

..... \$ 411,772

The moneys distributed under this paragraph shall be considered as part of the moneys generated under chapter 286A on a statewide basis.

13. MERGED AREA SCHOOL PERSONAL PROPERTY TAX REPLACEMENT  
For general financial aid to merged areas in lieu of personal property replacement payments under section 427A.13, the amount of eight hundred twenty-eight thousand twelve (828,012) dollars to be allocated as follows:



a. verged Area I .....	\$ 65,152
b. verged Area II .....	\$ 50,567
c. verged Area III .....	\$ 33,891
d. verged Area IV .....	\$ 23,204
e. Merged Area V .....	\$ 60,042
f. verged Area VI .....	\$ 34,514
g. verged Area VII .....	\$ 57,884
h. Merged Area IX .....	\$ 69,103
i. Merged Area X .....	\$ 97,180
j. Merged Area XI .....	\$ 142,463
k. Xerged Area XII .....	\$ 46,200
l. Xerged Area XIII .....	\$ 40,972
m. Xerged Area XIV .....	\$ 20,826
n. Xerged Area XV .....	\$ 55,026
o. Xerged Area XVI .....	\$ 30,988

Sec. 34. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts:

1. For state financial aid to merged areas the amount of twenty-three million fifty-five thousand three hundred fifty-six (23,055,356) dollars, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1988, and ending June 30, 1989, to be allocated to each area school as follows:

a. verged Area I .....	\$ 1,069,231
b. verged Area II .....	\$ 1,327,820
c. verged Area III .....	\$ 1,245,067
d. Xerged Area IV .....	\$ 611,651
e. verged Area V .....	\$ 1,388,438
f. verged Area VI .....	\$ 1,388,241
g. Merged Area VII .....	\$ 1,813,493
h. verged Area IX .....	\$ 1,896,400
i. verged Area X .....	\$ 3,335,941
j. verged Area XI .....	\$ 2,335,708
k. Merged Area XII .....	\$ 1,379,340
l. Merged Area XIII .....	\$ 1,431,518

m. Merged Area XIV .....	\$ 606,620
n. Merged Area XV .....	\$ 1,799,477
o. Merged Area XVI .....	\$ 1,096,408

2. For distribution as property tax replacement moneys to each of the merged area schools in amounts determined by the department:

.....	\$ 176,474
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The moneys distributed under this subsection shall be considered as part of the moneys generated under chapter 286A on a statewide basis.

3. Funds appropriated by this section shall be allocated pursuant to this section and paid on or about August 15, 1989.

Sec. 35. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1989, and ending June 30, 1990, for general financial aid to merged areas in lieu of property tax replacement payments under section 427A.13, the amount of three hundred fifty-four thousand eight hundred sixty (354,860) dollars, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1988, and ending June 30, 1989, to be allocated to each area as follows:

1. Merged Area I .....	\$ 27,922
2. Merged Area II .....	\$ 21,671
3. Merged Area III .....	\$ 14,525
4. Merged Area IV .....	\$ 9,924
5. Merged Area V .....	\$ 25,732
6. Merged Area VI .....	\$ 14,792
7. Merged Area VII .....	\$ 24,807
8. Merged Area IX .....	\$ 29,615
9. Merged Area X .....	\$ 41,649
10. Merged Area XI .....	\$ 61,056
11. Merged Area XII .....	\$ 19,800
12. Merged Area XIII .....	\$ 17,559
13. Merged Area XIV .....	\$ 8,925
14. Merged Area XV .....	\$ 23,582
15. Merged Area XVI .....	\$ 13,281

Funds appropriated by this section shall be allocated pursuant to this section and paid on or about August 15, 1989.

Sec. 36. Moneys allocated to area schools under section 33, subsections 12 and 13, of this Act, for expenditures incurred during the fiscal year beginning July 1, 1988, and ending June 30, 1989, shall be paid by the department of revenue and finance in installments due on or about November 15, February 15, and May 15 of that fiscal year. The payments received by area schools on or about August 15 under sections 34 and 35 of this Act are accounts receivable for the previous fiscal year. The installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state resources.

Sec. 37. The education appropriations subcommittee shall review the method of calculating the total contact hours for an area school for purposes of chapter 286A so that the calculation can be consistent with the method of calculating enrollment for school districts under the revision of chapter 442 and shall report the results of this study to the general assembly meeting in 1990.

Sec. 38. The department of education may solicit gifts and grants to be used to finance the costs of conducting a study of the literacy of Iowa's young adults.

If sufficient moneys are received for the study, the department of education shall award the contract to an independent testing corporation located in this state. The specifications for the study shall be substantially similar to the specifications for the national assessment of educational progress study of the literacy of young adults in the United States conducted by the educational testing service.

Sec. 39. Notwithstanding the appropriation provided in section 294A.25, subsection 1, there is appropriated from the general fund of the state to the department of education, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of ninety-two million seven thousand nine hundred eighty-five (92,007,985) dollars for the educational excellence program.

Sec. 40. For the fiscal year beginning July 1, 1988, and ending June 30, 1989, section 280.4, subsection 4, is void and weighted enrollment calculated under section 442.4, subsection 6, does not include application of the non-English speaking weighting plan in section 280.4.

Sec. 41.

1. The state board of education may approve the request of an area vocational school to be reclassified as an area community college, but shall not allow the school to create an associate of arts program leading to the associate of arts degree until the requirements of this section have been met. An area vocational school reclassified as an area community college may contract with an accredited private institution, as defined in section 261.9, subsection 5, that is located within the merged area, for the area community college students to enroll in courses leading to an associate of arts degree.

2. An area community college for which the state board of education approved the creation of an arts and sciences division after February 1, 1988, and prior to the effective date of this Act, shall not implement curricular changes until the requirements of this section have been met.

This subsection does not apply if the area community college has substantially detrimentally relied on the approval by the state board of education.

3. The following studies shall be conducted and written reports of the results of the studies transmitted to the state board, the task force created in section 65 of this Act, and the general assembly by February 1, 1989:

a. The legislative fiscal bureau and the department of management shall jointly conduct fiscal impact studies relating to the effect on the state budget of the creation of the associate of arts degree program under subsection 1 and of the creation of a separate arts and sciences division under subsection 2 at the area community college.

b. The department of education shall conduct educational impact studies which shall include, but not be limited to, the

effect of the creation of the associate of arts degree program under subsection 1, and the effect of the creation of the separate division under subsection 2, on enrollment at other postsecondary institutions located in the merged area, student access to educational opportunity, and also the number of students within the school's service area in need of the expanded services.

4. The written reports of each study shall be considered by the general assembly, the task force created in section 65 of this Act, and the state board. The state board shall not make decisions under subsection 1 or 2 before July 1, 1989.

Sec. 42. Section 198.11, subsections 1 and 2, Code 1987, are amended to read as follows:

1. It is the policy of this state to provide equal opportunity in school district, area education agency, and merged area school employment to all persons. An individual shall not be denied equal access to school district, or area education agency, or merged area school employment opportunities because of race, creed, color, religion, national origin, sex, age, or physical or mental disability. It also is the policy of this state to apply affirmative action measures to correct deficiencies in school district, area education agency, and merged area school employment systems where those remedies are appropriate. This policy shall be construed broadly to effectuate its purposes.

2. The director of the department of education shall actively promote fair employment practices for all school district, area education agency, and merged area school employees and the state board of education shall inform adopt rules requiring specific steps by school districts, area education agencies, and merged area schools concerning their efforts to accomplish this goal the goals of equal employment opportunity and affirmative action in the recruitment, appointment, assignment, and advancement of personnel. Each school district, area education agency, and merged area school shall be required to develop affirmative action standards which are based on the population of the community in which it

functions, the student population served, or the persons who can be reasonably recruited. The director of education shall consult with the department of personnel in the performance of duties under this section.

Sec. 43. Section 256.30, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

The tribal council shall first use moneys distributed to it by the department of education for the purposes of this section to pay the additional costs of salaries for certificated instructional staff for educational attainment and full-time equivalent years of experience to equal the salaries listed on the proposed salary schedule for the school at the Sac and Fox Indian settlement for the that school year ~~beginning July 17, 1987 as that salary schedule existed on May 17, 1987~~, but the salary for a certificated instructional staff member employed on a full-time basis shall not be less than eighteen thousand dollars. The department of management shall approve allotments of moneys appropriated in this section when the department of education certifies to the department of management that the requirements of this section have been met.

Sec. 44. NEW SECTION. 263.8A NATIONAL CENTER.

The state board of regents shall establish and maintain at Iowa City as an integral part of the state University of Iowa the national center for talented and gifted education. The national center shall provide programs to assist classroom teachers to teach gifted and talented students in regular classrooms.

A national center endowment fund is established at the state University of Iowa and gifts and grants to the national center shall be deposited in the fund and interest earned on moneys in the fund may be expended by the state University of Iowa for the purposes for which the national center was established.

Sec. 45. Notwithstanding 1986 Iowa Acts, chapter 1246, section 105, subsection 1, paragraph "c", the moneys appropriated to the department of education and allocated for

the development of a mental retardation model curriculum shall not revert to the general fund of the state on June 30, 1988, but shall remain available for expenditure for the purpose specified until June 30, 1989.

Sec. 46. Section 279.198. unnumbered paragraph 1, Code 1987, is amended to read as follows:

The board of directors of a school district shall offer an extracurricular contract for varsity head coach of the interscholastic athletic activities of football, basketball, track not including cross-country, baseball, softball, volleyball, gymnastics, hockey, and wrestling only to an individual possessing a teaching certificate with a coaching endorsement issued pursuant to chapter 260.

Sec. 47. Section 280A.23, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 14. In its discretion, adopt rules relating to the classification of students enrolled in the area school who are residents of Iowa's sister states as residents or nonresidents for tuition and fee purposes.

Sec. 48. Section 282.31, subsection 1, paragraph b, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, on June 30 Of a school year, if the board of directors of a school district determines that the number of children under this paragraph who were counted in the **basic** enrollment of the school **district** on the third Friday of September of that school year **is** Cover than the sum of the number of months all children were enrolled in the school district under this paragraph during the school year divided by nine, the secretary of the school district may submit a claim to the department of education by August 1 following the school year for an amount equal to the district cost per pupil of the distriot for the previous school year multiplied by the difference between the number of children counted and the number of children calculated by the number of months of enrollment. The amount of the claim shall be paid by the department of revenue and

finance to the school district by October 1 in the same manner as the claims are paid under paragraph "a".

Sec. 49. Section 294A.14, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Any summer school program, for which the teacher's salary is paid or supplemented under a supplemental pay plan, shall be open to nonpublic school students in the manner provided in section 256.12.

Sec. 50. Section 294A.25, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. Commencing with the fiscal year beginning July 1, 1988, the amount of one hundred thousand dollars to be paid to the department of education for distribution to the tribal council of the Sac and Fox Indian settlement located on land held in trust by the secretary of the interior of the United States. Moneys allocated under this subsection shall be used for the purposes specified in section 256.30.

Sec. 51. Section **302.1A**, Code Supplement 1987, as amended by Senate File 2036, 1988 Iowa Acts, is amended to read as follows:

**302.1A TRANSFER OF INTEREST.**

1. The department of revenue and finance shall transfer the interest earned on the permanent school fund to the first in the nation in education Eoundation and to the national center for gifted and talented education in the manner provided in **this** section.

2. Prior For a transfer of interest earned to the first in the nation in education foundation, prior to July 1, October 1, January 1, and March 1 of each year, the governing board of the first in the nation in education Eoundation established in section 257A.2 shall certify to the director of revenue and finance the cumulative total value of contributions received under section 257A.7 for deposit in the fund and for the use of the foundation. The cumulative total value of contributions received includes the value of the amount deposited in the national center andowment fund established in

section 263.8A in excess of seven hundred fifty thousand dollars. The value of in-kind contributions shall be based upon the fair market value of the contribution determined for income tax purposes.

PARAGRAPH DIVIDED. The portion of the permanent school fund that is equal to the cumulative total value of contributions, less the portion of the permanent school fund dedicated to the national center for gifted and talented education, is dedicated to the first in the nation in education foundation for that year. The interest from earned on this dedicated amount shall be transferred by the department of revenue and finance to the credit of the first in the nation in education foundation.

3. For a transfer of interest earned to the national center endowment fund established in section 263.8A, prior to July 1, October 1, January 1, and March 1 of each year, the state University of Iowa shall certify to the department of revenue and finance the cumulative total value of Contributions received and deposited in the national center endowment fund. The department of revenue and finance shall dedicate the interest earned on a portion of the permanent school fund to the national center in the manner provided in this subsection. The portion of the permanent school fund that is used to determine the dedicated amount of interest earned for a year shall equal one-half the cumulative total value of the contributions deposited in the national center endowment fund, not to exceed seven hundred fifty thousand dollars. The department of revenue and finance shall transmit the interest earned on the dedicated amount to the state University of Iowa for the use of the national center for gifted and talented education.

4. The remaining portion of the interest earned on the permanent school fund shall become a part of the permanent school fund.

DIVISION IV  
STATE BOA33 OF REGENTS

Sec. 52. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, for use for the following designated purposes:

1. OFFICE OF STATE BOARD OF REGENTS

a. For salaries and support for not more than nineteen point sixty-three full-time equivalent positions, maintenance, equipment, and miscellaneous purposes and for the establishment of a consortium consisting of representatives of Iowa State University, the University of Iowa, and the University of Northern Iowa as equal participants to establish and use a process for the exchange and integration of knowledge among the universities in the fields including but not limited to food production, food processing, food preservation, nutrition, medicine, pharmacy, chemical-free water, clean air, and environmental safety. The consortium shall also establish a means for the integration of knowledge across disciplines in each of the universities. In the establishment of the process for integration and exchange of knowledge for these purposes, the consortium shall also develop a process for disseminating this knowledge to the public for personal and business use by Iowans:

..... \$ 516,272

b. For allocation by the state board of regents to the state University of Iowa, the Iowa State University of science and technology, and the University of Northern Iowa in amounts as may be necessary to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions:

..... \$ 17,003,669

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory.

SF 2312

(1) For salaries and support for not more than four thousand three hundred twenty-five point sixty-three full-time equivalent positions, maintenance, equipment, and miscellaneous purposes:

..... \$138,376,377

It is the intent of the general assembly that as a condition, limitation, and qualification of moneys appropriated in this subparagraph, from moneys available to the state University of Iowa, five hundred thousand (500,000) dollars shall be expended for teaching excellence awards to teaching faculty members and teaching assistants.

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation made in this subparagraph, the University of Iowa shall expend moneys for salaries and support for the labor center.

(2) Agriculture health and safety service pilot programs, including salaries and support for not more than one point twenty-eight full-time equivalent positions:

..... \$ 59,940

(3) For acquisition of library materials:

..... \$ 341,250

b. University hospitals

(1) For salaries and support for not more than five thousand five point thirty-eight full-time equivalent positions, maintenance, equipment, and miscellaneous purposes; for medical and surgical treatment of indigent patients as provided in chapter 255:

..... \$ 25,899,603

(2) For allocation by the dean of the college of medicine, with approval of the advisory board, to qualified participants, to carry out chapter 148C for the family practice program, including salaries and support for not more than one hundred seventy-six point eighty-four full-time equivalent positions:

..... \$ 1,511,061

(3) For specialized child health care services, including childhood cancer diagnostic and treatment network programs;

rural comprehensive care for hemophilia patients; and Iowa high risk infant follow-up program, including salaries and support for not more than thirteen point fifty-eight full-time equivalent positions:

..... \$ 337,256

c. As a condition, limitation, and qualification of the appropriation made in paragraph "b", subparagraph (1), the county quotas for indigent patients for the fiscal year commencing July 1, 1988, shall not be lower than the county quotas for the fiscal year commencing July 1, 1987. Before a patient is eligible for the indigent patient program, the county general relief director shall first ascertain from the local office of human services if the applicant would qualify for medical assistance or the medically needy program without the spend-down provision under chapter 249A. If the applicant qualifies, then the patient shall be certified for medical assistance and shall not be counted under chapter 255.

d. As a condition, limitation, and qualification of the appropriation made in paragraph "b", subparagraph (1), funds appropriated in that subparagraph shall not be allocated to the university hospitals until the superintendent has filed with the department of management and the legislative fiscal bureau a quarterly report containing the account required in section 255.24. The report shall include the information required in section 255.24 for patients by the type of service provided.

e. As a condition, limitation, and qualification of the appropriation made in paragraph "b", subparagraph (1), funds appropriated in that subparagraph shall not be used to perform abortions except medically necessary abortions, and shall not be used to operate the early termination of pregnancy clinic except for the performance of medically necessary abortions. For the purpose of this paragraph, an abortion is the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus, and a medically necessary abortion is one performed under one of the following conditions:

(1) The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

(2) The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

(3) The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(4) The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(5) The abortion is a spontaneous abortion, commonly known as a miscarriage, wherein not all of the products of conception are expelled.

f. As a condition of the appropriation made in paragraph "b", subparagraph (1), university hospitals shall compile and transmit to the general assembly the following information for the fiscal year beginning July 1, 1987:

(1) Revenue from all income sources, by source, including but not limited to state appropriations, other state funds, tuition income, patient charges, payments from political subdivisions, interest income, and gifts, and grants from public and private sources.

(2) Expenditures by program and revenue source.

(3) Net revenue over spending from hospital operations, including the method used to calculate the results.

The legislative fiscal bureau shall develop forms for collecting the information required in this subparagraph.

g. Psychiatric hospital

For salaries and support for not more than two hundred eighty-seven point twenty-six full-time equivalent positions, maintenance, equipment, and miscellaneous purposes and for the care, treatment and maintenance of committed and voluntary public patients:

..... \$ 6,014,532

h. State hygienic laboratory

For salaries and support for not more than one hundred fourteen point thirty-five full-time equivalent positions maintenance, equipment, and miscellaneous purposes:

..... \$ 2,507,968

i. Hospital-school

For salaries and support for not more than one hundred eighty-five point seventy-three full-time equivalent positions, maintenance, equipment, and miscellaneous purposes:

..... \$ 4,542,607

j. Oakdale campus

For salaries and support for not more than eighty-two full-time equivalent positions, maintenance, equipment, and miscellaneous purposes:

..... \$ 2,498,481

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university

For salaries and support for not more than three thousand seven hundred seventy-five full-time equivalent positions, maintenance, equipment, and miscellaneous purposes:

..... \$116,234,916

It is the intent of the general assembly that as a condition, limitation, and qualification of the appropriation made in this paragraph, Iowa State University shall expend two million (2,000,000) dollars for the construction of livestock units for cattle and swine research and one million (1,000,000) dollars for the purchase of agronomy building equipment.

It is the intent of the general assembly that as a condition, limitation, and qualification of moneys appropriated in this paragraph, from moneys available to Iowa State University, five hundred thousand (500,000) dollars shall be expended for teaching excellence awards to teaching faculty members and teaching assistants.

b. Agricultural experiment station

For salaries and support for not more than four hundred thirteen point five full-time equivalent positions, maintenance, equipment, and miscellaneous purposes:

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..... \$ 13,556,178

c. Cooperative extension service in agriculture and home economics

For salaries and support for not more than four hundred ninety-six point ninety-eight full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 13,317,224

d. For continuation of the rural concern hotline, including salaries and support for not more than four point five full-time equivalent positions:

..... \$ 90,000

e. Fire service education, including salaries and support for not more than eleven full-time equivalent positions:

..... \$ 389,456

f. For acquisition of library materials: \$ 234,400

4. UNIVERSITY OF NORTHERN IOWA

a. For salaries and support for not more than one thousand three hundred twenty-four full-time equivalent positions, maintenance, equipment, and miscellaneous purposes:

..... \$ 45,136,113

It is the intent of the general assembly that as a condition, limitation, and qualification of moneys appropriated in this subsection, from moneys available to the University of Northern Iowa, two hundred fifty thousand (150,000) dollars shall be expended for teaching excellence awards to teaching faculty members and teaching assistants and four hundred sixty thousand (460,000) dollars shall constitute an equity adjustment to maintain and support the university's academic programs.

It is a condition, limitation, and qualification of the appropriation made in this subsection that moneys appropriated in this subsection not be expended for the power plant addition at the University of Northern Iowa.

b. For acquisition of library materials: \$ 60,850

5. STATE SCHOOL FOR THE DEAF

For salaries and support for not more than one hundred thirty-five point three full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 4,957,177

6. IOWA BRAILLE AND SIGHT-SAVING SCHOOL

For salaries and support for not more than ninety-five point thirty-three full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 2,742,752

7. The provisions of section 8.33, unnumbered paragraph 2, shall not apply to the funds appropriated in this section. No later than September 15, 1989, the state board of regents shall submit to the department of management a list of all obligations which have been incurred for goods and services that have not been received or rendered as of that date.

Sec. 53.

1. From funds in the state treasury not otherwise appropriated that are in excess of a fiscal year ending balance of sixty-one million seven hundred thousand (61,700,000) dollars, there is appropriated to the state board of regents for the fiscal year beginning July 1, 1987, and ending June 30, 1988, an amount not exceeding eleven million one hundred thousand (11,100,000) dollars to be allocated to the University of Northern Iowa for construction of a power plant addition. Notwithstanding section 262.28, the moneys appropriated in this section shall not be committed by the state board of regents or paid, either in full or in part, until the governor has certified to the department of revenue and finance that the estimated budget resources during the fiscal year are sufficient to pay all other appropriations in full and to pay all or a portion of the appropriation made in this section.

2. From funds in the state treasury not otherwise appropriated, there is appropriated to the state board of regents for the fiscal year beginning July 1, 1988, and ending June 30, 1989, an amount equal to the difference between the amount of the appropriation approved by the governor under



subsection 1 for the purpose specified in subsection 1 and eleven million one hundred thousand (11,100,000) dollars. The payment of the appropriation made in this subsection is subject to the same restrictions as the appropriation made in subsection 1.

3. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated by subsection 1 for the fiscal year beginning July 1, 1987, and ending June 30, 1988, remaining on June 30, 1988, and unobligated or unencumbered funds appropriated by subsection 2 for the fiscal year beginning July 1, 1988, and ending June 30, 1989, remaining on June 30, 1989, shall not revert to the general fund of the state until September 30, 1991. However, if the project for which these funds are appropriated is completed prior to June 30, 1991, the remaining unobligated or unencumbered funds shall revert to the general fund of the state on September 30 following the end of the fiscal year in which the project is completed.

Sec. 54.

1. From funds in the state treasury not otherwise appropriated that are in excess of an ending balance for the fiscal year beginning July 1, 1987, of sixty-one million seven hundred thousand (61,700,000) dollars, after the conditions of section 53 have been met and eleven million one hundred thousand (11,100,000) dollars have been appropriated to the state board of regents, there is appropriated for the fiscal year beginning July 1, 1988, and ending June 30, 1989, in the following priority order to the following named agencies the specified amounts to be used for the purposes designated:

a. To the state board of regents to be allocated to its institutions of higher education for fire and environmental safety deficiency corrections, the sum of one million (1,000,000) dollars.

b. To the department of corrections to be used for community-based corrections, the sum of six hundred thousand five hundred sixty-three (600,563) dollars to be allocated as follows:

(1) For the first judicial district department of correctional services, the sum of ninety-three thousand five hundred fifty-nine (93,559) dollars or so much thereof as is necessary.

(2) For the second judicial district department of correctional services, the sum of seventy-six thousand one hundred ninety-two (76,192) dollars or so much thereof as is necessary.

(3) For the third judicial district department of correctional services, the sum of forty-four thousand three hundred twenty-five (44,325) dollars or so much thereof as is necessary.

(4) For the fourth judicial district department of correctional services, the sum of forty-one thousand four hundred seventy (41,470) dollars or so much thereof as is necessary.

(5) For the fifth judicial district department of correctional services, the sum of one hundred twenty-nine thousand six hundred ninety-seven (129,697) dollars or so much thereof as is necessary.

(6) For the sixth judicial district department of correctional services, the sum of ninety-four thousand eight hundred eighty-seven (94,887) dollars or so much thereof as is necessary.

(7) For the seventh judicial district department of correctional services, the sum of seventy-nine thousand eight hundred seventy-one (79,871) dollars or so much thereof as is necessary.

(8) For the eighth judicial district department of correctional services, the sum of thirty-seven thousand eight hundred seventy (37,870) dollars or so much thereof as is necessary.

(9) To the department of corrections for the assistance and support of each judicial district department of correctional services, the sum of two thousand six hundred ninety-two (2,692) dollars or so much thereof as is necessary.

c. To the department of corrections to be used for planning, site selection, and solicitations of requests for proposals for juvenile detention centers and adult correctional facilities, the sum of seven hundred thousand (700,000) dollars.

d. To the department of corrections, the sum of one million three hundred thousand (1,300,000) dollars to be retained by the department of revenue and finance and not paid to the department of corrections until the general assembly enacts legislation that provides for the specific expenditure of the moneys.

e. To the department of general services for capitol restoration, the sum of one million five hundred thousand (1,500,000) dollars.

2. The moneys appropriated in subsection 1 shall not be committed by the agency to which they are appropriated or paid, tither in full or in part by the department of revenue and finance, until the governor has certified to the department of revenue and finance that the estimated budget resources during the fiscal year are sufficient to pay all other appropriations in full, including the moneys appropriated in section 53 of this Act, and are sufficient to pay the appropriation in the applicable paragraph.

3. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated in subsection 1, paragraphs "a", "c", "d", and "e", for the fiscal year beginning July 1, 1988, and ending June 30, 1989, shall not revert to the general fund of the state until September 30, 1991. However, if the project for which thsso funds ace appropriated is completed prior to June 30, 1991, the remaining unobligated or unencumbered funds shall revert to the general fund of the state on September 30 following the end of the fiscal year in which the project is completed.

Sec. 55. If the general fund ending balance for the fiscal year beginning July 1, 1987, is not sufficient under section 54 and the governor does not certify to the department of revenue and finance that the appropriation in section 54,

subsection 1, paragraphs "b" and "c", be made, and notwithstanding any other provisions of law, the treasurer of state before making allotments of the moneys within the Iowa plan fund pursuant to section 993.32, subsection 1, for the fiscal year beginning July 1, 1988, shall transfer to the department of corrections the sum of one million two hundred eighty-four (1,000,284) dollars, and the moneys are appropriated for the following purposes:

1. To be used for community-based corrections, the sum of three hundred thousand two hundred eighty-four (300,284) dollars, to be allocated as follows:

a. For the first judicial district department of correctional services, the sum of forty-six thousand seven hundred eighty (46,780) dollars or so much thereof as is necessary.

b. For the second judicial district department of correctional services, the sum of thirty-eight thousand ninety-six (38,096) dollars or so much thereof as is necessary.

c. For the third judicial district department of correctional services, the sum of twenty-two thousand one hundred sixty-three (22,163) dollars or so much thereof as is necessary.

d. for the fourth judicial district department of correctional services, the sum of twenty thousand seven hundred thirty-five (20,735) dollars or so much thereof as is necessary.

e. For the fifth judicial district department of correctional services, the sum of sixty-four thousand eight hundred forty-nine (64,849) dollars or so much thereof as is necessary.

f. For the sixth judicial district department of correctional services, the sum of forty-seven thousand four hundred forty-four (47,444) dollars or so much thereof as is necessary.

g. For the seventh judicial district department of correctional services, the sum of thirty-nine thousand nine

hundred thirty-six (39,936) dollars or so much thereof as is necessary.

h. For the eighth judicial district department of correctional services, the sum of eighteen thousand nine hundred thirty-five (18,935) dollars or so much thereof as is necessary.

i. To the department of corrections for the assistance and support of each judicial district department of correctional services, the sum of one thousand three hundred forty-six (1,346) dollars or so much thereof as is necessary.

2. To be used for planning, site selection, and solicitations of requests for proposals for juvenile detention centers and adult correctional facilities, the sum of seven hundred thousand (700,000) dollars.

Sec. 56. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated in 1987 Iowa Acts, chapter 233, section 408, subsection 1, paragraph "b", shall not revert to the general fund of the state on June 30, 1988, but shall be available for expenditure for the purposes listed in section 52, subsection 1, paragraph "b", of this Act during the fiscal year beginning July 1, 1988, and ending June 30, 1989.

Sec. 57. As a condition, limitation, and qualification of the appropriations made in section 52, subsection 2, paragraph "a", subparagraph (1); section 52, subsection 3, paragraph "a"; and section 52, subsection 4, if the interest earned on moneys accumulated by campus organizations at an institution is not available for expenditure by those respective campus organizations, the institution shall allocate that interest to campus improvements that are of benefit to students and have been accepted by the institution's student Government or to the student financial aid office to be used for the work-study program.

Sec. 58. As a condition, limitation, and qualification of the appropriations made in section 52, subsection 2, paragraph "a", subparagraph (1); section 52, subsection 3, paragraph "a"; and section 52, subsection 4, sales by an institution of

computer equipment, computer software, and computer supplies to students and faculty at the institution are retail sales for the purpose of chapter 422, Division IV.

Sec. 59. It is the intent of the general assembly that the office of the state board of regents shall study the child care needs of faculty members, other staff members, and students at each institution of higher education under its control. The state board of regents shall survey each institution for potential locations for child care centers, explore the possibility of receiving federal funding for operation of the child care centers, and examine the feasibility of adopting a sliding fee scale based upon income of the parent or guardian. As a part of this study, the office of the state board of regents shall solicit input from the state association composed of students from the three institutions.

The state board of regents shall present to the general assembly no later than November 30, 1988, a comprehensive proposal for meeting the child care needs at each institution. This proposal shall include recommendations for using students enrolled at the institutions for meeting the child care needs with payment through the state work-study program.

Sec. 60. The department of human services shall increase the disproportionate share reimbursement rate under the medical assistance program provided by Title XIX of the federal Social Security Act to four percent for hospitals for which at least twenty percent of the business is with medically indigent persons.

Sec. 61. For the fiscal years beginning July 1, 1988, and July 1, 1989, the state board of regents shall use notes, bonds, or other evidences of indebtedness issued under section 262.48 to finance projects that will result in energy cost savings in an amount that will cause the state board to recover the cost of the projects within an average of six years.

Sec. 62. Notwithstanding House File 2444, section 1, if House File 2444 is enacted by the Seventy-second General

Assembly, the auditor of state shall monitor the costs of performing examinations of the state board of regents and shall seek reimbursement under section 11.5A.

Sec. 63. Section 154.3, subsection 6, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

The board shall adopt rules requiring an additional twenty hours per biennium of continuing education in the treatment and management of ocular disease for all therapeutically certified optometrists. ~~The department of ophthalmology of the school of medicine of the State University of Iowa shall be one of the providers of this continuing education.~~

Sec. 64. Section 262.9, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 19. Establish a hall of fame for distinguished graduates at the Iowa braille and sight-saving school and at the Iowa school for the deaf.

Sec. 65. POSTSECONDARY EDUCATION TASK FORCE. There is established a citizens postsecondary education task force to study and make recommendations regarding the goals, and the legislation necessary to meet the goals, of the state's postsecondary education system in the future. The study shall include, but not be limited to, the following:

1. Ways to preserve equal educational opportunity and equal access to a quality education for the students of Iowa.
2. An analysis of present and future needs of Iowans for postsecondary education.
3. Coordination and articulation of curriculum with the elementary and secondary school systems.
4. An inventory of the distribution and any duplication of the educational programs and services available in the state's board of regents institutions, merged area schools, private colleges and universities, and technical schools, and the college aid commission.
5. Demographic projections of enrollment trends, including trends among the various kinds of postsecondary education offerings available.

6. A comprehensive fiscal analysis of the state's postsecondary education financing effort, including historic financing trends, per pupil trends, and projections of the state's capacity to finance its postsecondary education system in the future.

7. The tuition being charged at the state universities, including a determination of how student tuition should be calculated, what share of the cost of education should be borne by students, and what share of the cost should be borne by the state.

8. A twenty-year postsecondary education plan that recommends methods and the structure necessary to match the recommended goals with the state resources necessary to fund them, accompanied by a recommended chronology and coordination within the postsecondary education system itself and within the elementary and secondary education systems.

The members of the citizens committee shall be appointed by the speaker and the minority leader of the house of representatives and by the majority and minority leaders of the senate. There shall be seven citizen members whose composition shall be bipartisan, which shall include citizens with an interest or experience in higher education or in research at the graduate level, a student from a postsecondary institution, members of the general public, and from which a chair shall be appointed. Four legislators, one from each political party in the house and one from each political party in the senate, shall be appointed by the joint leaders of the house and senate. The committee may work with one or more education consultants familiar with projected national trends in undergraduate, graduate, and research area goals and needs for the year 2000 and beyond. The task force shall be appointed by no later than June 1, 1988, and shall report to the legislative council by December 15, 1988, how it will be organized and conduct its research in order to report its recommendations to the general assembly by no later than July 1, 1990. If the legislative council approves of the task force organizational plan, it may authorize the task force to

employ an executive director beginning February 1, 1989, until completion of the report in July 1990, and may authorize the expenditure of moneys from section 2.12 to fund the cost of the task force. The task force may request and receive research assistance from the education commission of the states. The task force may accept gifts and donations, and may contract with a foundation for additional funds. The legislative council may authorize the payment of per diem and expenses for the citizen members of the task force.

Staff assistance to the task force shall be provided by the legislative service bureau, the legislative fiscal bureau, and the caucus staffs, who shall work under the direction of the chair of the task force and the executive director if an executive director is employed.

Sec. 66. NEW SECTION. 182.24 BOARD MEMBER DISCLOSURE.

Notwithstanding section 182.13, a member of the board may receive compensation, including a salary, from an organization or agency, including an educational institution, receiving funds from the board. If a member of the board has a pecuniary interest, either direct or indirect, in a matter considered by the board, the interest shall be disclosed by the member to the board and included in the minutes for that meeting of the board. The member having the pecuniary interest shall not participate in an action taken by the board on the matter.

Sec. 67. NEW SECTION. 269.3 CLASSROOM TEACHERS.

For purposes of chapter 20, classroom teachers employed by the Iowa braille and sight-saving school may be accreted to a faculty bargaining unit at the University of Northern Iowa or any other approved classroom teacher bargaining unit established under chapter 20 upon the affirmative vote of a majority of the classroom teachers employed by the school.

Sec. 68. NEW SECTION. 270.11 CLASSROOM TEACHERS,

For purposes of chapter 20, classroom teachers employed by the school for the deaf may be accreted to a faculty bargaining unit at the University of Northern Iowa or any other approved classroom teacher bargaining unit established

under chapter 20 upon the affirmative vote of a majority of the classroom teachers employed by the school.

Sec. 69. Section 262.44, subsection 1, Code Supplement 1987, is amended by striking the subsection and inserting in lieu thereof the following:

1. Set aside and use portions of the respective campuses of the institutions of higher education under its control, namely, the state University of Iowa, the Iowa State University of science and technology, and the University of Northern Iowa, as the board determines are suitable for the acquisition or construction of the following self-liquidating and revenue producing buildings and facilities: Student unions, recreational buildings, auditoriums, stadiums, field houses, athletic buildings and areas, parking structures and areas, research equipment if the debt incurred in its acquisition will be retired by federal, private, or other lawfully available nonappropriated funds, and additions to or alterations of existing buildings or structures.

Except as provided for self-liquidating dormitories and buildings and facilities specifically listed in this subsection, the state board of regents, or any bonding authority established by them, shall not issue any notes, bonds, or other evidence of indebtedness under this division for construction of other buildings or facilities without prior approval by the general assembly and the governor in the manner provided in section 262A.4 for bonds issued under that chapter.

DIVISION V  
AREA EDUCATION AGENCIES

Sec. 70. Section 442.4, subsection 1, unnumbered paragraph 6, code Supplement 1987, is amended to read as follows:

A school district shall certify its basic enrollment to the department of education by October 1 of each year, and the department shall promptly forward the information to the department of management. For purposes of determining whether a district is entitled to an advance for increasing enrollment a determination of actual enrollment shall be made on the

third Friday of September in the budget year by counting the pupils in the same manner and to the same extent that they are counted in determining basic enrollment, but substituting the count in the budget year for the count in the base year. In addition, a school district shall determine its additional enrollment because of special education, as defined in this section 442.38, on December 1 of each year and if the district is entitled to an advance for special education, it shall certify its additional enrollment because of special education to the department of education by December 15 of each year, and the department shall promptly forward the information to the department of management.

For the purposes of this chapter, "additional enrollment because of special education" is determined by multiplying the weighting of each category of child under section 281.9 times the number of children in each category totaled for all categories minus the actual enrollment.

Sec. 71. Section 442.4, subsection 6, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

Commencing with the school year beginning July 1, 1981, 1988, and each school year thereafter, the weighted enrollment shall be determined on the basis of a count of a district's additional enrollment because of special education, as defined in section 442.38 subsection 1, on December 1 of the base year.

Sec. 72. Section 442.4, subsection 6, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Weighted enrollment calculated under this subsection shall be used when weighted enrollment is prescribed by law. It shall not be used in calculations pertaining to special education support services costs.

Sec. 73. Section 442.4, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 7. For the school year beginning July 1, 1988, and each subsequent school year, weighted enrollment for special education support services costs is the sum of the

budget enrollment and the additional enrollment because of special education defined in subsection 1.

Sec. 14. Section 442.7, subsection 7, paragraphs g and h, Code Supplement 1987, are amended to read as follows:

g. For the school year beginning July 1, 1981, 1988, and succeeding school years, the amount included in the special education support services district cost per pupil in-weighted enrollment for special education support services costs for each district in an area education agency for a budget year is the amount included in the special education support services district cost per pupil in-weighted enrollment for special education support services costs in the base year plus the allowable growth added to special education support services state cost per pupil for special education support services costs for the budget year, except as provided in paragraph "h". Funds shall be paid to area education agencies as provided in section 442.25.

h. For the school year beginning July 1, 1986, 1988, and succeeding school years, the director of the department of education may direct the department of management to increase or reduce the allowable growth added to included in special education support services district cost per pupil in-weighted enrollment for a budget year for special education support services costs in an area education agency in the base year based upon special education support services needs in the area. However, an increase in the allowable growth can only be granted by action of the director of the department of education to restore a previous reduction or portion of a reduction in allowable growth for that year or the previous year.

Sec. 75. Section 442.7, subsection 8, Code Supplement 1987, is amended to read as follows:

8. For the school year beginning July 1, 1981, 1988, and succeeding school years, the allowable growth added to special education support services state cost per pupil for special education support services costs is the amount included in the special education support services state cost per pupil for

~~special-education-support-services-costs~~ for the base year times the state percent of growth for the budget year. ~~However, for the school year beginning July 1, 1981, no allowable growth shall be added, except as provided under subsection 9:~~

Sec. 76. Section 442.8, unnumbered paragraph 1, Code 1987, is amended to read as follows:

~~As used in this chapter, "state cost per pupil" for the school year beginning July 1, 1975, and subsequent school years means state cost per pupil in weighted enrollment.~~ The state cost per pupil for the school year beginning July 1, 1972, is nine hundred three dollars. The state cost per pupil for the school year beginning July 1, 1987, is two thousand seven hundred six dollars. Of that amount, two thousand five hundred ninety dollars is regular program state cost per pupil and one hundred sixteen dollars and two cents is special education support services state cost per pupil. The state cost per pupil for the school year beginning on July 1, 1973 1988, and for each succeeding school year is the sum of the base year's regular program state cost per pupil plus the allowable growth for the budget year and the base year's special education support services state cost per pupil plus the allowable growth for the budget year. If the state percent of growth is zero, the budget year's state cost per pupil shall be is the same as the base year's state cost per pupil.

Sec. 77. Section 442.9, subsection 1, Code 1987, is amended to read as follows:

1. The department of management shall determine the additional school district property tax levy for each school district, which is in addition to the foundation property tax levy, as follows:

a. As used in this chapter, ~~"district cost per pupil" for the school year beginning July 1, 1975, and subsequent school years means district cost per pupil in weighted enrollment.~~ ~~The~~ regular program district cost per pupil for the budget year is equal to the regular program district cost per pupil

for the base year plus the allowable growth. However, regular program district cost per pupil does not include additional allowable growth added for programs for gifted and talented children, for programs for returning dropouts, and for educational improvement projects under chapter 260A, for special education support services costs, or for school districts that have a negative balance of funds raised for special education instruction programs under section 442.13, subsection 14, paragraph "b", and does not include additional allowable growth established by the school budget review committee for a single school year only.

As used in this chapter, the special education support services district cost per pupil for the budget year is the special education support services district cost per pupil for the base year plus allowable growth as provided in section 442.7, subsection 7.

District cost per pupil is the sum of the regular program district cost per pupil and the special education support services district cost per pupil.

b. The district cost for the budget year is equal to the sum of the regular program district cost per pupil for the budget year multiplied by the weighted enrollment, plus the special education support services district cost per pupil multiplied by the weighted enrollment for special education support services costs, plus commencing with the budget year beginning July 1, 1985 additional district cost added for moneys received by a school district under section 302.3, Code 1981, as provided in section 442.21, and plus the additional district cost allocated to the district under section 442.27 to fund media services and educational services provided through the area education agency. A school district ~~may~~ shall not increase its district cost for the budget year except to the extent that an excess tax levy is authorized by the school budget review committee as provided in section 442.13.

c. The amount to be raised by the additional school district property tax levy is equal to the district cost for

the budget year, less the **product total of the products** of the state or district foundation base **for regular program and times the weighted enrollment plus the state or district foundation base for special education support services costs times the weighted enrollment for special education support services costs.**

Sec. 10. Section 442.26, unnumbered paragraph 2, Code 1987, is amended to read as follows:

All state aids paid under this chapter, unless otherwise stated, shall be paid in monthly installments beginning on September 15 of a budget year and ending on June 15 of the budget year and the installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state resources. However, the state aids paid to school districts under section 442.28 shall be paid in monthly installments beginning on December 15 and ending on June 15 of a budget year **and state aids paid to school districts under section 442.38 shall be paid in monthly installments beginning on February 15 and ending on June 15 of a budget year.**

Sec. 79. Section 442.28, unnumbered paragraph 1, Code 1987, is amended to read as follows:

If a district's actual enrollment for the budget year, determined under section 442.4, is higher than its budget enrollment for the budget year, the district is entitled to an advance from the state of an amount equal to its **regular program district cost per pupil less the amount per pupil for special education support services, computed as a part of district cost under the provisions of section 442.7** for the budget year multiplied by the difference between the actual enrollment for the budget year and the budget enrollment for the budget year. However, if a district's actual enrollment for the budget year is more than fifteen percent higher than its basic enrollment for the budget year, the advance shall be calculated using seventy-five percent of the difference between the district's actual enrollment for the budget year and its basic enrollment for the budget year. The advance **shall be** is miscellaneous income.

Sec. 80. Section 442.31, unnumbered paragraph 1, Code 1987, is amended to read as follows:

For the school year beginning July 1, 1981 and succeeding school years, boards of school districts, individually or jointly with the boards of other school districts, requesting to use additional allowable growth for gifted and talented children programs, may annually submit program plans for gifted and talented children programs and budget costs, including requests for additional allowable growth For Funding the programs, to the department of education and to the applicable gifted and talented children advisory council, **if** an advisory council has been established, as provided in this chapter. **A district shall not identify more than three percent of its budget enrollment for the budget year as gifted and talented if the district is requesting to use additional allowable growth to finance the programs**

Sec. 81. Section 442.35, Code 1987, is amended to read as follows:

442.35 FUNDING.

The budget of an approved gifted and talented children program for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district and up to three-fourths by an increase in allowable growth as defined in section 442.7. **The approved budget for a gifted and talented children program shall not exceed an amount equal to one and two-tenths percent of the district cost per pupil of the district multiplied by the budget enrollment of the district.** Annually, the department of management shall establish a modified allowable growth for each such district equal to the difference between the approved budget for the gifted and talented children program for that district and the sum of the amount funded from the district cost of the school district plus funds received from other sources.

Sec. 82. Section 442.38, Code 1987, is repealed.



Sec. 83. All federal grants to and the federal receipts of agencies appropriated funds under this Act are appropriated for the purposes set forth in the federal grants or receipts.

Sec. 84. Moneys appropriated in this Act, except for section 1, subsections 3, 5, and 6; sections 5 and 6; section 52, subsection 3, paragraph "a"; and sections 53 and 54, shall not be used for capital improvements.

Sec. 85. Sections 40 and 70 through 82 of this Act apply to computations required under chapter 442 for the budget year beginning July 1, 1988.

Sec. 86. Sections 6, 18, 19, 40, 41, 45, 48, 53, 56, 65, and 70 through 82 of this Act, being deemed of immediate importance, take effect upon their enactment.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2312, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

**SF 2312**

d. If the person operates a hazardous waste treatment, storage, or disposal facility, a fee of twenty-five dollars.

SENATE FILE 2313

AN ACT

IMPOSING ADDITIONAL HAZARDOUS WASTE FEES WITH CIVIL PENALTIES APPLICABLE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 4558.424, Code 1987, is amended by adding the following new subsection immediately following subsection 4 and renumbering the subsequent subsections:

NEW SUBSECTION. 5. In addition to other fees imposed by this section, a person that is required to obtain a United States environmental protection agency identification number shall pay the following fees:

a. If the person generates more than one thousand kilograms of hazardous waste per month, a fee of two hundred fifty dollars.

b. If the person generates hazardous waste but does not generate more than one thousand kilograms of hazardous waste per month, a fee of twenty-five dollars.

c. If the person is a transporter of hazardous waste, a fee of twenty-five dollars.

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2313, Seventy-second General Assembly.

\_\_\_\_\_  
JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

SF 2313

SENATE FILE 2314

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO STATE AGENCIES WHOSE RESPONSIBILITIES RELATE TO PUBLIC DEFENSE, PUBLIC SAFETY, TRANSPORTATION, AND ENFORCEMENT, AND INCLUDING ALLOCATION AND USE OF MONEYS FROM THE ROAD USE TAX FUND AND ABSTRACT FEE FUND, APPROPRIATING MONEYS TO THE PERMANENT SCHOOL FUND, PROVIDING AN INCREASE IN THE ABSTRACT FEE, MANDATING REPORTS OF CERTAIN AGENCY PURCHASES, MANDATING ADOPTION OF RULES GOVERNING REGISTRATION AND TITLING OF MOTOR VEHICLES, RENAMING THE CHIEF EXECUTIVE OFFICER OF THE DEPARTMENT OF PUBLIC SAFETY, CHANGING PROVISIONS OF THE CODE RELATING TO APPLICATION OF CERTAIN TRANSPORTATION SAFETY REGULATIONS, REPEALING PROVISIONS OF THE CODE REQUIRING WOODLANDS, WETLANDS, PUBLIC PARKS, AND PRIME AGRICULTURAL LAND TO BE PROTECTED IN THE DESIGN, CONSTRUCTION, AND RECONSTRUCTION OF HIGHWAYS, AND PROVIDING EFFECTIVE DATES.

enforcement academy. However, no charge shall be made for officer candidates being tested on behalf of state departments or agencies.

The Iowa law enforcement academy may also charge not more than one-half of the cost of providing the ten-week course which is designed to meet the minimum basic training requirements for a law enforcement officer. However, a charge shall not be made for officers employed by state departments or agencies.

Sec. 3. The Iowa law enforcement academy is projected to raise at least an additional two hundred one thousand (201,000) dollars in receipts and federal funds.

DEPARTMENT OF PUBLIC DEFENSE

Sec. 4. There is appropriated from the general fund of the state to the department of public defense for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

- 1. For salaries and support of not more than one hundred thirty-nine point forty-two full-time equivalent positions, maintenance, and miscellaneous purposes:
  - ..... \$ 3,256,709

Notwithstanding section 29A.33, the per capita annual allowance to units will be five dollars per capita to be paid on a semiannual basis in installments of two dollars fifty cents per capita for the fiscal year beginning July 1, 1988, and ending June 30, 1989. The per capita allowance shall be used for morale purposes and be for the welfare of the troops and in no circumstances expended for support and maintenance.

- 2. For the war orphans educational aid fund:
  - ..... \$ 15,185

- 3. For salaries and support of not more than three full-time equivalent positions, maintenance, and miscellaneous purposes for the purpose of emergency response planning:
  - ..... \$ 106,837

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

IOWA LAW ENFORCEMENT ACADEMY

Section 1. There is appropriated from the general fund of the state to the Iowa law enforcement academy for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, for salaries and support of not more than twenty-two point two full-time equivalent positions, maintenance, and miscellaneous purposes, including jailer training and technical assistance:
.....\$ 707,165

Sec. 2. Notwithstanding section 80B.11, subsection 5, during the fiscal year beginning July 1, 1988, not more than one-half of the cost of providing cognitive and psychological examinations of law enforcement officer candidates may be charged for taking the examinations by the Iowa law

Sec. 5. Notwithstanding section 384.15, subsection 7, paragraph "b", there is appropriated from the unencumbered and unobligated funds remaining in the law enforcement training reimbursement fund on June 30, 1988, to the department of public defense for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of eighty-six thousand (86,000) dollars, or so much thereof as is necessary, for purposes of preventing the contamination of the groundwater in the Camp Dodge area.

Sec. 6. The department of public defense is projected to raise at least an additional three million one hundred fifty thousand (3,150,000) dollars in receipts and federal funds.

DEPARTMENT OF PUBLIC SAFETY

Sec. 7. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for funding the following functions and programs for the purposes designated:

1. For the department's administrative functions including the medical examiner's office and the criminal justice information system, the sum of one million nine hundred thirty-five thousand six hundred eight (1,935,608) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than one million four hundred twenty thousand three hundred thirty-five (1,420,335) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43, may be expended for salaries and benefits for not more than forty-five full-time equivalent positions and not more than one million one hundred seventy-one thousand four hundred twenty-three (1,171,423) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

2. The balance of the fund created under section 321J.17 carried forward for the fiscal year beginning July 1, 1988, and ending June 30, 1989, may be used to provide salary and support of not more than eight point five full-time equivalent positions and maintenance for the victim compensation functions of the department of public safety.

3. For purposes relating to radio communications, the sum of two million eight hundred twenty-five thousand two hundred ninety-two (2,825,292) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than two million two hundred eighty-two thousand eight hundred seventy-six (2,282,876) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43, may be expended for salaries and benefits for not more than seventy-eight point five full-time equivalent positions and not more than five hundred fifty-four thousand six hundred sixty-six (554,666) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

4. a. For the division of criminal investigation containing the bureaus of identification and liquor law enforcement, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated, the sum of three million four hundred fifty-three thousand one hundred eight (3,453,108) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than four million one hundred sixty-eight thousand two hundred forty-nine (4,168,249) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43, may be expended for salaries and benefits for not more than one hundred eleven

full-time equivalent positions and not more than six hundred two thousand three hundred fifty-three (602,353) dollars from all revenue sources may be expended for support and miscellaneous purposes, including lease and lease purchase of laboratory equipment. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

b. Notwithstanding section 384.15, subsection 7, paragraph "b", there is appropriated from the unencumbered and unobligated money remaining in the law enforcement training reimbursement fund on June 30, 1988, to the department of public safety, division of criminal investigation, the sum of two hundred thousand (200,000) dollars, or so much thereof as is necessary, to be used for salaries, support, maintenance, and miscellaneous purposes.

5. For the pari-mutuel law enforcement agents, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated, the sum of two hundred twenty-seven thousand six hundred sixty-five (227,665) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than one hundred seventy-seven thousand three hundred thirty-six (177,336) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43, may be expended for salaries and benefits for not more than five full-time equivalent positions and not more than fifty thousand three hundred twenty-nine (50,329) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

6. a. For the division of narcotics, including the state's contribution to the peace officers' retirement,

accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated, the sum of nine hundred sixty-nine thousand fifteen (969,015) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than eight hundred fifty-nine thousand eight hundred ninety-nine (859,899) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43, may be expended for salaries and benefits for not more than twenty-three full-time equivalent positions and not more than one hundred thirty-two thousand six hundred sixteen (132,616) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

b. Notwithstanding section 384.15, subsection 7, paragraph "b", there is appropriated from the unencumbered and unobligated money remaining in the law enforcement training reimbursement fund on June 30, 1988, to the department of public safety, division of narcotics, the sum of two hundred thousand (200,000) dollars for undercover purchases by the division of narcotics and local law enforcement agencies.

7. For the fire marshal's office, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated, the sum of one million one hundred ninety-one thousand three hundred ninety-five (1,191,395) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than one million one hundred fifty thousand two hundred nineteen (1,150,219) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43, may be expended for salaries and benefits for not more

than thirty-one full-time equivalent positions and not more than one hundred eighty-two thousand two hundred seventy-six (182,276) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

8. For the capitol security division, the sum of nine hundred seventy-six thousand two hundred ninety-two (976,292) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than nine hundred two thousand three hundred eighty-seven (902,387) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43, may be expended for salaries and benefits for not more than thirty-six full-time equivalent positions and not more than seventy-three thousand nine hundred five (73,905) dollars from all revenue sources may be expended for support and miscellaneous purposes. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to this condition.

Sec. 8. There is appropriated from the road use tax fund to the department of public safety, division of highway safety and uniformed force, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used as follows:

1. The sum of nineteen million eight hundred ninety-nine thousand three hundred fifty-one (19,899,351) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, no more than sixteen million three hundred fifty-six thousand (16,356,000) dollars from all revenue sources, plus an allocation from the salary adjustment fund pursuant to section 8.43, may be expended for salaries and benefits for not more than four hundred forty-eight point five full-time equivalent positions and not more

than four million ninety-nine thousand five hundred fifty-three (4,099,553) dollars from all revenue sources may be expended for support and miscellaneous purposes including federal Highway Safety Act programs, and the state's contributions to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated, and as an additional condition, limitation, and qualification of this appropriation the Iowa law enforcement academy shall be allowed to annually select up to five automobiles of the department of public safety, division of highway safety and uniformed force, which are being turned in to the state vehicle dispatcher to be disposed of by public auction and the Iowa law enforcement academy shall be allowed to exchange any automobile owned by the academy for each automobile selected if the selected automobile is used in training law enforcement officers at the academy, however, any automobile exchanged by the academy shall be substituted for the selected vehicle of the department of public safety and sold by public auction with the receipts being deposited in the depreciation fund to the credit of the department of public safety, division of highway safety and uniformed force. Unanticipated federal and local grants or receipts received after this Act becomes effective are not subject to these conditions.

However, the unfunded liability of the peace officers' retirement, accident, and disability system, as of July 1, 1986 shall not be considered a liability of the road use tax fund.

An employee of the department of public safety or its successor who retires after the effective date of this Act is eligible for payment of life or health insurance premiums as provided for in the collective bargaining agreement covering the public safety bargaining unit at the time of retirement if that employee previously served in a position which would have

been covered by the agreement. The employee shall be given credit for the service in that prior position as though it were covered by that agreement. This section shall not operate to reduce any retirement benefits an employee may have earned under other collective bargaining agreements or retirement programs.

2. For the capital purchase of mobile vehicle repeater radios and test equipment to be used by the Iowa highway safety patrol, provided that only the lowest, most responsible bid is accepted by the department of public safety in the purchase of these motor vehicle repeater radios:  
..... \$ 920,000

The mobile vehicle repeater radios are to be placed solely in motor vehicles used by members of the Iowa highway safety patrol below the rank of lieutenant for patrolling the highways.

3. For the purpose of making payments to the department of personnel for expenses incurred in administering workers' compensation on behalf of the highway safety division of highway safety and uniformed force:

..... \$ 55,544

4. for the purpose of making payments to the department of personnel for expenses incurred in administering the merit system on behalf of the highway safety division of highway safety and uniformed force:

..... \$ 50,000

Sec. 9. There is appropriated from the road use tax fund from revenue credited to the road use tax fund under section 423.24, subsection 1, paragraph "b" to the department of public safety the sum of six hundred thousand (600,000) dollars, or so much thereof as is necessary, for land acquisition, construction or purchase of a facility, and other miscellaneous expenses for a new highway patrol post with access to Interstate highways 29, 80, and 580 and the construction of the post's communication tower. Moneys

appropriated under this section shall be repaid by the department of public safety to the road use tax fund by June 30, 1991.

Sec. 10. There is appropriated From the abstract fee fund created in section 321A.3A to the department of public safety, division of criminal investigation and bureau of identification for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of eight hundred fifty thousand (850,000) dollars, or so much thereof as is necessary, for salaries, support, maintenance, and miscellaneous purposes.

Sec. 11. The department of public safety is projected to raise at least an additional one million one hundred ninety-four thousand nine hundred twenty-nine (1,194,929) dollars in receipts and federal funds.

STATE DEPARTMENT OF TRANSPORTATION

Sec. 12. It is a condition, limitation, and qualification for moneys appropriated under this section that the state department of transportation provide the legislative fiscal bureau with copies of the minutes of all meetings of the state transportation commission which occur after the effective date of this Act at no cost to the legislative fiscal bureau, and provided that the condition, limitation, and qualification is met, there is appropriated from the road use tax fund to the state department of transportation for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

1. For salaries, support, maintenance, and miscellaneous purposes for:

a. Administrative services, fifty-two point seventy-five full-time equivalent positions:

..... \$ 3,068,632

b. General counsel, one point two full-time equivalent positions:

.....\$ 148,151

c. Planning and research, eight point s x full-time equivalent positions:

..... \$ 286,216

d. Aeronautics and public transit, five full-time equivalent positions:

..... \$ 199,673

e. Motor vehicles, five hundred thirty-one point three full-time equivalent positions:

..... \$ 15,156,250

f. Rail and water, fifteen point four full-time equivalent positions:

..... \$ 586,878

2. For the purpose of making payments to the department of personnel for expenses incurred in administering the merit system on behalf of the state department of transportation, as required by chapter 19A:

..... \$ 16,000

3. Unemployment compensation:

..... \$ 12,250

Sec. 13. There is appropriated from the road use tax fund to the department of personnel for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of thirty-five thousand eight hundred (35,080) dollars, or so much thereof as is necessary, to be used for the purpose of paying workers' compensation claims under chapter 85 on behalf of employees of the state Department of transportation.

Sec. 14. There is appropriated from the primary road fund to the state department of transportation for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

1. For salaries, support, maintenance, and miscellaneous purposes f:::

a. Administrative services, three hundred one point twenty-five full-time equivalent positions:

..... \$ 18,802,617

b. General counsel, six point eight full-time equivalent positions:

..... \$ 876,049

c. Planning and research, one hundred sixty-two point four full-time equivalent positions:

..... \$ 5,438,109

d. Aeronautics and public transit, five full-time equivalent positions:

..... \$ 199,673

e. Highways, two thousand eight hundred seventy-six full-time equivalent positions:

..... \$117,652,377

f. Motor vehicles, eighteen point seven full-time equivalent positions:

..... \$ 529,015

g. Rail and water, six point six full-time equivalent positions:

..... \$ 248,793

2. To be deposited in the state department of transportation's highway materials and equipment revolving fund established by section 307.47 for funding the increased replacement cost of vehicles:

..... \$ 2,000,000

3. For the purpose of making payments to the department of personnel for expenses incurred in administering the merit system on behalf of the state department of transportation, as required by chapter 19A:

..... \$ 304,000

4. Unemployment compensation:

..... \$ 232,750

Sec. 15. There is appropriated from the primary road fund to the department of personnel for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of six hundred sixty-six thousand five hundred forty (666,540) dollars, or so



much thereof as is necessary, for the purpose of paying workers' compensation claims under chapter 85 on behalf of the employeys of the state department of transportation.

Sec. 16. There is appropriated from the state aviation fund to the state department of transportation for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, to be used for the following purposes:

For salaries and support of not more than nine full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 348,654

Sec. 17. There is appropriated from the primary road fund to the state department of transportation for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used in the manner designated:

1. For repairing the laboratory lot of the Ames office complex:

..... \$ 150,000

The provisions of section 8.33 do not apply to the funds appropriated by this subsection. Unencumbered or unobligated funds remaining on June 30, 1990, from funds appropriated for the fiscal year beginning July 1, 1988, shall revert to the fund from which appropriated on September 30, 1990.

2. For the replacement of obsolete field facilities located in the cities of Chariton, Waverly, and Maquoketa and the purchase of a parcel of land at Jefferson:

..... \$ 2,055,000

The state department of transportation shall continue its construction program of replacing obsolete field facilities and shall also conduct a needs assessment study of the department's maintenance facilities construction needs and shall present the findings of the study to the Sevenby-third General Assembly in January 1990.

The state department of transportation shall complete the Greenfield field facility by June 30, 1991.

The provisions of section 8.33 do not apply to the funds appropriated by this subsection. Unencumbered or unobligated funds remaining on June 30, 1992, from funds appropriated for the fiscal year beginning July 1, 1988, shall revert to the fund from which appropriated on September 30, 1992.

Sec. 18. Receipts from the sale of aircraft which were replaced under the appropriation provided under 1987 Iowa Acts, chapter 232, section 9, are appropriated from the state aircraft revolving fund to the state department of transportation for the fiscal year beginning July 1, 1988, and ending June 30, 1989, for the purposes of terminal improvements at essential air service airports. In selecting projects, the state department of transportation shall give preference to projects that will assist in maintaining and attracting air service. Priority shall be given to projects for terminals which need matching funds to receive federal moneys and which have annual enplanements of under forty thousand persons. The department shall provide funding for as many essential air service communities as possible.

Sec. 19. Notwithstanding section 423.24, and prior to application of section 423.24, subsection 1, paragraph "b", there is appropriated from revenues derived from the operation of section 423.7 to the state department of transportation for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of two hundred fifty thousand (250,000) dollars, or so much thereof as is necessary, for the purposes of terminal improvements at essential air service airports. In selecting projects, the state department of transportation shall give preference to projects that will assist in maintaining and attracting air service. Moneys appropriated under this section shall be used only for new projects for terminals which have annual enplanements of under forty thousand persons. The department shall provide funding for as many essential air service communities as possible.

Sec. 20. There is appropriated to the state department of transportation from the revenue to be credited to the road use tax fund under section 423.24, subsection 1, paragraph "b", for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of two hundred thousand (200,000) dollars, or so much thereof as is necessary, for the purposes of a study and pilot projects to evaluate gaps in the federal aviation weather collection and dissemination system in Iowa. The results of the pilot projects and the study shall be used to make recommendations for a comprehensive, coordinated statewide system to meet the needs of Iowa aviation. The study shall be independently conducted but administered by the state department of transportation. The pilot projects shall include one weather observer only system and one semiautomated system.

## CODE CHANGES

Sec. 21. Section 7E.4, subsection 5, Code 1987, is amended to read as follows:

5. "Head of the department" means the elective officer, director, commissioner, or other official in charge of a department.

Sec. 22. Section 80.2, Code 1987, is amended to read as follows:

80.2 ~~81888788~~ COMMISSIONER -- APPOINTMENT.

The chief executive officer of the department of public safety is the director commissioner of public safety. The governor shall appoint, subject to confirmation by the senate, a ~~director~~ commissioner of public safety, who shall be a person of high moral character, of good standing in the community in which the director commissioner lives, of recognized executive and administrative capacity, and who shall not be selected on the basis of political affiliation. The ~~director~~ commissioner of public safety shall devote full time to the duties of this office; the director commissioner shall not engage in any other trade, business, or profession,

nor engage in any partisan or political activity. The director commissioner shall serve at the pleasure of the governor, at an annual salary as fixed by the general assembly.

Sec. 23. Section 100.35, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The rules adopted by the state fire marshal under this section shall provide standards for fire resistance of cellulose insulation sold or used in this state, whether for public or private use. The rules shall provide for approval of the cellulose insulation by at least one nationally recognized independent testing laboratory.

Sec. 24. Section 302.1, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 6. All other moneys by law credited to the permanent school fund.

Sec. 25. NEW SECTION. 307.39 MAINTENANCE FACILITIES.

The department shall maintain maintenance facilities within the boundaries of every county with a population in excess of eight thousand persons in which the department maintains a maintenance facility as of January 1, 1988.

Sec. 26. NEW SECTION. 307.40 COPIES OF CONTRACTS TO LEGISLATIVE FISCAL BUREAU.

The department shall give a copy of each contract for construction or reconstruction of roads, streets, or bridges entered into by the department in which the contract price is for five million dollars or more to the legislative fiscal bureau.

Sec. 27. Section 307.47, Code 1987, is amended to read as follows:

307.47 XATERIALS AND EQUIPMENT REVOLVING FUND.

1. The highway materials and equipment revolving fund is created from moneys appropriated out of the primary road fund. From this fund shall be paid all costs for materials and supplies, inventoried stock supplies, maintenance and

operational costs of equipment, and equipment replacements incurred in the operation of centralized purchasing under the supervision of the department's administrator of highways. Direct salaries and expenses properly chargeable to direct salaries shall be paid from the fund. For each month the director shall render a statement to each unit under the supervision of the administrator of highways for the actual cost of materials and supplies, operational and maintenance costs of equipment, and equipment depreciation used. The expense shall be paid by the administrator of highways in the same manner as other interdepartmental billings are paid and when the expense is paid by the administrator of highways, the sum paid shall be credited to the highway materials and equipment revolving fund.

2. It surplus accrues to the revolving fund in excess of one hundred thousand dollars for which there is no anticipated need or use, the governor shall order that surplus reverted to the primary road fund.

3. When the units under the supervision of the administrator of highways share equipment with other administrative units of the department, the director shall prorate the costs of the equipment among the administrative units using the equipment.

4. The department shall present a purchase report to the legislative fiscal bureau prior to the beginning of each regular annual session of the general assembly. The report shall cover all equipment and vehicle purchases through the highway materials and equipment revolving fund during the preceding fiscal year.

Sec. 28. Section 312.2, subsection 9, Code Supplement 1987, is amended to read as follows:

9. The treasurer of state, before making the allotments provided for in this section, shall credit annually to the division of soil conservation in the department of agriculture and land stewardship ~~to~~ one hundred fifty thousand dollars

from the road use tax funds. The division of soil conservation, in co-operation with the state department of transportation and the department of natural resources shall expend the funds, for the lease or other use of land intended for the planting or maintenance of wind erosion control barriers designed to reduce wind erosion interfering with the maintenance of highways in the state or the safe operation of vehicles on the highway. However, the funds shall not be expended for wind erosion control barriers located more than forty rods from the highway.

Sec. 29. Section 312.2, subsections 10 and 11, Code Supplement 1987, are amended by striking the subsections.

Sec. 30. Section 312.2, subsection 17, Code Supplement 1987, is amended to read as follows:

17. The treasurer of state, before making the allotments provided for in this section, shall credit monthly from the road use tax fund to the public transit assistance fund, created under section 6015.6, from revenue credited to the road use tax fund under section 423.24, subsection 1, paragraph "b", an amount equal to one-fortieth one-twentieth of the revenue credited to the road use tax fund under section 423.24, subsection 1, paragraph "b".

Sec. 31. NEW SECTION. 312.2A ALLOCATIONS FOR TRAILS.

1. There is appropriated from any private moneys received by the state for recreational trail development purposes to the state department of transportation for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of fifty thousand (**50,000**) dollars, or so much thereof as is necessary, to acquire land and other property to complete parts of existing recreational trails including, but not limited to, the Cedar Valley nature trail, the Heritage trail, the Grundy county nature trail, and the Comet trail as provided in section 111F.2, subsection 3.

2. The treasurer of state, before making the allotments provided for in section 312.2, shall credit for the fiscal

year beginning July 1, 1988, and ending June 30, 1989, to the state department of transportation one hundred thousand dollars from the road use tax fund from revenue credited to the road use tax fund under section 423.24, subsection 1, paragraph "b". The state department of transportation shall expend the moneys to carry out the statewide trails development plan provided for in section 111F.2.

Sec. 32. Section 321.44, Code 1987, is amended to read as follows:

321.44 REGULATIONS GOVERNING CHANGE OF MOTORS ENGINES, DRIVETRAIN ASSEMBLIES AND RELATED PARTS.

The director is-authorized-to shall adopt and enforce such rules governing registration and titling of motor vehicles as may-be deemed necessary by the director and compatible with the public interest with respect to the change or substitution of one-engine-in-pfeee-of-enether engines, drivetrain assemblies or related parts in any motor vehicle.

Sec. 33. Section 321.462, unnumbered paragraph 2, Code 1987, is amended to read as follows:

The connection between a truck tractor and a semitrailer with a gross weight of three thousand pounds or more shall be of a type approved by the director,~~and the commissioner is hereby given authority to approve or disapprove such types of connection submitted to the commissioner.~~

Sec. 34. Section 321A.2, subsection 1, Code 1987, is amended to read as follows:

1. The director shall administer and enforce the **provisions** of this chapter and may make rules necessary for its administration and shall provide for hearings upon request of persons aggrieved by orders or acts of the director under the provisions of sections 321A.4 to 321A.11.

Such The hearings shall be held before the director as early as practicable within not to exceed twenty days after receipt of such the request in the county wherein in which the requesting person resides unless the director and such the

requesting person agree that such the hearing may be held in some other county. Upon such hearing the director may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require an examination under oath of the person requesting such the hearing.

Sec. 35. Section 321A.3, subsection 1, Code Supplement 1987, is amended to read as follows:

1. The director shall upon request furnish any person a certified abstract of the operating record of a person subject to chapter 321 or this chapter. The abstract shall also fully designate the motor vehicles, if any, registered in the name of the person. If there is no record of a conviction of the person having violated any law **relating** to the operation of a motor vehicle or of any injury or damage caused by the person, the director shall so certify. A fee of **five** dollars shall be paid for each abstract except by state, county, city or court officials. The director shall transfer the moneys collected under this section to the treasurer of state who shall credit annually to the abstract fee fund created under section 321A.3A the first nine hundred fifty thousand dollars collected and shall credit to the general fund all additional moneys collected.

Sec. 36. Section 3218.3, subsection 2, Code Supplement 1987, is amended to read as follows:

2. A sheriff may provide an abstract of the operating record of a person to the person or an individual authorized by the person. The sheriff shall charge a fee of **four five** dollars for each abstract which the sheriff shall transfer to the director quarterly. The sheriff may charge an additional fee sufficient to cover costs incurred by the sheriff in producing the abstract.

Sec. 37. Section 321A.3, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The director may permit any person to view the operating record of a person subject to chapter 321 or this chapter through one *of* the department's computer terminals or through a computer printout generated by the department. The director shall not require a fee for a person to view their own operating record, but the director shall impose a fee of one dollar for each of the first five operating records viewed within a calendar day and two dollars for each additional operating record viewed within the calendar day.

Sec. 38. Section 321A.3, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Fees under subsections 1 and 5 may be paid by credit cards, as defined in section 537.1301, subsection 16, approved for that purpose by the director of transportation. The director shall enter into agreements with financial institutions extending credit through the use of credit cards to ensure payment of the fees. The director shall adopt rules pursuant to chapter 17A to implement the provisions of this subsection.

Sec. 39. Section 321A.3, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Notwithstanding chapter 22 or any other law of this state, except as provided in subsection 5, the director shall not make available an operating record in a manner which would result in a fee of less than that provided under subsection 1. Should the director make available copies of abstracts of operating records on magnetic tape or on disk or through electronic data transfer, the five dollar fee under subsection 1 applies to each abstract supplied.

Sec. 40. NEW SECTION. 321A.3A ABSTRACT FEE FUND.

1. There is created the abstract fee fund. Moneys shall be credited from the abstract fee fund as appropriated by the general assembly.

2. The treasurer of state, after crediting moneys appropriated from the abstract fee fund, shall credit any moneys remaining in the abstract fee fund on June 30 of each fiscal year to the road use tax fund to be applied toward the repayment of moneys allocated from the road use tax fund to the department of public safety under section 9 of this Act, until the moneys have been repaid in full.

MISCELLANEOUS PROVISIONS

Sec. 41. 1983 Iowa Acts, chapter 198, section 31, as amended by 1984 Iowa Acts, chapter 1309, section 9, is amended to read as follows:

SEC. 31. Notwithstanding the provisions of section 423.24, there is transferred from revenues collected under chapter 423 during the fiscal year beginning July 1, 1983, and ending June 30, 1984, from the use tax imposed on motor vehicles, trailers, and motor vehicle accessories and equipment under section 423.7 the sum of one million (1,000,000) dollars which shall be transferred to the state department of transportation for public transit assistance for the fiscal year beginning July 1, 1983, and ending June 30, 1984. The funds transferred under this section to the state department of transportation for public transit assistance shall be considered an interest-free loan of funds to be received for public transit assistance under the Surface Transportation Assistance Act of 1982 and the road use tax fund shall receive reimbursement of the loan during the fiscal period beginning July 1, 1984, and ending June 30, 1989 1994.

Each entity which has received a loan pursuant to this section shall have repaid twenty percent of the total amount of the loan by June 30, 1990, forty percent of the total amount of the loan by June 30, 1991, sixty percent of the total amount of the loan by June 30, 1992, eighty percent of the total amount of the loan by June 30, 1993, and the total amount of the loan by June 30, 1994. If an entity fails to make a loan repayment as required under this section, the entire amount of the loan is immediately due and payable.

Sec. 42. 1987 Iowa Acts, chapter 232, section 1, unnumbered paragraph 2, is amended to read as follows:

Notwithstanding section 384.15, subsection 7, paragraph "b", there is appropriated from the unencumbered and unobligated money remaining in the law enforcement training reimbursement fund on June 30, 1987, to the Iowa law enforcement academy the sum of twenty-eight thousand two hundred (28,200) dollars for repair of ~~a-chiller-unit-repair of-a-parking-lot, the roof over the indoor firearms range, kitchen equipment, repair or replacement of carpet-and replacement-of-a-washing-machine~~ floors at the academy. Notwithstanding section 8.33, the unencumbered and unobligated funds remaining in the appropriation of this paragraph shall revert to the general fund on June 30, 1988.

Sec. 43. 1987 Iowa Acts, chapter 232, section 6, subsection 2, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Section 8.33 does not apply to the funds appropriated by this subsection. However, unencumbered or unobligated funds remaining on June 30, 1989, from funds appropriated under this subsection shall revert to the road use tax fund on June 30, 1989.

Sec. 44. 1987 Iowa Acts, chapter 232, section 10, is amended by adding the following new subsection:

NEW SUBSECTION. 6. To meet the requirements of the groundwater protection law by putting in place sniffer wells for the detection of leakage from underground storage tanks:  
..... \$ 350,000

Section 8.33 does not apply to the funds appropriated by this subsection. However, unencumbered or unobligated funds remaining on June 30, 1989, from funds appropriated for the fiscal year beginning July 1, 1987, and ending June 30, 1988, shall revert to the fund from which appropriated on June 30, 1989.

Sec. 45. 1987 Iowa Acts, chapter 232, section 11, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Section 8.33 does not apply to the funds appropriated by this section. However, unencumbered or unobligated funds remaining on June 30, 1989, from funds appropriated under this section shall revert to the road use tax fund on June 30, 1989.

Sec. 46. 1987 Iowa Acts, chapter 232, section 15, subsection 3, is amended to read as follows:

3. Section 8.33 does not apply to the funds appropriated by this section. However, unencumbered or unobligated funds remaining on June 30, ~~1991~~ 1993 from funds appropriated for the fiscal year beginning July 1, 1987 shall revert to the fund from which appropriated on September 30, ~~1991~~ 1993.

Sec. 47. 1987 Iowa Acts, chapter 232, section 30, is amended to read as follows:

SEC. 30. 1986 Iowa Acts, chapter 1246, section 12, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Section 8.33 does not apply to the funds appropriated by ~~subsection 5~~ of this section. However, unencumbered or unobligated funds remaining on June 30, 1991, from funds appropriated for the fiscal year beginning July 1, 1986, shall revert to the fund from which appropriated on September 30, 1991.

Sec. 48. 1987 Iowa Acts, chapter 233, section 120, subsections 2 through 4, are amended to read as follows:

2. There is appropriated from the road use tax fund of the state to the state department of transportation, for the fiscal year beginning July 1, 1987, the sum of ~~two six~~ two six hundred ninety-six thousand forty-five (~~296,045~~ 696,045) dollars, or so much thereof as may be necessary, to supplement other funds appropriated by the general assembly.

3. There is appropriated from the road use tax fund of the state to the department of public safety, for the fiscal year beginning July 1, 1987, the sum of five-hundred one million

sixty-five thousand nine hundred eighteen (~~565,918~~ 1,065,918) dollars, or so much thereof as may be necessary, to supplement other funds appropriated by the general assembly.

4. There is appropriated from the primary road fund to the state department of transportation, for the fiscal year beginning July 1, 1987, the sum of ~~two four~~ million one hundred fifty-nine thousand seven hundred thirteen (~~2,159,713~~ 4,159,713) dollars, or so much thereof as may be necessary, to supplement other funds appropriated by the general assembly.

Sec. 49. 1987 Iowa Acts, chapter 233, section 120, is amended by adding the following new subsection:

NEW SUBSECTION. 7. There is appropriated from the road use tax fund of the state to the state department of transportation, administrative services, for the fiscal year beginning July 1, 1987, the sum of four hundred thousand (400,000) dollars, or so much thereof as may be necessary for the purposes of information processing adjustments. Section **8.33** does not apply to the funds appropriated by this subsection. However, unencumbered or unobligated funds remaining on June 30, 1989, from funds appropriated under this subsection shall revert to the road use tax fund of the state on July 1, 1989.

Sec. 50. 1988 Iowa Acts, Senate File 2070, section 7, is amended by Striking the section and inserting in lieu thereof the following:

SEC. 7. Section 321.449, Code Supplement-1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding other provisions of this section, rules adopted under this section for a driver of a commercial vehicle shall not apply to a driver for a private carrier, who is not for hire and who is engaged exclusively in intrastate commerce, when the driver's commercial vehicle is not operated more than one hundred miles from the driver's work reporting location.

Sec. 51. 1988 Iowa Acts, Senate File 2196, section 8, is repealed.

Sec. 52. There is appropriated from the general fund to the permanent school fund the sum of fifty-five thousand (**55,000**) dollars.

Sec. 53. Moneys appropriated for any new program or function shall be used solely for that program or function and moneys shall not be transferred from such appropriations or used for any other purpose.

Sec. 54. The legislative fiscal bureau shall conduct a program evaluation of the administration of motor vehicles of the state department of transportation. The state department of transportation and the department of public safety shall cooperate with the legislative fiscal bureau in providing information required by the legislative fiscal bureau in the program evaluation. The legislative fiscal bureau shall make recommendations about the appropriateness of those functions in the state department of transportation. The recommendations shall be completed by December 1, 1988, and presented to the members of the general assembly.

Sec. 55. The legislative fiscal bureau shall conduct a study evaluating the administration of the department of public safety specifically identifying areas of duplication or overlap of functions within the department of public safety and with other departments, and reviewing the organizational structure of the department of public safety. The study shall also evaluate the department of public safety's employee recruitment, management, and retention policies and practices. The department of public safety and other state departments and agencies shall cooperate with the legislative fiscal bureau in the study. The study shall, upon completion, be presented to the members of the general assembly. The study shall be completed by January 14, 1989.

Sec. 56. Each department of state government receiving appropriations under this Act, when making purchases of



TERRY E. BRANSTAD  
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL  
DES MOINES, IOWA 50319

515 281-5211

April 15, 1988

The Honorable Jo Ann Zimmerman  
President of the Senate  
State Capitol Building  
L O C A L

Dear Madam President:

I hereby transmit Senate File 2314, an act relating to and making appropriations to state agencies whose responsibilities relate to public defense, public safety, transportation, and enforcement, and including allocation and use of moneys from the road use tax fund and abstract fee fund, appropriating moneys to the permanent school fund, providing an increase in the abstract fee, mandating reports of certain agency purchases, mandating adoption of rules governing registration and titling of motor vehicles, renaming the chief executive officer of the department of public safety, changing provisions of the code relating to application of certain transportation safety regulations, repealing provisions of the code requiring woodlands, wetlands, public parks, and prime agricultural land to be protected in the design, construction, and reconstruction of highways, and providing effective dates.

Senate File 2314 is approved with the following exception which I hereby disapprove.

I am unable to approve the item designated as Section 53 of Senate File 2314.

Section 53 of this bill restricts the use of funds appropriated for new programs. In effect, this provision abrogates administrative transfer authority included in Section 8.39 of the Code.



The Honorable Jo Ann Zimmerman  
April 15, 1988  
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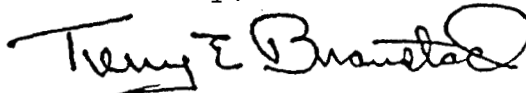
While I approve of the new programs included in this bill and plan to insure the appropriate administration of them, I cannot accept the language which limits the ability of the executive branch to transfer funds in the event of *a* budget shortfall, In fact, new programs often have substantial lead times and thus the first full *year* appropriation often remains partially unspent, **In** the event of a budget shortfall in the state, utilization of this transfer authority could be essential **to** avoid the elimination or the drastic cutbacks of other existing programs,

Therefore, *the* executive branch needs to maintain the flexibility of the current budget transfer authority,

Senate File 2314 also includes a provision which authorizes the Department of **public** Safety to construct or purchase facility for **a** new State Patrol Post with access to Interstates 29, **80**, and 680. While I am approving the appropriation for that purpose, I am concerned about the impact of moving the area Post and Communications facility from its present Atlantic headquarters. Therefore, I approve **this** appropriation with the understanding that the Communications Center will remain in Atlantic. This community has fought back **from** the **farm** crisis and is now rebounding economically. Maintaining this Communications Center will **provide** Atlantic's recovering **economy** with additional stability.

**For the above reasons, I** hereby respectfully disapprove the designated **item in accordance with** Amendment **IV of the Amendments** of the 1968 Constitution of the **state** of Iowa, **All** other items in Senate **File 2314 are hereby** approved as of **this** date.

Sincerely,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of **State**  
Secretary of the Senate  
Chief Clerk of the House

SENATE FILE 2318

AN ACT

RELATING TO THE REGISTRATION OF CONSTRUCTION CONTRACTORS;  
PROVIDING FOR ADMINISTRATION AND ENFORCEMENT OF A SYSTEM  
OF REGISTRATION BY THE LABOR COMMISSIONER; PROVIDING FOR  
ADMINISTRATIVE PENALTIES; PROVIDING AN EFFECTIVE DATE;  
AND PROVIDING OTHER PROPERLY RELATED MATTERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 96.11, Code Supplement 1987, is amended  
by adding the following new subsection:

NEW SUBSECTION. 14. For purposes of contractor  
registration under chapter 549, the division of job service  
shall provide for the issuance of special contractor numbers  
to contractors for whom employer accounts are not required  
under this chapter. A contractor who is not in compliance  
with the requirements of this chapter shall not be issued a  
special contractor number.

Sec. 2. NEW SECTION. 549.1 DEFINITION -- EXEMPTION.

1. As used in this chapter, unless the context otherwise  
requires, "contractor" means a person who engages in the

business of construction, as the term "construction" is  
defined in section 345-3.82 (96), Iowa Administrative Code,  
for purposes of the Iowa employment security law. However, a  
person who earns less than one thousand dollars annually or  
who performs work or has work performed on the person's own  
property is not a contractor for purposes of this chapter.

2. If a contractor's registration application shows that  
the contractor is self-employed, does not pay more than one  
thousand dollars annually to employ other persons in the  
business, and does not work with or for other contractors in  
the same phases of construction, the contractor is exempt from  
the fee requirements under this chapter.

Sec. 3. NEW SECTION. 549.2 REGISTRATION REQUIRED --  
CONDITIONS.

A contractor doing business in this state shall register  
with the labor commissioner and shall meet both of the  
following requirements as a condition of registration:

1. The contractor shall be in compliance with the laws of  
this state relating to workers' compensation insurance and  
shall provide evidence of workers' compensation insurance  
coverage annually, of relief from the insurance requirement  
pursuant to section 87.11, or of compliance with the notice  
provision of section 87.2. Notice of a policy's cancellation  
shall be provided to the labor commissioner by the insurance  
company.

2. The contractor shall possess an employer account number  
or a special contractor number issued by the division of job  
service of the department of employment services pursuant to  
the Iowa employment security law.

Sec. 4. NEW SECTION. 549.3 APPLICATION -- INFORMATION TO  
BE PROVIDED.

The registration application shall be in the form  
prescribed by the labor commissioner, shall be accompanied by  
the registration fee prescribed pursuant to section 549.4, and  
shall contain information which is substantially complete and

accurate. In addition to the information determined by the labor commissioner to be necessary for purposes of section 549.2, the application shall include information as to each of the following:

1. The name, principal place of business in this state, address, and telephone number of the contractor.
2. The name, address, telephone number, and position of each officer of the contractor, if the contractor is a corporation, or each owner if the contractor is not a corporation.
3. A description of the business, including the principal products and services provided.

Any change in the information provided shall be reported promptly to the labor commissioner.

Sec. 5. NEW SECTION. 549.4 FEES.

The labor commissioner shall prescribe the fee for registration, which fee shall not exceed twelve dollars and fifty cents. All fees collected shall be deposited in the general fund of the state.

Sec. 6. NEW SECTION. 549.5 PUBLIC REGISTRATION NUMBER -- RECORDS.

The labor commissioner shall issue to each registered contractor an identifying public registration number and shall compile records showing the names and public registration numbers of all contractors registered in the state. These records and the complete registration information provided by each contractor are public records and the labor commissioner shall take steps as necessary to facilitate access to the information by governmental agencies and the general public.

Sec. 7. NEW SECTION. 549.6 RULES.

The labor commissioner shall adopt rules, pursuant to chapter 17A, determined to be reasonably necessary for the administration and enforcement of the system of contractor registration established by this chapter.

Sec. 8. NEW SECTION. 549.7 STATE CONTRACTS.

A contractor who is not registered with the labor commissioner as required by this chapter shall not be awarded a contract to perform work for the state or an agency of the state.

Sec. 9. NEW SECTION. 549.8 INVESTIGATIONS -- ENFORCEMENT -- ADMINISTRATIVE PENALTIES.

1. The labor commissioner and inspectors of the division of labor services of the department of employment services have jurisdiction for investigation and enforcement in cases where contractors may be in violation of the requirements of this chapter or rules adopted pursuant to this chapter.

2. If, upon investigation, the labor commissioner or the commissioner's authorized representative believes that a contractor has violated either of the following, the commissioner shall with reasonable promptness issue a citation to the contractor:

- a. The requirement that a contractor be registered.
- b. The requirement that the contractor's registration information be substantially complete and accurate.

Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the statute alleged to have been violated.

If a citation is issued, the commissioner shall, within seven days, notify the contractor by certified mail of the administrative penalty, if any, proposed to be assessed and that the contractor has fifteen working days within which to notify the commissioner that the employer wishes to contest the citation or proposed assessment of penalty.

The administrative penalties which may be imposed under this section shall be not more than five hundred dollars in the case of a first violation and not more than five thousand dollars for each violation in the case of a second or subsequent violation. All administrative penalties collected pursuant to this chapter shall be deposited in the general fund of the state.

If, within fifteen working days from the receipt of the notice, the contractor fails to notify the commissioner that the contractor intends to contest the citation or proposed assessment of penalty, the citation and the assessment, as proposed, shall be deemed a final order of the employment appeal board and not subject to review by any court or agency.

If the contractor notifies the commissioner that the contractor intends to contest the citation or proposed assessment of penalty, the commissioner shall immediately advise the employment appeal board established by section 10A.601. The employment appeal board shall review the action of the commissioner and shall thereafter issue an order, based on findings of fact, affirming, modifying, or vacating the commissioner's citation or proposed penalty or directing other appropriate relief, and the order shall become final sixty days after its issuance.

The labor commissioner shall notify the department of revenue and finance upon final agency action regarding the citation and assessment of penalty against a registered contractor.

Judicial review of any order of the employment appeal board issued pursuant to this section may be sought in accordance with the terms of chapter 17A. If no petition for judicial review is filed within sixty days after service of the order of the employment appeal board, the appeal board's findings of fact and order shall be conclusive in connection with any petition for enforcement which is filed by the commissioner after the expiration of the sixty-day period. In any such case, the clerk of court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of the decree to the employment appeal board and the contractor named in the petition.

Sec. 10. Section 10A.601, subsections 1 and 7, Code 1987, are amended to read as follows:

1. A full-time employment appeal board is created within the department of inspections and appeals to hear and decide contested cases under chapters 19A, 80, 88, 96, 978, and 104, and 549.

7. An application for rehearing before the appeal board shall be filed pursuant to section 17A.16, unless otherwise provided in chapter 19A, 80, 88, 96, 978, or 104, or 549. A petition for judicial review of a decision of the appeal board shall be filed pursuant to section 17A.19. The appeal board may be represented in any such judicial review by an attorney who is a regular ~~salaried employee~~ of the appeal board or who has been designated by the appeal board for that purpose, or at the appeal board's request, by the attorney general.

Notwithstanding the petitioner's residency requirement in section 17A.19, subsection 2, a petition for judicial review may be filed in the district court of the county in which the petitioner was last employed or resides, provided that if the petitioner does not reside in this state, the action shall be brought in the district court of Polk county, Iowa, and any other party to the proceeding before the appeal board shall be named in the petition. Notwithstanding the thirty-day requirement in section 17A.19, subsection 6, the appeal board shall, within sixty days after filing of the petition for judicial review or within a longer period of time allowed by the court, transmit to the reviewing court the original or a certified copy of the entire records of a contested case. The appeal board may also certify to the court, questions of law involved in any decision by the appeal board. Petitions for judicial review and the questions so certified shall be given precedence over all other civil cases except cases arising under the workers' compensation law of this state. No bond shall be required for entering an appeal from any final order, judgment, or decree of the district court to the supreme court.

Sec. 11. EFFECTIVE DATE. This Act takes effect July 1, 1988, for purposes of rulemaking and administrative preparation and February 15, 1989, for all other purposes.

JO ANN [REDACTED]  
President of the Senate

DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2318, Seventy-second General Assembly.

JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_ 1988

TERRY E. BRANSTAD  
Governor

SENATE FILE 2321

AN ACT

RELATING TO THE COMPENSATION AND BENEFITS FOR PUBLIC OFFICIALS AND EMPLOYEES BY SPECIFYING SALARY RATES AND RANGES, BY PROVIDING ADJUSTMENTS FOR SALARIES, BY PROVIDING COVERAGE AND ADJUSTMENTS FOR HEALTH, LIFE, DISABILITY, AND DENTAL INSURANCE, BY MAKING COORDINATING AMENDMENTS TO THE CODE, AND BY PROVIDING APPLICABILITY DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1.

1. The salary rates specified in this section are effective for the fiscal year beginning July 1, 1988, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated to the department or agency specified in this section pursuant to any Act of the general assembly or if the appropriation is not sufficient, from the salary adjustment fund.

2. The following annual salary rates shall be paid to the person holding the position indicated:

a. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP	
Salary for the secretary of agriculture:	
.....	\$ 53,000
b. DEPARTMENT OF JUSTICE	
Salary for the attorney general:	
.....	\$ 66,250
c. OFFICE OF THE AUDITOR OF STATE	

Salary for the auditor of state:	
.....	\$ 53,000
d. OFFICE OF THE SECRETARY OF STATE	
Salary for the secretary of state:	
.....	\$ 53,000
e. OFFICE OF THE TREASURER OF STATE	
Salary for the treasurer of state:	
.....	\$ 53,000
Sec. 2.	
1. The salary rates specified in this section are effective for the fiscal year beginning July 1, 1988, and are effective for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated to the department or the agency specified in this section pursuant to any Act of the general assembly or if the appropriation is not sufficient, from the salary adjustment fund.	
2. The following annual salary rates shall be paid to the persons holding the positions indicated:	
a. Chief justice of the supreme court:	
.....	\$ 75,900
b. Each justice of the supreme court:	
.....	\$ 72,900
c. Chief judge of the court of appeals:	
.....	\$ 72,800
d. Each associate judge of the court of appeals:	
.....	\$ 69,800
e. Each chief judge of a judicial district:	
.....	\$ 69,000
f. Each district judge except the chief judge of a judicial district:	
.....	\$ 66,000
g. Each district associate judge:	
.....	\$ 56,800
h. Each judicial magistrate:	
.....	\$ 15,000

SF 2321

Sec. 3. Persons receiving the salary rates established under sections 1 and 2 of this Act shall not receive any additional salary adjustments provided by this Act.

Sec. 4. The governor shall establish a salary for appointed nonelected persons in the executive branch of state government holding a position enumerated in section 5 of this Act within the range provided by considering, among other items, the experience of the individual in the position, changes in the duties of the position, the incumbent's performance of assigned duties, and subordinates' salaries. However, the attorney general shall establish the salary for the consumer advocate within the salary range provided in section 5 of this Act.

The governor, in establishing salaries as provided in section 5 of this Act, shall take into consideration other employee benefits which may be provided for an individual including, but not limited to, housing.

A person whose salary is established by section 5 of this Act and who is a full-time permanent employee of the state shall not receive any other remuneration from the state or from any other source for the performance of that person's duties unless the additional remuneration is first approved by the governor or authorized by law; however, this provision does not exclude necessary travel and expenses incurred in the performance of duties or fringe benefits normally provided to employees of the state.

Sec. 5. The following annual salary ranges are effective for the positions in this Section and for the fiscal year indicated. The ranges for the fiscal year beginning July 1, 1988, are effective for subsequent years until otherwise provided by the general assembly. The governor shall determine the salary to be paid to the person indicated at a rate within the salary ranges indicated from funds appropriated by the general assembly for that purpose.

1. The following salary ranges are effective for the fiscal year beginning July 1, 1988, and as otherwise provided in this section:

	<u>Minimum</u>	<u>Maximum</u>
a. Range 1 .....	\$ 6,700	\$20,300
b. Range 2 .....	\$74,400	\$40,600
c. Range 3 .....	\$33,500	\$47,300
d. Range 4 .....	\$40,600	\$54,300
e. Range 5 .....	\$47,300	\$61,000
f. Range 5A .....	\$54,300	\$68,300

2. The following are range 1 positions: part-time members of the parole board.

3. The following are range 2 positions: administrator of the arts division of the department of cultural affairs, administrators of the division of persons with disabilities, the division on the status of women, the division for deaf persons, the division for Spanish-speaking peoples, and the division of children, youth and families of the department of human rights, administrator of the division of professional licensure of the department of commerce, and administrators of the division of disaster services, the division of veterans affairs of the department of public defense, and the commission on status of blacks of the department of human rights.

4. The following are range 3 positions: administrator of the library division of the department of cultural affairs, administrator of the division of community action agencies of the department of human rights, chairperson and members of the employment appeals board of the department of inspections and appeals, appellate defender, and secretary of the state fair board.

5. The following are range 4 positions: superintendent of banking, superintendent of the credit union division of the department of commerce, superintendent of the division of savings and loan associations of the department of commerce, administrator of the alcoholic beverages division of the department of commerce, and full-time members of the parole board.

6. The following are range 5 positions: chairperson and members of the utilities board, consumer advocate, job

services commissioner, labor commissioner, industrial commissioner, insurance commissioner, administrators of the historical division and the public broadcasting division of the department of cultural affairs, and administrator of the racing and gaming division of the department of inspections and appeals.

7. The following is a range SA position: Lottery commissioner.

8. The following salary ranges are effective for the fiscal year beginning July 1, 1988, and as otherwise provided in this section:

	<u>Minimum</u>	<u>Maximum</u>
DEPARTMENT DIRECTOR'S SALARIES		
a. Range 6 .....	\$36,700	\$49,100
b. Range 7 .....	\$50,200	\$61,600
c. Range 8 .....	\$53,700	\$71,500
d. Range 9 .....	\$60,000	\$85,000

9. The following are department director's salary range 6 positions: department coordinator of the department of human rights, director of the civil rights commission, executive director of the college aid commission, director of the law enforcement academy, director of the department for the blind, and executive director of the campaign finance disclosure commission.

10. The following are department director's range 7 positions: director of the department of cultural affairs, director of the department of personnel, director of the department of public health, director of the department of employment services, executive director of the department of elder affairs, commissioner of the department of public safety, director of the department of general services, director of the department of commerce, executive director of the Iowa finance authority, and director of the department of inspections and appeals.

11. The following are department director's range 8 positions: director of the department of management, director of the department of revenue and finance, director of the

department of natural resources, and director of the department of corrections.

12. The following are the department director's range 9 positions: commissioner of the department of education, director of the department of human services, director of the department of economic development, executive secretary of the state board of regents, and director of the department of transportation.

Sec. 6.

1. The salary rates specified in this section are effective for the fiscal year beginning July 1, 1988, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds appropriated to the department or agency specified in this section.

2. The following annual salary rates shall be paid to the persons holding the positions indicated:

- a. Chairperson of the public employment relations board: ..... \$ 47,400
- b. Two members of the public employment relations board: ..... \$ 44,000

Sec. 7. The following annual salary range is effective for the position specified in this section and for the fiscal year indicated. The range for the fiscal year beginning July 1, 1988, is effective for subsequent fiscal years until otherwise provided by the general assembly. The salary shall be paid to the person indicated at a rate determined as otherwise provided by law within the salary range from funds provided for that purpose:

	<u>Minimum</u>	<u>Maximum</u>
For the state court administrator .....	\$49,700	572,065

Sec. 8. The annual salary rates or ranges provided in sections 1, 2, 5, 6, and 7 of this Act become effective for the fiscal year beginning July 1, 1988, with the pay period beginning June 24, 1988.

Sec. 9. The funds appropriated to the salary adjustment fund and other funds appropriated to the various state



departments and agencies shall be used to fund the following annual pay adjustments, expense reimbursements, and related benefits:

1. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.

2. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the public safety bargaining unit to be effective June 10, 1988.

3. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.

4. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.

5. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional fiscal and staff bargaining unit.

6. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the University of Northern Iowa faculty bargaining unit.

7. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the clerical bargaining unit.

8. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the social services bargaining unit.

9. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the community-based corrections bargaining unit.

10. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the judicial branch of government bargaining unit.

11. The annual pay adjustments, related benefits, and expense reimbursements referred to in sections 10 and 11 of this Act for employees not covered by a collective bargaining agreement.

Sec. 10.

1. All pay plans provided for in section 19A.9, subsection 2, as they exist for the fiscal year ending June 30, 1988,

shall be increased for employees who are not included in a collective bargaining agreement made final under chapter 20 and who are not otherwise specified in this Act, by four percent for the fiscal year beginning July 1, 1988, effective with the pay period beginning June 24, 1988. The department of personnel shall revise the pay plans as provided under section 19A.9, subsection 2, by increasing the salary levels for the various grades and steps within the respective plans. In addition to the increases specified above, employees may receive merit increases or the equivalent thereof.

2. The pay plans for state employees who are exempt from chapter 19A and who are included in the department of revenue and finance's centralized payroll system, and the board office employees of the state board of regents shall be increased by the same percent and in the same manner included in subsection 1 of this section.

3. This section does not apply to members of the general assembly, board members, commission members, salaries of persons set by the general assembly pursuant to this Act or set by the governor, employees designated under section 19A.3, subsection 5, and employees under the state board of regents, but subsection 2 of this section does apply to office employees of the state board of regents.

4. The pay plans for the bargaining eligible employees of the state shall be increased by the same percent and in the same manner included in subsection 1 of this section. As used in this section, "bargaining eligible employee" means an employee who is eligible to organize under chapter 20, but has not done so.

5. The policies for implementation of this section shall be approved by the governor except for those policies governing the board employees of the state board of regents.

Sec. 11. The funds allocated to the state board of regents for the purpose of providing increases for employees not covered by a collective bargaining agreement shall be used as follows:

1. The amount necessary to fund for the fiscal year beginning July 1, 1988, an average base salary increase of four percent of the base salaries of professional and scientific staff members, except board office employees as provided for in section 10 of this Act, paid during the preceding fiscal year, to be allocated to professional and scientific staff members at the discretion of the state board of regents. In addition to the increase specified above, employees may receive the equivalent of a merit increase.

2. For employees under the state board of regents' merit system who are not included in the collective bargaining agreement made final under chapter 20, except board office employees, the amount necessary to increase the state board of regents' merit system pay plans as they exist for the fiscal year beginning July 1, 1988, by increasing the salary levels for each grade and step within the plans by four percent for the fiscal year beginning July 1, 1988. In addition to the increases specified above, employees may receive merit increases or the equivalent of a merit increase.

3. For faculty members who are not included in the collective bargaining agreement made final under chapter 20, for the fiscal year beginning July 1, 1988, an average base salary increase to be allocated at the discretion of the state board of regents.

4. The collective bargaining representatives for the faculty at the University of Northern Iowa and for the University of Northern Iowa shall determine the distribution of the University of Northern Iowa faculty's allocation of salary adjustment funds which are provided in excess of the amount necessary to fund the collective bargaining agreement negotiated pursuant to chapter 20 for employees in the University of Northern Iowa faculty bargaining unit. The distribution shall be either according to the contract in effect for the fiscal year beginning July 1, 1987, for the fiscal year beginning July 1, 1988, or according to a different procedure that is agreeable to both parties.

Sec. 12. Section 2.10, subsection 2, Code Supplement 1987, is amended to read as follows:

2. The lieutenant governor shall receive an annual salary of twenty-three thousand nine hundred dollars. Personal expense and travel allowances shall be the same for the lieutenant governor as for a senator. The lieutenant governor while performing administrative duties of the office of lieutenant governor when the general assembly is not in session or serving as the president of the senate during special sessions of the general assembly shall receive sixty dollars per diem and reimbursement for expenses incurred in performing such duties. The lieutenant governor may elect to become a member of a state group insurance plan for employees of the state established pursuant to chapter 509A and the disability insurance program established pursuant to section 79.20 on the same basis as a full-time state employee excluded from collective bargaining as provided in chapter 20. The lieutenant governor shall authorize a payroll deduction of any premium due. The salary, per diem, and expenses of the lieutenant governor provided for under this subsection, including office and staff expenses, shall be paid from funds appropriated to the office of the lieutenant governor by the general assembly.

Sec. 13. Section 2.10, subsection 1, Code Supplement 1987, is amended to read as follows:

1. Every member of the general assembly except the speaker of the house and majority and minority floor leaders of the senate and house shall receive an annual salary of sixteen thousand six hundred dollars for the year 1989 and subsequent years while serving as a member of the general assembly. The majority and minority floor leaders of the senate and house, except the senate majority leader, shall receive an annual salary of twenty-two thousand nine hundred dollars for the year 1989 and subsequent years while serving in such capacity. In addition, each such member shall receive the sum of forty dollars per day for expenses of office, except travel, for each day the general assembly is in session commencing with

the first day of a legislative session and ending with the day of final adjournment of each legislative session as indicated by the journals of the house and senate, except that in the event the length of the first regular session of the general assembly exceeds one hundred ten calendar days and the second regular session exceeds one hundred calendar days, such payments shall be made only for one hundred ten calendar days for the first session and one hundred calendar days for the second session. However, members from Polk county shall receive twenty-five dollars per day. Each member shall receive a seventy-five dollar per month allowance for legislative district constituency postage, travel, telephone costs, and other expenses. Travel expenses shall be paid at the rate established by section 18.117 for actual travel in going to and returning from the seat of government by the nearest traveled route for not more than one time per week during a legislative session. However, any increase from time to time in the mileage rate established by section 18.117 shall not become effective for members of the general assembly until the convening of the next general assembly following the session in which the increase is adopted; and this provision shall prevail over any inconsistent provision of any present or future statute.

Sec. 14. Section 2.40, Code 1987, is amended to read as follows:

2.40 MEMBERSHIP IN STATE INSURANCE PLANS.

A member of the general assembly may elect to become a member of a state health or medical service group insurance plan for employees of the state established under chapter 509A subject to the following conditions:

1. The member shall be eligible for all state group insurance plans on the basis of enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20.

2. The member shall pay the total premium for the plan selected on the same basis as a full-time state employee excluded from collective bargaining as provided in chapter 20.

3. The member shall authorize a payroll deduction of the total premium during due according to the member's pay plan selected pursuant to subsection 5 of section 2.10, subsection 5.

4. The premium rate shall be the same as the premium rate paid by a state employee for the plan selected except the state will provide no matching funds.

In order to implement this section a member of the general assembly may elect to become a member of a state health or medical service group insurance plan effective July 1, 1983 or as otherwise authorized in the contract of the state January 1, 1989. If a member of the general assembly elected to be paid the member's total salary during each pay period during the first six months of 1983, that member may become a member of the state health or medical service group insurance plan by paying the premium due until that member's salary and payroll deductions commence. A member of the general assembly may continue membership in a state group insurance plan without reapplication during the member's tenure as a member of consecutive general assemblies. For the purpose of electing to become a member of the state health or medical service group insurance plan, a member of the general assembly has the status of a "new hire", full-time state employee when the member is initially eligible or during the first subsequent annual open enrollment. A member of the general assembly who

insurance plan shall be exempted from preexisting medical condition waiting periods. A member of the general assembly may change programs or coverage under the state health or medical service group insurance plan during the month of January of odd-numbered years, but program and coverage change selections shall be subject to the enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20. A person who has been a member of the general assembly for two years and who has elected to be a member of a state health or medical group insurance plan may continue to be a member of such state

health or medical group insurance plan by requesting continuation in writing to the finance officer within thirty-one days after leaving office. The continuing former member of the general assembly shall pay the total premium and administrative costs for the state plan and shall have the same rights to change programs or coverage as state employees.

Sec. 15. Section 19.20, subsection 2, Code 1987, is amended to read as follows:

2. Maximum period benefits paid for both, accident or sickness disability:

a. If the disability occurs prior to the time the employee attains the age of sixty-one years, the maximum benefit period shall end sixty months after continuous benefit payments begin or on the date on which the employee attains the age of sixty-five years, whichever is later.

b. If the disability occurs on or after the time the employee attains the age of sixty-one years but prior to age sixty-nine, the maximum benefit period shall end sixty months after continuous benefit payments begin or on the date on which the employee attains the age of seventy years, whichever is earlier.

c. If the disability occurs on or after the time the employee attains the age of sixty-nine years, the maximum benefit period shall end twelve months after continuous benefit payments begin.

Sec. 16. Section 19.20, subsection 4, Code 1987, is amended to read as follows:

4. All permanent full-time state employees shall be covered under the employees disability insurance program, ~~except the members of the general assembly, board members and members of commissions who are not full-time state employees, and state employees who on July 1, 1974, are under another disability program financed in whole or in part by the state,~~ for purposes of this section, members of the general assembly serving on or after January 1, 1989, are eligible for the plan during their tenure in office, on the basis of enrollment rules established for full-time state employees excluded from collective bargaining as provided in chapter 20.

Sec. 17. Section 99D.5, subsection 4, Code 1987, is amended to read as follows:

4. Commission members are each entitled to receive an annual salary of ~~three six~~ thousand dollars ~~until June 30, 1987, and thereafter are entitled to forty dollars per diem for each day actually spent in performing commission duties.~~ Members shall also be reimbursed for actual expenses incurred in the performance of their duties to a maximum of six thousand dollars per year for each member. Each member shall post a bond in the amount of ten thousand dollars, with sureties to be approved by the governor, to guarantee the proper handling and accounting of moneys and other properties required in the administration of this chapter. The premiums on the bonds shall **be paid as** other expenses of the commission.

Sec. 18. Section 331.752, subsection 4, Code 1987, is amended to read as follows:

4. The resolution changing the status of a county attorney shall state the initial annual salary to be paid to the county attorney when the full-time or part-time status is effective. The annual salary specified in the resolution shall remain effective until changed as provided in section 331.907. The Except in counties having a population of more than two hundred thousand, the annual salary of a full-time county attorney shall be an amount which is between forty-five percent and one hundred percent of the annual salary received by a district court judge.

Sec. 19. Section 331.757, subsection 2, Code 1987, is amended to read as follows:

2. The county attorney may appoint, with the approval of the board, an assistant county attorney to serve as a full-time prosecutor. A full-time prosecutor shall refrain from the private practice of law. The county attorney shall determine the compensation paid to a full-time prosecutor within the budget set for the county attorney's office by the board. The Except in counties having a population of more than two hundred thousand, the annual salary of an assistant

county attorney shall not exceed eighty-five percent of the maximum annual salary of a full-time county attorney.

Sec. 20. This section and the salary rate of the commissioner of education as specified in section 5, subsection 8, paragraph "d", of this Act are effective upon enactment.

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**JO ANN ZIMMERMAN**

President of the Senate

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**DONALD D. AVENSON**

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2321, Seventy-second General Assembly.

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**JOHN F. DWYER**

Secretary of the Senate

Approved \_\_\_\_\_, 1988

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**TERRY E. BRANSTAD**

Governor

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SENATE FILE 2322

AN ACT

RELATING TO AND MAKING APPROPRIATIONS FOR THE COMPENSATION, TRAINING, AND BENEFITS FOR PUBLIC OFFICIALS AND EMPLOYEES, AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1, There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, to be used to fund increases in the judicial salaries and related benefits as otherwise provided by law and for the state's contribution to the judicial retirement system provided for in chapter 602 required because of the increased salaries:

..... 5 1,600,000

Sec. 2.

1. There is appropriated from the general fund of the state to the salary adjustment fund provided for in section 8.43, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, to be distributed to the various state offices or departments and local agencies or programs to supplement other funds appropriated by the general assembly:

..... \$ 24,081,295

a. Of the funds appropriated to the salary adjustment fund pursuant to this subsection and as a condition of the appropriation to the salary adjustment fund, four hundred eighty thousand (480,000) dollars, or so much thereof as may be necessary, shall be used for the costs of implementing House File 2415. if enacted by the Seventy-second General Assembly, 1988 Session.

b. Of the funds appropriated to the salary adjustment fund pursuant to this subsection and as a condition of the appropriation to the salary adjustment fund, one hundred forty thousand (140,000) dollars, or so much thereof as may be necessary, shall be used for salary adjustments of elected and appointed state officials.

c. Of the savings received from the implementation of House File 2415, if enacted by the Seventy-second General Assembly, 1988 Session, and as a condition of the appropriation to the salary adjustment fund pursuant to this subsection, the first three million one hundred thousand (3,100,000) dollars shall be deposited in the salary adjustment fund. The remainder of the savings received shall be deposited in the general fund of the state.

2. There is appropriated from the road use tax fund to the following listed departments for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, to supplement other funds appropriated by the general assembly:

- a. To the state department of transportation: \$ 848,182
- .....
- b. To the department of public safety: 5 921,170
- .....
- c. To the department of inspections and appeals: 5 30,000
- .....

3. There is appropriated from the primary road fund to the state department of transportation, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, to supplement other funds appropriated by the general assembly:

.....\$ 5,082,646

4. Except as otherwise provided in this Act, the amounts appropriated in subsections 1, 2, and 3 shall be used to fund the annual pay adjustments, expense reimbursement, and related benefits for public officials and employees as authorized

SF 2322

pursuant to Senate File 2321, If enacted by the Seventy-second General Assembly, 1988 Session.

Sec. 3. There is appropriated from the salary adjustment fund provided for in section 8.43, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, to be allocated to the following state departments and local agencies or programs listed:

1. Department of agriculture and land stewardship:	
.....	\$ 560,775
2. Department of justice:	
.....	\$ 290,053
3. Auditor of state:	
.....	\$ 83,673
4. Campaign finance disclosure commission:	
.....	\$ 6,693
5. Civil rights commission:	
.....	\$ 42,297
6. Department for the blind:	
.....	\$ 55,450
7. Department of commerce:	
.....	\$ 16,159
8. Department of corrections:	
.....	\$ 4,291,381
9. Department of cultural affairs:	
.....	\$ 346,061
10. Department of economic development:	
.....	\$ 181,896
11. Department of education:	
.....	\$ 332,984
12. College did commission:	
.....	\$ 9,475
13. Department of elder affairs:	
.....	\$ 18,578
14. Department of employment services:	

.....	\$ 146,308
15. Executive council:	
.....	\$ 1,317
16. Department of general services:	
.....	\$ 564,404
17. Office of governor:	
.....	\$ 54,713
18. Department of human rights:	
.....	\$ 41,128
19. Department of human services:	
.....	\$ 121,862,1019
20. Judicial department:	
.....	\$ 2,715,804
21. Department of inspections and appeals:	
.....	\$ 218,123
22. Iowa law enforcement academy:	
.....	\$ 46,223
23. Office of the lieutenant governor:	
.....	\$ 4,386
24. Department of management;	
.....	\$ 124,770
25. Department of natural resources:	
.....	\$ 654,905
26. Board of parole:	
.....	\$ 30,862
27. Department of personnel:	
.....	\$ 209,224
28. Public employment relations board:	
.....	\$ 22,667
29. Department of public defense:	
.....	\$ 160,689
30. Department of public health:	
.....	\$ 313,457
31. Department of public safety:	
.....	\$ 633,724
32. Office of state board of regents:	

.....	\$	30,520
33. Department of revenue and finance:		
.....	\$	921,413
34. Secretary of state:		
.....	\$	60,582
35. Treasurer of state:		
.....	\$	42,382
36. Regional libraries:		
.....	\$	30,800
37. Substance abuse treatment facilities:		
.....	\$	194,000
38. Local boards of health:		
.....	\$	60,200
39. Local homemaker and chore service programs:		
.....	\$	201,200

Moneys received by local programs under this section shall be used to pay the state's share of the authorized salary increases for local program employees.

Sec. 4. There is appropriated from the general fund of the state to the salary adjustment fund provided for in section 8.43, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, for salary increases for employees of the state board of regents, except state board of regents' office employees:

.....	\$	24,903,705
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Sec. 5.

1. There is appropriated from the general fund of the state to the payroll accrual fund provided for in section 8.42, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, to be distributed to the department of management for the twenty-seventh pay period:

.....	\$	16,000,000
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2. There is appropriated from the road use tax fund to the payroll accrual fund provided for in section 8.42, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, to be distributed to the department of management for the twenty-seventh pay period:

.....	\$	1,200,901
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3. There is appropriated from the primary road fund to the payroll accrual fund provided for in section 8.42, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as may be necessary, to be distributed to the department of management for the twenty-seventh pay period:

.....	\$	3,610,055
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4. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental authorization is provided, unless otherwise provided, in an amount necessary to fund the twenty-seventh pay period in the fiscal year beginning July 1, 1988, and ending June 30, 1989.

Sec. 6. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental authorization is provided, unless otherwise provided, in an amount necessary to fund salary adjustments as otherwise provided in Senate File 2321, if enacted by the Seventy-second General Assembly, 1988 Session.

Sec. 7. Funds appropriated to the salary adjustment fund by this Act may be expended to fund salaries established pursuant to section 5 of Senate File 2321, if enacted by the Seventy-second General Assembly, 1988 Session, if funds appropriated to the agencies represented by or employing the persons holding the positions are insufficient to pay salaries



provided in section 5 of Senate File 2321, if enacted by the Seventy-second General Assembly, 1988 Session. The governor shall report to the legislative fiscal committee by September 1, 1988, the salary rates established pursuant to section 5 of Senate File 2321, if enacted by the Seventy-second General Assembly, 1988 Session.

Sec. 8. All funds appropriated to the salary adjustment fund for the state department of transportation and for state agencies paid through the department of revenue and finance's centralized payroll system shall be used to fund salary and fringe benefit expenditures for the fiscal year beginning July 1, 1988, and ending June 30, 1989.

Sec. 9. Funds appropriated from the general fund of the state in this Act relate only to salaries supported from general fund appropriations of the state.

Sec. 10. All federal grants to and the federal receipts of the agencies affected by this Act which are received and may be expended for purposes of this Act are appropriated for such purposes and as set forth in the federal grants or receipts.

Sec. 11. 1988 Iowa Acts, Senate File 2314, section 7, subsection 6, paragraph b, is amended to read as follows:

b. Notwithstanding section 384.15, subsection 7, paragraph "b", there is appropriated from the unencumbered and unobligated money remaining in the law enforcement training reimbursement fund on June 30, 1988, to the department of public safety, division of criminal investigation, the sum of two hundred thousand (200,000) dollars for undercover purchases by the division of narcotics and local law enforcement agencies. However, moneys appropriated under this paragraph shall not be credited until all other moneys appropriated under this Act from the unencumbered and unobligated money remaining in the law enforcement training reimbursement fund on June 30, 1988, have been fully credited. ~~Should the unencumbered and unobligated money remaining in the law enforcement training reimbursement fund on June 30, 1988,~~

not be sufficient to cover all appropriations of such moneys under this Act, the money appropriated under this paragraph shall be reduced by the amount of the shortfall.

Sec. 12. 1988 Iowa Acts, Senate File 2314, section 61, is amended to read as follows:

SEC. 61. This section, section 5, section 7, section 43, and section 45 of this Act take effect June 30, 1988.

Sec. 13. This section, section 11, and section 12 take effect June 30, 1988.

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

\_\_\_\_\_  
DONALD O. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2322, Seventy-second General Assembly.

\_\_\_\_\_  
JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor



OFFICE OF THE GOVERNOR

STATE CAPITOL  
DES MOINES, IOWA 50319

515 281-521

TERRY E. BRANSTAD  
GOVERNOR

May 15, 1988

The Honorable Elaine Baxter  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2322, an act relating to and making appropriations for the compensation, training, and benefits for public officials and employees, and providing effective dates.

Senate File **2322** is **approved** with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 3 in its entirety. This section of Senate File **2322** **makes** line item appropriations of salary adjustments amounts to state departments and local agencies or programs. The specific allocations included in the bill are made on the basis of a snapshot of the personnel system that was taken in September of 1987.

The state and local personnel system is dynamic, thus, these specific allocations do not **take** account of substantial numbers of positions which were added or deleted or significant changes in pay classifications **which have** occurred since that time. **As** a result, it is anticipated that some of the allocations to individual departments in this bill are in error by as much as **\$200,000.**

The most glaring error is the failure to take account of the centralization of the personnel adopted by the General Assembly which resulted in the deletion of a number of positions in corrections and the Department of Human Services and in the addition of some positions in the Department of Personnel. The Department of Personnel would be unable to carry out these functions with the allocation provided in Section 3.

The Honorable Elaine Baxter  
May 15, 1988  
Page 2

Section 2 of this bill makes the traditional lump sum appropriation of the salary adjustment funds to the Department of Management under Section 8.43 of the Iowa Code. This section of the Code provides the Department of Management with the authority to distribute salary adjustment funds to individual departments, local agencies, and programs. Providing the department with this allocation authority will ensure that funds are distributed equitably and consistent with the personnel structure authorized by the General Assembly for fiscal year 1989. The Department of Management will provide appropriate reports to the Legislative Fiscal Bureau and interested legislators regarding the allocations that are made and the rationale for those allocations. The department will also, of course, respond to any additional requests for information.

In short, the specific allocations of salary adjustment funds made in Section 3 of the bill do not reflect significant personnel changes which have occurred since September of 1987. This legislation also provides a lump sum allocation to the Department of Management for distribution. Utilization of that authority will allow a more accurate allocation of these salary adjustment funds, with full reporting provided to the General Assembly.

I am unable to approve the item designated as Section 11 of Senate File 2322 in its entirety.

This section of the bill, in effect, reduces appropriations available to the Department of Public Safety for undercover drug buy money. A separate bill provided \$200,000 from the Law Enforcement Training Reimbursement Fund to the Department of Public Safety for drug buy money which is critical to the success of our efforts to crack down on drug dealers. This bill, however, provides that other appropriations from that reimbursement fund be fully credited prior to providing funds for undercover purchases.

It is estimated that the legislature has over-appropriated funds from the Law Enforcement Training Reimbursement Fund by at least \$70,000. Thus, the state's narcotics enforcement effort would be hamstrung by this significant reduction in money needed to pursue investigations into illicit drug trafficking in Iowa. In addition, the state's eligibility for federal crime control act funds for drug law enforcement would also be jeopardized.

The Honorable Elaine Baxter  
May 15, 1988  
Page 3

Apparently, the legislature at one time intended to short the drug buy money account in order to provide additional salary money to the Attorney General's Office. However, the appropriation from the reimbursement fund for that purpose was never made. In addition, since Section 3 of this act was item vetoed, the Department of Management has the flexibility to provide appropriate salary adjustments to the Attorney General's Office to fund authorized staff.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in Senate File **2322** are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad". The signature is written in a cursive style with a large, circular flourish at the end of the name.

Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of the Senate  
Chief Clerk of the House

SENATE FILE 2323

AN ACT

APPROPRIATING FEDERAL FUNDS MADE AVAILABLE FROM FEDERAL BLOCK GRANTS, ALLOCATING PORTIONS OF FEDERAL BLOCK GRANTS, AND PROVIDING PROCEDURES IF FEDERAL FUNDS ARE MORE OR LESS THAN ANTICIPATED OR IF FEDERAL BLOCK GRANTS ARE MORE OR LESS THAN ANTICIPATED OR IF CATEGORICAL GRANTS ARE CONSOLIDATED INTO NEW OR EXISTING BLOCK GRANTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES APPROPRIATION.

1. There is appropriated from the fund created by section 8.41 to the Iowa department of public health, two million eight hundred thirty-nine thousand (2,839,000) dollars for the federal fiscal year beginning October 1, 1988. Funds appropriated by this section are the anticipated funds to be received from the federal government for the designated federal fiscal year under 42 U.S.C. § 300w et seq., which provides for the alcohol and drug abuse and mental health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

Of the funds appropriated in this subsection, an amount not exceeding twenty-seven thousand four hundred ninety-seven (27,497) dollars shall be used for audits. The auditor of state shall bill the Iowa department of public health for the cost of the audits.

2. Seventeen and eight-tenths percent of the remaining funds appropriated in subsection 1 shall be transferred to the division of mental health, mental retardation, and developmental disabilities within the department of human services and allocated for community mental health centers.

Of this amount, ten percent must be used to initiate new mental services for severely disturbed children and adolescents and new comprehensive community mental health programs for unserved areas or underserved populations.

3. Funds appropriated in subsection 1 shall not be used by the Iowa department of public health for administrative expenses, except for those specified to be used for audits in subsection 1. The Iowa department of public health shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1 from funds appropriated to the department from the general fund of the state, in addition to the amount to be used for audits in subsection 1. The auditor of state shall bill the Iowa department of public health for the costs of the audit.

4. Five percent of the funds appropriated in subsection 1 shall be used to provide alcohol and drug abuse services to women.

5. After deducting the funds allocated in subsections 1, 2, and 4 the remaining funds appropriated in subsection 1 shall be allocated according to the following percentages to supplement appropriations for the following programs within the Iowa department of public health:

- a. Drug abuse programs ..... 38.89 percent
- b. Alcohol abuse programs ..... 38.89 percent
- c. Alcohol and drug abuse prevention programs ..... 22.22 percent

Sec. 2. MATERNAL AND CHILD HEALTH SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the Iowa department of public health, the sum of five million eight hundred seventy-one thousand seven hundred seventy-seven (5,871,777) dollars for the federal fiscal year beginning October 1, 1988. The funds appropriated by this section are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C. § 701-709, which provides for the maternal and

child health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A

Of the funds appropriated in this subsection, an amount not exceeding fifty-three thousand two hundred sixty (53,260) dollars shall be used for audits. The auditor of state shall bill the Iowa department of public health for the cost of the audits.

2. Sixty-three percent of the remaining funds appropriated in subsection 1 shall be allocated to supplement appropriations for maternal and child health programs within the Iowa department of public health. Of these funds, two hundred eight thousand nine hundred fifty (208,950) dollars shall be set aside for the statewide perinatal care program.

Thirty-seven percent of the remaining funds appropriated in subsection 1 shall be allocated to the University of Iowa hospitals and clinics under the control of the state board of regents for mobile and regional child health specialty clinics. The University of Iowa hospitals and clinics shall not receive an allocation for indirect costs from the funds for this program. Priority shall be given to establishment and maintenance of a statewide system of mobile and regional child-health speciality clinics.

3. An amount not exceeding one hundred twenty-three thousand rsvsnty-two (123,072) dollars of the remaining funds allocated in subsection 2 to the Iowa department of public health shall be used by the Iowa department of public health for administrative expenses in addition to the amount to be used for audits in subsection 1.

It is the intent of the general assembly that the departments of public health, human services, and education and the University of Iowa's mobile and regional child health specialty clinics continue to pursue to the maximum extent feasible the coordination and integration of services to women and children in selected pilot areas. It is expected that

these agencies prepare a progress report for the general assembly indicating objectives accomplished and barriers encountered in the pursuit of these integration efforts.

4. Those federal maternal and child health services block grant funds transferred from the federal preventive health and health services block grant funds under section 3, subsection 4, of this Act for the federal fiscal year beginning October 1, 1988, are transferred to the maternal and child health programs and to the University of Iowa's mobile and regional child health specialty clinics according to the percentages specified in section 2, subsection 2, of this Act.

5. The Iowa department of public health shall administer the statewide maternal and child health program and the crippled children's program by conducting mobile and regional child health specialty clinics and conducting other activities to improve the health of low-income women and children and to promote the welfare of children with actual or potential handicapping conditions and chronic illnesses in accordance with the requirements of Title V of the Social Security Act.

Sec. 3. PREVENTIVE HEALTH AND HEALTH SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the Iowa department of public health, one million three thousand (1,003,000) dollars for the federal fiscal year beginning October 1, 1988. Funds appropriated by this section are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C. § 300w et seq., which provides for the preventive health and health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

Of the funds appropriated in this subsection, an amount not exceeding five thousand six hundred thirty (5,630) dollars shall be used for audits. The auditor of state shall bill the Iowa department of public health for the cost of the audits.

2. An amount not exceeding ninety-four thousand six hundred seventy (94,670) dollars of the remaining funds appropriated in subsection 1 shall be used by the Iowa department of public health for administrative expenses in addition to the amount to be used for audits in subsection 1.

3. Of the remaining funds appropriated in subsection 1, the specific amount of funds required under 42 U.S.C. § 300w et seq., shall be allocated to the rape prevention program.

4. Pursuant to Pub. L. No. 97-35, Title IX, Subtitle A, as amended, seven percent of the remaining funds appropriated in subsection 1 is transferred within the special fund in the state treasury established under section 8.41, for use by the Iowa department of public health as authorized under 42 U.S.C. § 701-709, and section 2 of this Act.

5. After deducting the funds allocated and transferred in subsections 1, 2, 3, and 4, the remaining funds appropriated in subsection 1 shall be used by the department for risk reduction services, health incentive programs, hypertension, emergency medical services, monitoring of the fluoridation program, and acquired immune deficiency syndrome. The moneys used by the department concerning acquired immune deficiency syndrome shall not be used for the funding of indirect costs. Of the funds used by the department under this subsection, an amount not exceeding forty thousand (40,000) dollars shall be used for the monitoring of the fluoridation program.

Sec. 4. ALCOHOL AND DRUG ABUSE TREATMENT AND REHABILITATION APPROPRIATION.

1. There is appropriated from the fund created by section 8.41 to the Iowa department of public health, one million four hundred eighty thousand (1,480,000) dollars under Pub. L. 99-570 for the federal fiscal year beginning October 1, 1988. Funds appropriated by this section provide for the alcohol and drug abuse treatment and rehabilitation block grant: The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding two percent of the funds appropriated in subsection 1 shall be used by the Iowa department of public health for administrative expenses. From the funds set aside by this subsection for administrative expenses, the Iowa department of public health shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the Iowa department of public health for the cost of the audit.

Sec. 5. NARCOTICS CONTROL ASSISTANCE PROGRAM APPROPRIATION.

1. There is appropriated from the fund created in section 8.41 to the Iowa department of public health, eight hundred twenty-two thousand (822,000) dollars for the federal fiscal year beginning October 1, 1988. Funds appropriated by this section are the anticipated funds to be received from the federal government for the designated fiscal year under Pub. L. 99-570 which provides for the narcotics control assistance program block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding twenty percent of the funds appropriated in subsection 1 shall be used by the Iowa department of public health for administrative expenses. From the funds set aside by this subsection for administrative expenses, the Iowa department of public health shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the Iowa department of public health for the cost of the audit.

3. Priority shall be given in the state portion of these funds to maintaining the chemical dependency programs at the Eldora training school and the Iowa juvenile home to the

maximum level as determined by the cash match provided in the department of human services state appropriation.

Sec. 6. COMMUNITY SERVICES APPROPRIATIONS.

1. a. There is appropriated from the fund created by section 8.41 to the division of community action agencies of the department of human rights, the sum of three million seven hundred thousand one hundred twenty-three (3,700,123) dollars for the federal fiscal year beginning October 1, 1988. Funds appropriated by this section are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C. § 9901-9912, which provides for the community services block grant. The division of community action agencies of the department of human rights shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

b. The administrator of the division of community action agencies of the department of human rights shall allocate not less than ninety-six percent of the amount of the block grant to programs benefiting low-income persons based upon the size of the poverty-level population in the area represented by the community action areas compared to the size of the poverty-level population in the state.

2. An amount not exceeding four percent of the funds appropriated in subsection 1 for the federal fiscal year beginning October 1, 1988, shall be used by the division of community action agencies of the department of human rights for administrative expenses. From the funds set aside by this subsection for administrative expenses, the division of community action agencies of the department of human rights shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the division of community action agencies of the department of human rights for the costs of the audit.

Sec. 7. COMMUNITY DEVELOPMENT APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of economic development, the sum of twenty-four million eighty-seven thousand seven hundred eighty-three (24,087,783) dollars for the federal fiscal year beginning October 1, 1988, of which none may be granted after July 1, 1989, to a political subdivision which does not have on file with the department of economic development a multiyear community and economic development strategic plan for the subdivision. The department shall adopt rules which require that the plan shall be completed within one year of the receipt of an award and contain key concepts; however, a valid plan shall not be required to be comprehensive. Funds appropriated by this section are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C. § 5301-5320, which provides for the community development block grant of which a minimum of four percent shall be set aside and expended half for a grant program for the homeless, for the construction, rehabilitation, or expansion of group home shelter for the homeless and half for a home ownership program to help lower income and very low income families achieve single family home ownership. However, after January 1, 1989, the department may allocate the set-aside money between the programs based on the number of applications received. The department of economic development shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding nine hundred ninety-one thousand (991,000) dollars for the federal fiscal year beginning October 1, 1988, shall be used by the department of economic development for administrative expenses for the community development block grant. The total amount used for administrative expenses includes four hundred ninety-five thousand five hundred (495,500) dollars for the federal fiscal year beginning October 1, 1988, of funds appropriated in subsection 1 and a matching contribution from the state equal



to four hundred ninety-five thousand five hundred (495,500) dollars from the appropriation of state funds for the community development block grant and state appropriations for related activities of the department of economic development. From the funds set aside for administrative expenses by this subsection, the department of economic development shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department of economic development for the costs of the audit.

§ec. 8. EDUCATION APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of education for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the amount received from 42 U.S.C. § 3811 et seq., not to exceed five million six hundred thirty-seven thousand (5,637,000) dollars, which provides for the education block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Twenty percent of the funds appropriated in subsection 1, not to exceed one million one hundred twenty-seven thousand four hundred (1,121,400) dollars, shall be used by the department for basic skills development, state leadership and support services, educational improvement and support services, special projects, and state administrative expenses and auditing. However, not more than one hundred seventy-five thousand (115,000) dollars shall be used by the department for state administrative expenses.

3. Eighty percent of the funds appropriated in subsection 1 shall be allocated by the department to local educational agencies in this state, as local educational agency is defined in 42 U.S.C. § 3800. The amount allocated under this subsection shall be allocated to local educational agencies according to the following percentages and enrollments:

a. Seventy-five percent shall be allocated on the basis of enrollments in public and approved nonpublic schools.

b. Twenty percent shall be allocated on the basis of the number of disadvantaged children in local educational agencies whose incidence ratio for disadvantaged children is above the state average incidence ratio,

c. Five percent shall be allocated on the basis of the number of limited English-speaking children whose language imposes a barrier to learning.

§ec. 9. Funds appropriated in section 8 of this Act shall not be used to aid schools or programs that illegally discriminate in employment or educational programs on the basis of sex, religion, race, color, national origin, or disability.

§ec. 10. LOW-INCOME HOME ENERGY ASSISTANCE APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the division of community action agencies of the department of human rights, the sum of twenty-eight million five hundred four thousand one hundred seventy-five (28,504,175) dollars for the fiscal year beginning October 1, 1988. The funds appropriated by this section are the funds anticipated to be received from the federal government for the designated federal fiscal years under Pub. L. No. 97-35, Title XXVI, as amended by Pub. L. No. 98-558, which provides for the low-income home energy assistance block grants. The division of community action agencies of the department of human rights shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding two million eight hundred ninety-two thousand (2,892,000) dollars or nine percent of the funds appropriated in subsection 1, whichever is less, may be used for administrative expenses for the low-income home energy assistance program. Not more than two hundred ninety thousand (290,000) dollars shall be used for administrative expenses of the division of community action agencies of the

department of human rights. From the total funds set aside by this subsection for administrative expenses for the low-income home energy assistance program, an amount sufficient to pay the cost of an audit of the use and administration of the state's portion of the funds appropriated is allocated for that purpose. The auditor shall bill the division of community action agencies of the department of human rights for the costs of the audit.

3. The remaining funds appropriated in this section shall be allocated to help eligible households, as defined in accordance with the federal Omnibus Budget Reconciliation Act of 1981, Pub. L. No. 97-35, as amended by Pub. L. No. 98-558, to meet the costs of home energy. After reserving a reasonable portion of the remaining funds not to exceed ten percent of the funds appropriated in subsection 1, to carry forward into the federal fiscal year beginning October 1, 1989, at least ten percent and not more than fifteen percent of the funds appropriated by this section shall be used for low-income residential weatherization or other related home repairs for low-income households. Of this amount, an amount not exceeding ten percent may be used for administrative expenses.

4. An eligible household must be willing to allow residential weatherization or other related home repairs in order to receive home energy assistance. If the eligible household resides in rental property, the unwillingness of the landlord to allow residential weatherization or other related home repairs shall not prevent the household from receiving home energy assistance,

Sec. 11. SOCIAL SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of human services, the sum of thirty-one million seven hundred fifty-eight thousand three hundred thirty-one (31,758,331) dollars for the fiscal year beginning October 1, 1988. Funds appropriated by this subsection are the funds anticipated to be received from the federal government for the designated Federal fiscal year under 42

U.S.C. § 1397-1397f, which provides for the social services block grant. The department of human services shall expend the funds appropriated by this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Not more than one million eight hundred thirty-one thousand four hundred twenty-eight (1,831,428) dollars of the funds appropriated in subsection 1 shall be used by the department of human services for general administration for the federal fiscal year beginning October 1, 1988. From the funds set aside by this subsection for general administration, the department of human services shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department of human services for the costs of the audit.

3. In addition to the allocation for general administration in subsection 2, the remaining funds appropriated in subsection 1 shall be allocated to supplement appropriations for the federal fiscal year beginning October 1, 1988, for the following programs within the department of human services:

a. Field operations:	
.....	\$ 12,544,620
b. Home-based services:	
.....	\$ 146,866
c. Foster care:	
.....	\$ 4,653,071
d. Community-based services:	
.....	\$ 745,200
e. Local administrative costs and other local services:	
.....	\$ 11,709,913
f. Volunteers:	
.....	\$ 127,233

Sec. 12. SOCIAL SERVICES BLOCK GRANT PLAN. The department of human services during each fiscal year shall develop a plan

, for the use of federal social services block grant funds for the subsequent state fiscal year.

The proposed plan shall include all programs and services at the state level which the department proposes to fund with federal social services block grant funds, and shall identify state and other funds which the department proposes to use to fund the state programs and services,

The proposed plan shall also include all local programs and services which are eligible to be funded with federal social services block grant funds, the total amount of federal social services block grant funds available for the local programs and services, and the manner of distribution of the federal social services block grant funds to the counties. The proposed plan shall identify state and local funds which will be used to fund the local programs and services.

The proposed plan shall be submitted with the department's budget requests to the governor and the general assembly.

Sec. 13. MENTAL HEALTH SERVICES FOR THE HOMELESS BLOCK GRANT. Upon receipt of the minimum block grant from the federal alcohol, drug abuse, and mental health administration to provide mental health services for the homeless, the division of mental health, mental retardation, and developmental disabilities of the department of human services shall assure that a project which receives funds under the block grant from either the federal, or nonfederal state match share of twenty-five percent in order to provide outreach services to persons who are chronically mentally ill and homeless or who are subject to a significant probability of becoming homeless shall do all of the following:

1. Provide community mental health services, diagnostic services, crisis intervention services, and habilitation and rehabilitation services.
2. Refer clients to medical facilities for necessary hospital services, and to entities that provide primary health services and substance abuse services.

3. Provide appropriate training to persons who provide services to persons targeted by the grant.
4. Provide case management to homeless persons.
5. Provide supportive and supervisory services to certain homeless persons living in residential settings which are not otherwise supported.

Sec. 14. PROCEDURE FOR REDUCED FEDERAL FUNDS.

1. Except for section 8 of this Act, if the funds received from the federal government for the block grants specified in this Act are less than the amounts appropriated, the funds actually received shall be prorated by the governor for the various programs, other than for the rape prevention program under section 3, subsection 3, of this Act, for which each block grant is available according to the percentages that each program is to receive as specified in this Act. However, if the governor determines that the funds allocated by the percentages will not be sufficient to effect the purposes of a particular program, or if the appropriation is not allocated by percentage, the governor may allocate the funds in a manner which will effect to the greatest extent possible the purposes of the various programs for which the block grants are available.

2. Before the governor implements the actions provided for in subsection 1, the following procedures shall be taken:

- a. The chairpersons and ranking members of the standing committees of the senate and house on appropriations, the director of the legislative fiscal bureau, and the members of appropriate subcommittees of those committees shall be notified of the proposed action.
- b. The notice shall include the proposed allocations, and information on the reasons why particular percentages or amounts of funds are allocated to the individual programs, the departments and programs affected, and other information deemed useful. Chairpersons notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

Sec. 15. PROCEDURE FOR INCREASED FEDERAL FUNDS.

1. If funds received from the federal government in the form of block grants exceed the amounts appropriated in sections 2, 3, 4, and 5, section 8, subsection 3, and section 11, subsection 1, of this Act, the excess shall be prorated to the appropriate programs according to the percentages specified in those sections, except additional funds shall not be prorated for administrative expenses.

2. If funds received from the federal government from block grants exceed the amounts appropriated in section 10 of this Act, at least ten percent and not more than fifteen percent of the excess shall be allocated to the low-income weatherization program.

3. If funds received from the federal government in the form of block grants exceed the amounts appropriated in section 1 of this Act, the excess shall be prorated to the appropriate programs according to the percentages specified in those sections, except additional funds shall not be prorated for administrative expenses.

4. If funds received from the federal government from community services block grants exceed the amounts appropriated in section 6 of this Act, one hundred percent of the excess is allocated to the community services block grant program.

Sec. 16. PROCEDURE FOR CONSOLIDATED, CATEGORICAL, OR EXPANDED FEDERAL BLOCK GRANTS. Notwithstanding section 8.41, federal funds made available to the state which are authorized for the federal fiscal year beginning October 1, 1988, resulting from the federal government consolidating former categorical grants into block grants, or which expand block grants included in Pub. L. No. 97-35, to include additional programs formerly funded by categorical grants, which are not otherwise appropriated by the general assembly, are appropriated for the programs formerly receiving the, categorical grants, subject to the conditions of this section. The governor shall, whenever possible, allocate from the block grant to each program in the same proportion as the amount of

federal funds received by the program during the 1988 federal fiscal year as modified by the 1988 Session of the Seventy-second General Assembly for the fiscal year beginning July 1, 1988, compared to the total federal funds received in the 1988 federal fiscal year by all programs consolidated into the block grant. However, if one agency did not have categorical funds appropriated for the federal fiscal year ending September 30, 1988, but had anticipated applying for funds during the fiscal year ending September 30, 1989, the governor may allocate the funds in order to provide funding.

If the amount received in the form of a consolidated or expanded block grant is less than the total amount of federal funds received for the programs in the form of categorical grants for the 1988 federal fiscal year, state funds appropriated to the program by the general assembly to match the federal funds shall be reduced by the same proportion of the reduction in federal funds for the program. State funds released by the reduction shall be deposited in a special fund in the state treasury and are available for appropriation by the general assembly. The governor shall notify the chairpersons and ranking members of the senate and house committees on appropriations, the legislative fiscal director, and the members of the appropriate subcommittees of those committees before making the allocation of federal funds or any proportional reduction of state funds under this section. The notice shall state the amount of federal funds to be allocated to each program, the amount of federal funds received by the program during the 1988 federal fiscal year, the amount by which state funds for the program will be reduced according to this section and the amount of state funds received by the program during the 1988 fiscal year. Chairpersons notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

If the amount received in the form of a consolidated or expanded block grant is more than the total amount of federal

funds received for the programs in the form of categorical grants for the 1988 federal fiscal year, the *excess* funds shall be deposited in the special fund created in section 8.41 and are subject to the provisions of that section.

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JO ANN ZIMMERMAN

President of the Senate

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DONALD D. AVENSON

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2323, Seventy-second General Assembly.

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JOHN F. DWYER

Secretary of the Senate

Approved \_\_\_\_\_, 1988

**SF 2323**

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TERRY E. BRANSTAD

Governor

SENATE FILE 2327

AN ACT

TO PROVIDE FOR A STATE INDIVIDUAL INCOME TAX CHECKOFF FOR THE UNITED STATES OLYMPIC COMMITTEE, A PORTION OF WHICH SHALL BE MADE AVAILABLE FOR AMATEUR SPORTS AND SPECIAL OLYMPIC PROGRAMS IN IOWA, AND PROVIDING A RETROACTIVE EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 422.12A INCOME TAX REFUND CHECKOFF FOR OLYMPICS.

A person who files an individual or a joint income tax return with the department of revenue and finance under section 422.13 may designate two dollars to be paid to the Olympic fund. If the refund due on the return or the payment remitted with the return is insufficient to pay the amount designated by the taxpayer to the Olympic fund, the amount designated shall be reduced to the remaining amount of refund or the remaining amount remitted with the return.

The director of revenue and finance shall draft the income tax form to allow the designation of contributions to the Olympic fund on the tax return.

The department of revenue and finance on or before January 31 of the year following the preceding calendar year shall certify the total amount designated on the tax return forms due in the preceding calendar year and shall report the amount to the treasurer of state. The treasurer of state shall credit the amount to the Olympic fund.

The moneys in the Olympic fund are appropriated annually for the purposes specified in this section.

On or before March 1 of each year, the department of revenue and finance shall pay the moneys in the fund to the United States olympic committee on the condition that the United States olympic committee return one-half of the funds to this state to be spent in that year for local amateur

sports, for which there is olympic competition, with advice of the governor's council on physical fitness and for special Olympic programs.

The department shall adopt rules to implement this section. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of revenue and finance and accounts identified as owing under section 421.17 and the political contribution allowed under section 56.18 shall be satisfied.

Sec. 2. This Act is retroactive to January 1, 1988, for tax years beginning on or after that date.

JO ANN ZIMMERMAN  
President of the Senate

DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2327, Seventy-second General Assembly.

JOHN P. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

TERRY E. BRANSTAD  
Governor

SF 2327

SENATE FILE 2328

AN ACT

RELATING TO THE ALLOCATIONS AND APPROPRIATIONS OF LOTTERY REVENUES AND THE PROGRAMS FOR WHICH THE REVENUES MAY BE USED.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 99E.9, subsection 3, paragraphs b and c, Code Supplement 1987, are amended to read as follows:

b. The types of lottery games to be conducted. Rules governing the operation of a class of games are subject to chapter 17A. However, rules governing the particular features of specific games within a class of games are not subject to chapter 17A. Such rules may include, but are not limited to, setting the name and prize structure of the game and shall be made available to the public prior to the time the games go on sale and shall be kept on file at the office of the commissioner. The board shall authorize instant lottery and on-line lotto games and may authorize the use of any type of lottery game that on May 3, 1985 has been conducted by a state lottery of another state in the United States, or any game that the board determines will achieve the revenue objectives of the lottery and is consistent with subsection 1. However, the board shall not authorize a game using electronic computer terminals or other devices if the terminals or devices dispense coins or currency upon the winning of a prize. In a game utilizing instant tickets other than pull-tab tickets, each ticket in the game shall bear a unique consecutive serial number distinguishing it from every other ticket in the game, and each lottery number or symbol shall be accompanied by a confirming caption consisting of a repetition of a symbol or a description of the symbol in words. In the game other than an instant game which uses tangible evidence of participation,

each ticket shall bear a unique serial number distinguishing it from every other ticket in the game.

c. Requirement that a licensee either print or stamp the licensee's name and address on the back of each instant ticket, except pull-tab tickets.

Sec. 2. Section 99E.10, subsection 1, paragraph a, Code Supplement 1987, is amended to read as follows:

a. An amount equal to one half of one percent of the gross lottery revenue shall be deposited in a gamblers assistance fund in the office of the treasurer of state. Moneys in the fund shall be administered by the commissioner of human services and used to provide assistance and counseling to individuals and families experiencing difficulty as a result of gambling losses and to promote awareness of "Gamblers Anonymous" and similar assistance programs. For the fiscal year beginning July 1, 1988, there is appropriated from the fund to the department of human services the sum of one hundred twenty-five thousand dollars to be used to establish a separate reimbursement policy to reimburse providers for material costs incurred in providing unit dose drug distribution systems in long-term care facilities. The department shall seek to implement the recommendation on unit dose reimbursement when funds become available.

Sec. 3. Section 993.32, subsection 1, paragraphs a and b, Code Supplement 1987, are amended to read as follows:

a. In the fiscal year beginning July 1, 1986 the first three million four hundred thirty-eight thousand dollars, in the fiscal year beginning July 1, 1987 the first six million six hundred seventy-five thousand dollars, in the fiscal year beginning July 1, 1988 the first three four million seven six hundred fifty twenty-five thousand dollars and in the fiscal year beginning July 1, 1989 the first three million seven hundred fifty thousand dollars to the jobs now capitals account.

b. in-each-of-the-four For the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989, after the allotment in paragraph "a", ten million dollars, ten million dollars, four million six hundred fifty thousand dollars, and ten million dollars, respectively to the community economic betterment account; for the fiscal years beginning July 1, 1966, July 1, 1987, July 1, 1988, and July 1, 1989, eight million five hundred fifty thousand dollars, eight million three hundred seventy-five thousand dollars, seven nineteen million nine-hundred eight thousand dollars, and seven million nine hundred thousand dollars, respectively, to the jobs now account; and for the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989, twelve million five hundred thousand dollars, seven million four hundred thousand dollars, eleven seven million five hundred-thousand dollars, and eleven million two hundred fifty thousand dollars, respectively, to the education and agriculture research and development account.

Sec. 4. Section 99E.32, subsection 2, Code Supplement 1987, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. 1. Notwithstanding any other provision, the moneys allocated to the community economic betterment account for the fiscal year beginning July 1, 1988, are appropriated to the department of economic development to be used only for the purposes of providing financial assistance for small business gap financing, new business opportunities, new product and entrepreneurial development, and comprehensive management assistance in the amounts, or so much thereof as may be necessary, as provided in section 99E.33. These purposes may be accomplished by providing the following types of assistance:

(1) Principal buy-down program to reduce the principal of a business loan.

(2) Interest buy-down program to reduce the interest of a business loan.

(3) Loans to aid in economic development.

(4) Grants to aid in economic development projects as defined in section 991.10, subsection 2, if at least fifty percent of the total cost of the project is paid from sources other than the Iowa plan fund. If a project involves purchase or improvement of real property, a grant may be made only if the property is located in the state of Iowa.

(5) Loan guarantees for business loans made by commercial lenders.

(6) Ruddy-like investments.

(7) Comprehensive management assistance. The conditions, criteria, and limitations specified in section 99E.31, subsection 2, apply to providing of moneys under this paragraph.

The department shall document the actual job creation and retention effects of all businesses receiving financial assistance from the account in the context of the businesses' employer's contribution and payroll report.

The department shall require businesses which receive assistance from the account to submit historical copies of the reports with the application for funds, require businesses to submit the report after the award on a timely basis, and require businesses to estimate the expected job creation and retention effect for the twelve-month and twenty-four month period after the award in terms of the number of employees and total wages as displayed in the payroll reports. The department shall develop definitions for the terms "job creation" and "job retention" to measure and identify the actual number of permanent, full-time positions which the businesses actually created or retained and can be documented by comparison of the payroll reports during the twenty-four month period after the award.



Sec. 5. Section 99E.32, subsection 3, Code Supplement 1987, is amended to read as follows:

3. There are appropriated moneys in the jobs now account for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989 to the following funds, agencies, boards or commissions in the amounts, or so much thereof as may be necessary, as provided in section 993.33 to be used for the following purposes:

a. To the department of natural resource-commission resources for the purposes designated in section 99E.31, subsection 3, paragraph "a". For the fiscal year beginning July 1, 1986, the amount appropriated is two million five hundred thousand dollars. For the fiscal year beginning July 1, 1987, the amount appropriated is two million dollars. For the fiscal year beginning July 1, 1988, the amount appropriated is two million dollars, of which one hundred sixty thousand dollars shall be used for continuing projects to be matched with federal funds.

b. To the Iowa product development fund for the purposes provided in section 28.89. For the fiscal year beginning July 1, 1987, the amount appropriated is one million five hundred thousand dollars. For the fiscal year beginning July 1, 1988, the amount appropriated is one million two hundred fifty thousand dollars.

c. To the Iowa state arts council with administration by the department of cultural affairs for the purposes designated in section 99E.31, subsection 3, paragraph "d". For the fiscal year beginning July 1, 1987, the amount appropriated is six hundred seventy-five thousand dollars. For the fiscal year beginning July 1, 1988, the amount appropriated is six hundred fifty thousand dollars of which forty thousand dollars shall be allocated to the John L. Lewis commission for the John L. Lewis museum in Lucas, Iowa, seventy thousand dollars for the Iowa town square project, seventy thousand dollars for the artist endowment program, and twelve thousand dollars is

to be directed to the secretary of state for the restoration and display of the Iowa state constitution.

d. To the Iowa department of economic development for the purposes designated in section 993.31, subsection 3, paragraph "e". For the fiscal year beginning July 1, 1986, the amount appropriated is two million six hundred thousand dollars. For the fiscal year beginning July 1, 1987, the amount appropriated is two million fifty thousand dollars. For the fiscal year beginning July 1, 1988, the amount appropriated is one million nine hundred eight thousand dollars to be used for the purposes and in the amounts as follows:

(1) Satellite centers under section 28.101, one million one hundred twenty-five thousand dollars of which fifty thousand dollars shall be used by the department to hire a rural development coordinator; forty-five thousand dollars for an informational referral center; and ninety-five thousand dollars for model rural development projects. For the fiscal year beginning July 1, 1988, the amount appropriated is nine hundred thirty-five thousand dollars. Of the amount appropriated, thirty thousand dollars shall be awarded to each of the fifteen regional coordinating councils for annual salaries, support, and maintenance of the satellite centers and up to one hundred fifty thousand dollars may be used for supplemental grants to the satellite centers. Criteria for awarding the grants include the Performance of the satellite center and the need for the supplemental funding. The department shall award at least four supplemental grants, but in no case shall the maximum supplemental grant exceed fifteen thousand dollars.

(2) Federal procurement Offices, one hundred thousand dollars. For the fiscal year beginning July 1, 1988, the amount appropriated, is one hundred thousand dollars.

(3) Iowa main street program, two hundred seventy-five thousand dollars. For the fiscal year beginning July 1, 1988, the amount appropriated is three hundred ninety-three thousand dollars.

(4) Technical assistance for businesses for purposes of the federal small business innovation research grants program, two hundred fifty thousand dollars of which fifty thousand dollars shall be expended to develop and operate a small business information center. For the fiscal year beginning July 1, 1988, no amount is appropriated.

(5) Business incubators, three hundred thousand dollars. The funds shall be used to provide for operations of existing incubators and for the establishment of at least one new incubator in the fiscal year. The department will award grants to universities, community colleges, and local communities on an annual basis. In awarding the grants, the department shall consider the incubator's plan to become self-sufficient for the need for further grants within three years of its start-up. Future grants shall be contingent upon how the incubator is succeeding in becoming self-sufficient. The local community, university, or college is required to match the state's grant on a dollar for dollar basis. For the fiscal year beginning July 1, 1988, the amount appropriated is two hundred fifty thousand dollars.

(6) Rural incubators, one hundred fifty thousand dollars. The funds shall be used for the establishment of incubators located in communities with a population of less than ten thousand. The department will award grants to universities, community colleges, and local communities on an annual basis. In awarding the grants, the department shall consider the incubator's plan to become self-sufficient from the need for further grants within three years of its start-up. Future grants shall be contingent upon how the incubator is succeeding in becoming self-sufficient. The local community, university, or college is required to provide a twenty-five percent match of the state's grant.

(7) For rural development programs, the sum of eighty thousand dollars.

o. For the fiscal year beginning July 1, 1986 only, the sum of two hundred thousand dollars for the targeted small business loan guarantee program established pursuant to section 220.111.

f. For the fiscal years beginning July 1, 1986 and July 1, 1987 only, to the Iowa conservation corps account the sum of one million dollars and seven hundred fifty thousand dollars, respectively. Of the funds appropriated under this paragraph, five hundred thousand dollars shall be used for a summer jobs program for young adults, as a part of the Iowa youth corps and designed to provide part-time public service employment to work on conservation-oriented projects.

g. For the fiscal years beginning July 1, 1988 and July 1, 1989 only, to the Iowa department of economic development, one million eight hundred thousand dollars for purposes of administration of the "young-adult-program" of the Iowa conservation corps, established in section 15.225, Of the amount appropriated, one hundred thousand dollars shall be used for minority youth employment. Moneys not used for minority youth employment are available for use for the purposes of the Iowa conservation corps.

h. For the fiscal year ~~years~~ beginning July 1, 1987 only and July 1, 1988, to the advance account of the area school job training fund established in section 280C.6, one million dollars and seven hundred fifty thousand dollars, respectively. If Senate File 2303 is enacted, the amount appropriate for the fiscal year beginning July 1, 1988, shall be to the revolving loan account of the area school job training fund.

i. For the fiscal year beginning July 1, 1987 only, to the department of agriculture and land stewardship the sum of three hundred thousand dollars for developing pilot public/private partnerships to assist Iowa producers of agricultural products in the promotion, marketing, and selling of agricultural products to local and regional markets. For

the fiscal year beginning July 1, 1988, the amount appropriated is one hundred fifty thousand dollars.

j. For the fiscal year beginning July 1, 1987 only, to the department of agriculture and land stewardship the sum of one hundred thousand dollars, or so much as is necessary, to provide a grant to the organizers from the 1988 world ag expo in the Amana colonies.

k. For the fiscal year beginning July 1, 1988, there is appropriated to the department of economic development for labor management councils the sum of one hundred thousand dollars.

l. For the fiscal year beginning July 1, 1988, to the Iowa department of economic development the sum of seven hundred thousand dollars for the establishment of welcome centers as provided in sections 15.271 and 15.272. The funds appropriated shall be used for implementation of the recommendations of the statewide long-range plan for developing and operating welcome centers through the state.

m. (1) For the fiscal year beginning July 1, 1988, to the department of agriculture and land stewardship the sum of one hundred thousand dollars to fund pilot lamb and wool management education projects approved by the department at area schools selected as project sites. The selection of an area school as a project site shall be based upon the evaluation and recommendations of an advisory committee created by the department and composed of persons actively engaged in lamb and wool production, persons representing the agricultural experiment station of the Iowa State University of science and technology, and persons expert in postsecondary education. The committee shall conduct an evaluation of area schools applying to be selected as pilot project sites. The committee in formulating its recommendations shall assign a weight to and consider the following criteria:

(a) The area school's relevant and available educational facilities.

(b) The number of persons interested in beginning or expanding lamb and wool production in the area school's merged area.

(c) The current number of sheep in the area school's merged area.

(d) The increase in the number of sheep in the area school's merged area.

(e) The creation or expansion of lamb and wool production facilities in the area school's merged area.

(f) The size and number of lamb and wool producer groups in the area school's merged area, and the degree to which such groups promote lamb and wool production in the area.

(g) The qualifications of the person selected by the area school to direct the project, and the qualifications of persons selected by the area school to instruct producers participating in the project.

The committee shall be staffed by employees of the department as appointed by the director of the department. The evaluation and recommendations shall be submitted to the director not later than December 30, 1988.

(2) An area school selected to be a pilot project site is entitled to regular disbursements of funds by the department to establish the project, and for salaries, support, maintenance, and other operational purposes according to a schedule which shall be established by the department. An area school shall not have less than thirty producers participating in the project, on or after December 30, 1990. If after that time, less than thirty producers participate in a project when the department is disbursing scheduled funds to the area school, the amount of funds to the school shall be reduced proportionately according to the number of producers participating in the project. The amount withheld shall be added equally to the amount disbursed to area schools having thirty or more producers participating in their respective projects. Only producers are eligible to participate in a

project. The department may establish additional requirements for participation in the project, including a fee which shall be charged for producers participating in the project. A producer shall be charged the fee notwithstanding any other fee paid to the area school.

(3) For purposes of the projects, "producer" means a person actively engaged or seeking to become actively engaged in lamb or wool production.

n. For the fiscal year beginning July 1, 1988, the sum of nine million three hundred thousand dollars as follows:

(1) Four million six hundred fifty thousand dollars to the Iowa finance authority for the revolving fund for the community and rural development loan program established under Senate File 2092.

(2) Four million six hundred fifty thousand dollars to the business development finance corporation assistance fund established under House File 2396.

(3) Up to one million dollars of the moneys allocated under Subparagraph (1) and up to three million dollars of the moneys allocated under subparagraph (2) which are not used or dedicated may be transferred to and used for purposes of the community economic betterment account, as determined by the department of economic development with one-half of the amount to be transferred on October 1, 1988, and one-half of the amount to be transferred on January 15, 1989.

o. For the fiscal year beginning July 1, 1988, to the department of economic development the sum of fifty thousand dollars for a local economic development pilot project for an area encompassing the cities and rural areas making up the area community commonwealth where the cities are represented on the board of directors of a nonprofit corporation set up for the purpose of aiding in the economic development of the area. In order for the area to receive moneys under this paragraph, the area shall be formed under an agreement entered into pursuant to chapter 28E for the sole purpose of providing

for economic development projects for the area provided the agreement identifies an entity to receive the funds under this paragraph and all parties to the agreement shall be located within the same regional economic delivery area created pursuant to section 28.101. The moneys available to the chapter 28E area shall be used only for economic development initiatives as defined in section 99E.10, subsection 2. However, as used in this paragraph, economic development initiatives do not include the employment of professional staff or consultants. The chapter 28E area shall file an economic development plan with the department of economic development before application is made to receive funds under this paragraph. The area receiving funds under this paragraph shall submit an annual financial report within sixty days following the close of its fiscal year to the regional coordinating council created pursuant to section 28.101 of the region in which the area is located.

p. For the fiscal year beginning July 1, 1988, to the division of soil conservation within the department of agriculture and land stewardship for deposit in the water protection fund created in 1988 Iowa Acts, House File 2381, section 5, the sum of five hundred thousand dollars for purposes of the fund.

q. For the fiscal year beginning July 1, 1988, to the department of education the sum of seven hundred fifty thousand dollars for the purposes and under the conditions specified in section 99E.31, subsection 5, paragraph "c".

Sec. 6. Section 99E.32, subsection 4, Code Supplement 1987, is amended to read as follows:

4. There are appropriated moneys in the education and agriculture research and development account for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989 to the following funds, agencies, boards or commissions in the amounts, or so much thereof as may be necessary, as provided in section 999.33 to be used for the following purposes:

a. To the Iowa college aid commission for the forgivable loan program established in sections 261.71 to 261.73. For the fiscal year beginning July 1, 1986, the amount appropriated is seven hundred fifty thousand dollars. Notwithstanding subsection 7, any moneys not expended under this paragraph by June 30, 1987 shall not be used for purposes of this paragraph but shall be transferred and used for the purposes described in paragraph "c" for the fiscal year beginning July 1, 1987. For the fiscal year years beginning July 1, 1987, and July 1, 1988, no amount is appropriated.

b. To the Iowa department of economic development for the purposes and under the conditions specified in section 993.31, subsection 4, paragraph "a". For the fiscal year beginning July 1, 1986, the amount appropriated is ten million seven hundred fifty thousand dollars. For the fiscal year beginning July 1, 1987, the amount appropriated is seven million dollars of which five hundred thousand dollars shall be allocated to the Iowa State University of science and technology for the national center for food and industrial agricultural product development; and two hundred, ~~fifty~~ thousand dollars shall be allocated to the University of Northern Iowa for the decision making science institute. For the fiscal year beginning July 1, 1988, the amount appropriated is seven million dollars of which two hundred fifty thousand dollars shall be allocated to the University of Northern Iowa for the decision-making science institute; one hundred thousand dollars shall be allocated to the department of economic development for an economic development training program at the school of business at the University of Northern Iowa which shall use these funds in consultation with the department, the university, and the Iowa professional developers; forty thousand dollars shall be allocated to the state library within the department of cultural affairs to establish a patent depository library for the purpose of making university patents accessible to the public and private sectors by

purchasing the twenty-year backfile of patents and to train existing staff to work with users of the library; and three hundred sixty thousand dollars shall be allocated and used to establish a university and private industry research and development consortium at each of the state board of regents universities under chapter 262B. Of the three hundred sixty thousand dollars, one hundred twenty thousand dollars is allocated to each of the consortiums with eighty-five thousand dollars being appropriated to the department of economic development for providing staff and support to the marketing for the consortiums and thirty-five thousand dollars is allocated to each of the offices of vice president for research at the three board of regents institutions. Of the money allocated under this Paragraph to the Iowa State University of science and technology for the fiscal year beginning July 1, 1988, two hundred thousand dollars shall be used to support collaborative research with the United States department of agriculture to improve reproductive performance and disease resistance in swine. After the first five million dollars appropriated for the fiscal year beginning July 1, 1988, has been allocated, the next one million dollars shall be allocated for proposals described in section 993.31, subsection 4, paragraph "a", subparagraph (1) and the next one million dollars shall be allocated for applied research projects described in section 99B.31, subsection 4, paragraph "a", subparagraph (3) of which one hundred fifty thousand dollars shall be used for the water resource research institute under Paragraph "e". The department may use any unexpended funds from the appropriation made under this paragraph for the fiscal year beginning July 1, 1987, as a prepayment of the allocations made for the fiscal year beginning July 1, 1988, for the decision-making science institute and the economic development leadership program, which prepayment shall be repaid as the fiscal year beginning July 1, 1988, allocation to such institute or program becomes

NEW LETTERED PARAGRAPH. m. There is appropriated from the allotment to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1988, to the department of public defense the sum of fifty thousand dollars for the planning for the construction of armories.

NEW LETTERED PARAGRAPH. n. There is appropriated from the allotment to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1988, to the Iowa department of economic development the sum of seven hundred ninety-three thousand dollars for contracting exclusively for advertising for in-state and out-of-state tourism, tourism marketing, and tourism promotion programs for electronic media and printed materials.

The department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts and to the fullest extent possible, match on a dollar-for-dollar basis, contributions from other sources to fund the advertising contracts.

The amount appropriated under this lettered paragraph is in addition to any amounts appropriated under Senate File 2309, if enacted.

NEW LETTERED PARAGRAPH. o. There is appropriated from the allotment to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1988, to the Iowa department of economic development the sum of one million two hundred seven thousand dollars for contracting exclusively for marketing and advertising contracts for out-of-state national marketing programs for electronic media and printed materials.

The department shall develop public-private partnerships with Iowa businesses, Iowa business organizations, Iowa chambers of commerce, and political subdivisions in this state, to assist in the development of the marketing efforts and to the fullest extent possible, match on a dollar-for-

dollar basis, contributions from other sources to fund the marketing contracts.

The amount appropriated under this lettered paragraph is in addition to any amounts appropriated under Senate File 2309, if enacted.

**Sec. 9. NEW SECTION. 2678.1 TITLE.**

This chapter shall be known and may be cited as the "University-Based Research and Economic Development Act".

**Sec. 10. NEW SECTION. 262B.2 LEGISLATIVE INTENT.**

It is the intent of the general assembly to provide support for mechanisms for encouraging the coordination of pure and applied research at the state board of regents institutions. The purpose is to maximize and promote the economic benefit which may derive from research. This is to be done by increased coordination with the Iowa department of economic development and encouragement of the transfer of research results to the private sector.

**Sec. 11. NEW SECTION. 262B.3 ESTABLISHMENT OF CONSORTIUM,**

The board of regents or the universities under its jurisdiction shall establish consortiums for the purpose of carrying out the intent of this chapter. The majority of consortium members shall be from the university community and the balance of members shall be from private industry. The members of the consortium shall be appointed by the president of the convening university and will serve at the pleasure of the president.

**Sec. 12. NEW SECTION. 262B.4 DUTIES OF THE CONSORTIUM,**

1. Each consortium shall assist the university in efforts to maximize the economic benefits outlined in section 2628.2. More specifically, it shall assist the university by making recommendations for:

a. The development of strategies and materials useful in marketing university resources to out-of-state firms interested in an Iowa site.

- b. Matching university resources with the needs of existing Iowa firms.
  - c. Evaluation of university research for commercial potential.
  - d. The development of a plan that will improve private sector access to the university and the transfer of technology from the university to the private sector.
2. In order to carry out its objectives the consortium shall perform, but is not limited to, the following tasks:
- a. Receive and review selected research synopses.
  - b. Disseminate information on research activities of the university.
  - c. Identify research needs of existing Iowa businesses and recommend ways in which the university can meet these needs.
  - d. On a case-by-case basis, suggest business and financial tactics useful in realizing the commercial potential of university research projects.

Sec. 13. NEW SECTION. 2628.5 REGENTS AND DEPARTMENT OF ECONOMIC DEVELOPMENT.

The state board of regents and the Iowa department of economic development shall enter into an agreement under chapter 28C to coordinate and facilitate the activities of the consortiums. The state board of regents and the Iowa department of economic development shall report annually to the governor and the general assembly concerning the activities of the consortiums.

Sec. 14. 1988 Iowa Acts, Senate File 2312, section 54, subsection 9, paragraph d, is amended to read as follows:

d. To the department of corrections, the sum of one million three hundred thousand (1,300,000) dollars to be ~~retained by the department of revenue and finance and not paid to the department of corrections~~ for the purposes of paragraph "c" upon the approval of the general assembly of the plans submitted pursuant to paragraph "c" but not to be used until the general assembly enacts legislation that provides for the

specific expenditure of the moneys, and after consideration of the most recent information made available by the task force consultant.

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JO ANN ZIMMERMAN  
President of the Senate

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DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2328, Seventy-second General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

SF 2328

SENATE FILE 2330

AN ACT

RELATING TO THE PROVISION OF CERTAIN SERVICES TO PERSONS WITH MENTAL RETARDATION, A DEVELOPMENTAL DISABILITY, OR MENTAL ILLNESS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 225C.6, subsection 1, Code 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. m. Establish standards for the provision of individual case management services.

NEW PARAGRAPH. n. Establish standards for the structure of a service coordination system which ensures a linkage between the service coordination system and individual case management services.

Sec. 2. Section 225C.18, subsection 1, Code 1987, is amended to read as follows:

1. A county board of supervisors, independently or in conjunction with one or more other county boards of supervisors, shall either establish a county or joint-county multicounty mental health; ~~and~~ mental retardation & developmental disabilities co-ordinating board or constitute the board or the joint multicounty boards of supervisors as the ex officio county mental health, ~~and~~ mental retardation, and developmental disabilities co-ordinating board. If a separate county mental health, ~~and~~ mental retardation & developmental disabilities co-ordinating board is established, it shall be composed of persons who have demonstrated a

concern for mental health, and mental retardation, and developmental disabilities services and its site shall be determined by the board or joint multicounty boards of supervisors. ~~One~~ Each county board of supervisors shall designate one or more county supervisors ~~may be named~~ to serve on a separate county mental health, and mental retardation, and developmental disabilities co-ordinating board. ~~if the board or joint boards of supervisors serve ex officio as the county mental health and mental retardation co-ordinating board, it shall establish an advisory board composed of persons who have demonstrated a concern for mental health and mental retardation services, and who are not governmental officials, to advise the co-ordinating board with respect to the co-ordinating board's functions under subsection 2.~~ The chairperson of the county mental health, mental retardation, and developmental disabilities advisory committee established under section 225C.18A shall serve on the county or multicounty coordinating board. The vice chairperson of the county mental health, mental retardation, and developmental disabilities advisory committee shall serve on the county or multicounty coordinating board if ten or more county supervisors are members of the board.

Sec. 3. Section 225C.18, subsection 2, unnumbered paragraph 1, Code 1987, is amended to read as follows:

A county or joint-county multicounty mental health, and mental retardation, and developmental disabilities co-ordinating board shall;

Sec. 4. Section 225C.18, subsection 2, paragraph a, Code 1987, is amended to read as follows:

a. Develop a plan for the provision of mental health, ~~and~~ mental retardation, and developmental disabilities services in the county or counties represented by the membership of the board, consistent with the state mental health, ~~and~~ mental retardation plans, and developmental disabilities plan; however, the plan shall only be valid if approved by the county board or boards of supervisors.

SF 2330



Sec. 5. Section 225C.18, subsection 2, Code 1987, is amended by adding the following new paragraph after paragraph a and relettering the subsequent paragraphs:

NEW PARAGRAPH. b. Develop a plan, subject to annual state appropriations, county budgets, and other sources of funding, to provide individual case management services through the county, through a contract with a private provider, or through the department. However, the plan shall only be valid if approved by the county board or boards of supervisors.

Sec. 6. NEW SECTION. 225C.18A MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ADVISORY COMMITTEE.

1. The mental health, mental retardation, and developmental disabilities coordinating board shall establish an advisory committee composed of consumers, advocates, funding providers, service providers, program monitors, and other persons who have demonstrated a concern for mental health, mental retardation, or developmental disabilities. The board shall assure a balance of representation in the membership of the committee among the persons listed above and the service populations for whom the board has responsibility. Each county shall appoint to the committee one or more persons who have demonstrated a concern for persons with mental illness, one or more persons who have demonstrated a concern for persons with mental retardation, and one or more persons who have demonstrated a concern for persons with a developmental disability.

2. A county or multicounty mental health, mental retardation, and developmental disabilities advisory committee shall do all of the following:

a. Advise the mental health, mental retardation, and developmental disabilities coordinating board regarding board functions under section 225C.18, subsection 2.

b. Submit an annual plan to the mental health, mental retardation, and developmental disabilities coordinating board

which includes recommendations regarding service development, expansion, modifications, and an estimate of the cost of implementing the plan.

c. Review and evaluate the appropriateness, effectiveness, and efficiency of services being provided to persons with mental retardation, a developmental disability, or mental illness in the county or multicounty area.

d. Perform duties assigned by the mental health, mental retardation, and developmental disabilities coordinating board.

e. Study and evaluate the needs of persons with mental retardation, a developmental disability, or mental illness in the county or multicounty area.

Sec. 7. NEW SECTION. 225C.18B RESPONSIBILITIES OF COUNTIES FOR INDIVIDUAL CASE MANAGEMENT SERVICES.

Individual case management services shall be provided by the department except when a county or a consortium of counties contracts with the department to provide the services. A county or consortium of counties may contract to be the provider at any time and the department shall agree to the contract so long as the contract meets the standards for case management adopted by the department. The county or consortium of counties may subcontract for the provision of case management services so long as the subcontract meets the same standards. A mental health, mental retardation, and developmental disabilities coordinating board which intends to change the provider of individual case management services shall provide written notification of a proposed change to the department on or before August fifteenth and written notification of an approved change on or before October fifteenth in the fiscal year which precedes the fiscal year in which the change will take effect.

Sec. 8. NEW SECTION. 225C.32 PLAN APPEALS PROCESS.

The department shall establish an appeals process by which a mental health, mental retardation, and developmental

~~determining-the-productive-and-earning-capacity~~ in spreading  
the valuation among individual parcels of such agricultural  
property.

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

SENATE FILE 2335

AN ACT

RELATING TO THE FORMULA USED IN VALUING AGRICULTURAL PROPERTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 441.21, subsection 1, paragraph f, Code  
1987, is amended to read as follows:

f. In counties or townships in which field work on a  
modern soil survey has been completed since January 1, 1949,  
the assessor ~~and-the-department-of-revenue-and-finance~~ shall  
place emphasis upon the results of such the survey in

I hereby certify that this bill originated in the Senate and  
is known as Senate File 2335, Seventy-second General Assembly.

\_\_\_\_\_  
JOHN F. DWYER  
Secretary of the Senate

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

SF 2335

all dividends that, during said year, have been paid in cash or applied in reduction of premiums or left to accumulate to the credit of policyholders or annuitants.

Sec. 2. Section 505.8, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The commissioner shall do the following:

1. By July 1, 1988, prepare a report on the level of Iowa investments of Iowa domestic and nondomestic insurance companies.

2. By September 1, 1988, prepare a plan of action outlining the alternatives and incentives for increasing in-state investments of domestic and nondomestic insurance companies.

3. By July 1, 1989, prepare a report on the number of new jobs added, new companies that have moved to or established subsidiaries in the state, and the approximate amount of tax revenues resulting from the expanded deduction of premiums for all annuity contracts in computing the premiums tax under section 432.1, subsection 1.

4. On an annual basis, prepare a report identifying the premium volume of nonqualified insurance annuities issued by domestic insurance companies doing at least a volume of five million dollars per annum, and relating that to projections for increased volume of such sales.

5. The reports prepared under subsections 1, 2, and 3 shall, upon completion, be forwarded to the members of the house standing committee on small business and commerce and the house standing committee on ways and means and to members of the senate standing committee on commerce and the senate standing committee on ways and means.

Domestic insurance companies shall cooperate with the commissioner in providing information to develop the reports under this section.

Sec. 3. Section 1 of this Act is effective July 1, 1988, and applies to premiums for annuity contracts received on or after that date for purposes of determining the tax imposed on

SENATE FILE 2338

AN ACT

RELATING TO THE DEDUCTION OF PREMIUMS RECEIVED IN CONNECTION WITH ANNUITY CONTRACTS IN COMPUTING THE GROSS AMOUNT OF PREMIUMS FOR PURPOSE OF THE STATE GROSS PREMIUMS TAX, REQUIRING RELATED REPORTS BY THE COMMISSIONER OF INSURANCE, AND PROVIDING APPLICABLE AND EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 432.1, subsection 1, Code 1987, is amended by adding the following new unnumbered paragraph:  
NEW UNNUMBERED PARAGRAPH. In determining the gross amount of premiums to be taxed, there shall be excluded all consideration received in connection with an annuity contract, whether or not such contract is qualified or exempt under the federal Internal Revenue Code as now or hereafter amended, and all premiums returned to policyholders or annuitants during the preceding calendar year, except cash surrender values, and

HOUSE FILE 666

AN ACT

TO PROVIDE THAT A HOMESTEAD TAX CREDIT CLAIM NEED NOT BE RE-FILED WHEN THE HOMESTEAD IS TRANSFERRED TO ONE OF THE SPOUSES PURSUANT TO A DISSOLUTION OF MARRIAGE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 425.2, unnumbered paragraph 2, Code 1987, is amended to read as follows:

Upon the filing and allowance of the claim, the claim shall be allowed on that homestead for successive years without further filing as long as the property is legally or equitably owned and used as a homestead by that person or that person's spouse on July 1 of each of those successive years. When the property is sold or transferred, the buyer or transferee who wishes to qualify shall refile for the credit. However, when the property is transferred as part of a distribution made pursuant to chapter 598, the transferee who is the spouse retaining ownership of the property is not required to refile for the credit. Property divided pursuant to chapter 598 cannot be modified following the division of the property.

An owner who ceases to use a property for a homestead shall provide written notice to the assessor by July 1 following the date on which the use is changed. A person who sells or transfers a homestead or the personal representative of a deceased person who had a homestead at the time of death, shall provide written notice to the assessor that the property is no longer the homestead of the former claimant.

Sec. 2. Section 598.21, subsection 8, paragraph k, Code 1987, is amended by inserting after unnumbered paragraph 2 the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Property divisions made under this chapter are not subject to modification.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 666, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HOUSE FILE 678

AN ACT

AUTHORIZING THE ESTABLISHMENT OF A BENEFITED RECREATIONAL LAKE DISTRICT AND ITS DISSOLUTION, THE ELECTION OF TRUSTEES, THE LEVY OF A TAX, AND THE CONTRACT OF INDEBTEDNESS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 3576.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "District" means a benefited recreational lake district incorporated and organized pursuant to this chapter.
2. "Trustee" means a member of the board of trustees of a district.
3. "Board" means the board of supervisors of a county, or the joint boards of supervisors of two or more counties, in which a district has been incorporated and organized or is proposed to be incorporated and organized.
4. "Recreational facilities" includes, but is not limited to, real and personal property, water, buildings, structures, or improvements including dams or other structures permitted or exempt from regulation under chapter 4558, and equipment useful and suitable for recreation programs, including those programs customarily identified with the term "recreation" such as public sports, games, pastimes, diversions, and amusement, on land or water and including community center houses, recreation grounds, recreation buildings, juvenile playgrounds, swimming pools, recreation centers, parks, lakes, and golf courses, and the acquisition of real estate for them.

Sec. 2. NEW SECTION. 357E.2 INCORPORATION.

If an area of contiguous territory is situated so that the acquisition, construction, reconstruction, enlargement, improvement, equipping, maintenance, and operation of

recreation facilities for the residents of the territory will be conducive to the public health, comfort, convenience, or welfare, the area may be incorporated as a benefited recreational lake district as set forth in this chapter. The land to be included in a district must be contiguous to the recreational lake or to other residential, agricultural, or commercial property which is contiguous to the recreational lake.

Sec. 3. NEW SECTION. 357E.3 PETITION FOR PUBLIC HEARING.

1. The supervisors shall, on the petition of twenty-five percent of the resident property owners in a proposed district if the assessed valuation of the property owned by the petitioners represents at least twenty-five percent of the total assessed value of the proposed district, hold a public hearing concerning the establishment of a proposed district. The petition shall include a statement containing the following information:
  - a. The need for the district.
  - b. A description of the district to be served.
  - c. The approximate number of families in the district.
2. The board of supervisors may require a bond of the petitioners conditioned for the payment of all costs and expenses incurred in the proceedings in case the district is not established.

Sec. 4. NEW SECTION. 357E.4 TIME OF PUBLIC HEARING.

The public hearing required in section 357E.3 shall be held within thirty days of the presentation of the petition. Notice of hearing shall be given by publication as provided in section 331.305.

Sec. 5. NEW SECTION. 357E.5 HEARING OF PETITION -- ACTION BY BOARD.

At the public hearing required in section 357E.3, the board of supervisors may consider the boundaries of a proposed district, whether the boundaries shall be as described in the petition or otherwise, and for that purpose may amend the

petition and change the boundaries of the proposed district as stated in the petition. The supervisors may adjust the boundaries of a proposed district as needed to exclude land that has no reasonable likelihood of benefit from inclusion in the proposed district. However, the boundaries of a proposed district shall not be changed to incorporate property which is not included in the original petition.

After, and within ten days of, the hearing, the board of supervisors shall establish the district by resolution or disallow the petition.

Sec. 6. NEW SECTION. 357E.6 ENGINEER.

1. When the board establishes a district, a competent disinterested civil engineer shall be appointed, who shall prepare a preliminary plat showing:

- a. The proper design in general outline of the district.
- b. The lots and parcels of land within the proposed district as they appear on the county auditor's plat books with the names of the owners.
- c. The assessed valuations of the lots and parcels.

2. The compensation of the engineer on the preliminary investigation shall be determined by the board. The engineer shall file a report with the county auditor within thirty days of appointment. The board may extend the time upon good cause shown.

Sec. 7. NEW SECTION. 357E.7 HEARING ON ENGINEER'S REPORT.

After the engineer's report is filed, the board shall give notice as provided in section 357E.4, of a public hearing to be held concerning the engineer's preliminary plat. After, and within ten days of, the hearing, the board shall approve or disapprove the preliminary plat. If the preliminary plat is disapproved, the board may make changes in the boundaries as deemed necessary for the board's approval of the preliminary plat.

Sec. 8. NEW SECTION. 357E.8 ELECTION ON PROPOSED LEVY.

When a preliminary plat has been approved by the board, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax of not more than four dollars *per* thousand dollars of assessed value on all the taxable property within the district except property assessed as agricultural land, and to choose candidates for the offices of trustees of the district. A tax levy approved for the purposes of this chapter shall not be levied on property assessed as agricultural land. Notice of the election, including the time and place of holding the election, shall be given as provided in section 357E.4. The vote shall be by ballot which shall state clearly the proposition to be voted upon, and any qualified elector residing within the district at the time of the election may vote. It is not mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but the elections shall be conducted in accordance with chapter 49 when not in conflict with this chapter. Judges shall be appointed by the board from among the qualified electors of the district to be in charge of the election. The judges are not entitled to receive pay. The proposition is approved if a majority of those voting on the proposition vote in favor of it.

Sec. 9. NEW SECTION. 357E.9 TRUSTEES.

At the election, the names of at least three candidates for trustee shall be written in by the voters on blank ballots without formal nomination and the board of supervisors shall appoint three from among the five receiving the highest number of votes as trustees for the district. One trustee shall be appointed to serve for one year, one for two years, and one for three years. The trustees shall give bond in the amount required by the board, the premium of which shall be paid by the district. Vacancies shall be filled by election, but if there are no candidates for a trustee office, the vacancy may be filled by appointment by the board. The term of the succeeding trustees are for three years.

If the state owns at least four hundred acres of land contiguous to a lake within the district, the natural resources commission shall appoint two members of the board of trustees in addition to the three members provided in this section. The additional two members must be citizens of the state, not less than eighteen years of age, and property owners within the district. The two additional members have voting and other authority equal to the other members of the board and hold office at the pleasure of the natural resources commission.

Sec. 10. NEW SECTION. 357E.10 BOARD OF TRUSTEES -- POWER.

The trustees are the corporate authority of the district and shall manage and control the affairs, property, and facilities of the district. The board of trustees shall elect a president, a clerk, and a treasurer from its membership. The trustees may certify for levy an annual tax as provided in section 357E.8. The trustees may construct, reconstruct, repair, maintain, or operate a dam or other recreational facilities or structures to create or maintain an artificial or natural lake or impoundment and, for this purpose, may purchase material, employ personnel, and perform all other acts necessary to properly maintain and operate the district. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive a salary.

Sec. 11. NEW SECTION. 357E.11 BONDS IN ANTICIPATION OF REVENUE.

A district may anticipate the collection of taxes by the levy authorized in this chapter, and to carry out the purposes of this chapter may issue bonds payable in not more than twenty equal installments with the rate of interest not exceeding that permitted by chapter 74A. An indebtedness shall not be incurred under this chapter until authorized by an election. The election shall be held and notice given in the same manner as provided in section 357E.8, and the same

majority vote is necessary to authorize indebtedness. Both propositions may be submitted to the voters at the same election.

Sec. 12. NEW SECTION. 357E.12 DISSOLUTION OF DISTRICT.

Upon petition of thirty-five percent of the resident eligible electors, the board may dissolve a district and dispose of any remaining property, the proceeds of which shall first be applied against outstanding obligations and any balance shall be applied to tax credits for property owners of the district. The board shall continue to levy a tax after dissolution of a district, in an amount necessary to pay all outstanding obligations of the district as they become due, until all outstanding obligations of the district are paid.

Sec. 13. NEW SECTION. 357E.13 ADDING PROPERTY TO A DISTRICT.

The owner of any property in an area immediately contiguous to the boundaries of an established district may petition the board to be included in the district. Upon receipt of the petition, the board shall submit the request to a competent disinterested civil engineer to investigate the feasibility of adding the additional territory and to make a report to the board. If the board agrees that the property should be added to the district, the tax levy for the next year shall be applied to the property and on the first day of the next fiscal year the property shall become part of the district. If the district lies in more than one county, the joint action of the boards involved is required to add additional property.

Sec. 14. NEW SECTION. 357E.14 DETERMINATION OF FEE.

1. The owner of any property joining an established district shall pay to the trustees of the district an initial fee to be computed as follows:

a. The trustees shall first determine the fair market value of all property and improvements owned by the district, less any indebtedness.

b. The board shall then determine the assessed value of all property in the district. This shall be divided into the value determined in paragraph "a".

c. The board shall determine the assessed value of the property of each landowner joining the established district.

d. The result obtained in paragraph "b" shall be multiplied by the result obtained in paragraph "c". The result shall be the initial fee to be charged each landowner.

2. The initial fees paid to the trustees shall be used to help defray the cost and maintenance of the recreation district.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 678, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor



HOUSE FILE 689

AN ACT

RELATING TO THE STATE'S INDIVIDUAL INCOME TAX FOR INCOME TAX YEARS BEGINNING IN THE 1987 CALENDAR YEAR AND MAKING IT RETROACTIVE AND PROVIDING FOR IT TO BE EFFECTIVE UPON ENACTMENT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.4, Code Supplement 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 19. The definition of the Internal Revenue Code of 1954 in section 422.3, subsection 5, shall be interpreted to include provisions of the Tax Reform Act of 1986, Pub. L. No. 99-514 which amended the Internal Revenue Code of 1954, unless the context otherwise requires.

NEW SUBSECTION. 20. "Internal Revenue Code of 1986" means the Internal Revenue Code of 1954 as amended by the Tax Reform Act of 1986, Pub. L. No. 99-514.

Sec. 2. Section 422.5, Code Supplement 1987, is amended by adding after subsection 1 the following new subsection:

NEW SUBSECTION. 1A. In lieu of subsection 1, a tax is imposed upon every resident and nonresident of the state which tax shall be levied, collected, and paid annually upon and with respect to the entire taxable income as defined in this division at rates as follows:

- a. On all taxable income from zero through one thousand dollars, four-tenths of one percent.
- b. On all taxable income exceeding one thousand dollars but not exceeding two thousand dollars, eight-tenths of one percent.
- c. On all taxable income exceeding two thousand dollars but not exceeding four thousand dollars, two and seven-tenths percent.

d. On all taxable income exceeding four thousand dollars but not exceeding nine thousand dollars, five percent.

e. On all taxable income exceeding nine thousand dollars but not exceeding fifteen thousand dollars, six and eight-tenths percent.

f. On all taxable income exceeding fifteen thousand dollars but not exceeding twenty thousand dollars, seven and two-tenths percent.

g. On all taxable income exceeding twenty thousand dollars but not exceeding thirty thousand dollars, seven and fifty-five hundredths percent.

h. On all taxable income exceeding thirty thousand dollars but not exceeding forty-five thousand dollars, eight and eight-tenths percent.

i. On all taxable income exceeding forty-five thousand dollars, nine and ninety-eight hundredths percent.

j. The tax imposed upon the taxable income of a nonresident shall be computed by reducing the amount determined pursuant to paragraphs "a" through "i" by the amounts of nonrefundable credits under this division and by multiplying this resulting amount by a fraction of which the nonresident's net income allocated to Iowa, as determined in section 422.8, subsection 2, is the numerator and the nonresident's total net income computed under section 422.7 is the denominator. This provision also applies to individuals who are residents of Iowa for less than the entire tax year.

k. There is imposed upon every resident and nonresident of this state, including estates and trusts, the greater of the tax determined in paragraphs "a" through "j" or the state alternative minimum tax equal to seventy-five percent of the maximum state individual income tax rate for the tax year, rounded to the nearest one-tenth of one percent, of the state alternative minimum taxable income of the taxpayer as computed under this paragraph.

The state alternative minimum taxable income of a taxpayer is equal to the taxpayer's state taxable income, as computed with the deductions in section 422.9, except for the net capital gain deduction, with the following adjustments:

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(1) Add items of tax preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1), (a)(2), and (a)(5), of the Internal Revenue Code of 1986, make the adjustments included in federal alternative minimum taxable income under section 56, except subsections (a)(4), (b)(1)(C)(iii), and (d), of the Internal Revenue Code of 1986, and add losses as required by section 58 of the Internal Revenue Code of 1986. In the case of an estate or trust, the items of tax preference, adjustments, and losses shall be apportioned between the estate or trust and the beneficiaries in accordance with rules prescribed by the director.

(2) Subtract the applicable exemption amount as follows:

(a) Seventeen thousand five hundred dollars for a married person who files separately or for an estate or trust.

(b) Twenty-six thousand dollars for a single person or an unmarried head of household.

(c) Thirty-five thousand dollars for a married couple which files a joint return.

(d) The exemption amount shall be reduced, but not below zero, by an amount equal to twenty-five percent of the amount by which the alternative minimum taxable income of the taxpayer, computed without regard to the exemption amount in this subparagraph, exceeds the following:

(i) Seventy-five thousand dollars in the case of a taxpayer described in subparagraph part (a).

(ii) One hundred twelve thousand five hundred dollars in the case of a taxpayer described in subparagraph part (b).

(iii) One hundred fifty thousand dollars in the case of a taxpayer described in subparagraph part (c).

(3) In the case of a net operating loss computed for a tax year beginning after December 31, 1982 which is carried back or carried forward to the current taxable year, the net operating loss shall be reduced by the amount of the items of tax preference arising in such year which was taken into account in computing the net operating loss in section 422.9, subsection 3. The deduction for a net operating loss for a

tax year beginning after December 31, 1986 which is carried back or carried forward to the current taxable year shall not exceed ninety percent of the alternative minimum taxable income determined without regard for the net operating loss deduction.

The state alternative minimum tax of a taxpayer whose net capital gain deduction includes the gain or loss from the forfeiture of an installment real estate contract, the transfer of real or personal property securing a debt to a creditor in cancellation of that debt or from the sale or exchange of property as a result of actual notice of foreclosure where the fair market value of the taxpayer's assets exceeds the taxpayer's liabilities immediately before such forfeiture, transfer, or sale or exchange shall not be greater than such excess, including any asset transferred within one hundred twenty days prior to such forfeiture, transfer, or sale or exchange.

In the case of a resident, including a resident estate or trust, the state's apportioned share of the state alternative minimum tax is one hundred percent of the state alternative minimum tax computed in this subsection. In the case of a nonresident, including a nonresident estate or trust, or an individual, estate or trust that is domiciled in the state for less than the entire tax year, the state's apportioned share of the state alternative minimum tax is the amount of tax computed under this subsection, reduced by the applicable credits in sections 422.10, 422.11, 422.11A, and 422.12 and this result multiplied by a fraction with a numerator of the sum of state net income allocated to Iowa as determined in section 422.8, subsection 2, plus tax preference items, adjustments, and losses under subparagraph (1) attributable to Iowa and with a denominator of the sum of total net income computed under section 422.7 plus all tax preference items, adjustments, and losses under subparagraph (1). In computing this fraction, those items excludable under subparagraph (1) shall not be used in computing the tax preference items. Married taxpayers electing to file separate returns or

separately on a combined return must allocate the minimum tax computed in this subsection in the proportion that each spouse's respective preference items, adjustments, and losses under subparagraph (1) bear to the combined preference items, adjustments, and losses under subparagraph (1) of both spouses.

Sec. 3. Section 422.5, subsection 2, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. However, for married persons filing jointly or filing separately on a combined return, unmarried heads of household, and surviving spouses, references in this subsection and subsections 6 and 10 to five thousand dollars shall be interpreted to mean seven thousand five hundred dollars. In addition, if the married persons filing jointly or filing separately on a combined return, unmarried head of household, or surviving spouse's net income exceeds seven thousand five hundred dollars the regular tax imposed under this division shall be the lesser of the maximum state individual income tax rate times the portion of the net income in excess of seven thousand five hundred dollars or the regular tax liability computed without regard to this sentence. Taxpayers electing to file separately shall compute the alternate tax described in this paragraph using the total net income of the husband and wife.

Sec. 4. Section 422.7, Code Supplement 1987, is amended by adding after subsection 16 the following new subsection:

NEW SUBSECTION. 16A. Notwithstanding any other provision, add the amounts deducted and subtract the amounts included as income as a result of the treatment provided sale-leaseback agreements under section 168(f)(8) of the Internal Revenue Code of 1954 for property placed in service by the transferee prior to January 1, 1986 to the extent that the amounts deducted and the amounts included in income are not otherwise deductible or included in income under the Internal Revenue Code of 1954 as amended to and including December 31, 1985. Entitlement to depreciation on any property included in a sale-leaseback agreement which is placed in service by the

transferee prior to January 1, 1986 shall be determined under the Internal Revenue Code of 1954 as amended to and including December 31, 1985, excluding section 168(f)(8) in making the determination.

Sec. 5. Section 422.7, subsections 23 and 24, Code Supplement 1987, are amended to read as follows:

23. Add the amount of intangible drilling and development costs optionally deducted in the year paid or incurred as ~~allowed under section 263(c)~~ described in section 57(a)(2) of the Internal Revenue Code of 1954. This amount may be recovered through cost depletion or depreciation, as appropriate under rules prescribed by the director.

24. Add the percentage depletion amount determined with respect to an oil, gas, or geothermal well using methods as described in section ~~613~~ 57(a)(1) of the Internal Revenue Code of 1954 ~~that is in excess of the cost depletion amount determined under section 611 of the Internal Revenue Code of 1954.~~

Sec. 6. Section 422.7, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 27. Add interest and dividends from regulated investment companies exempt from federal income tax under the Internal Revenue Code of 1986 and subtract the loss on the sale or exchange of a share of a regulated investment company held for six months or less to the extent the loss was disallowed under section 852(b)(4)(B) of the Internal Revenue Code of 1986.

Sec. 7. Section 422.9, subsection 1, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

An optional standard deduction of fifteen percent of the net income after deduction of federal income tax, not to exceed one thousand two hundred dollars for a married person who files separately, one thousand two hundred dollars for a single person or three thousand dollars for a husband and wife who file a joint return, a surviving spouse as defined in section 2 of the Internal Revenue Code of 1954, or an unmarried head of household as defined in the Internal Revenue

Code of 1954 or an optional standard deduction after deduction of federal income tax equal to one thousand two hundred thirty dollars for a married person who files separately or a single person or equal to three thousand thirty dollars for a husband and wife who file a joint return, a surviving spouse, or an unmarried head of household. The optional standard deduction shall not exceed the amount remaining after deduction of the federal income tax.

Sec. 8. Section 422.9, subsection 2, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

The total of contributions, interest, taxes, medical expense, nonbusiness losses and miscellaneous expenses, and moving expenses; deductible for federal income tax purposes under the Internal Revenue Code of 1954, with the following adjustments:

Sec. 9. Section 422.9, Code Supplement 1987, is amended by adding the following new subsection:

**NEW SUBSECTION.** 6. The taxpayer may recompute the taxpayer's income tax liability for the tax year by subtracting from the taxpayer's taxable income, as computed without regard to this subsection, sixty percent of the net capital gain as computed in section 1202 of the Internal Revenue Code of 1986 in effect for tax years beginning in the 1986 calendar year. For purposes of determining the amount to be subtracted, the net capital gain shall not exceed seventeen thousand five hundred dollars. Married taxpayers who elect separate filing on a combined return for state tax purposes are treated as one taxpayer and the amount of net capital gain to be used to determine the total amount to be subtracted by them shall not exceed seventeen thousand five hundred dollars in the aggregate. Married taxpayers who file jointly or separately on a combined return shall prorate the seventeen thousand five hundred dollar limitation between them based on the ratio of each spouse's net capital gain to the total net capital gain of both spouses. In the case of married taxpayers filing separate returns, the amount of net capital gain to be used to determine the amount to be subtracted by

each spouse shall not exceed eight thousand seven hundred and fifty dollars. To the extent that the adjusted gross income reflects capital gain treatment for sales of dairy cattle made between January 1, 1987, and September 1, 1987, under the federal milk production termination program, the capital gains from such sales shall not be used in computing net capital gain for purposes of this subsection. Any income or loss resulting from the forfeiture, transfer, or sale or exchange described in section 422.7, subsection 25, shall not be used in computing net capital gain for purposes of this subsection.

In order for the taxpayer to claim this capital gain deduction, the taxpayer must completely fill out the return, determine the taxpayer's income tax liability without this deduction, and pay the amount of tax that is owed. The taxpayer shall recompute the taxpayer's income tax liability, with this deduction, on a special return. This special return shall be filed with the regular return and constitutes a claim for refund of the difference between the amount of tax the taxpayer paid as determined without the net capital gain deduction and the amount of tax determined with the net capital gain deduction. In recomputing the taxpayer's alternative minimum tax liability, the amount of net capital gain deduction taken shall be treated as a tax preference item for purposes of the recomputation only.

The provisions of this subsection shall not affect the amount of the taxpayer's checkoff to the Iowa election campaign fund under section 56.18, the checkoff for the fish and game protection fund in section 107.16, the credits from tax provided in sections 422.10, 422.11A, and 422.12 and the allocation of these credits between spouses if the taxpayers filed separate returns or separately on combined returns, or the amount of the taxpayer's school district income surtax liability under section 441.15 as these items were properly computed or claimed on taxpayers' returns.

For the tax year the total amount of refund claims that shall be paid shall not exceed eight million dollars. If the total amount of the claims for refund does exceed that amount.

each claim for refund shall be paid on a pro rata basis so that the total amount paid for the tax year does not exceed eight million dollars. In the case where refund claims are not paid in full, the amount of the refund to which the taxpayer is entitled under this subsection is the pro rata amount that was paid and the taxpayer is not entitled to a refund for the unpaid portion and is not entitled to carry that amount forward or backward to another tax year. Taxpayers shall not use refunds as estimated payments for the succeeding tax year. Taxpayers whose tax years begin on January 1 must file their refund claims by October 31, 1988, to be eligible for refunds. Taxpayers whose tax years begin on a date in 1987 other than January 1 must file their refund claims by the end of the sixth month following the end of their tax years. The department shall determine on February 1, 1989, if the total amount of claims for refund exceeds eight million dollars for the tax year. Notwithstanding any other provision, interest shall not be due on any refund claims that are paid by February 28, 1989. If the claim is not payable on February 28, 1989 because the taxpayer is a fiscal year filer, then the amount of the claim allowed shall be in the same ratio as refund claims available on February 1, 1989. These claims shall be funded by moneys appropriated for payment of refunds of individual income tax.

Sec. 10. Section 422.10, unnumbered paragraph 1, Code 1987, is amended to read as follows:

The taxes imposed under this division shall be reduced by a state tax credit for increasing research activities in this state. For individuals, the credit shall equal six and one-half percent of the state's apportioned share of the qualifying expenditures for increasing research activities. The state's apportioned share of the qualifying expenditures for increasing research activities is a percent equal to the ratio of qualified research expenditures in this state to total qualified research expenditures. For purposes of this section, an individual may claim a research credit for qualifying research expenditures incurred by a partnership,

subchapter S corporation, and estate or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of a partnership, subchapter S corporation, or estate or trust. For purposes of this section, "qualifying expenditures for increasing research activities" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under section 30 of the Internal Revenue Code of 1954, in effect on January 1, 1985 or which would be allowable under section 41 of the Internal Revenue Code of 1986.

Sec. 11. Section 422.21, Code Supplement 1987, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. The department shall provide on income forms or in the instruction booklets in a manner that will be noticeable to the taxpayers a statement to the extent that even though the taxpayer may not have any federal or, state income tax liability that the taxpayer may be eligible for the federal earned income tax credit. The statement shall also contain notice of where the taxpayer may check on the taxpayer's eligibility for this credit.

NEW UNNUMBERED PARAGRAPH. The department shall prepare and make available a special return for filing a tax refund claim resulting from the net capital gain deduction authorized in section 422.9, subsection 6. The special returns shall be designed so that the department will be able to compile data that identifies the source and type of the capital gains and losses and the geographical location of the transactions involving the capital gains and losses. By January 15, 1989, the department shall make available to the general assembly the data compiled from the special returns filed during the previous calendar year,

Sec. 12. Section 422.73, Code 1987, is amended by adding the following new subsections:

NEW SUBSECTION. Notwithstanding subsection 2, a claim for credit or refund of the income tax paid for a tax year

beginning in the 1983 calendar year is considered timely if the claim is filed with the department on or before April 30, 1988, if the taxpayer's federal income tax was forgiven under section 692 of the Internal Revenue Code of 1986 because the taxpayer died, or was missing in action and determined dead, while serving in a combat zone. To the extent the federal income tax was forgiven under section 692 of the Internal Revenue Code of 1986 for the tax year, the Iowa income tax is also forgiven.

NEW SUBSECTION. Notwithstanding subsection 2, a claim for credit or refund of the state alternative minimum tax paid for any tax year beginning on or after January 1, 1982 and before January 1, 1984 is considered timely if the claim is filed with the department on or before April 30, 1988, if the taxpayer's capital gains preference items for purposes of the federal individual alternative minimum tax was reduced as a result of section 13208 of the Consolidated Omnibus Budget Reconciliation Act of 1985 as amended by section 1896 of the Tax Reform Act of 1986.

Sec. 13. Section 422.7, subsections 10, 12, 14, 15, 22, and 26, section 422.9, subsection 2, paragraph "e", and section 422.21, unnumbered paragraph 4, do not apply.

Sec. 14. References in section 422.8 and in any other provision of law to section 422.5, subsection 1 shall be interpreted to mean the corresponding provision of section 422.5, subsection 1A.

Sec. 15. No addition to the tax shall be made under section 422.16, subsection 11, paragraph "d" or section 422.88, relating to the underpayment of estimated tax, for any tax year beginning before January 1, 1988 with respect to any underpayment, to the extent such underpayment was created or increased by any provision of the federal Tax Reform Act of 1986 or this Act.

Sec. 16. Sections 1 through 10, 13, and 14 of this Act are retroactive to January 1, 1987 for tax years beginning in the 1987 calendar year only.

Sec. 17. This Act, being deemed of immediate importance, takes effect upon enactment.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 689 Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1987

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TERRY E. BRANSTAD  
Governor

HOUSE FILE 2082

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF HUMAN SERVICES AND TO THE IOWA FINANCE AUTHORITY FOR THE REMAINDER OF THE FISCAL YEAR ENDING JUNE 30, 1988, ALLOING CARRYOVER OF CERTAIN FUNDS TO THE NEXT FISCAL YEAR, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEHBLY OF THE STATE OF IOWA:

APPROPRIATION REDUCTION

Section 1. 1987 Iowa Acts, chapter 234, section 202, subsection 1, is amended to read as follows:

1. As a condition of this appropriation for field operations, including salaries and support for not more than two thousand four hundred thirty-three point eighty-eight full-time equivalent positions, maintenance, and miscellaneous purposes, the department shall provide an extensive orientation program for newly employed social workers in the area of community resource programs and shall provide assistance to each county board of social welfare to identify community resources in counties pursuant to section 234.11
..... \$ 29,800,800
27,550,856

The general assembly finds it necessary to reduce the appropriation made by this subsection due to the decision of the department of human services to fill no more than two thousand two hundred thirteen full-time equivalent positions in the community services division, even though the appropriation made by this subsection was adequate to fill up

to two thousand three hundred twenty-one full-time equivalent positions in the community services division.

AID TO DEPENDENT CHILDREN

Sec. 2. 1987 Iowa Acts, chapter 234, section 203, subsection 1, is amended by adding the following new paragraph:
NEW PARAGRAPH. j. As a condition of the appropriation made in subsection 1, unnumbered paragraph 1, effective March 1, 1988, the department shall establish the schedule of basic needs for one person at one hundred seventy-four dollars, for two persons at three hundred forty-three dollars, for three persons at four hundred six dollars, for four persons at four hundred seventy-two dollars, for five persons at five hundred twenty-two dollars, for six persons at five hundred eighty-one dollars, for seven persons at six hundred thirty-eight dollars, for eight persons at six hundred ninety-six dollars, for nine persons at seven hundred fifty-three dollars, for ten persons at eight hundred twenty-three dollars, and for each additional person eighty-two dollars.

HOUSING TRUST FUND

Sec. 3. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal period beginning March 1, 1968, and ending June 30, 1988, one hundred seventeen thousand (117,000) dollars, or so much thereof as is necessary, for the rehabilitation, construction, or purchase of transitional shelters for homeless families, under section 220.100, Code Supplement 1987. Any state funds may be used to match federal funds if available.

MEDICAL ASSISTANCE

Sec. 4. 1987 Iowa Acts, chapter 234, section 203, subsection 2, is amended by adding the following new unnumbered paragraphs:
NEW UNNUMBERED PARAGRAPH. Effective June 1, 1988, the department shall extend coverage to include caretaker relatives under the medically needy program. Effective June 1, 1988, the department shall increase resource limitations

under the medically needy program to five thousand dollars for a one-person household and seven thousand five hundred dollars for a family of two or more persons. For the medically needy program, the department shall be allowed to set the length of the certification period, as authorized by federal regulations.

NEW UNNUMBERED PARAGRAPH. Effective March 1, 1988, the department shall extend medical assistance benefits for an additional six months to individuals who lose assistance through the aid to families with dependent children program solely due to the loss of the thirty dollars and one-third earned income disregard.

NEW UNNUMBERED PARAGRAPH. Effective March 1, 1988, the department shall begin implementation planning for the provision, as soon as is administratively feasible, of medical assistance to all pregnant women, and infants and children up to age five on an incremental basis; and to all individuals who are aged, blind, or disabled, whose income does not exceed one hundred percent of the federal poverty level. Resource limitations shall be five thousand dollars for a one person household and seven thousand five hundred dollars for a family of two or more people. Aged, blind, or disabled individuals shall have income and resources treated according to supplemental security income methodologies. Pregnant women, and infants and children shall have income and resources treated according to aid to families with dependent children methodologies. All other medical assistance program requirements shall apply. Upon implementation, phased-in coverage for children shall begin with children up to the age of one and shall be continued through January 1, 1992.

**DISPLACED HOMEMAKER PROGRAMS**

Sec. 5. 1987 Iowa Acts, chapter 234, section 203, subsection 11, is amended by adding the following new paragraph:

NEW PARAGRAPH. 1. Of the funds appropriated in this subsection, forty thousand (40,000) dollars, or so much

thereof as is necessary, is allocated for displaced homemaker programs. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated by this section and allocated by this paragraph shall not revert to the general fund of this state on June 30, 1988, but shall be available for expenditure under this section and paragraph during the fiscal year beginning July 1, 1988, and ending June 30, 1989.

**SUPPLEMENTAL APPROPRIATIONS**

Sec. 6. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1987, and ending June 30, 1988, to the department of human services, the following amounts, or so much thereof as is necessary, to supplement prior appropriations:

- 1. For medical assistance to be used for the same purposes and to supplement funds appropriated by 1987 Iowa Acts, chapter 234, section 203, subsection 2:  
..... \$ 10,500,000
- 2. For state supplementary assistance to be used for the same purpose and to supplement funds appropriated by 1987 Iowa Acts, chapter 234, section 203, subsection 6:  
..... \$ 1,500,000
- 3. For foster care to be used for the same purpose and to supplement funds appropriated by 1987 Iowa Acts, chapter 234, section 203, subsection 9:  
..... \$ 8,000,000

**MENTAL HEALTH INSTITUTES**

Sec. 7. 1987 Iowa Acts, chapter 234, section 205, is amended by adding the following new subsection:

NEW SUBSECTION. 8. The department shall pursue all reasonable courses of action necessary to expand the recruitment and retention of psychiatrists at the state mental health institutes. The department shall aggressively recruit psychiatrists, when necessary by sending department representatives to events and locations where psychiatrists are likely to be recruited and by taking other similar actions



which have the likelihood of contributing to the recruitment of psychiatrists. The department shall continue to explore and implement, if necessary, alternative approaches to retaining psychiatrists in the state hospital system, such as special contractual arrangements, expanded staff privileges, or improved educational opportunities for the medical staff.

RURAL MENTAL HEALTH SERVICES

Sec. 8. There is appropriated from the general fund of the state to the department of human services for the fiscal period beginning March 1, 1988, and ending June 30, 1988, as a condition of the appropriation made in 1987 Iowa Acts, chapter 234, section 205, thirty-three thousand (33,000) dollars, or so much thereof as is necessary, for rural mental health services. The division of mental health, mental retardation, and developmental disabilities of the department of human services shall allocate these funds to continue existing special allocation project grants providing outreach services to Iowans affected by the current rural economic situation. The division shall award these funds to agencies that have participated in the 1988 fiscal year mental health and mental retardation services funds special allocation grant application process. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated by this section shall not revert to the general fund of this state on June 30, 1988, but shall be available for expenditure under this section during the fiscal year beginning July 1, 1988, and ending June 30, 1989.

ENHANCED MENTAL HEALTH/MENTAL RETARDATION/DEVELOPMENTAL  
DISABILITIES SERVICES

Sec. 9. There is appropriated from the general fund of the state to the department of human services, for the fiscal period beginning March 1, 1988, and ending June 30, 1988, five hundred thirty-seven thousand eight hundred thirty-five (537,835) dollars, or so much thereof as is necessary, for administrative support and for service coordination and diagnosis and evaluation.

1. The funds provided under this section shall be used by the department of human services for the following:

a. No more than eighty-eight percent of the funds shall be used for the establishment of service coordination units for persons with mental retardation, developmental disabilities, or chronic mental illness for the provision of specialized service coordination. It is the intent of the general assembly that these units be established no later than June 30, 1988, in each of the department's human service districts. The department shall report to the general assembly by June 30, 1988, on the establishment of the service coordination units. Priority shall be given to individuals who require service coordination in preventing a placement that would be inconsistent with the person's identified needs. Persons performing service coordination shall be given caseloads no greater than thirty for clients with mental retardation, developmental disabilities, or chronic mental illness.

b. No more than twelve percent of the funds shall be used for the provision of diagnosis and evaluation services for persons with mental retardation, developmental disabilities, or chronic mental illness. Priority shall be given to individuals who have not received a diagnosis and evaluation within the past five years.

The available funds shall be allocated to the department of human service districts based on the bill of rights enumeration study. Within the funds available under this section, case management and diagnosis and evaluation shall be made available proportional to the bill of rights populations within each district as cited in the enumeration study.

The department shall seek to draw down additional funds through the federal medical assistance program in the provision of these services.

It is the intent of the general assembly that recognition be given to reducing the cost for potential conversion of residential care facilities for the mentally retarded to

intermediate care facilities for the mentally retarded without imposing more restrictive construction and renovation standards than absolutely essential.

It is the intent of the general assembly that greater use of federal support through vocational rehabilitation funding be provided for the bill of rights population. The department shall work with the department of education in seeking to make greater use of vocational rehabilitation support for the bill of rights population, and shall report to the general assembly by June 30, 1988, on the feasibility of obtaining additional federal assistance.

The department shall develop a proposal to assist individuals in obtaining Social Security and Title XIX benefits.

2. Nothing in this Act is intended by the general assembly to be the provision of a fair and equitable funding formula specified in 1985 Iowa Acts, chapter 249, section 9. Nothing in this Act shall be construed, is intended, or shall imply a claim of entitlement to any programs or services specified in section 225C.28.

#### REIMBURSEMENT RATES

Sec. 10. 1987 Iowa Acts, chapter 234, section 213, is amended by adding the following new subsections:

NEW SUBSECTION. 11. Beginning March 1, 1988, the basis for establishing the maximum medical assistance rate for intermediate care facilities shall be the sixty-sixth percentile of all facility per diems as calculated from the June 30, 1987, unaudited compilation of cost and statistical data.

NEW SUBSECTION. 12. Beginning March 1, 1988, skilled nursing facility payment rates shall be increased by two and nine-tenths percent, rural health clinic rates shall be increased in accordance with increases under the federal Medicare program, pursuant to Title XVIII of the federal Social Security Act.

NEW SUBSECTION. 13. Effective March 1, 1988, the three and eighty-five hundredths percent will no longer apply to residential care facilities. Furthermore, the maximum reimbursement rate for residential care facilities shall be increased by four percent making the maximum rate seventeen dollars and ninety-seven cents. The new flat rate for facilities electing not to file cost reports shall be twelve dollars and eighty-four cents.

NEW SUBSECTION. 14. Effective March 1, 1988, the three and eighty-five hundredths percent reduction shall not be applied in the in-home health related care program. Furthermore, the maximum reimbursement rate for the in-home health related care program shall be increased by four percent.

NEW SUBSECTION. 15. For services given by social service providers on or after March 1, 1988, reductions to invoices or rates shall be discontinued. In addition, for services given between March 1, 1988, and June 30, 1988, rates shall be automatically increased by four percent over the unreduced rates in effect on June 30, 1987. Rates for foster group care and shelter care services shall not exceed sixty-eight dollars and eighty cents per day. This automatic increase is intended to be a one-time exception to policy for the fiscal period beginning March 1, 1988, and ending June 30, 1988, only and is not intended to eliminate regular submission of cost reports.

#### ASSISTANCE TO GAMBLERS

Sec. 11. The department shall use funds deposited in the gamblers assistance fund established in section 99E.10 only for programs to assist gamblers. Any unspent funds shall remain in the fund and shall not be transferred or reverted to the general fund.

The department shall use gamblers assistance fund moneys for two full-time equivalent positions to support this program.

#### EFFECTIVE DATE

Sec. 12. This Act, being deemed of immediate importance, takes effect upon enactment.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2082, Seventy-second General Assembly.

---

JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

**HF 2082**



# OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD  
GOVERNOR

February 12, 1988

The Honorable Donald Avenson  
Speaker  
House of Representatives  
State Capitol Building  
L O C A L

Dear Mr. Speaker:

I hereby transmit House File 2082, an act relating to and making appropriations to the Department of Human Services and to the Iowa Finance Authority for the remainder of the fiscal year ending June 30, 1988, allowing carryover of certain funds to the next fiscal year, and providing an effective date.

House File 2082 is approved with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as Section 1, Section 2, Section 3, Section 4, Section 5, Section 7, Section 8, Section 9, Section 10, and Section 11.

That portion of House File 2082 which I have approved will make \$20 million of supplemental funds available to the Department of Human Services for fiscal year 1988. These supplemental funds are needed to make certain that our existing human services programs for the needy are maintained throughout the remainder of this fiscal year.

The remaining sections of House File 2082 either spend money the state does not have or deappropriate money that is desperately needed for social workers. As the result, I cannot approve those sections.

Section 1 of this bill deappropriates approximately \$1.4 million dollars for the Department of Human Services' field operations. If this is allowed to occur, an immediate freeze on filling vacant social worker positions would be required and a reduction in force may be necessary. Fifty-three social worker positions would be lost if this deappropriation were to be approved.

The Honorable Donald Avenson  
February 12, 1988  
Page 2

It is, indeed, ironic that the legislature should enact such a reduction in social workers at a time when it is acknowledged that human service needs are considerable. It is my understanding that this section of House File 2082 may be a punitive measure designed by some to respond to the Department's failure to hire a full complement of social worker staff this year. It should be understood that the Department has been limited in its ability to hire additional social workers because of lost federal funds and a last minute legislative reduction in the state salary adjustment fund last year. Eliminating an additional 53 positions from the Department's social worker staff would only compound the difficulties of our social workers in meeting the needs of less fortunate Iowans and cannot be approved.

The remaining sections of House File 2082 either expand existing programs or create new ones. The decision to item veto those sections is a most difficult one. I recognize that government has an appropriate role in caring for those who cannot care for themselves and this bill addresses some of those needs. But our ability to truly meet those needs is limited by the fiscal realities of our state. Government would play a cruel hoax on the most vulnerable in our society if we were to make promises we know we cannot keep.

Indeed, House File 2082 results in new state human service spending obligations of approximately \$5 million dollars this year and approximately \$18 million for fiscal year 1989 without providing necessary offsetting revenue or expenditure reductions. I am unwilling to put these human needs programs on the state's credit card in the hope that the legislature could somehow find money to pay for them in the future. Some of the proposals in House File 2082 are worthy of consideration, but only within the context of the balanced budget our Constitution requires.

In addition, I am disappointed that the legislature did not recognize the very real need to reform the welfare system in House File 2082. I have made recommendations to the General Assembly to provide transitional medical assistance, child care, and job training and education to help those who are on welfare obtain jobs and climb the ladder of opportunity.

In order to truly care for the less fortunate, we must not only provide them basic assistance, but we must also eliminate the barriers and provide them with incentives to obtain an education, training and a job so that they can become productive members of our state. A welfare reform component must be an essential part of any human services spending bill that I consider this year.

The Honorable Donald Avenson  
February 12, 1988  
Page 3

Finally, I frankly am disappointed with the process that has yielded this first item veto of the legislative session. We began with a joint call for cooperation and, together, the legislative leaders and I agreed on the outlines of a budget which recognized our priorities and met our Constitutional responsibility to ensure a balanced budget. Yet, with remarkable alacrity the legislature passed this spending bill without showing how the budget will all add up.

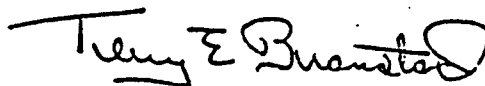
In my budget message, I pledged my willingness to sit down with legislators and build a consensus budget to achieve a mutually agreed upon set of priorities. My priorities are education, economic development and welfare reform. And, I know members of the General Assembly may have varying priorities. However, if we all work together and agree to cooperate, I believe that we can pass a budget for the people of Iowa this session that is both balanced and meets the needs of Iowans.

I pledge my willingness to begin anew the process of working with members of the General Assembly to establish a budget for this state. However, all of those priorities could be jeopardized if I were to sign this first appropriation bill of the legislative session that could put the state as much as \$62 million dollars in the red.

This is no time for budget games or polarizing polemics. Instead, it is a time for legislative and executive branch, Democrat and Republican, to sit down and agree on what needs to be done and commit to do it together. If we do so, it is my firm belief that some of the priorities that are established in House File 2082 will be able to be accomplished, education and economic development goals will be realized, major tax increases will be avoided, and Iowans will have the balanced budget that they deserve.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in House File 2082 are hereby approved as of this date.

Sincerely,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of State  
Secretary of the Senate  
Chief Clerk of the House

HOUSE FILE 2226

1988, then the budget enrollment shall be calculated pursuant to section 1 of this Act for the budget year beginning July 1, 1989.

AN ACT  
RELATING TO THE CALCULATION OF BUDGET ENROLLMENT OF A REORGANIZED  
SCHOOL DISTRICT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 442.4, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Notwithstanding the procedure prescribed for the calculation of budget enrollment under subsections 3 and 5, if during the first budget year following the effective date of a school district reorganization, a reorganized school district's budget enrollment is less than the combined total of the budget enrollments of the districts involved in the reorganization calculated as if the school districts had not reorganized for that budget year, the budget enrollment of the reorganized district shall be calculated under this subsection for that budget year. The budget enrollment is the total of the budget enrollments of the districts involved in the reorganization calculated as if those districts had not reorganized minus the number of pupils residing in territory not included in the reorganized school district. For the purpose of this section, a reorganized school district is one in which the reorganization was approved in an election pursuant to sections 275.18 and 275.20 and will take effect on or after July 1, 1988.

Sec. 2. If the effective date of a school district reorganization is July 1, 1988, and the reorganized school district's budget enrollment is not calculated pursuant to section 1 of this Act for the budget year beginning July 1,

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2226, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HC 2226

HOUSE FILE 2269

AN ACT

RELATING TO THE OPERATION AND FUNDING OF RAIL LINES INCLUDING FUNDS IN THE SPECIAL RAILROAD FACILITY FUND AND THE RAIL ASSISTANCE FUND AND AN APPROPRIATION AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 307B.23, Code 1987, is amended to read as follows:

307B.23 SPECIAL RAILROAD FACILITY FUND.

1. There is created in the office of the state treasurer a "special railroad facility fund". This fund shall include moneys credited to this fund under sections 307.29, 435.9, and other funds moneys which by law may be credited to the special railroad facility fund. The moneys in the special railroad facility fund are hereby appropriated to and for the purposes of the authority as provided in this chapter. The funds in the special railroad facility fund shall not be considered as

a part of the general fund of the state, ~~shall~~ are not be subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be included in the general fund of the state but shall remain in the special railroad facility fund to be used for the purposes set forth ~~herein~~ in this section. The treasurer of state shall act as custodian of the fund and disburse amounts contained in it as directed by the authority. The treasurer of state is authorized to invest the funds deposited in the special railroad facility fund at the direction of the authority and subject to any limitations contained in the bond proceedings. The income from such investment shall be credited to and deposited in the special railroad facility fund. This fund shall be administered by the authority and may be used to purchase or upgrade railroad right-of-way and trackage facilities or to purchase general or limited partnership interests in a partnership formed to purchase, upgrade, or operate railroad right-of-way and trackage facilities, to pay or secure obligations issued by the authority, to pay obligations, judgments, or debts for which the authority becomes liable in its capacity as a general partner, or for any other use authorized under this chapter. The fund may also be used to purchase or upgrade railroad right-of-way and trackage facilities for the development of railroad passenger tourism.

2. Any moneys credited to the special railroad facility fund under section 435.9 shall be deposited in a separate account within the special railroad facility fund. The authority may issue obligations under this chapter which are secured solely by the moneys to be deposited in that separate account and the holders or owners of any such obligations ~~shall~~ have no rights to payment of bond service charges from any other funds in the special railroad facility fund, including any moneys accruing to the authority from the lease, sale or other disposition, or use of railway facilities, or



from payment of the principal of or interest on loans made, or from any other use of the proceeds of the sale of the obligations, and no such moneys may be used for the payment of bond service charges on any such obligations, except for accrued interest, capitalized interest, and reserves funded from proceeds received upon the sale of the obligations.

3. Honeys received from repayment from heartland rail corporation as provided in 1983 Iowa Acts, chapter 198, section 32, as amended by 1987 Iowa Acts, chapter 232, section 28, and section 6 of this Act, shall be deposited in a separate account within the special railroad facility fund and shall be used by the authority only for debt service or rehabilitation on branch rail lines whose total projected traffic is at least fifty percent agricultural products.

Sec. 2. NEW SECTION. 307B.25 CERTIFICATION FOR RECEIPT OF USE TAX MONEYS.

The authority shall certify to the treasurer of state amounts of money necessary for payment of principal and interest by the authority on obligations issued on or after July 1, 1988, or to make payments on leases guaranteed by the authority on or after July 1, 1988. However, certification shall only be made under this section when there are insufficient moneys available to the authority for the payment from moneys credited to the special railroad facility fund or other sources available to the authority.

Certification shall only be made under this section for projects in which the authority has done all of the following:

1. Conducted a Feasibility study, prior to agreeing to assist the project, which demonstrates that the proposed project has a reasonable potential to generate adequate revenues to be economically viable.
2. Obtained from participants in the project pledges to be received by the authority, which in combination with other moneys available to the authority, are sufficient to either retire obligations issued by the authority to assist the

project or make all payments on leases guaranteed by the authority to assist the project, including a lien against the assets of the project and a lien against the assets of each participant in the project to the extent of that participant's pledged obligation.

Sec. 3. NEW SECTION. 307B.25 APPROPRIATION TO AUTHORITY.

Notwithstanding section 423.24 and prior to the application of section 423.24, subsection 1, paragraph "b", there is appropriated to the authority from revenues derived from the operation of section 423.7 the amounts certified by the authority under section 307B.25. However, the total amount credited to the Iowa railway finance authority under this section shall not exceed two million dollars annually. Moneys credited to the Iowa railway finance authority under this section are appropriated only for the payment of principal and interest on obligations or the payment of leases guaranteed by the authority as provided under section 307B.25. Moneys credited to the authority under this section shall be repaid from the general fund to the road use tax fund.

Sec. 4. Section 3278.20, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

The department may enter into agreements with railroad corporations, the United States government, cities, counties, and other persons for carrying out the purposes of this chapter. Agreements entered into between the department and, railroad corporations under this section may require a railroad corporation to reimburse all or part of the costs paid from the railroad assistance fund from revenue derived from all railroad cars and traffic using the main line, branch line, switching yard or sidings defined in the agreement. An agreement which does not require the repayment of railroad assistance funds used for rehabilitation projects shall require the railroad corporation to establish and maintain a separate corporation account to which an amount equal to all or part of the costs paid from the railroad assistance fund

shall be credited from revenue derived from all railroad cars and traffic using the main line, branch line, switching yard or siding defined in the agreement. ~~However, one-half of the funds credited to the railroad assistance fund shall be expended as nonreimbursable grants for rehabilitation~~

programs. Credits to the corporation account by the railroad corporation may be used for the restoration, conservation, improvement, and construction of the railroad corporation's main line, branch lines, switching yards and sidings within the state. The agreement shall stipulate the terms and conditions governing the use of credits to the corporation account as well as a penalty for the use of the account in a manner other than as provided in the agreement.

Sec. 5. Section 327H.24, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

Notwithstanding section 453.7, subsection 2, interest and earnings on moneys deposited in the railroad assistance fund shall be credited to the railroad assistance fund. Interest and earnings credited to the railroad assistance fund under this paragraph shall may be expended as loans or nonreimbursable grants.

Sec. 6. 1983 Iowa Acts, chapter 198, section 32, unnumbered paragraph 1, as amended by 1987 Iowa Acts, chapter 232, section 28, is amended to read as follows:

Notwithstanding ~~the provisions of~~ section 423.24, there is transferred from revenues collected under chapter 423 during each year of the fiscal period beginning July 1, 1983 and ending June 30, 1985 from the use tax imposed on motor vehicles, trailers and motor vehicle accessories and equipment under section 423.7 the sum of seven million five hundred thousand (7,500,000) dollars which shall be transferred to the special railroad facility fund to be used exclusively for the purposes provided in this section. The Iowa railway finance authority may enter into a partnership agreement as allowed under section 3078.7, subsection 7, for the purpose of

acquiring the right-of-way of the Chicago, Rock Island and Pacific railroad. The funds shall be expended to supplement private investment capital obtained for that purpose by matching any private investment capital on an equal basis. The funds transferred to the special railroad facility fund under this section shall be considered an interest-free loan to be repaid to the road use tax fund from receipts credited to the special railroad facility fund under section 307B.23 except that moneys credited for repayment of the loan during the period beginning July 1, 1987 and ending June 30, 1989 ~~1988~~, shall be credited to the railroad assistance fund. The special railroad facility fund shall repay to the road use tax fund, within thirty years after receipt of each repayment from heartland rail corporation the amount of the repayment, but in the interim the Iowa railway finance authority may lend these moneys for other rail projects without any other limitations contained in this section being applicable.

Sec. 7. The legislative council may authorize an interim study to develop recommendations for the branch line rail assistance program. The membership of the study committee shall consist of three members from the senate and three members from the house of representatives and one member appointed by each of the following:

1. Iowa grain and feed association.
2. Iowa institute of cooperation.
3. Farm bureau.
4. Rail shippers association.
5. Iowa railroad association.
6. Iowa railway finance authority.
7. Iowa corn growers association.
8. Iowa soybean association.

The state department of transportation shall assist the legislative service bureau in staffing the interim study committee. The study committee shall report its findings, including proposed legislation, to the governor and the members of the general assembly by January 1, 1989.

Sec. 8. This Act, being deemed of immediate importance, takes effect upon its enactment.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2269, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor



# OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD  
GOVERNOR

May 11, 1988

The Honorable Elaine Baxter  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

I hereby transmit House File 2269, an act relating to the operation and funding of rail lines including funds in the special railroad facility fund and the rail assistance fund and an appropriation and providing an effective date.

House File 2269 is approved with the following exception which I hereby disapprove.

I am unable to approve the item designated in Section 3 of this bill which reads as follows:

Moneys credited to the authority under this section shall be repaid from the general fund to the road use **tax** fund.

House File 2269 provides funding for needed rail branch line improvements in the state. The bill provides the Iowa Rail Finance Authority with the Heartland Rail Corporation's loan repayments to be used for debt service or rehabilitation of financially feasible rail branch lines in the state. However, since these repayments are not secure, the legislature authorized the Iowa Rail Finance Authority to utilize up to **\$2** million of use tax funds per year to pay debt service on rail bonds in the event the Heartland Funds and shipper pledges fall short. **This** \$2 million security enhancement would, in turn, then be repaid with funds appropriated in this bill from the state's general fund.

The Honorable Elaine Baxter  
May 11, 1988  
Page 2

I support efforts to provide appropriate funding to rehabilitate financially feasible rail branch lines. I believe this is a critical problem facing this state; the availability of good rail service has a significant impact on the ability of our state's products to compete in the world marketplace. Therefore, I have approved portions of this bill which allow the Heartland loan repayments to be secured for rail rehabilitation.

However, the provision to require the eventual use of tax dollars from the general fund raises serious constitutional and financial questions. This requirement could, in fact, obligate the general fund of the state to pay debt on railroad bonds, contradicting the debt prohibition that appropriately exists **in our** Constitution. Moreover, the state's general fund balance is not sufficient to absorb this additional **\$2** million appropriation.

In fact, the Department of Transportation would be well advised to avoid the utilization of the use tax dollars to secure rail bonds unless absolutely necessary. The Heartland loan repayment funds would be better utilized on a grant or a revolving loan fund basis. However, I understand that additional financing tools **may** be necessary if an immediate rail branch line crisis should occur. Therefore, I have allowed the use tax security enhancement to remain in the bill but I cannot approve the provision that effectively pledges the state of Iowa's general **fund** to pay that debt service.

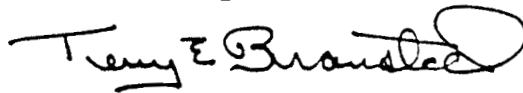
It is my understanding that my action should, in fact, enhance the workability of this bill by removing a significant constitutional cloud over the bill. For the future, I believe **that** the legislature should review other sources of financing for needed rail branch line improvements and purchases. I am deeply concerned about further efforts to rob the Road Fund for this purpose. Such action serves only to reduce our ability to complete our Transportation 2000 commercial highway network. I plan to **work with a** coalition of shippers, rail lines, and other interested parties this summer and fall to develop appropriate recommendations to the legislature to deal with our emerging rail problems. Significant attention should be given to reviewing **ways** in which rail-user and fuel fees can be utilized as a method of funding.

The Honorable Elaine Baxter  
May 11, 1988  
Page 3

In short, I cannot accept the item in this bill that requires that rail debt service be paid back by the general **fund** of the state. Obligating the general fund **for** that purpose could, in fact, be unconstitutional. And, in any event, it is a fiscally imprudent use of those dollars.

For the above reasons, I hereby respectfully disapprove this item in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in House File 2269 are hereby approved as of this date.

Sincerely,



Terry E. Branstad  
Governor

TEE?:cd

cc: Secretary of the Senate  
Chief Clerk of the House

HOUSE FILE 2277

AN ACT

RELATING TO THE PAYMENT OF MONEYS TO TEACHERS UNDER THE EDUCATIONAL EXCELLENCE PROGRAM, INCLUDING THE FREQUENCY AND MANNER OF PAYMENTS, ELIGIBILITY FOR PAYMENTS, DEADLINES FOR SUBMISSION OF PLANS AND REPORTS, AND THE ISSUANCE OF SUPPLEMENTAL CONTRACTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 294A.6, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the moneys allocated for phase I for a school year exceed the moneys required to pay the total minimum salary supplements to all school districts and area education agencies, the board of directors of a school district that has employed one or more additional teachers as a result of a whole grade sharing agreement completed under section 282.7 may request approval from the department of education for additional funding for its minimum salary supplement for that school year and succeeding school years if the other school district or districts that are parties to the sharing agreement have correspondingly reduced their number of teachers. If the department of education approves the payment of the additional salary supplement to a district, the department shall certify to the department of revenue and finance a payment equal to the amount of the difference between eighteen thousand dollars and the teacher's regular compensation plus the amount required to pay the employer's share of the federal social security and Iowa public employees' retirement system, or a pension and annuity retirement system established under chapter 294, payments on the additional salary moneys. If the phase I moneys remaining are insufficient to pay the entire amount approved by the

department of education, the department of revenue and finance shall prorate the payments to school districts.

Sec. 2. Section 294A.14, unnumbered paragraph 5, Code Supplement 1987, is amended to read as follows:

For school districts, a performance-based pay plan may provide for additional salary for individual teachers & teachers assigned to a specific discipline, or for additional salary for all teachers assigned to an attendance center. For area education agencies, a performance-based pay plan may provide for additional salary for individual teachers, ~~or~~ for additional salary for all teachers assigned to a specific discipline within an area education agency, or for additional salary for individual teachers assigned to a multidisciplinary team within an area education agency. If the plan provides additional salary for all teachers assigned to an attendance center, or specific discipline, the receipt of additional salary by those teachers shall be determined on the basis of whether that attendance center or specific discipline, meets specific objectives adopted for that attendance center, or specific discipline. For school districts, the objectives may include, but are not limited to, decreasing the dropout rate, increasing the attendance rate, or accelerating the achievement growth of students enrolled in that attendance center.

Sec. 3. Section 294A.15, Code Supplement 1987, is amended by adding the following new unnumbered paragraph after unnumbered paragraph 1:

NEW UNNUMBERED PARAGRAPH. A plan adopted by the board of directors of a school district or area education agency may include as a part of the plan a proposal that continues a performance-based pay plan or a supplemental pay plan, or a combination of the two pay plans, that meets the criteria listed in section 294A.14 and was in effect in the school district or area education agency prior to July 1, 1987. The budget for the plan submitted to the department of education

shall include both the phase III moneys, and general fund moneys equal to those used prior to July 1, 1987, for programs that would have met the criteria listed in section 294A.14.

Sec. 4. Section 294A.16, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

A plan adopted by the board of directors of a school district or area education agency shall be submitted to the department of education not later than July 1 of a school year ~~for that school year~~ for a school district, and not later than September 1 of a school year for that school year for an area education agency. Amendments to multiple year plans may be submitted annually.

Sec. 5. Section 294A.16, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

If a school district uses teachers under a contract between the district and the area education agency in which the district is located and both the school district and the area education agency have approved phase III plans, the school district shall ~~make provision for those teachers under phase III~~ transmit to the employing area education agency a portion of its phase III moneys based upon the portion that the salaries of teachers employed by the area education agency and assigned to the school district for the school year bears to the total teacher salaries paid in the district for that school year, including the salaries of the teachers employed by the area education agency. If the area education agency has an approved phase III plan and the school district does not, the department of management shall transmit phase III moneys to the area education agency for those teachers from the phase III money that would have been paid to the school district if the school district had had an approved phase III plan using the formula that would have been used if the school district had had an approved phase III plan.

Sec. 6. Section 294A.19, Code Supplement 1987, is amended to read as follows:

294A.19 REPORT.

Each school district and area education agency receiving moneys for phase III during a school year shall file a report with the department of education. School district reports shall be filed by July 1 of the next following school year, and area education agency reports shall be filed by September 1 of the next following school year. The report shall describe the plan, its objectives, its implementation, and the expenditures made under the plan including the salary increases paid to each eligible employee, and the extent to which its objectives were attained. The report may include any proposed amendments to the plan for the next following school year.

Annually, the department shall summarize the information contained in the reports filed by the school districts and area education agencies and transmit its summary to the general assembly not later than the next following January 1.

Sec. 7. Section 294A.22, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

Payments for each phase of the educational excellence program shall be made by the department of revenue and finance on a quarterly monthly basis, and the commencing on October 15 and ending on June 15 of each fiscal year taking into consideration the relative budget and cash position of the state resources. The payments shall be separate from state aid payments made pursuant to sections 442.25 and 442.26. ~~Par the school year beginning July 1, 1987, the first quarterly payment shall be made not later than October 15, 1987 taking into consideration the relative budget and cash position of the state resources.~~ The payments made under this section to a school district or area education agency may be combined and a separate accounting of the amount paid for each program shall be included.

Sec. 8. Section 294A.22, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:



NEW UNNUMBERED PARAGRAPH. Payments made to a teacher by a school district or area education agency under this chapter are wages for the purposes of chapter 91A except for payments made under an approved phase III plan where a modified payment plan has either been mutually agreed upon by the board of directors and the certified bargaining representative for certificated employees or for a district that is not organized for collective bargaining purposes where a modified payment plan is adopted by the board.

Sec. 9. Section 5 of this Act applies to phase III plans submitted for the school year beginning July 1, 1989.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2277, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

**HF 2277**



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 261-5211

TERRY E. BRANSTAD  
GOVERNOR

May 16, 1988

The Honorable Elaine Baxter  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

House File 2277, an act relating to the payment of moneys to teachers under the educational excellence program, including the frequency and manner of payments, eligibility for payments, deadlines for submission of plans and reports, and the issuance of supplemental contracts, is hereby transmitted to you in accordance with Article III, Section 16, of the Constitution of the State of Iowa.

House File 2277 amends the landmark educational excellence bill passed last session. Apparently, the intent of the legislation was to clarify and correct some of the statutory language included in the teacher excellence bill. Unfortunately, the legislation does more than clarify and correct; it also confuses and creates a potential loophole which could defeat the original purpose of the teacher excellence program.

House File 2277 makes some technical changes in Chapter 294A of the Code. Included in these changes are provisions to allow for the distribution of the Phase I funding in districts that add teaching staff; provisions dealing with the treatment of area education agencies (AEA's) in the event that a school district within that area that does not have an approved Phase III plan; and adjustments in certain reporting and payment dates for the three-phase program. Section 3 includes a provision which would allow a school district to use Phase III funds for a program or effort that was in effect prior to the beginning of the teacher excellence program. It is this latter provision which I find most objectionable.

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The first purpose of the teacher excellence program was to provide funds to attract quality individuals into the teaching profession. That was accomplished by establishing an \$18,000 minimum salary in Phase I. Phase II provided additional funds for general salary increases to keep good teachers in the profession. **And**, Phase III provided additional funds to teachers on the basis of their performance or for doing additional work. During the first year of the teacher excellence program local schools relied heavily on **the additional work** component of **Phase III**. This so-called supplemental pay is being used by districts throughout the state to award teachers for supplementing and **not supplanting** programs or activities that had been done previously. It is critical that this requirement be maintained.

Iowans must receive additional results for the dollars they have spent on the teacher excellence program. If, instead, **school** districts are **allowed** to use funds for activities or programs that **were** in effect prior to **the** commencement of the teacher excellence program, Iowans will be shortchanged for their investment in educational **excellence**. **Phase III funds should be used for new efforts** or performance pay; not pay for last year's activities.

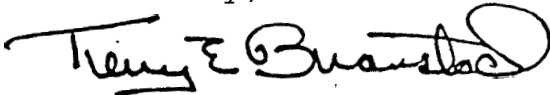
The teacher excellence program is an historic \$92.5 million commitment by this state for quality education in the future. The program is complex in that it rewards both performance and additional work and it relies on local control to be successful. During the first year, school districts were given a very short time period in which to respond to this demand for quality. During the second year, I expect to see a significant improvement in the plans that are submitted by individual school districts. In order to accomplish that, we need to provide the local districts with stability that will enhance their planning processes. I have committed to stability in the funding for this program so long as positive results are achieved and I believe we should do the same with regard to the specific statutory requirements. Opening up a potentially gaping loophole by allowing districts to use

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these funds for programs they already had **in** place prior to the beginning of the teacher excellence initiative would—defeat the original purpose for Phase III and would potentially cause great disruption in the planning processes for local school districts that are now underway,

For the above reasons, I hereby respectfully disapprove House File 2277.

Sincerely,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of the Senate  
Chief Clerk of the House

HOUSE FILE 2400

AN ACT

RELATISC TO ENHANCED 911 EMERGENCY TELEPHONE COKMUNICATION SYSTEMS, BY REQUIRING EACH COUNTY TO PREPARE AN ENHANCED 911 SERVICE PLAN FOR SUBMITTAL TO THE OFFICE OF DISASTER SERVICES ON OR BEFORE MARCH 1, 1989, BY REQUIRING CONVERSION OF PAY TELEPHONES TO ACCEPT 911 CALLS WITHOUT CHARGE. BY ALLOWING A LOCAL E911 SERVICE SURCHARGE, BY PROVIDING CERTAIN LIABILITY EXEMPTIONS IN CONJUNCTION WITH THE DELIVERY OF E911 SERVICES, AND 3Y PROVIDING A LIMITED PRIVACY WAIVER TO PERMIT NONLISTED OR UNPUBLISHED NUMBERS TO BE INCLUDED IN E911 SERVICE PROVIDING A PENALTY, AND AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEHBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 4776.1 PURPOSE.

The legislature tinds that enhanced 911 emergency telephone communication systems further the public interest and protect the health, safety, and velfare of the people of Iowa. The purpose of this chapter is to enable the orderly development, installation, and operation of enhanced 911 emergency telephone communication systems statewide. These systems are to be operated under governmental management and control for the public benefit.

Sec. 2. NEW SECTION. 4718.2 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Administrator" means the administrator of the division of disaster services of the department of publ c defense.
2. "Public or private safety agency" means a unit of state or local government, a special purpose district, or a private firm which provides or has the authority to provide fire fighting, police, ambulance, or emergency medical services.
3. "Provider" means a person who provides, or offers to provide, E911 equipment, installacion, maintenance, or exchange access services within the enhanced 911 service area.

4. "Enhanced 911" or "E911" means a service which provides the user of a public telephone system the ability to reach a public safety answering point by dialing the digits 911. and which has the following additional features:

- a. Routes an incoming 911 call to the appropriate public safety answering point selected from the public safety answering points operating in a 911 service area.
- b. Automatically displays the name, address, and telephone number of an incoming 911 call and public safety agency servicing the address on a video monitor at the appropriate public safety answering point.

5. "Enhanced 911 service plan" means a plan that includes the following information:

- a. A description of the enhanced 911 service area.
- b. A list of all public and private safety agencies within the enhanced 911 service area.
- c. The number of public safety answering points within the enhanced 911 service area.
- d. Identification of the agency responsible for management and supervision of the enhanced 911 emergency telephone communication system.
- e. A statement of estimated costs to be incurred by the joint E911 service board, including separate estimates of the following:

(1) Nonrecurring costs, including, but not limited to, public safety answering points, network equipment, software, database, addressing, initial training, and other capital and start-up expenditures, including the purchase or lease of subscriber names, addresses. and telephone. information from the local exchange service provider.

(2) Recurring costs, including, but not limited to, network access fees and other telephone charges, software, equipment, and database management, and maintenance, including the purchase or lease of subscriber names, dddresses, and telephone information from the local exchange service provider. Recurring costs shall not include personnel costs for a public safety answering point.

Costs are limited to nonrecurring and recurring costs directly attributable to the provision of 911 emergency telephone communication service. Costs do not include expenditures for any other purpose, and specifically exclude costs attributable to other emergency services or expenditures for buildings, radios, or personnel.

f. Current equipment operated by affected providers, and central office equipment and technology upgrades necessary for the provider to implement enhanced 911 service within the enhanced 911 service area on or before July 1, 1992.

g. A schedule for implementation of the plan throughout the E911 service area. The schedule may provide for phased implementation. However, a joint 911 service board may decide not to implement E911 service.

h. The number of telephone access lines in the enhanced 911 service area.

i. The total property valuation in the enhanced 911 service area.

6. "Enhanced 911 service area" means the geographic area to be serviced, or currently serviced under an enhanced 911 service plan, provided that an enhanced 911 service area must at minimum encompass one entire county. The enhanced 911 service area may encompass more than one county, and need not be restricted to county boundaries.

7. "Enhanced 911 service surcharge" is a charge set by the E911 service area operating authority and assessed on each access line which physically terminates within the E911 service area.

8. "Access line" means a local exchange access line that has the ability to access local dial tone and reach a local public safety agency.

9. "Division" means the division of disaster services, department of public defense.

10. "Public safety answering point" means a twenty-four hour local jurisdiction communications facility which receives enhanced 911 service calls and directly dispatches emergency

response services or relays calls to the appropriate public or private safety agency.

11. "Local exchange service provider" means a person engaged in providing telecommunications service between points within an exchange.

Sec. 3. NEW SECTION. 4778.3 JOINT 911 SERVICE BOARD -- 911 SERVICE PLAN -- IMPLEMENTATION -- WAIVERS.

1. JOINT 911 SERVICE BOARDS TO SUBMIT PLANS. The board of supervisors of each county shall establish a joint 911 service board not later than January 1, 1989. Each political subdivision of the state having a public safety agency serving territory within the county is entitled to voting membership on the joint 911 service board. Each private safety entity operating within the area is entitled to nonvoting membership on the board. The joint 911 service board shall develop an enhanced 911 service plan encompassing at minimum the entire county, unless an exemption is granted by the administrator permitting a smaller E911 service area. The administrator may grant a discretionary exemption from the single county minimum service area requirement based upon an E911 joint service board's or other E911 service plan operating authority's presentation of evidence which supports the requested exemption if the administrator finds that local conditions make adherence to the minimum standard unreasonable or technically infeasible, and that the purposes of this chapter would be furthered by granting an exemption. The minimum size requirement is intended to prevent unnecessary duplication of public safety answering points and minimize other administrative, personnel, and equipment expenses. An E911 service area must encompass a geographically contiguous area. No exemption shall be granted from the contiguous area requirement. The administrator may order the inclusion of a specific territory in an adjoining E911 service plan area to avoid the creation by exclusion of a territory smaller than a single county not serviced by surrounding E911 service plan areas upon request of the joint 911 service board representing

the territory. The 911 service plan operating authority shall submit the plan on or before March 1, 1989, to all of the following:

- a. The division.
- b. Public and private safety agencies in the enhanced 911 service area.
- c. Providers affected by the enhanced 911 service plan.

The division shall prepare a statewide summary of the plans submitted and present the summary to the legislature on or before June 1, 1989.

2. COMPLIANCE WAIVERS AVAILABLE IN LIMITED CIRCUMSTANCES. The administrator may extend, in whole or in part, the time for implementation of an enhanced 911 service plan beyond the scheduled plan of implementation, by issuance of a compliance waiver. The waiver shall be based upon a joint 911 service board's presentation of evidence which supports an extension if the administrator finds that local conditions make implementation financially unreasonable or technically infeasible by the originally scheduled plan of implementation. The compliance waiver shall be for a set period of time, and subject to review and renewal or denial of renewal upon its expiration. The waiver may cover all or a portion of a 911 service plan's enhanced 911 service area to facilitate phased implementation when possible. The granting of a compliance waiver does not create a presumption that the identical or similar waiver will be extended in the future. Consideration of compliance waivers shall be on a case-by-case basis.

3. 28E AGREEMENT -- ALTERNATIVE TO JOINT 911 SERVICE BOARD. A legal entity created pursuant to chapter 28E by a county or counties, other political divisions, and public or private agencies to jointly plan, implement, and operate a countywide, or larger, enhanced 911 service system may be substituted for the joint 911 service board required under subsection 1.

4. PARTICIPATION IN JOINT 911 SERVICE BOARD REQUIRED. A political subdivision or state agency having a public safety

agency within its territory or jurisdiction shall participate in a joint 911 service board and cooperate in preparing the 911 service plan.

Sec. 4. NEW SECTION. 4778.4 REQUIRED CONVERSION OF PAY TELEPHONES TO ALLOW 911 CALLS WITHOUT DEPOSITING COINS OR OTHER CHARGE.

1. CONVERSION AND NOTICE REQUIRED. When an enhanced 911 service system becomes operational or as soon as feasible thereafter, each provider or other owner or lessee of a pay station telephone to be operated within the enhanced 911 service area shall do the following:

- a. Convert each telephone to permit a caller to dial 911 without first inserting a coin or paying any other charge.
- b. Prominently display on each pay telephone a notice advising callers to dial 911 in an emergency and that deposit of a coin is not required.

2. CERTAIN PAY PHONES PROHIBITED WITHIN SERVICE AREA. After commencement of enhanced 911 service in an enhanced 911 service area, a person shall not install or offer for use within the 911 service area a pay station telephone unless the telephone is capable of accepting a 911 call without prior insertion of a coin or payment of any other charge, and unless the telephone displays notice of free 911 service.

Sec. 5. NEW SECTION. 4778.5 PRIVATE LISTING SUBSCRIBERS AND 911 SERVICE.

Private listing subscribers in an enhanced 911 service area waive the privacy afforded by nonlisted or nonpublished numbers to the extent that the name and address associated with the telephone number may be furnished to the enhanced 911 service system, for all routing, for automatic retrieval of location information, and for associated emergency services.

Sec. 6. NEW SECTION. 4778.5A REFERENDUM ON 911 IN PROPOSED SERVICE AREA.

1. Before a joint 911 service board may request imposition of the surcharge by the administrator, the board shall submit the following question to either voters or

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subscribers, as provided in subsection 2, in the proposed E911 service area, and the question shall receive a favorable vote from a simple majority of persons submitting valid ballots on the following question within the proposed E911 service area:

"Should enhanced 911 emergency telephone service be funded in whole or in part, by a surcharge of (up to twenty-five cents) per month per telephone access line collected as part of each telephone subscriber's monthly phone bill if provided within (description of the proposed E911 service area)?"

2. The referendum required as a condition of the surcharge imposition in subsection 1 shall be conducted using one of the following electoral mechanisms at the option of the joint E911 service board:

a. A local exchange access company providing service to subscribers within the proposed E911 service area shall provide the name and address of each subscriber to be served to the joint E911 service board proposing to provide E911 service. The names and addresses may be used by the joint E911 service board for the purpose of mailing referendum ballots. Ballots shall be returned to the subscriber's county commissioner of elections who shall report the results to the joint E911 service board. The joint E911 service board shall compile the results if subscribers from more than one county are included within the proposed service area. The board shall announce whether a simple majority of subscribers submitting valid ballots within the proposed E911 service area approved the referendum question. A subscriber may only vote once.

b. At the request of the joint E911 service board a county commissioner of elections shall include the question on the next eligible election ballot in each electoral precinct to be served, in whole or in part, by the proposed E911 service area. The question may be included in the next election in which all of the voters in the proposed E911 service area will be eligible to vote on the same day, such as a primary, general, or school board election. The county commissioner of

elections shall report the results to the joint E911 service board. The joint E911 service board shall compile the results if subscribers from more than one county are included within the proposed service area. The joint E911 service board shall announce whether a simple majority of the compiled votes reported by the commissioner approved the referendum question.

3. The secretary of state, in consultation with the administrator of the office of disaster services of the department of public defense, shall adopt rules for the conduct of joint E911 service referendums as required by and consistent with subsections 1 and 2.

**Sec. 7. NEW SECTION. 477B.6 FUNDING -- E911 SERVICE SURCHARGE.**

When an E911 service plan is implemented, the costs of providing E911 service within an E911 service area are the responsibility of the joint E911 service board and the member political subdivisions. Costs in excess of the amount raised by imposition of the E911 service surcharge provided for under subsection 1, shall be paid by the joint E911 service board from such revenue sources allocated among the member political subdivisions as determined by the joint E911 service board. Funding is not limited to the surcharge, and surcharge revenues may be supplemented by other permissible local and state revenue sources,

**1. LOCAL E911 SERVICE SURCHARGE IMPOSITION.**

a. To encourage local implementation of E911 service, one source of funding for E911 emergency telephone communication systems shall come from a surcharge of twenty-five cents, per month, per access line on each access line subscriber, except as provided in subsection 5. The surcharge shall be imposed by order of the administrator as follows:

(1) The administrator shall notify a provider scheduled to provide exchange access line service to an E911 service area, that implementation of an approved E911 service plan is to begin within one hundred days.



(2) The notice shall be provided at least one hundred days before the surcharge must be billed for the first time.

b. The surcharge shall terminate at the end of twenty-four months, unless either, or both, of the following conditions is met:

(1) E911 service is initiated for all or a part of the E911 service area.

(2) An extension is granted by the administrator for good cause.

2. SURCHARGE COLLECTED BY PROVIDERS. The surcharge shall be collected as part of the access line service provider's periodic billing to a subscriber. In compensation for the costs of billing and collection, the provider may retain one percent of the gross surcharges collected. If the compensation is insufficient to fully recover a provider's costs for billing and collection of the surcharge, the deficiency shall be included in the provider's costs for ratemaking purposes to the extent it is reasonable and just under section 476.6. The surcharge shall be remitted to the E911 service operating authority for deposit into the E911 service fund quarterly by the provider. A provider is not liable for an uncollected surcharge for which the provider has billed a subscriber but not been paid. The surcharge shall appear as a single line item on a subscriber's periodic billing entitled, "E911 emergency telephone service surcharge". The E911 service surcharge is not subject to sales or use tax.

3. MAXIMUM LIMIT PER SUBSCRIBER BILLING FOR SURCHARGE. An individual subscriber shall not be required to pay on a single periodic billing the surcharge on more than one hundred access lines, or their equivalent, in an E911 service area. A subscriber shall pay the surcharge in each E911 service area in which the subscriber receives access line service.

4. E911 SERVICE FUND. Each joint E911 service board shall establish and maintain as a separate account an E911 service fund. Any funds remaining in the account at the end of each

fiscal year shall not revert to the general funds of the member political subdivisions, except as provided in subsection 5, but shall remain in the E911 service fund. Moneys in an E911 service fund may only be used for nonrecurring and recurring costs of the E911 service plan as approved by the administrator, as those terms are defined by section 4770.2.

5. USE OF MONEYS IN FUND -- PRIORITY AND LIMITATIONS ON EXPENDITURE. Moneys deposited in the E911 service fund shall be used for the following, in order of priority:

a. Money shall first be spent for actual recurring costs of operating the E911 service plan.

b. If money remains in the fund after fully paying for recurring costs incurred in the preceding year, the remainder may be spent to pay for nonrecurring costs, not to exceed actual nonrecurring costs as approved by the administrator.

c. If money remains in the fund after fully paying obligations under subsections 1 and 2, the remainder may be accumulated in the fund as a carryover operating surplus. If the surplus is greater than twenty-five percent of the approved annual operating budget for the next year, the administrator shall reduce the surcharge by an amount calculated to result in a surplus of no more than twenty-five percent of the planned annual operating budget. After nonrecurring costs have been paid, if the surcharge is less than twenty-five cents and the fund surplus is less than twenty-five percent of the approved annual operating budget, the administrator shall, upon application of the joint E911 service board, increase the surcharge in an amount calculated to result in a surplus of twenty-five percent of the approved annual operating budget. In no case may the surcharge exceed twenty-five cents per month per access line. The surcharge may only be adjusted once in a single year, upon one hundred days' prior notice to the provider.

6. LIMITATION OF ACTIONS -- PROVIDER NOT LIABLE ON CAUSE OF ACTION RELATED TO PROVISION OF 911 SERVICES. a claim or

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cause of action does not exist based upon or arising out of an act or omission in connection with a provider's participation in an E911 service plan or provision of 911 or local exchange access service, unless the act or omission is determined to be willful and wanton negligence.

**Sec. 8. NEW SECTION. 4778.7 LOCAL EXCHANGE SERVICE INFORMATION.**

1. A local exchange service provider shall furnish to the E911 service provider, designated by the joint E911 service board, all names, addresses, and telephone number information concerning its subscribers which will be served by the E911 system and shall periodically update the local exchange service information. The local exchange service provider shall receive as compensation for the provision of local exchange service information charges according to its tariffs on file with and approved by the Iowa utilities board. The tariff charges shall be the same whether or not the local exchange service provider is designated as the E911 service provider by the joint E911 service board.

2. Subscriber information remains the property of the local exchange service provider.

The joint E911 service board, the designated E911 provider, and the public safety answering point, their agents, employees, and assigns shall use local exchange service information provided by the local exchange service provider solely for the purposes of providing E911 emergency telephone service, and it shall otherwise be kept confidential. A person who violates this section is guilty of a simple misdemeanor.

This chapter does not require a local exchange service provider to sell or provide its subscriber names, addresses, or telephone number information to any person other than the E911 service provider designated by the joint E911 service board.

Sec. 9. Section 613A.4, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 11. A claim based upon or arising out of an act or omission in connection with an emergency response including but not limited to acts or omissions in connection with emergency response communications services.

Sec. 10. Section 613A.4, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This section does not expand any existing cause of action or create any new cause of action against a municipality.

Sec. 11. This Act, being deemed of immediate importance, is effective upon enactment.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2400, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

HOUSE FILE 2419

. AN ACT

RELATING TO ENROLLMENT OF SCHOOL PUPILS, INCLUDING INITIATING AND EFFECTING SCHOOL DISTRICT DISSOLUTIONS AND WHOLE-GRADE SHARING AGREEMENTS, SETTING MAXIMUM INCENTIVES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 256.9, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 31. Conduct or direct the area education agency to conduct feasibility surveys and studies, if requested under section 282.11, of the school districts within the area education agency service areas and all adjacent territory, including but not limited to contiguous districts in other states, for the purpose of evaluating and recommending proposed whole-grade sharing agreements requested under section 282.7 and section 282.10, subsections 1 and 4. The surveys and studies shall be revised periodically to reflect reorganizations which may have taken place in the area education agency, adjacent territory, and contiguous districts in other states. The surveys and studies shall include a cover page containing recommendations and a short explanation of the recommendations. The factors to be used in determining the recommendations include, but are not limited to:

a. The possibility of long-term survival of the proposed alliance.

b. The adequacy of the proposed educational programs versus the educational opportunities offered through a different alliance.

c. The financial strength of the new alliance.

d. Geographical factors.

e. The impact of the alliance on surrounding schools.

Copies of the completed surveys and studies shall be transmitted to the affected districts' school boards.

Sec. 2. Section 275.1, unnumbered paragraph 1, Code 1987, is amended to read as follows:

It is the policy of the state to encourage economical and efficient school districts which will ensure an equal educational opportunity to all children of the state. All areas of the state shall be in school districts maintaining kindergarten and twelve grades. If a school district ceases to maintain kindergarten and twelve grades except as otherwise provided in ~~sections~~ section 28E.9, 280.15, 257:28 256.13, and 282.7, subsection 1 or subsections 1 and 3, or 282.8, it shall reorganize within six months or the state board shall attach the school district not maintaining kindergarten and twelve grades to one or more adjacent districts. Voluntary reorganizations under this chapter shall be commenced only if the affected school districts are contiguous to one another. A reorganized district shall meet the requirements of section 275.3.

Sec. 3. Section 275.51, unnumbered paragraph 1, Code 1987, is amended to read as follows:

As an alternative to school district reorganization prescribed in this chapter, the board of directors of a school district may establish a school district dissolution commission to prepare a proposal of dissolution of the school district and attachment of all of the school district to one or more contiguous school districts and to include in the proposal a division of the assets and liabilities of the dissolving school district. A school district dissolution

commission may also be established by the board of directors of a school district if a dissolution proposal has been prepared by eligible electors who reside within the district. The proposal must contain the names of the proposed members of the commission and be accompanied by a petition which has been signed by at least twenty percent of the eligible electors.

Sec. 4. Section 275.55, unnumbered paragraph 4, Code 1987, is amended to read as follows:

The attachment is effective July 1 following its approval. If the dissolution proposal is for the dissolution of a school district with a certified enrollment of fewer than six hundred, the territory located in the school district that dissolved is eligible, if approved by the director of the department of education, for a reduction in the uniform property tax levy under section 442.2, subsection 1. If the director approves a reduction in the uniform property tax levy as provided in this section, the director shall notify the director of the department of management of the reduction.

Sec. 5. NEW SECTION. 275.55A ATTENDANCE IN OTHER DISTRICT.

A pupil enrolled in ninth, tenth, or eleventh grade during the school year preceding the effective date of a dissolution proposal, who was a resident of the school district that dissolved, may enroll in any school district to which territory of the school district that dissolved was attached until that pupil's graduation from high school. Notwithstanding section 282.24, the district of residence of the pupil, determined in the dissolution proposal, shall pay tuition to the school district selected by the pupil in an amount not to exceed the district cost per pupil of the district of residence and the school district selected by the pupil shall accept that tuition payment and enroll the pupil.

Sec. 6. Section 282.1, Code 1987, is amended to read as follows:

282.1 SCHOOL AGE -- NONRESIDENTS.

Persons between five and twenty-one years of age are of school age. A board may establish and maintain evening schools for residents of the corporation regardless of age and for which no tuition need be charged. Nonresident children shall be charged the maximum tuition rate as determined in section 282.24, subsection 1, with the exception that those residing temporarily in a school corporation may attend school in the corporation upon terms prescribed by the board, and boards discontinuing grades under section 282.7, subsection 1 or subsections 1 and 3, shall be charged tuition as provided in section 282.24, subsection 2.

Sec. 7. Section 282.7, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Notwithstanding section 282.8 and section 28E.9, a school district may negotiate an agreement under subsection 1 for attendance of its pupils in a school district located in a contiguous state subject to a reciprocal agreement by the two state boards in the manner provided in this subsection. Prior to negotiating an agreement with the school district in the contiguous state, the board of directors shall file a written request with the state board of education for a determination whether the school district in the contiguous state meets requirements substantially similar to those required for accredited or approved school districts in this state and the school district receives or has available services equivalent to those that would be provided in this state by an area education agency. The school district shall also obtain approval by the department of education of the sharing proposal, before the agreement becomes effective. Six months prior to making the request for approval, the district shall request a feasibility study from the department of education. If the state board of this state and the corresponding state board in the contiguous state agree that the school districts of their respective states meet substantially similar requirements and have substantially

similar services available to the school district, and if the Iowa department of education approves the proposed contract, the two state boards may sign a reciprocal agreement for attendance of their pupils in the school district of the other state, subject to the agreement signed between the boards of directors of the two districts. A school district that negotiates an agreement with a school district in a contiguous state under this subsection is not eligible for supplementary weighting under section 442.39 as a result of that agreement.

Sec. 8. Section 282.10, subsection 1, Code Supplement 1987, is amended to read as follows:

1. Whole grade sharing is a procedure used by school districts whereby all or a substantial portion of the pupils in any grade in two or more school districts share an educational program for all or a substantial portion of a school day under a written agreement pursuant to section 256.13, 280.15, or 282.7, subsection 1 or subsections 1 and 3. Whole grade sharing may either be one-way or two-way sharing.

Sec. 9. Section 282.24, subsection 1, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

There is established a maximum tuition fee that may be charged for elementary and high school students residing within another school district or corporation except students attending school in another district under section 282.7, subsection 1 or subsections 1 and 3. That fee is the district cost per pupil of the receiving district as computed in section 442.9, subsection 1, paragraph "a".

Sec. 10. Section 282.11, Code Supplement 1987, is amended to read as follows:

282.11 PROCEDURE.

Not less than ninety days prior to signing a whole grade sharing agreement whereby all or a substantial portion of the pupils in a grade in the district will attend school in another district, the board of directors of each school district that is negotiating, extending, or renewing a sharing

agreement, shall publicly announce its intent to negotiate a sharing agreement under section 21.4, subsection 1. Within thirty days of the board's public notice, a petition may be filed with the department of education requesting that a feasibility study be completed. The petition shall be signed by twenty percent of the eligible electors in the district, The director of the department of education may determine that a feasibility study conducted by the board satisfies the request, provided that the study conforms with the criteria contained in section 256.9.

Not less than thirty days prior to signing a whole grade sharing agreement whereby all or a substantial portion of the pupils in a grade in the district will attend school in another district, the board of directors of each school district that is a party to a proposed sharing agreement shall hold a public hearing at which the proposed agreement is described, and at which the parent or guardian of an affected pupil and certificated employees of the school district shall have an opportunity to comment on the proposed agreement. Within the thirty-day period prior to the signing of the agreement, the parent or guardian of an affected pupil may request the board of directors to send the pupil to another contiguous school district. The request shall be based upon one of the following:

1. That the agreement will not meet the educational program needs of the pupil.

2. That adequate consideration was not given to geographical factors.

The board shall allow or disallow the request prior to the signing of the agreement, or the request shall be deemed granted. If the board disallows the request, the board shall indicate the reasons why the request is disallowed and shall notify the parent or guardian that the decision of the board may be appealed as provided in this section.

If the board disallows the request of a parent or guardian of an affected pupil, the parent or guardian, not later than March 1, may appeal the sending of that pupil to the school district specified in the agreement, to the state board of education. The basis for the appeal shall be the same as the basis for the request to the board. A-parent-at-guardian-may appeal-on-the-basis-that-sending-the-pupil-to-school-in-the-district-specified-in-the-agreement-will-not-meet-the-educational-program-needs-of-the-pupil-or-the-school-in-the-school-district-to-which-the-pupil-will-be-sent-is-not-appropriate-because-consideration-was-not-given-to-geographical-factors. An appeal shall specify a contiguous school district to which the parent or guardian wishes to send the affected pupil. If the parent or guardian appeals, the standard of review of the appeal is efeat-and-convincing a preponderance of evidence that the parent parent's or guardian's hardship outweighs the benefits and integrity of the sharing agreement. The state board may require the district of residence to pay tuition to the contiguous school district specified by the parent or guardian, or may deny the appeal by the parent or guardian. If the state board requires the district of residence to pay tuition to the contiguous school district specified by the parent or guardian, the tuition shall be equal to the tuition established in the sharing agreement. The decision of the state board is binding on the boards of directors of the school districts affected, except that the decision of the state board may be appealed by either party to the district court.

Sec. 11. Section 285.1, subsection 3, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

In a district where transportation by school bus is impracticable, where necessary to implement a whole grade sharing agreement under section 282.10, or where school bus service is not available, the board may require parents or guardians to furnish transportation for their children to the

schools designated for attendance. Except as provided in section 285.3, the parent or guardian shall be reimbursed for such transportation service for public and nonpublic school pupils by the board of the resident district in an amount equal to eighty dollars plus seventy-five percent of the difference between eighty dollars and the previous school year's statewide average per pupil transportation cost, as determined by the department of education.

Sec. 12. Section 290.1, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For purposes of section 282.11, a "person aggrieved" or "party aggrieved" means the "parent or guardian of an affected pupil."

Sec. 13. Section 442.2, subsection 1, unnumbered paragraphs 2 and 3, Code 1987, are amended to read as follows:

However, commencing with the budget year beginning July 1, ~~1987~~ 1988, a reorganized school district shall cause a foundation property tax of four dollars and forty cents per thousand dollars of assessed valuation to be levied on all taxable property which, in the year preceding the a reorganization, was within a school district affected by the reorganization as defined in section 275.1, and which or in the year preceding a dissolution was a part of a school district that dissolved if the dissolution proposal has been approved by the director of the department of education pursuant to section 275.55. In the year preceding the reorganization or dissolution, the school district affected by the reorganization or the school district that dissolved must have had a certified enrollment of less fewer than six hundred in order for the four dollar and forty cent levy to apply. In succeeding school years, the foundation property tax levy on that portion shall be increased twenty cents per year until it reaches the rate of five dollars and forty cents per thousand dollars of assessed valuation.

For purposes of this section, a reorganized school district is one which absorbed at least thirty percent of the enrollment of the school district affected by a reorganization or dissolved during a dissolution and in which reorganization or dissolution was approved in an election pursuant to sections 275.18 and 275.20 or section 275.55, and will take the reorganization or dissolution takes effect on or after July 1, 1986 1988.

Sec. 14. Section 442.13, subsection 7, Code Supplement 1987, is amended to read as follows:

7. The committee may authorize a district to spend a reasonable and specified amount from its unexpended cash balance for the purpose or purposes of furnishing either of the following purposes:

a. Furnishing, equipping, and contributing to the construction of a new building or structure for which the voters of the district have approved a bond issue as provided by law or a tax as provided in chapter 278 and for major building repairs as defined in section 297.5.

b. The costs associated with the demolition of an unused school building, or the conversion of an unused school building for community use, in a school district involved in a dissolution or reorganization under chapter 275 which are incurred within three years of the dissolution or reorganization.

PARAGRAPH DIVIDED, No other expenditure, including but not limited to expenditures for salaries or recurring costs, shall be authorized under this subsection. Expenditures authorized under this subsection shall not be included in allowable growth or district cost, and the portion of the unexpended cash balance which is authorized to be spent shall be regarded as if it were miscellaneous income. Any part of such the amount which is not actually spent for the authorized purpose shall revert to its former status as part of the unexpended cash balance.

Sec. 15. Section 442.39, subsection 2, Code Supplement 1987, is amended to read as follows:

2. Pupils attending classes in another school district or an area school, attending classes taught by a teacher who is employed jointly under section 280.15, or attending classes taught by a teacher who is employed by another school district. are assigned a weighting of one plus five-tenths times the percent of the pupil's school day during which the pupil attends classes in another district or area school, attends classes taught by a teacher who is jointly employed under section 280.15, or attends classes taught by a teacher who is employed by another school district if the school budget review committee certifies to the department of management that the shared classes or teachers would otherwise not be implemented without the assignment of additional weighting. However, in lieu of the additional weighting of five-tenths, the school budget review committee shall assign an additional weighting of one-tenth times the percent of the pupil's school day in which a pupil attends classes in another district or an area school, attends classes taught by a teacher who is employed jointly under section 280.15, or attends classes taught by a teacher who is employed by another district, in districts that have a substantial number of students in any of grades seven through twelve sharing more than one class or teacher. ~~Effective July 1, 1986, the~~ The additional weighting of one-tenth may be assigned by the school budget review committee to a district for a maximum of five years, and thereafter, the additional weighting shall not be assigned to the same district under this section, but may be assigned under section 442.39A.

Sec. 16. Section 442.39, subsection 4, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Effective July 1, 1988, the additional weighting assigned under this subsection may be

assigned to a district for a maximum of five years and, thereafter, the additional weighting shall not be assigned to the same district under this section, but may be assigned under section 442.39A.

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**DONALD D. AVENSON**  
Speaker of the House

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**JO ANN ZIMMERMAN**  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2419, Seventy-second General Assembly.

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**JOSEPH O'HERN**  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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**TERRY E BRANSTAD**  
Governor



HOUSE FILE 2428

AN ACT

INCREASING AND ESTABLISHING CERTAIN COURT FILING FEES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 602.8105, subsection 1, paragraph a, Code Supplement 1987, is amended to read as follows:

a. (1) For filing and docketing a petition other than for modification of a dissolution decree filed within one hundred eighty days of the date of the entering of the dissolution decree, or an appeal or writ of error, ~~thirty-five~~ forty-five dollars. Four dollars of the fee shall be deposited in the court revenue distribution account established under section 602.8108, and ~~thirty-one~~ forty-one dollars of the fee shall be paid into the state treasury. Of the amount paid to the state treasury, one dollar shall be deposited in the judicial retirement fund established in section 602.9104 to be used to pay retirement benefits of the judicial retirement system, and the remainder shall be deposited in the general fund of the state. In counties having a population of one hundred thousand or over, an additional five dollars shall be charged and collected, to be known as the journal publication fee and used for the purposes provided for in section 618.13.

Sec. 2. Section 631.6, subsection 1, Code 1987, is amended to read as follows:

1. The docket fee for a small claims action is ~~eleven~~ fifteen dollars. Five dollars of the docket fee shall be deposited in the court revenue distribution account established under section 602.8108 and ~~six~~ ten dollars of the fee shall be paid into the state treasury. Of the amount paid into the state treasury, one dollar shall be deposited in the judicial retirement fund established in section 602.9104 to be used to pay retirement benefits of the judicial retirement system, and the remainder shall be deposited in the general fund of the state.

Sec. 3. Section 633.31, subsection 2, paragraphs d, e, and f, Code 1987, are amended to read as follows:

- d. For taking and approving a bond,
- or the sureties on a bond ..... ~~2:00~~ 20.00
- e. For entering a rule or order ..... ~~1:00~~ 10.00
- f. For certificate and seal ..... ~~2:00~~ 20.00

Sec. 4. Notwithstanding section 805.6, subsection 1, paragraph "a", court costs in cases of parking violations which are more than one year old and which are dismissed by the city prior to January 1, 1989, shall be five dollars.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2428, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

HF 2428

## HOUSE FILE 2433

## AN ACT

RELATING TO PUBLIC SCHOOL VOCATIONAL EDUCATION IN AGRICULTURE  
TECHNOLOGY AND CREATING A COUNCIL FOR AGRICULTURAL EDUCATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 256.31 COUNCIL FOR AGRICULTURAL  
EDUCATION.

1. An advisory council for agricultural education is established, which consists of nine members appointed by the governor. The nine members shall include the following:

- a. Five persons representing all areas of agriculture and diverse geographical areas.
- b. The individual representing agriculture on the state council for vocational education.
- c. A secondary school program instructor, a postsecondary school program instructor, and a teacher educator.

2. The council may also include as ex officio members the following persons, as determined by the voting members of the council:

- a. The state future farmers of America president.
- b. The current state future farmers of America alumni association president.
- c. The current postsecondary agriculture students president.
- d. The current young farmers educational association president.
- e. A state consultant in agricultural education.
- f. The secretary of agriculture or the secretary's designee.

g. A member of each house of the general assembly. This membership shall be bipartisan in composition and shall be selected by the majority leader of the senate and the speaker of the house.

3. The duties of the council are to review, develop, and recommend standards for secondary and postsecondary

agricultural education. The council shall annually issue a report to the state board of education and the chairpersons of the house and senate agriculture and education committees regarding both short-term and long-term curricular standards for agricultural education and the council's activities. The council shall meet a minimum of twice annually, and must have a quorum consisting of a majority of voting members present to hold an official meeting and to take any final council action. However, hearings may be held without a quorum. The chairperson shall be elected annually by and from the voting membership. The initial organizational meeting shall be called by the director of the department of education.

4. The term of membership is three years. The terms shall be staggered so that three of the terms end each year, but no member serving on the initial council shall serve less than one year. The governor shall determine the length of the initial terms of office.

Sec. 2. NEW SECTION. 280.19 VOCATIONAL AGRICULTURE  
EDUCATION.

1. It is the intent of the general assembly to encourage the public secondary schools to develop comprehensive programs for vocational education in agriculture technology to meet the diverse needs of Iowa's students and to ensure an adequate supply of trained and skilled individuals in all phases of the agriculture industry. The board of directors of each public school district may develop, as part of the curriculum in grades nine through twelve, programs for vocational education in agriculture technology.

It is also the intent of the general assembly to encourage the development of programs for vocational education in agriculture technology which are structured on a twelve-month basis and which include the following:

- a. Provision for twelve-month extended contracts to permit entrepreneurial agricultural experience, summer program planning, and recordkeeping.

Supervision and accountability of vocational agriculture teachers employed for extended contracts are the responsibility of the local school board.

b. Submission of an annual summer program by each vocational agriculture instructor, employed on an extended contract basis.

c. The following reports shall be made available to the council for agriculture education upon request:

(1) A summary of summer activities completed for each vocational agriculture instructor employed on an extended contract.

(2) A summary of supervised agricultural experience programs conducted during the year in vocational agriculture.

d. Provision for instructional supervision for agricultural occupational experience programs.

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DONALD D. AVENSON

Speaker of the House

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JO ANN ZIMMERMAN

President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2433, Seventy-second General Assembly.

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JOSEPH O'HERN

Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD

Governor

HOUSE FILE 2440

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP AND THE DEPARTMENT OF NATURAL RESOURCES, AND PROVIDING FOR AN INCREASE IN CERTAIN FEES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP.

There is appropriated from the general fund of the state and the trust funds indicated to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE DIVISION

a. From the general fund for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 968,311

b. From the fertilizer fund to be transferred to the administration division:

..... \$ 51,100

c. From the dairy trace practice fund to be transferred to the administration division:

..... \$ 86,813

d. From the commercial feed fund to be transferred to the administration division:

..... \$ 51,100

e. Of the amount appropriated from the general fund of the state under paragraph "a" of this subsection, sixty thousand (60,000) dollars shall be allocated for the operations of the statistics bureau.

f. The department of agriculture and land stewardship shall establish annual subscription fees for the regular and periodic publications of the department. However, the subscription fee for a publication by the farm commodity division relating to a livestock market summary shall not exceed ten dollars and a publication by the farm commodity division relating to sheep clippings shall not exceed four dollars. Fees collected from subscribers shall be deposited in the general fund of the state.

g. The department of agriculture and land stewardship shall fund, from moneys appropriated to the department under paragraph "a" for the salary and support of the currently untitled position within the administrative division, the salary and support of the position of programming and planning administrator II.

h. Funds appropriated by this subsection are for the salaries and support of not more than forty-two point twenty-four full-time equivalent positions.

2. FARM COMMODITY DIVISION

a. From the general fund for salaries and support, for not more than twenty-three full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 985,270

b. Of the amount appropriated from the general fund of the state under paragraph "a" of this subsection, three hundred forty-six thousand three hundred seventy-nine (346,379) dollars shall be allocated to the horticultural division for the continuation of the agricultural diversification program as enacted by 1986 Iowa Acts, chapter 1246, section 501, subsection 1, paragraph "e".

3. FARMER'S MARKET COUPON PROGRAM

From the general fund of the state to be used by the department to continue and expand the farmer's market coupon program by providing federal special supplemental food program recipients with coupons redeemable at farmer's markets:

..... \$ 100,000

4. REGULATORY DIVISION

a. From the general fund of the state for salaries and support for not more than one hundred forty-nine point twenty full-time equivalent positions, maintenance, and miscellaneous purposes:

..... S 3,910,737

b. Of the amount appropriated from the general fund of the state under paragraph "a" of this subsection, one hundred forty-nine thousand seven hundred ninety (149,790) dollars shall be allocated for the operations of the grain warehouse bureau.

c. Of the amount appropriated from the general fund of the state under paragraph "a" of this subsection, one hundred seventy thousand twenty-nine (170,029) dollars shall be allocated as follows: twenty-two thousand six hundred twenty (22,620) dollars to the animal health bureau; forty-one thousand eight hundred fifty-nine (41,859) dollars to the grain warehouse bureau; fifty-two thousand eight hundred seventy (52,870) dollars to the meat and poultry bureau; and fifty-two thousand six hundred eighty (52,680) dollars to the weights and measures bureau for the operations of those bureaus.

5. LABORATORY DIVISION

a. From the general fund for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 596,283

b. From the commercial feed fund to be transferred to the laboratory division:

..... \$ 811,527

c. From the pesticide fund to be transferred to the laboratory division:

..... \$ 495,517

d. From the fertilizer fund to be transferred to the laboratory division:

..... \$ 832,356

e. Funds appropriated by this subsection are for the salaries and support of not more than ninety full-time equivalent positions.

6. SOIL CONSERVATION DIVISION

a. From the general fund for salaries and support for not more than one hundred seventy-five point seventy-eight full-time equivalent positions, maintenance, assistance to soil conservation districts, and for miscellaneous purposes:

..... \$ 4,347,061

b. Of the amount appropriated from the general fund of the state under paragraph "a" of this subsection, three hundred three thousand four hundred thirty-six (303,436) dollars shall be used to conduct soil surveys in conjunction with federal, state, and local agencies in Iowa.

c. To provide financial incentives for soil conservation practices in accordance with the provisions of paragraph "d" of this subsection:

..... \$ 6,789,972

d. The following requirements apply to the funds appropriated by paragraph "c":

(1) Not more than five percent may be allocated for cost sharing to abate complaints filed under section 467A.47 and 467A.48.

(2) Not more than ten percent may be allocated for financial incentives not exceeding seventy-five percent of the approved cost of permanent soil conservation practices under chapter 467A on watersheds above publicly owned lakes in accordance with the priority list required in section 10 of this Act.

(3) The soil conservation district commissioners may allocate financial incentives not exceeding sixty percent of the cost of permanent soil conservation practices for special watershed practices or summer construction incentives under section 467A.7, subsections 17 and 19.

(4) Except for the allocations subject to subparagraphs 1, 2, and 3, these funds shall not be used alone or in combination with other public funds to provide a financial incentive payment greater than fifty percent of the approved cost for voluntary permanent soil conservation practices and priority shall be given to family-operated farms.

(5) The soil conservation committee may allocate funds to conduct research and demonstration projects to promote conservation tillage and nonpoint sources pollution control practices.

(6) Not more than thirty percent of a district's allocation may be allocated by the soil conservation district commissioners for the establishment of management practices to control soil erosion on land that is now row cropped.

(7) The financial incentive payments may be used in combination with department of natural resources funds.

e. The provisions of section 8.33 shall not apply to the funds appropriated by paragraph "c". Unencumbered or unobligated funds remaining on June 30, 1992, from funds appropriated for the fiscal year beginning July 1, 1988, shall revert to the general fund on September 30, 1992.

Sec. 2. There is appropriated to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1988, and ending June 30, 1989, from the funds available under section 99D.13 the sum of one hundred sixteen thousand five hundred seventy-one (116,571) dollars, or so much thereof as necessary, for volunteer assistance and not more than three full-time equivalent positions for the administration of section 99D.22.

Sec. 3. The department shall not make transfers from the funds established in chapter 192A, 198, 200, or 206, to be used for purposes not authorized in those chapters without notifying the chairpersons and ranking members of the agriculture and natural resources appropriations subcommittee in writing prior to the proposed transfer of funds. The notice from the department shall include information concerning the amount of the proposed transfer, the funds affected by the proposed transfer, and the reasons for the proposed transfer. Chairpersons and ranking members notified shall be given at least two weeks to review and comment on the proposed transfer before the transfer of funds is made.

Sec. 4. Notwithstanding section 83.4, the division of soil conservation of the department of agriculture and land stewardship shall set the fee for a mine site permit at fifteen dollars per site acre which shall be deemed to be the cost of administration.

Sec. 5. DEPARTMENT OF NATURAL RESOURCES. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

- 1. For salaries, support, maintenance, and miscellaneous purposes:
  - ..... \$ 10,570,488
- 2. For reimbursement to federal agencies for cooperative contracts:
  - ..... \$ 185,983
- 3. For the green thumb program for the employment of the elderly in conservation and outdoor recreation related fields in coordination with other agencies as provided by law:
  - ..... \$ 200,000
- 4. For the payment of assessments to the midwest interstate low-level radioactive waste compact:
  - ..... \$ 78,000

Sec. 6. There is appropriated from the state fish and game protection fund to the department of natural resources for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

DIVISION OF FISH AND GAME

- 1. From the state fish and game protection fund for salaries, support, maintenance, equipment, and miscellaneous purposes including not more than two million three hundred sixty-three thousand nine hundred fifty-seven (2,363,957) dollars during the fiscal year beginning on July 1, 1988, which shall be available from the state fish and game protection fund for administrative support:

..... \$ 14,655,148

2. From the fees deposited under section 321G.7 to the fish and game protection fund for enforcement of snowmobile laws as part of the state snowmobile program:

..... \$ 150,000

3. From the fees deposited under section 106.52 to the fish and game protection fund for administration and enforcement of navigation laws and water safety:

..... \$ 1,000,000

4. Funds remaining in the fish and game protection fund during fiscal year 1988-1989 which are not specifically appropriated by this section are appropriated and may be used for capital projects and contingencies arising during the fiscal year beginning July 1, 1988. A contingency shall not include any purpose or project which was presented to the general assembly by way of a bill or a proposed bill and which failed to be enacted into law. For the purpose of this subsection, a necessity of additional operating funds may be construed as a contingency. Before any of the funds authorized to be expended by this subsection are allocated for contingencies, it shall be determined by the executive council that a contingency exists and that the contingency was not existent while the general assembly was in session and that the proposed allocation shall be for the best interests of the state. If a contingency arises or could reasonably be foreseen during the time the general assembly is in session, expenditures for the contingency must be authorized by the general assembly.

Sec. 7. MARINE FUEL TAX FUND. There is appropriated from the marine fuel tax fund to the department of natural resources for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the following purposes:

1. For maintenance and development of boating facilities and access to public waters:

..... \$ 397,179

2. For deposit in the state fish and game protection fund for the administration and enforcement of navigation laws and boat safety:

..... \$ 150,000

The balance of the amount computed as provided in section 324.84 for the fiscal year beginning July 1, 1988, and ending June 30, 1989, is appropriated for the purposes provided in section 324.79, subsections 1, 2, 3, and 5. The unencumbered or unobligated balances of funds specifically allocated for such projects for the fiscal year ending June 30, 1989, shall revert to the fund from which appropriated September 30, 1991.

Sec. 8. Funds appropriated by section 6, subsections 1 and 3, and sections 7 and 8 of this Act are for salaries and support for not more than nine hundred seventy point ten full-time equivalent positions.

Sec. 9. The natural resources commission shall establish a priority list of watersheds which are of highest importance based on soil loss to be used for the allocation of funds set aside in the appropriations to the department of agriculture and land stewardship for permanent soil conservation practices.

Sec. 10. Effective July 1, 1988, the department of natural resources shall establish prices of plant material grown at the state forest nurseries to cover eighty percent of all expenses directly related to the growing of plants.

Effective July 1, 1989, the department shall establish prices of plant material grown at the state forest nurseries to cover all expenses directly related to the growing of the plants.

The department shall develop additional programs to encourage the wise management and preservation of existing woodlands and shall increase its efforts to encourage forestation and reforestation on private and public lands in the state.

The department shall encourage a cooperative relationship between the state forest nurseries and private nurseries in the state in order to achieve these goals.

Sec. 11. If the department of agriculture and land stewardship or the department of natural resources makes an appropriation transfer between appropriation line-items, the chairpersons and ranking members of the agriculture and natural resources appropriations subcommittee shall be notified in writing prior to the proposed transfer of funds. The notice from the department shall include information concerning the amount of the proposed transfer, the appropriation line-items affected by the proposed transfer, and the reasons for the proposed transfer. Chairpersons and ranking members notified shall be given at least two weeks to review and comment on the proposed transfer before the transfer of funds is made.

Sec. 12. Section 162.3, Code 1987, is amended to read as follows:

162.3 CERTIFICATE OF REGISTRATION FOR POUND.

No pound shall be operated unless a certificate of registration for the pound is granted by the secretary. Application for the certificate shall be made in the manner approved by the secretary. ~~No fee shall be required for the application or certificate.~~ Certificates of registration shall expire annually on March 1 unless revoked and may be renewed upon application in the manner provided by the secretary. A registered pound may engage in the sale of dogs or cats, or both, under its control, if it obtains a license for such activity, ~~but no fee shall be charged therefor unless the registered pound is privately owned.~~ The license fee for a registered pound shall be fifteen dollars per year.

Sec. 13. Section 162.5, Code 1987, is amended to read as follows:

162.5 PET SHOP LICENSE.

No person shall operate a pet shop unless the person has obtained a license to operate a pet shop issued by the

secretary. Application for the license shall be made in the manner provided by the secretary. The license shall expire annually on March 1 of each year unless revoked and may be renewed in the manner provided by the secretary. The license fee shall be ~~forty~~ fifty dollars per year or ~~ten~~ thirteen dollars for each quarter or portion of a quarter of a year. The license may be renewed if the licensee has conformed to all statutory and regulatory requirements.

Sec. 14. Section 162.6, Code 1987, is amended to read as follows:

162.6 COMMERCIAL KENNEL OR PUBLIC AUCTION LICENSE.

No person shall operate a commercial kennel or public auction, as defined in section 162.2, unless the person has obtained a license to operate a commercial kennel or a public auction issued by the secretary or unless the person has obtained a certificate of registration issued by the secretary if the kennel is federally licensed. Application for the license or the certificate shall be made in the manner provided by the secretary. The license and the certificate shall expire annually on March 1 unless revoked. The license fee shall be ~~twenty-five~~ forty dollars per year or ~~seven~~ ten dollars for each quarter or portion of a quarter of a year and the certification fee shall be five dollars annually. If the person has obtained a federal license, the person need only obtain a certificate. The license may be renewed upon application and payment of the prescribed fee in the manner provided by the secretary provided if the licensee has conformed to all statutory and regulatory requirements. The certificate may be renewed upon application and payment of the prescribed fee in the manner provided by the secretary.

Sec. 15. Section 162.7, Code 1987, is amended to read as follows:

162.7 DEALER LICENSE.

No person shall operate as a dealer unless the person has obtained a license issued by the secretary or unless the person has obtained a certificate of registration issued by



the secretary if the kennel is federally licensed. Application for the license or the certificate shall be made in the manner provided by the secretary. The license and certificate shall expire annually on March 1 unless revoked. The license fee shall be fifty one hundred dollars per year or fifteen twenty-five dollars for each quarter or portion of a quarter of a year, and the certification fee shall be five dollars per year. The license may be renewed upon application and payment of the prescribed fee in the manner provided by the secretary, provided if the licensee has conformed to all statutory and regulatory requirements. The certificate may be renewed upon application and payment of the prescribed fee in the manner provided by the secretary.

Sec. 16. Section 162.8, Code 1987, is amended to read as follows:

162.8 COMMERCIAL BREEDER'S LICENSE.

No person shall operate as a commercial breeder unless the person has obtained a license issued by the secretary or unless the person has obtained a certificate of registration issued by the secretary if the kennel is federally licensed. Application for the license or the certificate shall be made in the manner provided by the secretary. The annual license or the certification period shall commence March 1 of each year. The license fee shall be twenty-five forty dollars per year or seven ten dollars for each quarter or portion of a quarter of a year and the certificate fee shall be five twenty dollars per year. The license may be renewed upon application and payment of the prescribed fee in the manner provided by the secretary provided the licensee has conformed to all statutory and regulatory requirements. The certificate may be renewed upon application and payment of the prescribed fee in the manner provided by the secretary.

Sec. 17. Section 162.9, Code 1987, is amended to read as follows:

162.9 BOARDING KENNEL OPERATOR'S LICENSE.

No person shall operate a boarding kennel unless the person has obtained a license to operate a boarding kennel issued by the secretary. Application for the license shall be made in the manner provided by the secretary. The annual license period shall commence March 1 of each year. The license fee shall be fifteen thirty dollars per year or four nine dollars for each quarter or portion of a quarter of a year. The license may be renewed upon application and payment of the prescribed fee in the manner provided by the secretary provided the licensee has conformed to all statutory and regulatory requirements.

Sec. 18. Section 162.10, Code 1987, is amended to read as follows:

162.10 HOBBY KENNEL OWNER'S LICENSE.

No person shall operate a hobby kennel unless the person obtains a license issued by the secretary. Application for the license shall be in the manner provided by the secretary. The annual license period shall commence March 1. The license fee shall be two thirty dollars per year. The license may be renewed upon application in the manner prescribed by the secretary, provided the licensee has conformed to all statutory and regulatory requirements.

Sec. 19. Section 177A.9, unnumbered paragraph 2, Code 1987, is amended to read as follows:

The fees for inspections and certifications shall not be less than fifteen twenty-five dollars nor more than five hundred dollars. Certificates shall be issued to nursery stock growers and dealers on an annual basis. Inspection and certification fees for nursery stock growers shall be fifteen twenty-five dollars plus one-dollar five dollars per acre or part thereof, according to the amount of stock inspected. The inspection and certification fee for nursery stock dealers shall be fifteen twenty-five dollars. All fees shall be paid at the time of inspection or before a certificate is issued. Inspection and certification shall take place when necessary to enforce this chapter and the rules pursuant to it.

Certificates issued in accordance with this chapter may be revoked when inspection results determine that conditions violate the standards for which certification was issued.

Sec. 20. Section 199.15, unnumbered paragraph 1, Code 1987, is amended to read as follows:

A person shall not sell, distribute, advertise, solicit orders for, offer or expose for sale, agricultural or vegetable seed without first obtaining from the department a permit to engage in the business. A permit is not required of persons selling seeds which have been packed and distributed by a person holding and having in force a permit. A permit is not required of persons selling or advertising seed of their own production, provided that the seed is stored or delivered to a purchaser only on or from the farm or premises where grown. The fee for a new permit is ten dollars and the fee for a renewed permit is based on the gross annual sales of seeds in Iowa during the previous twelve-month period under the permit holder's label and all permits expire on the first day of July following date of issue. Permits shall be issued subject to the following fee schedule:

Gross sales of seeds		Fee
Not more than	\$ 25,000	\$10
		<u>30</u>
Over \$25,000 but not exceeding	50,000	20
		<u>60</u>
Over \$50,000 but not exceeding	100,000	30
		<u>90</u>
Over \$100,000 but not exceeding	200,000	40
		<u>120</u>

For each additional increment of one hundred thousand dollars of sales in Iowa the fee shall increase by ten thirty dollars. The fee shall not exceed one thousand five hundred dollars for a permit holder.

Sec. 21. Section 214.3, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

The fee for each license shall be four six dollars per annum, except that the fee for motor vehicle fuel pumps and meters shall be two three dollars per annum if paid within one month from the date the license fee is due.

Sec. 22. Section 215.2, subsection 1, Code 1987, is amended to read as follows:

1. Railroad track scales, fifty sixty-five dollars each.

Sec. 23. Section 215.20, unnumbered paragraph 1, Code 1987, is amended to read as follows:

The secretary of agriculture shall annually inspect and test all liquid meters used for the measurement and retail sale of liquefied petroleum gas and the secretary shall condemn all meters which are found to be inaccurate. A reasonable tolerance within a maximum of two percent, plus or minus, shall be allowed. It is unlawful to use a meter for retail measurement and sale which has been condemned. All condemned meters shall be conspicuously marked "inaccurate", and the mark shall not be removed or defaced except upon authorization of the secretary of agriculture or the secretary's authorized representative. The secretary of agriculture shall charge an annual fee of ten thirty-five dollars for each meter tested but the testing fee provided for by this section shall not be charged more than once in a calendar year to each meter tested. When liquefied petroleum gas is sold or delivered to a consumer as a liquid and by liquid measurement, the volume of liquid sold and delivered shall be corrected to a temperature of 60 degrees F. through use of an approved volume correction factor table, or through use of an approved meter with sealed automatic compensation mechanism. All sale tickets shall show the delivered gallons, the temperature at the time of delivery, and the corrected gallonage, or shall state that temperature correction was automatically made.

Sec. 24. All federal grants to and the federal receipts, not otherwise appropriated, of the agencies appropriated funds under this Act are appropriated for the purposes set forth in

the federal grants or receipts, unless otherwise provided by the general assembly.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2440, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

HOUSE FILE 2441

AN ACT

RELATING TO UNDERGROUND STORAGE TANKS, ESTABLISHING CERTAIN FEES, PROVIDING PENALTIES, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 4558.471, subsection 5, Code 1987, is amended to read as follows:

5. "Release" means spilling, leaking, emitting, discharging, escaping, leaching, or disposing of a regulated substance, including petroleum, from an underground storage tank into groundwater, surface water, or subsurface soils.

Sec. 2. Section 455B.471, Code 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 8. "Corrective action" means an action taken to minimize, eliminate, or cleanup a release to protect the public health and welfare or the environment. Corrective action includes, but is not limited to, excavation of an underground storage tank for the purpose of repairing a leak or removal of the tank, removal of contaminated soil, disposal or processing of contaminated soil, and cleansing of groundwaters or surface waters. Corrective action does not include replacement of an Underground storage tank. Corrective action specifically excludes third-party liability.

NEW SUBSECTION. 9. "Fund" means the Iowa comprehensive petroleum underground storage tank fund established in section 455B.479B.

NEW SUBSECTION. 10. "Board" means the Iowa comprehensive petroleum underground storage tank fund board established in section 455B.479C.

NEW SUBSECTION. 11. "Distributor" means a person who first receives petroleum within this state or a person who dispenses petroleum into an underground storage tank subject to the fee charged in section 4558.479 not owned or operated by the distributor.

NEW SUBSECTION. 12. "Third-party liability" means liability owed by an owner or operator to a person other than the fund for death, bodily injury, or property damage, but excludes corrective action, even if corrective action compensates a third party, in whole or in part, for injury or damage. Third-party liability is specifically excluded from fund coverage, and a third-party liability claim against an owner or operator covered by the fund is reduced to the extent that corrective action has already compensated the third party.

Sec. 3. NEW SECTION. 455B.473A PETROLEUM UNDERGROUND STORAGE TANK REGISTRATION AMNESTY PROGRAM.

A petroleum underground storage tank required to be registered under section 4558.473, which has not been registered prior to July 1, 1988, may be registered under the following conditions:

1. The tank registration fee under section 455B.473, subsection 5, shall accompany the registration.
2. The storage tank management fee of fifteen dollars per tank under section 455B.479 shall be paid for past years in which the tank should have been registered.
3. The owner or operator shall demonstrate financial responsibility as required by section 455B.479A.

If a tank is registered under this section on or prior to October 1, 1989, penalties under section 4558.477 shall be waived.

Sec. 4. Section 4558.474, subsection 1, paragraph d, Code supplement 1987, is amended to read as follows:

d. Taking corrective action in response to a release or threatened release from an underground storage tank including appropriate testing of drinking water which may be contaminated by the release. The corrective action rules shall enable the director to order an owner or operator to immediately take all corrective actions deemed reasonable and necessary by the director.

Sec. 5. Section 4558.474, subsection 1, paragraph e, Code Supplement 1987, is amended to read as follows:

e. The closure of tanks to prevent any future release of a regulated substance into the environment. If consistent with federal environmental protection agency technical standard regulations, state tank closure rules shall include, at the tank owner's election, an option to fill the tank with an inert material. Removal of a tank shall not be required if the tank is filled with an inert material pursuant to department of natural resources rules. A tank closed, or to be closed and which is actually closed, within one year of the effective date of this Act, shall be required to complete monitoring or testing as required by the department to ensure that the tank did not leak prior to closure, but shall not be required to have a monitoring system installed.

Sec. 6. Section 4558.474, subsection 1, paragraph f, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

Specifying an adequate monitoring system to detect the presence of a leaking underground storage tank and to provide for protection of the groundwater resources for regulated tanks installed prior to ~~May 17, 1986~~ January 14, 1987. ~~The commission shall adopt these rules not later than April 17, 1987, however, the effective date of the rules adopted shall be May 17, 1988~~ January 14, 1987. In the event that federal regulations are adopted by the United States environmental

protection agency after the commission has adopted state standards pursuant to this subsection, the commission shall immediately proceed to adopt rules consistent with those federal regulations adopted. Unless the federal environmental protection agency adopts final rules to the contrary, rules adopted pursuant to this section shall not apply to hydraulic lift reservoirs, such as for automobile hoists and elevators, containing hydraulic oil.

Sec. 7. Section 4558.474, subsection 1, paragraph f, Code Supplement 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The department may issue a variance, which includes an enforceable compliance schedule, from the mandatory monitoring requirement for an owner or operator who demonstrates a plan for tank removal, replacement, or filling with an inert material pursuant to a department approved variance. A variance may be renewed for just cause.

Sec. 8. Section 4558.474, subsection 2, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

The maintenance of evidence of financial responsibility as the director determines to be feasible and necessary for taking corrective action and for compensating third parties for bodily injury and property damage caused by release of a regulated substance from an underground storage tank, except an underground storage tank containing petroleum.

Sec. 9. Section 4558.474, subsection 3, paragraph d, Code Supplement 1987, is amended to read as follows:

d. Rules adopted by the commission shall specify adequate monitoring systems to detect the presence of a leaking underground storage tank and to provide for protection of the groundwater resources from regulated tanks installed after ~~May 17, 1986~~ January 14, 1987. ~~The commission shall adopt these rules not later than January 17, 1987, however, the effective date of the rules adopted shall be May 17, 1986~~. In the event

that federal regulations are adopted by the United States environmental protection agency after the commission has adopted state standards pursuant to this subsection, the commission shall immediately proceed to adopt rules consistent with those federal regulations adopted. Tanks installed on or after January 14, 1987, shall continue to be considered new tanks for purposes of this chapter and are subject to state monitoring requirements unless federal requirements are more restrictive.

Sec. 10. Section 4558.477, Code 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 6. The civil penalties recovered by the state or the fund in connection with a petroleum underground storage tank under this part of this division shall be credited to the fund.

NEW SUBSECTION, 7. The penalty for intentional failure of an owner or operator to register a petroleum underground storage tank under section 4558.473 shall be a minimum of seven thousand five hundred dollars up to a maximum of ten thousand dollars after October 1, 1989.

Sec. 11. NEW SECTION. 455B.479A PETROLEUM UNDERGROUND STORAGE TANK FUND.

1. MINIMUM FINANCIAL RESPONSIBILITY, THE "DEDUCTIBLE". The owner or operator shall demonstrate to the board evidence of financial responsibility in the amount of not less than twenty thousand dollars to cover corrective action costs through the use of one or more of the following financial assurance mechanisms:

- a. Self-insurance.
- b. Guarantee.
- c. Indemnity contract.
- d. Insurance.
- e. Risk retention group coverage.
- f. Letter of credit.

g. The Iowa comprehensive petroleum underground storage tank fund.

h. Governmental risk pool.

i. Status as a city, county, or school district, or other political subdivision empowered to enter into insurance agreements obligating the entity to make payments beyond its current budget year to procure or provide for a policy of insurance, a self-insurance program, or a local government risk pool. For the purposes of sections 296.7, 331.301, subsection 11, 364.4, 384.12, subsection 18, and 613A.7, coverage under the fund is an "insurance agreement", the fund deductible is a "self-insurance program", and alternative proof of aggregate financial responsibility pursuant to section 455B.479A, subsection 8, is a "self-insurance program\*."

The state of Iowa, its agencies, departments, and other administrative subdivisions, are not exempt from this division. The state may purchase coverage from the fund, or the state may prove both minimum financial responsibility and aggregate financial responsibility by its status as a governmental entity capable of self-insuring by reliance upon its taxing powers to satisfy future incurred obligations.

The board shall provide by rule that the deductible or minimum financial responsibility requirement of this subsection shall be on the same basis as provided for under subsection 1.

2. APPLICATION TO BOARD FOR FUND COVERAGE. An owner or operator may apply to the board for fund coverage of a tank on the form provided by the board.

3. APPLICATION TO BOARD FOR FUND COVERAGE OF THE DEDUCTIBLE. The owner or operator may apply to the board to have the fund provide coverage of the deductible only if all of the following requirements are met:

a. The owner or operator demonstrates that it has been unable to establish the minimum financial responsibility

required by subsection 1 and has made every reasonable attempt to secure coverage from at least two of the financial assurance mechanisms in subsection 1.

b. The owner or operator meets the guidelines for health, safety, and the public welfare required by law.

c. The owner or operator cooperates fully with the board during the application and investigation process and provide all documentation and records requested by the board.

d. The owner or operator consents to on-site inspection of the underground storage tank sought to be covered. The owner or operator shall pay the reasonable expenses of an on-site inspection under this paragraph.

e. The owner or operator is not insolvent and would not become insolvent by being required to pay the minimum amount of financial responsibility required by subsection 1.

f. Any other reasonable requirements set by the board.

4. THE BOARD MAY REFUSE FUND COVERAGE. The board reserves the right to refuse fund coverage, whether in combination with any other financial assurance mechanism or as the sole financial assurance mechanism to those owners or operators who fail to meet statutory standards and rules adopted by the board.

a. The board shall only extend fund coverage to an owner or operator for a petroleum underground storage tank which has an adequate monitoring system. However, the board may extend fund coverage for a petroleum underground storage tank without an adequate monitoring system, if the applicable one of the following conditions is satisfied:

(1) TANKS INSTALLED PRIOR TO JANUARY 14, 1967. The owner or operator of an underground storage tank has been granted a variance by the department which includes an enforceable compliance schedule pursuant to section 4556.474, subsection 1, paragraph "f". However, if an adequate monitoring system is not installed before the later of January 1, 1989, or the expiration of a variance issued by the department, the fund

shall not provide further coverage to the owner or operator of the tank unless the monitoring system has been installed.

(2) TANKS INSTALLED BETWEEN JANUARY 14, 1967, AND JANUARY 13, 1987. The owner or operator of an underground storage tank installed between January 14, 1967, and January 13, 1987, has been granted a waiver by the board. Waivers shall include an enforceable schedule for installation of a monitoring system satisfactory to the board. A waiver may allow for a delay in the installation of a monitoring system until either November 1, 1989, or until six months from the date on which insurance is provided, whichever is later. A waiver shall be granted to an owner who demonstrates plans for tank removal, replacement, or filling with an inert material pursuant to a department approved variance, or significant tank upgrades or improvements. Waivers may be renewed or extended for just cause within the times set out above, but after the deadline or expiration of a waiver. the fund shall not provide further coverage to the owner or operator of the tank unless the monitoring system is installed.

b. For purposes of this section, "an adequate monitoring system" means a system complying with mandatory monitoring rules issued by the department of natural resources or monitoring wells satisfactory to the board, except the board shall not accept the manual inventory method as a satisfactory monitoring system and the board shall not accept a monitoring system less stringent than department rules require, or published rules will require when effective, for the tank.

5. LIMITS OF FUND COVERAGE. The board may approve coverage up to a maximum of five hundred thousand dollars for corrective action per occurrence.

6. FUND PREMIUMS AND DEDUCTIBLES. Fund coverage shall be offered based upon the following deductible and premium combinations, at the insured's option:

a. Ten thousand dollar deductible for a four hundred dollar premium.

b. Twenty thousand dollar deductible for a three hundred twenty-five dollar premium.

c. Thirty thousand dollar deductible for a two hundred fifty dollar premium.

Premiums for fund coverage are per tank, per year, or the prorated portion of the premium for a portion of a year before the effective date of the federal environmental protection agency petroleum underground storage tank financial responsibility regulations. Any excess premium payment shall be credited to future premiums or refunded to the owner or operator.

The board in its discretion may require all new installations applying for fund coverage to be state-of-the-art installations.

Sec. 12. NEW SECTION. 455B.479B IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND.

The Iowa comprehensive petroleum underground storage tank fund is established as a financial assurance mechanism to assist in corrective action resulting from the accidental release of petroleum from underground storage tanks. The fund is established as a separate fund in the state treasury, and any funds remaining in the fund at the end of each fiscal year shall not revert to the general fund but shall remain in the Iowa comprehensive petroleum underground storage tank fund.

The state is not liable for claims presented against the comprehensive petroleum underground storage tank fund. All expenses incurred in carrying out section 455B.479A, this section, and sections 455B.479C through 455B.479H shall be payable solely from the comprehensive petroleum underground storage tank fund and no liability or obligation shall be imposed upon the state beyond this amount.

Sec. 13. NEW SECTION. 455B.479C GOVERNING BOARD.

1. MEMBERS OF THE BOARD. The Iowa comprehensive petroleum underground storage tank fund board is established consisting of the following members:

a. The director of the department of natural resources, or the director's designee.

b. The treasurer of state, or the treasurer's designee.

c. The commissioner of insurance, or the commissioner's designee.

d. Two public members with financial or insurance industry expertise appointed by the governor and confirmed by the senate to staggered four-year terms.

The filling of positions reserved for public representatives, vacancies, membership terms, payment of compensation and expenses, and removal of members are governed by chapter 69. The members shall elect a chairperson of the board.

2. DEPARTMENT OF NATURAL RESOURCES COOPERATION WITH BOARD.

The director of the department of natural resources shall cooperate with the board in the implementation of this part so as to minimize unnecessary duplication of effort or paperwork and maximize environmental protection.

3. REQUIRED RULES AND EMERGENCY RULES.

a. The board shall adopt rules regarding its practice and procedures, the form and procedure for application for financial responsibility certification, administration and collection of the comprehensive petroleum underground storage tank fee, procedures for investigating and settling claims, and establishment of guidelines outlining coverage available from the fund. The board in cooperation with the department shall require the reporting of the following information from owners and operators of tanks subject to the fee charged in section 455B.479:

(1) Actual cost of corrective action performed, whether or not paid for by the fund.

(2) The number of tanks owned by each owner, and their location, size, age, and amount of petroleum flowing through each site annually, to the extent each item is known or knowable.



(3) The number of tanks operated by each operator, and their location, size, age, and amount of petroleum flowing through each site annually, to the extent each item is known or knowable.

(4) Any other information, including prior loss experience, which the board or department requests relevant to an actuarial description of the tank population.

This information shall be organized and submitted to the general assembly prior to February 14, 1989. Information submitted by an individual owner or operator shall be confidential and not subject to disclosure under chapter 21 or 22, except as the information is submitted to the general assembly in the aggregate. The board and the division of insurance shall prepare a report on the fund, its project loss experience, the then current federal rules, and other matters relating to the solvency and future operations of the fund and submit the report to the general assembly on or before February 14, 1989.

b. The board may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement this subsection for one year after the effective date of this section.

c. Rules necessary for the implementation and collection of the comprehensive petroleum underground storage tank fee, under section 455B.479E, shall be adopted on or before June 1, 1988.

d. Rules for the implementation of sections 455B.479A through 455B.479I, shall be adopted prior to October 1, 1988.

4. PROFESSIONAL ADMINISTRATOR OF FUND. The board shall employ a professional administrator to manage the fund as an independent contractor. The professional administrator must have had insurance or actuarial experience and must demonstrate management abilities consistent with the responsibility of managing the fund.

Sec. 14. NEW SECTION. 455B.479D FUND'S REVENUE SOURCES.

Revenue from the following sources shall be deposited in the state treasury and credited to the fund:

1. Premiums collected for coverage provided by the fund.
2. The proceeds from the fee imposed in section 455B.479E.
3. Money recovered under sections 455B.477 and 455B.479G, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement.
4. Interest attributable to investment of money in the fund.
5. Money received by the board and department in the form of a gift, bequest, donation, federal grant, grant other than a federal grant, reimbursement, or appropriation from any source intended to be used for the purposes of the fund.

Sec. 15. NEW SECTION. 455B.479E PETROLEUM TANK FEE.

The legislature hereby declares that the storage fees imposed by this section do not constitute a tax and are not collected for purposes of increasing state revenues pursuant to section 30 of Article III or section 8 of Article VII of the Iowa Constitution.

1. GUARANTEE OF FUND'S SOLVENCY.

a. The board shall do the following when the unexpended balance in the fund falls below two million dollars:

Increase the premium established pursuant to section 455B.479A, subsection 6, by an amount reasonably calculated to restore the fund balance to greater than two million dollars except a premium shall not be surcharged more than twenty-five percent in any one year of continuous coverage. The surcharge shall be applied as an immediate surcharge due within thirty days after mailed notice. Failure to pay the surcharge terminates fund coverage for the owner or operator as of thirty days after mailed notice. An owner or operator failing to make payment within the allotted time must reapply for fund coverage to be effective upon the date of application and conditioned upon payment of the annual premium plus any applicable surcharge then in effect.

2. IMPOSITION OF COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FEE. A comprehensive petroleum underground storage tank fee is imposed on the use of underground storage tanks containing petroleum subject to the fee charged in section 455B.479. The petroleum tank fee shall be collected at the distributor level. A distributor shall pay the fee on petroleum which is dispensed by the distributor into an underground storage tank subject to the fee charged in section 455B.479 not owned or operated by the distributor. Every distributor shall, as required by law, pay to the director of revenue and finance, or to a depository designated by the director, an amount equal to the rate provided under this section. A distributor which initially receives petroleum from out-of-state shall pay the fee on any petroleum deposited into an underground storage tank subject to the fee charged in section 455B.479 owned or operated by the distributor. The fee shall be paid only the first time that petroleum is deposited or dispensed into an underground storage tank subject to the fee charged in section 455B.479. A distributor shall receive a credit for the fee paid on petroleum transported and dispensed out-of-state by the distributor. The board shall adopt rules and forms to be used for the collection of the fee. The fee shall be imposed, as required under section 455B.479I, at a rate of twenty dollars per one thousand gallons of petroleum, which is a regulated substance as defined in section 455B.471, subsection 4, rounded to the nearest one thousand gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 455B.477.

3. UNEXPENDED BALANCE RETAINED IN THE FUND. Any unexpended balance in the fund at the end of the fiscal year shall be retained in the fund.

4. FEE COLLECTION. For the purpose of determining the amount of liability for the comprehensive petroleum underground storage tank fee for each distributor, a

distributor shall file with the department of revenue and finance, not later than the last day of the month following the month in which the fee is imposed, a monthly fee statement certified under penalties for false certificate. The statement shall show, with reference to each location at which petroleum is subject to the fee, the amount of petroleum deposited into an underground storage tank, the amount of the fee collected in the preceding calendar month, and such information as the department may reasonably require for the proper administration and enforcement of the fee.

5. PAYMENTS. The statement shall be accompanied by remittance in the amount of the fee due for the month in which the comprehensive petroleum underground storage tank fee was imposed.

6. DEDUCTIONS AND CREDITS. The statement shall show the amount of deductions or credits claimed by the distributor as authorized in this division in such detail and with such supporting evidence as is prescribed by the department of revenue and finance and as may be required for administration of this division.

7. OTHER INFORMATION. Such other information as the department of natural resources, the board, or the department of revenue and finance may require for the enforcement and administration of this chapter.

8. ENFORCEMENT. Enforcement of fee collection is the responsibility of the department of revenue and finance.

Sec. 16. NEW SECTION. 455B.479F DISBURSEMENTS.

Money in the fund may only be expended for the following purposes:

1. To administer the comprehensive petroleum underground storage tank program established in this part of this division, including but not limited to, payment of the professional administrator on an independent contract basis. The department of revenue and finance shall be compensated for the actual costs incurred for acting as the depository of the comprehensive petroleum underground storage tank fee.

2. To take corrective action for a release of petroleum into the environment from an underground storage tank for which coverage has been extended by the fund, up to the amount of coverage extended, but in no case to exceed five hundred thousand dollars for corrective action, per occurrence.

3. For the cost of corrective action up to five hundred thousand dollars per occurrence for a release of petroleum into the environment from an underground storage tank if one of the following requirements is met:

a. The owner or operator cannot be identified by the board within ninety days of report of the release to the department.

b. The owner or operator is incapable, in the judgment of the board, of carrying out the reasonable and required corrective action.

4. To fund the petroleum underground storage tank financing account established pursuant to chapter 455D.

Sec. 17. NEW SECTION. 455B.479G COST RECOVERY ENFORCEMENT.

1. GENERAL RULE, RECOVERY SOUGHT FROM OWNER OR OPERATOR. The board shall seek recovery from the owner or operator of the underground storage tank which released the petroleum and which is the subject of the corrective action for all costs or moneys expended from the fund under section 455B.479F.

2. OWNER'S EXCESS LIABILITY. A person asserting a claim against an owner or operator shall proceed directly against the owner or operator. An owner or operator purchasing fund coverage is liable for the deductible, third-party liability, and any corrective action liability above fund coverage limits.

3. OWNER OR OPERATOR NOT IN COMPLIANCE WITH MINIMUM FINANCIAL RESPONSIBILITY REQUIREMENTS SUBJECT TO FULL AND TOTAL COST UNDER GENERAL RULE. Notwithstanding subsection 2, the liability of an owner or operator shall be the full and total costs of corrective action and for bodily injury or property damage to third parties specified in subsection 1 if

the owner or operator has not complied with the requirements of section 455B.479A.

4. TREBLE PUNITIVE DAMAGES FOR CERTAIN VIOLATIONS.

Notwithstanding subsection 2, the owner or operator, or both, of an underground storage tank may be liable to the fund for punitive damages in an amount equal to three times the amount of any cost incurred or moneys expended by the fund as a result of a release of petroleum from the underground storage tank if the owner or operator did one of the following:

a. Failed, without sufficient cause, to respond to a release of petroleum from the underground storage tank upon, or in accordance with, a notice issued by the director.

b. After the effective date of this section failed to perform any of the following:

(1) Failed to register the underground storage tank, which was known to exist or reasonably should have been known to exist.

(2) Intentionally failed to report a known release.

The punitive damages imposed under this subsection shall be in addition to any costs or expenditures recovered from the owner or operator pursuant to this section and in addition to any other penalty or relief provided by this part or any other law.

However, the state, a city, county, or other political subdivision shall not be liable for punitive damages.

5. JOINDER OF PARTIES. Upon motion and sufficient showing by a party, the court or the department shall join to the action any person who may be liable for costs and expenditures of the type recoverable pursuant to this section.

6. EXCEPTION TO RULE OF JOINT AND SEVERAL LIABILITY. A party found liable for any costs or expenditures recoverable under this section, who establishes by a preponderance of the evidence that only a portion of those costs or expenditures is attributable to that party's actions, shall pay only for that portion.

7. APPLICATION OF EQUITABLE PRINCIPLES IF INSUFFICIENT PROOF TO APPORTION COSTS OR EXPENDITURES. If the trier of fact finds the evidence insufficient to establish each party's portion of costs or expenditures pursuant to subsection 6, the court shall apportion those costs or expenditures among the defendants, to the extent practicable, according to equitable principles.

8. PAYMENT OF COSTS OR EXPENDITURES ABOVE AMOUNT APPORTIONED. The fund shall pay any portion of the judgment in excess of the aggregate amount of costs or expenditures apportioned under subsection 6 or subsection 7.

9. STRICT LIABILITY. The standard of liability for any costs recoverable pursuant to this part of this division is strict liability.

10. THIRD-PARTY CONTRACTS NOT BINDING ON BOARD, PROCEEDINGS AGAINST RESPONSIBLE PARTY. No insurance, indemnification, hold harmless, conveyance, or similar risk-sharing or risk-shifting agreement shall be effective to transfer any liability for costs recoverable under this section. The fund may proceed directly against the owner or operator or other allegedly responsible party. This section does not bar any agreement to insure, hold harmless, or indemnify a party to the agreement for any costs or expenditures under this chapter, and does not modify rights between the parties to an agreement.

11. LATER PROCEEDINGS PERMITTED AGAINST OTHER PARTIES. The entry of judgment against a party to the action does not bar a future action by the board against another person who is later alleged to be or discovered to be liable for costs and expenditures paid from the fund. Subsequent successful proceedings against another party shall not modify or reduce the liability of a party against whom judgment has been previously entered.

12. UPON PAYMENT OF CLAIM, BOARD ACQUIRES SUBROGATION RIGHTS. Payment of a claim by the fund pursuant to this part

of this chapter shall be conditioned upon the board acquiring by subrogation the rights of the claimant to recover those costs and expenditures for corrective action for which the fund has compensated the claimant, from the person responsible or liable for the unauthorized release. A claimant is precluded from receiving double compensation for the same injury.

13. EXCLUSION OF PUNITIVE DAMAGES. The fund shall not be liable in any case for punitive damages.

Sec. 18. NEW SECTION. 455B.479H FUND NOT PART OF THE IOWA INSURANCE GUARANTY ASSOCIATION.

Notwithstanding any other provisions of law to the contrary, the Iowa comprehensive underground storage tank fund shall not be considered an insurance company or insurer under the laws of this state and shall not be a member of nor be entitled to claim against the Iowa insurance guaranty association created under chapter 515B.

Sec. 19. NEW SECTION. 455B.479I INITIAL FUNDING FOR COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND.

To provide the initial funding for the comprehensive petroleum underground storage tank fund, the director of revenue and finance shall impose the fee established in section 455B.479E, subsection 2, in the month of August 1988. The fee shall be paid to the department of revenue and finance no later than September 30, 1988.

Fund coverage shall be provided to eligible applicants no later than January 14, 1989. The board may, in its discretion, extend coverage earlier. Provided, however, that fund coverage may be provided upon approval of an application, retroactive to the effective date of this Act, if the applicant has a monitoring system installed on the insured tank in compliance with department of natural resources published rules, then effective, or to become effective, for that tank.

Sec. 20. NEW SECTION. 455D.1 LOANS FOR REPAIR OR REPLACEMENT OF PETROLEUM UNDERGROUND STORAGE TANKS.

This chapter shall be titled, "Loans for Repair or Replacement of Petroleum Underground Storage Tanks."

Sec. 21. NEW SECTION. 455D.2 LEGISLATIVE FINDINGS -- NECESSITY FOR LOAN FUND TO ACCOMPLISH ENVIRONMENTAL GOALS WHILE PROTECTING SMALL BUSINESSES.

The legislature finds the following:

1. It is necessary and essential that the state use all practical means to control or eliminate pollution hazards posed by leaking petroleum underground storage tanks.
2. Small businesses in this state do not always have the financial means necessary to repair and upgrade existing underground storage tanks to reduce the probability that unauthorized releases of petroleum may occur.
3. The public health and safety of the state will benefit from providing new methods to finance the capital outlays required to repair and upgrade petroleum underground storage tanks by small business owners of such tanks.

Sec. 22. NEW SECTION. 455D.3 DEFINITIONS.

1. "Account" means the petroleum underground storage tank financing account established under section 455D.4, subsection 2.
2. "Authority" means the Iowa petroleum underground storage tank financing authority.
3. "Small business" means a business that meets all the following requirements:
  - a. Is independently owned and operated.
  - b. Owns one, but no more than ten petroleum underground storage tanks at no more than two different sites.
4. "Participating party" means a small business within this state which requires financing pursuant to the terms of this section to aid and assist in the repair, upgrading, or replacement of an existing petroleum underground storage tank.

Sec. 23. NEW SECTION. 455D.4 IOWA PETROLEUM UNDERGROUND STORAGE TANK FINANCING ACCOUNT.

1. The governing board of the Iowa comprehensive petroleum underground storage tank fund established pursuant to section 455B.479C shall constitute the Iowa petroleum underground storage tank financing authority. The authority shall adopt rules to provide loans, guarantees, or interest buy-downs to financially qualified small businesses for the purposes of repairing, upgrading, or replacing petroleum underground storage tanks to meet applicable state or federal standards. Financial assistance from the account, whether in the form of a loan, guarantee, or interest buy-down, is conditioned upon the repair, upgrade, or installation for which assistance is provided and must result in state-of-the-art tank and monitoring systems. The board shall take appropriate steps to publicize the existence of the loan program. Maintenance of the financing account and loan program are the responsibility of the treasurer of state. All expenses incurred in carrying out this section shall be payable solely from the petroleum underground storage tank financing account and no liability or obligation shall be imposed upon the state beyond this amount.

2. The Iowa petroleum underground storage tank financing account is established as a separate fund in the state treasury, and any funds remaining in the account at the end of each fiscal year shall not revert to the general fund but shall remain in the Iowa petroleum underground storage tank financing account.

Sec. 24. NEW SECTION. 455D.5 PROOF OF FINANCIAL NEED.

As a condition of eligibility for financial assistance under this chapter, a participating party shall attempt to obtain financing from private lending sources. If two financial institutions are unwilling to make the loan, the participating party shall determine if the institution would make the loan in participation with the authority as a guarantor.

Sec. 25. NEW SECTION. 455D.6 LENGTH OF LOAN.

The maturity for each loan made by the authority pursuant to this chapter shall be the shortest feasible term commensurate with the repayment ability of the borrower. However, the maturity date of a loan shall not exceed ten years.

Sec. 26. NEW SECTION. 455D.7 MAXIMUM LOAN AND LOW COST INTEREST.

A loan made pursuant to this chapter shall not exceed fifty thousand dollars. The interest charged on a tank loan shall equal the cost of borrowing money by the state on the first day of the calendar quarter during which the loan is approved.

Sec. 27. NEW SECTION. 455D.8 SOURCE OF REVENUES.

The source of funds for the Iowa petroleum underground storage tank financing account shall be from the following:

1. The Iowa comprehensive petroleum underground storage tank fund in the amount of two percent of fees collected pursuant to section 455B.479E.
2. Interest payments received by the authority from outstanding loans.
3. Any money appropriated by the federal government or general assembly and made available to the account.

Sec. 28. NEW SECTION. 455D.9 FUTURE REPEAL.

This chapter is repealed effective July 1, 1998. Any moneys remaining in or due the account shall revert to the Iowa comprehensive petroleum underground storage tank fund.

Sec. 29. NEW SECTION. 455B.490 AUTOMATIC REPEAL OF IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND.

1. Sections 455B.477 through 455B.479I are repealed effective July 1, 2003.
2. The repeal of the sections listed in subsection 1 shall not terminate the following obligations or authorities necessary to administer the obligations until these obligations are satisfied:
  - a. The payment of claims filed prior to July 1, 2003, against the Iowa comprehensive petroleum underground storage

tank fund pursuant to section 455B.479F, until moneys in the fund are exhausted. Upon exhaustion of the fund, any remaining claims shall be invalid. If following satisfaction of the obligations pursuant to this section, moneys remain in the fund, all remaining moneys and moneys due the fund shall be prorated to premium payers on an equitable basis determined by the board.

- b. The resolution of a cost recovery action filed prior to July 1, 2003.

Sec. 30. INSTALLER'S FUND STUDY. The board shall perform a study of the feasibility of creating a separate fund to provide coverage to installers of petroleum underground storage tanks. An installer's fund would provide coverage to premium paying insureds on an actuarially sound basis and be managed by the board in conjunction with the comprehensive petroleum underground storage tank fund. Installer's coverage would be limited to environmental hazard coverage for both corrective action and third-party liability for petroleum underground storage tanks installed in Iowa after the creation of the fund. The study shall include, but is not limited to, the following topics:

1. Actuarial estimate of the per-tank premium necessary to provide actuarially sound coverage to tank installers.
2. Need for licensing or other precondition to providing coverage to a specific petroleum underground storage tank installer.
3. The cost and availability of private insurance for installers.
4. The number of installers doing business in the state.
5. Loss data from past or existing claims against installers for both corrective action and third-party liability.
6. Suggested limits of coverage, amount of the deductible, and other fund features.

7. The board's recommendation to the general assembly concerning provision of coverage to installers.

The results of the study shall be submitted to the general assembly on or before December 1, 1988.

Sec. 31. 1987 Iowa Acts, chapter 225, section 602, is repealed.

Sec. 32. This Act, being deemed of immediate importance, takes effect upon enactment.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2441, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 28-52

TERRY E. BRANSTAD  
GOVERNOR

May 13, 1988

The Honorable Elaine Baxter  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

I hereby transmit House File 2441, an act relating to underground storage tanks, establishing certain fees, providing penalties, and providing an effective date.

House File 2441 is approved with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as: Sections 1 & 2 in their entirety; the first paragraph of Section 3, subsection 3; Section 8 in its entirety; Section 10, new subsection 6, in its entirety, and Sections 11 through 30 in their entirety.

House File 2441 establishes a state operated underground storage tank insurance fund. The fund would provide coverage up to \$500,000 per occurrence for leaks from underground storage tanks. This state insurance system is funded by tank fees assessed to owners of underground storage tanks which will raise approximately \$6 million per year. In addition, the legislation requires the imposition of a two cent per gallon tax on all petroleum products stored in the state in August of 1988. This tax increase is expected to raise approximately \$3 million this year.

In addition, House File 2441 includes provisions which delay the state rules requiring monitoring wells around existing tanks from May 1 of this year to January 14 of 1989 and provides additional enforcement tools to the Department of Natural Resources in this area.

I believe that a delay in the implementation of the state rules requiring costly monitoring of wells is in order, given the fact the federal government has yet to issue its rules governing these tanks. In addition, I approve of the additional enforcement tools which are provided to the Department of Natural Resources to deal with leaky underground storage tanks.



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However, I cannot approve the items in this bill which:

- ◆ put the state in the insurance business by creating the state underground storage tank insurance fund;
- ◆ raise taxes; and
- ◆ appropriate tax revenues to the fund.

I believe this complicated tax increase and public insurance system sets the state on a fiscally hazardous cause. Moreover, it excessively increases the gas and petroleum taxes for Iowans and prematurely leapfrog federal regulations which have not yet been issued in this area.

First, some background is probably in order. The Congress has passed a law requiring the Environmental Protection Agency (EPA) to establish standards to deal with underground storage tanks. The EPA has been struggling with those standards for over two years. Proposed rules were issued once and then withdrawn after considerable public comment and protest. The key elements of the rules are likely to be monitoring clean up and financial responsibility standards. In the interim, the Iowa Legislature mandated that the state require expensive monitoring wells to be constructed around each existing underground storage tank by May 1 of this year. Most owners of underground storage tanks were simply unable to comply with this mandate. Moreover, many owners of underground storage tanks were unable to obtain insurance necessary to provide funds to clean up underground storage tank leaks if they are found.

This bill is an attempt by the General Assembly to provide state insurance to pay for clean up without knowing what the federal rules which will govern the financial liability of tank owners will require.

My concerns about that action by the state of Iowa are threefold:

- ◆ The under funded insurance effectively exposes the state to considerable liability;
- ◆ The taxes on petroleum products should not be raised again and used for this purpose;
- ◆ State action of this import should not be taken until the federal rules are issued.

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I have deep philosophical concerns about involving the state in the insurance business. I generally believe that insurance is best left to the private sector. I do understand that most underground storage tank owners find it difficult, if not impossible, to locate private insurers, however. Nevertheless, House File 2441 establishes an insurance fund, that according to actuarial estimates, will be insolvent by \$10-\$20 million. This \$10-\$20 million unfunded liability would have to be picked up by either tank owners or, in all probability, by the state. Since tank owners do not have the financial ability to pick up those additional costs, it is quite likely that this \$10-20 million of unfunded liability will eventually fall on the state's taxpayers. I am reluctant to commit the state to fund such a substantial liability.

In addition, I am deeply concerned about the method that is used in this legislation to provide public funds for this insurance system. Public funds are provided by a two cent increase in all petroleum products stored in August of this year. We have already adjusted the motor fuel user fee to pay for the Transportation 2000 commercial highway network and to replace lost federal funds needed to repair and maintain our highways. I believe that adjustment is enough. We should not shove another two cent per gallon tax increase in August on to the state's petroleum users.

Moreover, I am concerned about the precedent this legislation sets in using a petroleum tax for purposes other than maintaining our transportation system. Our Constitution appropriately requires that motor fuel user fees be dedicated towards the maintenance of our roadways. This legislation attempts to evade that constitutional provision by taxing petroleum fuels while they are still in the distributor storage tanks and then using them for an insurance fund. Thus, the bill raises serious constitutional questions and, in any event, sets a bad precedent for road funding decisions in the future.

Finally, I believe that House File 2441 attempts to solve a problem that has not yet been defined. The financial responsibility requirements to be placed on owners of underground storage tanks will be established by the rules reportedly due out anywhere from October of this year to the spring of next year. In addition, the preliminary reports indicate that there may be changes in the financial responsibility requirements for tank owners in those rules. And, there are some reports that the effective date of the financial responsibility requirements in the rules could be delayed until 1990 or 1991.

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Frankly, until the rules are finally issued, we do not know what type of financial responsibility system should be established to deal with leaky underground storage tanks. The likely size of the problem will probably necessitate some sort of state role in the clean up process and I am certainly willing to consider options to do that, given the important environmental **need** to maintain clean groundwater. However, I believe it would be premature and ill advised to put in place a two cent **per** gallon petroleum tax, and a state operated insurance **fund** with a \$10-20 **million** unfunded liability until we receive clear indications of **just** what the federal government will **require**. We should have a much better idea of what those requirements will be at the time of the commencement of the next General **Assembly**. Once the final federal rules are issued, I will **work** closely with the affected parties to develop an appropriate state response to this important environmental issue.

In short, I cannot approve those items in House File 2441 which potentially obligate the state to considerable financial liability, raise the petroleum tax by two cents per gallon on Iowans, and appropriate to and establish the state underground storage insurance fund. I believe it would be premature and fiscally unwise for the state to take this step at this time.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of **Iowa**. All other items in House File 2441 are hereby approved as of this date.

Sincerely,



Terry E. Branstad  
Governor

- . TEB/ps
- . cc: Secretary of the Senate  
Chief Clerk of the House

HOUSE FILE 2443

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO THE JUSTICE SYSTEM AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the general office of attorney general for salaries and support of not more than one hundred forty-eight full-time equivalent positions, maintenance, and miscellaneous purposes: \$ 3,692,010

2. Prosecuting attorney training program for salaries and support of not more than two full-time equivalent positions, maintenance and miscellaneous purposes: \$ 87,277

3. Prosecuting intern program; however, counties participating in the prosecuting intern program shall match funds appropriated by this subsection: \$ 44,955

4. In addition to the funds appropriated under subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1988, and ending June 30, 1989, an amount not exceeding ninety-five thousand (95,000) dollars to be used for the enforcement of the Iowa competition law under chapter 553. The expenditure of the funds appropriated under this subsection is contingent upon receipt by the general fund of the state of an amount at least equal to either the expenditures from damages awarded to the state or a political subdivision

of the state by a civil judgment under chapter 553, if the judgment authorizes the use of the award for enforcement purposes or costs or attorneys fees awarded the state in state or federal antitrust actions.

5. In addition to funds appropriated under subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1988, and ending June 30, 1989, an amount not exceeding fifty thousand (50,000) dollars to be used for public education relating to consumer fraud and for enforcement of section 714.16. The expenditure of the funds appropriated under this subsection is contingent upon receipt by the general fund of the state of an amount at least equal to the expenditures from damages awarded to the state or a political subdivision of the state by a civil consumer fraud judgment, if the judgment authorizes the use of the award for public education on consumer fraud. Notwithstanding section 8.33, funds received in a previous fiscal year which have not been expended shall be credited to this fiscal year.

6. For the farm mediation service program: \$ 200,000

7. For the legal assistance for farmers program: \$ 60,000

Sec. 2. There is appropriated from the utilities trust fund to the office of consumer advocate of the department of justice for the fiscal year beginning July 1, 1988 and ending June 30, 1989, the sum of one million one hundred forty-four thousand eight hundred fifty-six (1,144,856) dollars, or so much thereof as is necessary, for salaries and support of not more than twenty-one full-time equivalent positions, maintenance, and operational purposes of the office.

Sec. 3. There is appropriated from the general fund of the state to the board of parole for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, for salaries and support of not more than eighteen full-time equivalent positions, maintenance and miscellaneous purposes:

..... \$ 613,000

Sec. 4. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the operation of adult correctional institutions, to be allocated as follows:

a. For the operation of the Fort Madison correctional facility, including salaries and support of not more than four hundred seventy-seven point five full-time equivalent positions, maintenance, and miscellaneous purposes, the sum of seventeen million one hundred twenty-six thousand three hundred sixty-five (17,126,365) dollars, and as a condition, limitation, and qualification of this appropriation, the facility shall employ two hundred ninety correctional officers.

b. For the operation of the Anamosa correctional facility, including salaries and support of not more than three hundred nine full-time equivalent positions, maintenance, and miscellaneous purposes, the sum of eleven million nine hundred twenty-five thousand five (11,925,005) dollars, and as a condition, limitation, and qualification of this appropriation, the facility shall employ one hundred seventy-eight correctional officers.

c. For the operation of the Oakdale correctional facility, including salaries and support of not more than two hundred forty-four point five full-time equivalent positions, maintenance, and miscellaneous purposes, the sum of eight million three hundred eighty thousand seven hundred sixty-five (8,380,765) dollars, and as a condition, limitation, and qualification of this appropriation, the facility shall employ one hundred twenty-four correctional officers.

d. For the operation of the Newton correctional facility, including salaries and support of not more than fifty-six full-time equivalent positions, maintenance, and miscellaneous

purposes, the sum of two million one hundred eight thousand one hundred seventy-two (2,108,172) dollars, and as a condition, limitation, and qualification of this appropriation, the facility shall employ eighteen correctional officers.

e. For the operation of the Mt. Pleasant correctional facility, including salaries and support of not more than two hundred fifty-two point two eight full-time equivalent positions, maintenance, and miscellaneous purposes, the sum of nine million one hundred six thousand seven hundred eighty-seven (9,106,787) dollars, and as a condition, limitation, and qualification of this appropriation, the facility shall employ one hundred thirty-four correctional officers.

f. For the operation of the Rockwell City correctional facility, including salaries and support of not more than sixty-four full-time equivalent positions, maintenance, and miscellaneous purposes, the sum of two million two hundred forty-four thousand four hundred eighty-one (2,244,481) dollars, and as a condition, limitation, and qualification of this appropriation, the facility shall employ thirty-six correctional officers.

g. For the operation of the Clarinda correctional facility, including salaries and support of not more than one hundred two point six five full-time equivalent positions, maintenance, and miscellaneous purposes, the sum of three million two hundred eighty thousand two hundred thirty-two (3,280,232) dollars, and as a condition, limitation, and qualification of this appropriation, the facility shall employ fifty-nine correctional officers.

h. For the operation of the Mitchellville correctional facility, including salaries and support of not more than eighty-two full-time equivalent positions, maintenance, and miscellaneous purposes, the sum of two million seven hundred thirteen thousand eight hundred forty-one (2,713,841) dollars, and as a condition, limitation, and qualification of this appropriation, the facility shall employ forty-four correctional officers.

2. The department of corrections shall provide a report to the co-chairpersons and ranking members of the justice system appropriations subcommittee and the legislative fiscal bureau on or before January 15, 1989, detailing the amount of money to be pooled by the institutions for educational programs, which educational institutions will be involved, the amount of any federal funds received for use with these programs, and any other pertinent information.

3. If the inmate tort claim fund for inmate claims of less than twenty-five dollars is exhausted during the fiscal year, sufficient funds shall be transferred from the institutional budgets to pay approved tort claims for the balance of the fiscal year. The warden or superintendent of each institution or correctional facility shall designate an employee to receive, investigate, and recommend whether to pay any properly filed inmate tort claim for less than the above amount. The designee's recommendation shall be approved or denied by the warden or superintendent and forwarded to the department of corrections for final approval and payment. The amounts appropriated to this fund pursuant to 1987 Iowa Acts, chapter 234, section 304, subsection 2, are not subject to reversion under section 8.33.

Tort claims denied at the institution shall be forwarded to the state appeal board for their consideration as if originally filed with that body. This procedure shall be used in lieu of chapter 25A for inmate tort claims of less than twenty-five dollars.

Of the funds appropriated, the department's budget for Anamosa shall include funding for a full-time substance abuse counselor for the Luster Heights facility, for the purpose of certification of a substance abuse program at that facility.

Sec. 5. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. For general administration, including salaries and support of not more than thirty-seven point five two full-time equivalent positions, maintenance, and miscellaneous purposes: ..... \$ 1,693,744

The department of corrections shall report to the legislative fiscal bureau on a monthly basis the current number of persons placed on probation or released on parole residing within this state and supervised pursuant to the interstate probation and parole compact.

The department of corrections and the board of parole shall review the implementation of, and the participation of this state under, the interstate probation and parole compact including, but not limited to the method of administration under the compact. The report shall be filed with the co-chairpersons and ranking members of the justice system appropriations subcommittee, the executive council, and the legislative fiscal bureau on or before January 15, 1989.

It is the intent of the general assembly that the department of human services shall continue to provide for the mailing of vendor warrants for the department of corrections.

2. For reimbursement of counties for temporary confinement of work release and parole violators, as provided in sections 246.908, 901.7, and 906.17:

..... \$ 119,580

3. For federal prison reimbursement and miscellaneous contracts:

..... \$ 300,000

The department of corrections shall use funds appropriated by this subsection to continue to contract for the service of a Muslim imam.

4. For salaries and support of not more than six point three one full-time equivalent positions, maintenance, and miscellaneous purposes at the correctional training center at Mt. Pleasant:

..... \$ 279,731

5. For repairs to roofs and related expenses at the correctional institutions:

..... \$ 115,584

Sec. 6.

1. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 1988, and ending June 30, 1989, or so much thereof as is necessary, the following amounts allocated as follows:

a. For the first judicial district department of correctional services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of three million one hundred sixty-four thousand nine hundred forty (3,164,940) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, sixty thousand four hundred twenty (60,420) dollars shall be used for intensive supervision programs established within the district.

b. For the second judicial district department of correctional services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of two million five hundred sixty-four thousand two hundred seventy-eight (2,564,278) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, ninety-seven thousand three hundred eighty-four (97,384) dollars shall be used for sex offender programs established within the district.

c. For the third judicial district department of correctional services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of one million four hundred seventy thousand seven hundred eighty-two (1,470,782) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, twenty-four thousand (24,000) dollars shall be used for sex offender programs established within the district.

d. For the fourth judicial district department of correctional services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of one million three hundred eighty-two thousand one (1,382,001) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, sixteen thousand three hundred forty (16,340) dollars shall be used for sex offender programs established within the district.

e. For the fifth judicial district department of correctional services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of four million four hundred forty thousand nine hundred sixty-nine (4,440,969) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, one hundred seventy thousand fifty-eight (170,058) dollars shall be used for intensive supervision programs established within the district.

f. For the sixth judicial district department of correctional services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of three million two hundred thirty-two thousand one hundred seventy-eight (3,232,178) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, one hundred four thousand two hundred fifty-nine (104,259) dollars shall be used for intensive supervision programs established within the district.

g. For the seventh judicial district department of correctional services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of two million seven hundred thirty-eight thousand twenty-eight (2,738,028) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, seventy-three thousand six hundred ninety-six (73,696) dollars shall be used for intensive supervision programs established within the district.

h. For the eighth judicial district department of correctional services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the sum of one million three hundred thirty-three thousand seven hundred nineteen (1,333,719) dollars, or so much thereof as is necessary, and as a condition, limitation, and qualification of this appropriation, seventy-three thousand seven hundred fifty-two (73,752) dollars shall be used for intensive supervision programs established within the district.

1. To the department of corrections for the assistance and support of each judicial district department of correctional services, the following amount:

..... \$ 86,445

2. The department of corrections shall not change the appropriations either to the district departments of correctional services or to the correctional institutions from the amounts appropriated under this section and section 4 of this Act, unless notice of the revisions is given prior to their effective date to the legislative fiscal bureau. The notice shall include information on the department's rationale for making the changes and details concerning the workload and performance measures upon which the changes are based.

3. The department of corrections shall report to the legislative fiscal bureau on a monthly basis the current expenditures and full-time equivalent positions of the department's various allocations with a comparison of actual to budgeted expenditures and full-time equivalent positions.

The department shall furnish performance measure data designed to enable comparison of this data with historical spending information, and shall assist the legislative fiscal bureau in developing information to be used in legislative oversight of all programs operated by the department.

4. The department of corrections shall continue the OWI facilities established in 1986 Iowa Acts, chapter 1246, section 402, in compliance with the conditions specified in that section.

Sec. 7. There is appropriated from the general fund of the state to the judicial department for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

COURTS AND ADMINISTRATION

1. For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, judicial magistrates and staff, state court administrator, clerk of the supreme court, district court administrators, clerks of the district court, juvenile court officers, board of law examiners and board of examiners of shorthand reporters and judicial qualifications commission, maintenance, equipment and miscellaneous purposes:

..... \$ 58,159,405

2. For salaries, support, maintenance, and miscellaneous purposes necessary to provide adult indigent defense and the cost of juvenile proceedings including attorney and witness fees:

..... \$ 8,000,000

3. For the juvenile victim restitution program:

..... \$ 115,000

Notwithstanding chapter 232A, it is the intent of the general assembly that the judicial department receive the funds appropriated and administer the Iowa juvenile victim restitution program.

4. For salaries, support, maintenance, and miscellaneous purposes necessary to fund the cost of juvenile proceedings including attorney and witness fees:

..... \$ 1,500,000

Sec. 8. Of the funds appropriated by section 7, subsection 1, of this Act, not more than one million six hundred thousand (1,600,000) dollars may be transferred into the revolving fund established pursuant to section 602.1302, subsection 4, to be used for the payment of jury and witness fees and mileage.



Sec. 9. A public office providing indigent defense which is in existence on June 30, 1988, shall not be abolished during the period beginning June 30, 1988, and ending June 30, 1989, unless done at the request of the chief judge of the judicial district.

Sec. 10. Section 602.1301, subsection 2, paragraph a, Code 1987, is amended to read as follows:

a. As early as possible, but not later than December 1, the supreme court shall submit to the legislative fiscal bureau the annual budget request and detailed supporting information for the judicial department. The submission shall be designed to assist the legislative fiscal bureau in its preparation for legislative consideration of the budget request. The information submitted shall contain and be arranged in a format substantially similar to ~~part of the governor's budget message as~~ the format specified in by the director of management and used by all department and establishments in transmitting to the director estimates of their expenditure requirements pursuant to section 8-22 8.23. The supreme court shall also make use of the department of management's automated budget system when submitting information to the director of management to assist the director in the transmittal of information as required under section 3.35A.

Sec. 11. 1987 Iowa Acts, chapter 234, section 304, subsection 2, unnumbered paragraph 1, is amended to read as follows:

In addition to the funds appropriated in subsection 1, there is appropriated one thousand five hundred (1,500) dollars for an inmate tort claim fund for inmate claims of less than twenty-five dollars. The amount appropriated to the inmate tort claim fund is not subject to reversion under section 3.33. If the fund is exhausted during the fiscal year, sufficient funds shall be transferred from the institutional budgets to pay approved tort claims for the balance of the fiscal year.

Sec. 12. In order to achieve full-time equivalent position levels, the number of filled positions may exceed the number of full-time equivalent positions during parts of the fiscal year to compensate for time periods when the number of filled positions is below the number of full-time equivalent positions. For purposes of this section, a full-time equivalent position equals two thousand eighty hours in one fiscal year.

Sec. 13. All federal grants to and the federal receipts of the agencies to whom funds are appropriated under this Act are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 14. The legislative council shall create a corrections task force to review and assess the state's corrections system. The task force shall address how to achieve the maximum safety for the public in the most cost-effective and efficient manner for the taxpayers and citizens of Iowa. The task force shall be composed of five members of the senate, five members of the house of representatives, one member representing the board of parole, one member representing the department of corrections and one member representing the judicial district department of correctional services. The task force is authorized to contract with consultants and experts within the corrections area to review and assess the state's corrections system for the purpose of recommending a long-term master plan. The plan shall include two-year, five-year, and ten-year goals and a comprehensive ten-year master plan for the corrections system. This plan shall include a study and evaluation of the custody classification system regarding the availability of minimum, medium, and maximum security beds in the correctional institutions and the availability of beds within the judicial district departments of correctional services. The study shall compare recommended classification levels of the national institute of corrections and the federal board of parole. The classification study shall include the

development of a profile of the state's prison population, a determination of whether an identifiable group of inmates exists which could be placed in alternative correctional programs without increased risk to the public safety, an examination of the current aggregate custody needs involving the state's prison population so that preliminary estimates may be made of prison capacity needs by custody level, and a determination of the overuse or underuse of bed space at the various custody levels.

The master plan shall also include an evaluation of the risk assessment model used by the board of parole in comparison with other available models including the Rand study model.

The master plan shall include recommendations relating to sentencing patterns and practices, release criteria, and resource allocation. The plan shall also include evaluation and recommendations for use of diversion and community service programs and the use of alternative and intermediate sanction programs, such as intensive supervision and electronic monitoring. Recommendations shall also be made as to institutional staffing levels and training programs for corrections officers. Correctional policy alternatives with cost-benefit analyses regarding those alternatives shall be provided. The plan shall project prison population for the next five years and if necessary make recommendations concerning the construction and maintenance of additional prison space. Any recommendations for additional space shall include the location or locations of additional correctional bed space and to the extent intermediate or alternative sanctions can reduce the need for any additional space. The plan shall also address programs targeted toward OWI offenders, substance abusers, and sex offenders, and shall include the cost-effectiveness of lease purchase arrangements to build any new prison space. The task force shall recommend a five-year to ten-year maintenance program for the correctional institutions in this state.

The task force shall report to the legislative council and the general assembly by January 15, 1989, its determinations and findings concerning the custody classification system and the risk assessment model used by the board of parole. The master plan shall be completed and a report made to the legislative council and the general assembly by January 1, 1990.

Sec. 15. Sections 9 and 11 of this Act, being deemed of immediate importance, takes effect upon enactment.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2443, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

HOUSE FILE 2444

AN ACT

RELATING TO REGULATORY BODIES OF STATE GOVERNMENT BY MAKING APPROPRIATIONS TO AGENCIES, BOARDS, COMMISSIONS, DEPARTMENTS, AND PROGRAMS OF STATE GOVERNMENT INCLUDING THE AUDITOR OF STATE, CAMPAIGN FINANCE, EMPLOYMENT SERVICES, LABOR SERVICES, INDUSTRIAL SERVICES, JOB SERVICES, INSPECTIONS AND APPEALS, COMMERCE, PROFESSIONAL LICENSING AND REGULATION, INSURANCE, ALCOHOLIC BEVERAGES, BANKING, CREDIT UNION, SAVINGS AND LOAN, AND UTILITIES, BY MANDATING CERTAIN STUDIES, POLICIES, AND OTHER ACTIONS BY CERTAIN REGULATORY BODIES, BY INCREASING CERTAIN FEES, BY ALLOCATING CERTAIN EXPENSES BETWEEN STATE AGENCIES, AND BY EXEMPTING CERTAIN REGULATORY PERSONNEL FROM THE MERIT PAY SYSTEM AND PROVIDING CERTAIN EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries and support for not more than ninety point five full-time equivalent positions, maintenance, and other operational purposes:

..... \$ 1,413,442

The auditor of state shall be reimbursed, out of the examined agency's appropriation, for performing examinations of the department of human services, the state department of transportation, the Iowa department of public health, the state board of regents, the department of agriculture and land stewardship, the department of economic development, the department of education, the department of employment

services, the department of natural resources, and federal financial assistance, as defined in Pub. L. No. 98-502, received by all other departments.

The auditor of state shall audit an agency or department, which does not receive federal funding, every other year if in the judgment of the auditor of state, the agency or department would not be adversely affected by being audited less than annually. The auditor of state shall report to the legislative fiscal bureau and the department of management on or before September 1, 1988, which agencies and departments will be audited every other year instead of annually.

The auditor of state shall collect information on the costs, including time spent by employees of the auditor of state, associated with providing assistance to private certified public accounting firms, local governments, and other people in connection with audits of political subdivisions not conducted by the auditor of state. The auditor of state shall report the cost information to the legislative fiscal bureau and the department of management on or before September 1, 1988.

Sec. 2. There is appropriated from the general fund of the state to the campaign finance disclosure commission for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, for the purposes designated:

1. For salaries and support of not more than four full-time equivalent positions, maintenance and miscellaneous purposes:

..... \$ 178,599

2. For salaries and support of not more than zero point seventy-five full-time equivalent positions for an administrative intern:

..... \$ 8,100

Sec. 3. There is appropriated from the administrative surcharge trust fund to the department of employment services

for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the following amounts, or so much thereof as is necessary, for the purpose of rural job service office operations:

.....\$ 1,300,000

Sec. 4. There is appropriated from the general fund of the state to the department of employment services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, for the purpose designated:

1. DIVISION OF LABOR SERVICES

For salaries and support for not more than eighty-four point eighty-five full-time equivalent positions, maintenance and miscellaneous purposes:

..... \$ 1,867,668

2. DIVISION OF INDUSTRIAL SERVICES

For salaries and support for not more than thirty-six point ninety-five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 1,427,071

The division shall add three full-time employees, from the funds appropriated, to expedite the administrative hearing process for workers' compensation cases, and to reduce case backlogs. The employees shall include one deputy industrial commissisner, and two clerical employees. The division shall begin charging a sixty-five dollar filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim; however, the fee can be taxed as a cost, and therefore, paid by the losing party, except in cases where it would impose an undue hardship or be unjust in the circumstances. The division shall by rule implement the filing fee.

It is the intent of the general assembly that the position of job service commissioner not be filled and that the directors of the department of employment services shall

continue to act as the chief executive officer of the division of job service.

Sec. 5. The department of employment services, division of labor services, may, conditioned upon the adoption of a contractor registration requirement similar to that provided for by Senate File 2318, expend up to fifty thousand dollars, or so much thereof as is necessary, out of the funds collected under the contractor registration requirements, for the purposes of implementation and administration of the contractor registration program. This appropriation is exempt from the department of management's quarterly allocation recapture procedure.

Sec. 6. CONTINGENCY FUND USES -- BUILDING AND EQUIPMENT EXPENSES, ECONOMIC DEVELOPMENT LABOR SURVEYS, DIVISION-APPROVED TRAINING.

1. Notwithstanding the provisions of section 96.13, subsection 3, which restrict the use of moneys in the special employment security contingency fund, moneys in the fund on June 30, 1988, shall not be transferred by the treasurer of state to either the temporary emergency surcharge fund or the unemployment compensation fund, but shall be available to the division of job service of the department of employment services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, for expenditures under subsection 2.

2. The division of job service shall expend moneys which are credited to the special employment security contingency fund during the fiscal year beginning July 1, 1988, and ending June 30, 1989, including moneys which are available to the division of job service under subsection 1, only in accordance with the following restrictions:

a. The division may expend up to fifty thousand (50,000) dollars from the fund for replacing the roof of the state administrative office building.

b. The division may expend up to four hundred fifty-two thousand five hundred (452,500) dollars from the fund for the

support of the county, labor survey, economic development teams.

c. Any balance of moneys in the special employment security contingency fund shall be deposited by the treasurer of state in the division-approved training fund which is created as a special fund in the state treasury. Notwithstanding section 453.7, interest or earnings from moneys deposited in the division-approved training fund shall be credited to that fund. The division shall use moneys from the fund to pay only the instructional cost of training related to tuition and course fees, approved by the division pursuant to section 96.4 and 345 IAC, rules 4.39 and 4.40, for individuals who demonstrate to the division's satisfaction that they are financially incapable of paying the instructional cost of the approved training. However, the division may expend up to forty thousand (40,000) dollars from the fund for administrative costs relating to payments for division approved training.

Payments from the fund shall not be made to the individual receiving approved training but shall be made directly to the institution or person providing the approved training. Payments shall not exceed one thousand dollars per individual trainee in any two-year period. The division shall distribute information on the qualification requirements for and availability of payment for the division-approved training to individuals filing claims for benefits or receiving benefits under chapter 96.

Sec. 7. A rural job service operations study committee shall be established consisting of the following members:

1. One representative appointed by the speaker of the house.
2. One representative appointed by the house minority leader.
3. One senator appointed by the senate majority leader.
4. One senator appointed by the senate minority leader.

The legislative fiscal bureau shall provide staff assistance. The committee shall meet with the job service advisory council for the purpose of establishing criteria to be used for making changes in rural job service operations and service delivery.

Issues for consideration include, but are not limited to, the following:

- a. Evaluation of job service's administrative structure, including staffing, level of service, method of service, and organizational structure.
- b. Location of offices.
- c. Access to services and the types of services provided.
- d. Possible consolidation of similar services which are provided to similar clients.
- e. Feasibility and cost of providing certain job service functions through automation or telephone communications.

Sec. 8. There is appropriated from the administrative contribution surcharge fund of the state to the department of employment services for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF JOB SERVICE	
For salaries, support, maintenance, and miscellaneous purposes of rural and satellite job service offices in population centers of less than twenty thousand:	
.....	\$ 3,743,151
2. DIVISION OF JOB SERVICE	
For deposit in the division-approved training fund:	
.....	5 1,149,209

As a condition of these appropriations, all job service offices which were open and operating on June 30, 1988, shall remain open and operating during fiscal year 1989. However, this provision shall not prevent the consolidation of multiple offices within the same city or the collocation of a job service office with another state office.

Sec. 9. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. GENERAL DEPARTMENT

For salaries and support for not more than two hundred twenty-seven point five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 3,960,680

It is the intent of the general assembly that food and food service establishments receiving a score of ninety points or more in the last two inspections shall be subject to an annual inspection rather than semiannual inspections.

It is the intent of the general assembly that the department of inspections and appeals continue the demonstration waiver project through June 30, 1989, to encourage the development of residential care facilities, which serve persons with mental retardation, chronic mental illness, and other developmental disabilities, which have five or fewer residents for persons specified in section 225C.26. The project shall be exempt from section 135.63 through June 30, 1989. The demonstration waiver committee shall evaluate the project and make a recommendation whether to continue the project to the general assembly, on or before February 15, 1989.

2. DEPARTMENT OF INSPECTIONS AND APPEALS

For salaries and support for not more than one full-time equivalent position for a field auditor to audit bingo operations:

..... \$ 37,000

3. EMPLOYMENT APPEAL BOARD

For salaries and support for not more than one point eight full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 32,151

4. FOSTER CARE REVIEW BOARD

For salaries and support for not more than five full-time equivalent positions, maintenance, and miscellaneous purposes: \$ 193,781

5. The department of inspections and appeals may charge state departments, agencies, and commissions for services rendered and the payment received shall be considered repayment receipts as defined in section 8.2, subsection 5.

6. It is the intent of the general assembly that the board of cosmetology examiners and the board of barber examiners, as appropriate, shall increase the original and renewal license fees to operate a beauty salon and the original and renewal of a barber shop license fee as follows:

- a. A beauty shop original license fee shall be increased to thirty dollars.
- b. A beauty shop renewal license fee shall be increased to thirty dollars.
- c. A barber shop original license fee shall be increased to thirty dollars.
- d. A barber shop renewal license fee shall be increased to thirty dollars.

The board of cosmetology examiners and the board of barber examiners shall by rule implement this fee schedule.

Sec. 10. There is appropriated from the road use tax fund to the department of inspections and appeals for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries and support for not more than eleven point five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 364,851

It is the intent of the general assembly that the department of inspections and appeals cross train its

employees to perform more than one form of inspection or work whenever possible.

Sec. 11. There is appropriated from the road use tax fund to the department of inspections and appeals for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the following amount, or so much thereof as is necessary, for the purposes designated:

For salary adjustments:  
..... \$ 24,124

Sec. 12. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries and support for not more than thirteen full-time equivalent positions, maintenance and miscellaneous purposes:  
..... \$ 604,405

- Sec. 13.
1. There is created in the office of the treasurer of state for the professional licensing and regulation division of the department of commerce, a professional licensing revolving fund.
  2. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 1988, and ending June 30, 1989, one hundred thousand dollars for deposit in the professional licensing revolving fund.
  3. The amount appropriated in subsection 2 from the general fund of the state is appropriated from the professional licensing revolving fund to the treasurer of state to be transferred to and deposited in the general fund of the state no later than June 30, 1989.
  4. There is appropriated from the professional licensing revolving fund to the professional licensing and regulator.

division of the department of commerce, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary for the following purposes:

For salaries and support for not more than nine full-time equivalent positions, maintenance, and other operational purposes:  
..... \$ 654,027

The professional licensing division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually.

5. It is the intent of the general assembly that the department of commerce shall transfer eighty percent of fee revenue from the professional licensing and regulation division to the professional licensing revolving fund. The department of commerce shall remit and deposit the remaining twenty percent of the professional licensing and regulation division fees to the general fund of the state.

Sec. 14. No later than January 15, 1989, the administrator of the division of professional licensing of the department of commerce shall prepare and submit a study to the general assembly evaluating the feasibility of adopting financial responsibility rules meeting the following criteria:

1. The rules shall require a member of a regulated profession to carry errors or omissions insurance to cover all regulated activities of the profession, or similar professional malpractice insurance.

2. The rules shall permit the administrator to contract with an insurance provider for a group policy for each of all professions regulated by the administrator. The contract shall be solicited by competitive, sealed bid.

3. A group policy obtained by the administrator to satisfy the mandate of subsection 1 shall be made available to all members of the regulated profession with no right on the part of the insurance provider to cancel coverage for any member.

4. A member of a profession shall have the option of obtaining insurance independently, provided that the coverage contained in an independently obtained policy complies with the minimum requirements adopted by rule of the administrator.

5. The administrator shall determine the terms and conditions of coverage for the annual policy at least thirty days prior to the annual policy renewal date. The study shall include proposed terms and conditions. A certificate of coverage, showing compliance with the required terms and conditions of coverage, must be filed with the administrator as a condition to license renewal by a member opting not to participate in the group insurance program contracted for by the administrator.

6. If the administrator is unable to obtain a group policy of errors and omissions insurance coverage at a reasonable premium to insure all members of a regulated profession who choose to participate in the group insurance program, the insurance or proof of financial responsibility requirement shall not be applicable to that profession during the applicable contract year.

The study shall include an evaluation of the availability of a group policy meeting the listed criteria, and an estimate of the premiums costs for a member of each regulated profession. The study shall describe the minimum requirements contemplated, including, but not limited to deductible amounts and minimum coverage limits. The study shall also describe the availability and cost of currently available insurance

programs for each profession, both group and individual. The study shall contain a recommendation of the administrator whether to adopt professional financial responsibility rules for each regulated profession and whether to provide a group insurance policy program as described in this subsection.

Sec. 15. The Code editor shall change all references to the "real estate examining board" to read "real estate commission", to conform with amendments in this Act to section 117.8.

Sec. 16. There is appropriated from the administrative services trust fund to the administrative services division of the department of commerce for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the following purposes:

For salaries and support for not more than forty-four point five full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 1,377,154

Sec. 17. Notwithstanding section 123.53, there is appropriated from the beer and liquor control fund to the alcoholic beverages division of the department of commerce for the fiscal year beginning July 1, 1988, and ending June 30, 1989, four million four hundred ninety-five thousand seven hundred fifty-five (4,495,755) dollars, or so much thereof as is necessary, for salaries and support for not more than eighty-three point eighty-six full-time equivalent positions, maintenance and other operational purposes or additional funds as necessary for the orderly and efficient operation of the liquor system, subject to the approval of the department of management. The department of management shall notify the legislative fiscal committee of the need for additional funds. Funds appropriated under this section shall not be used for lease-purchase of cash registers.



The alcoholic beverages division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures will be reconciled and any overpayment will be returned to each division or any underpayment will be paid by each division.

Sec. 18. The legislative fiscal bureau shall perform a joint study of the state of Iowa's wholesale liquor system. The purpose of the study is to examine the feasibility and policy issues of eliminating the current wholesale system. The study shall be submitted to the general assembly on or before January 10, 1989.

Sec. 19. 1986 Iowa Acts, chapter 1246, section 755, is hereby reenacted and remains effective to the extent that persons who were employed by the division of alcoholic beverages whose positions were terminated as a result of sections 724 through 761 of chapter 1246 of the 1986 Iowa Acts shall continue to be accorded the hiring preferences for other positions in state departments provided by section 755.

Sec. 20. There is appropriated from the banking revolving fund to the banking division of the department of commerce for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the following purposes:

For salaries and support for not more than one hundred eighteen point fifty full-time equivalent positions, maintenance and other operational purposes:  
..... \$ 4,960,352

The banking division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures will be reconciled and any overpayment will be returned to each division or any underpayment will be paid by each division.

The banking division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for bank examinations and directly result from examinations of banks. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the examination expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those banks being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 21. There is appropriated from the credit union revolving fund to the credit union division of the department of commerce for the fiscal year beginning July 1, 1988, and

ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the following purposes:

For salaries and support for not more than eighteen full-time equivalent positions, maintenance, and other operational purposes:

..... \$ 819,119

The credit union division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures will be reconciled and any overpayment will be returned to each division or any underpayment will be paid by each division.

The credit union division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for credit union examinations and directly result from examinations of credit unions. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the examination expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected

from those credit unions being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 22. There is appropriated from the savings and loan revolving fund to the savings and loan division of the department of commerce for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the following purposes:

For salaries and support for not more than six full-time equivalent positions, maintenance and other operational purposes:

..... \$ 287,060

The savings and loan division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures will be reconciled and any overpayment will be returned to each division or any underpayment will be paid by each division.

The savings and loan division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for savings and loan examinations and directly result from examinations of savings and loans. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall

determine that the examination expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those savings and loans being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 23. There is appropriated from the insurance revolving fund to the insurance division of the department of commerce for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the following purposes:

For salaries and support for not more than eighty-seven point thirty-three full-time equivalent positions, maintenance and other operational purposes:

..... \$ 3,547,300

It is the intent of the general assembly that the department of commerce shall transfer sixty percent, provided that the fee increases in section 22 are implemented otherwise the department shall transfer fifty-five percent, of insurance nonexamination revenues received for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the general fund of the state.

Of the funds appropriated, forty-five thousand (45,000) dollars, or so much thereof as necessary, shall be transferred to the office of the attorney general to reimburse the office of the attorney general for one assistant attorney general. It is the intent of the general assembly that an additional forty-five thousand (45,000) dollars of the funds appropriated to the division of insurance shall be expended for the computerization of continuing education files and other automation improvements.

The insurance division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures will be reconciled and any overpayment will be returned to each division or any underpayment will be paid by each division.

The insurance division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for insurance company examinations and directly result from examinations of insurance companies. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the examination expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which examination expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those insurance companies being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 24.

1. It is the intent of the general assembly that the division of insurance of the department of commerce amend the current insurance agent Licensing fee and securities agent license fee to provide as follows:

a. An insurance agent license fee shall be fifty dollars once every three years and ten dollars annually for continuing education.

b. A securities agent license fee shall be thirty dollars annually.

2. The division shall by rule implement this fee structure.

Sec. 25. There is appropriated from the utilities trust fund to the utilities division of the department of commerce for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to be used for the following purposes:

For salaries and support for not more than ninety-six point five full-time equivalent positions, maintenance and other operational purposes:

..... \$ 4,478,319

The utilities division of the department of commerce shall transfer at the beginning of each fiscal quarter from appropriated trust funds to the administrative services trust fund an amount which represents the division's share of the estimated cost of consolidated administrative services within the department of commerce, such share to be in the same proportion as established by agreement in the fiscal year beginning July 1, 1986, and ending June 30, 1987, with the first quarterly transfer to occur between July 1 and July 31 annually. At the close of the fiscal year, actual versus estimated expenditures will be reconciled and any overpayment will be returned to each division or any underpayment will be paid by each division.

Sec. 26. The racing commission shall submit the commission's fiscal year 1990 budget request in the same

manner and level of detail as required by the department of management for state agencies receiving a general fund appropriation for their operations. The commission shall submit the detailed budget information to the department of management and the legislative fiscal bureau on or before October 1, 1988.

Sec. 27. Section 19A.3, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 21. A chief deputy industrial commissioner.

Sec. 28. Section 96.7, subsection 12, paragraph c, Code Supplement 1987, is amended to read as follows:

c. Moneys in the fund shall be used by the division only upon appropriation by the general assembly and only for personnel and nonpersonnel costs of rural and satellite job service offices in population centers of less than twenty thousand or for the division-approved training fund funded in section 8, subsection 2, of this Act. ~~After the end of 8 state-fiscal-year the treasurer of state shall promptly transfer all moneys in the fund which have not been appropriated or which have been appropriated but remain unencumbered or unobligated to the unemployment compensation fund.~~

Sec. 29. Section 96.11, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 14. ACCESS TO AVAILABLE JOBS LIST. The division of job service shall make available for consultation by the public, at each of the division's offices, a list of current job openings listed with the division, provided that the list shall comply with the confidentiality requirements of section 97.11, subsection 7, or those mandated by the federal government.

Sec. 30. Section 996.2, subsection 1, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

The ~~division~~ department of inspections and appeals shall issue the licenses required by this chapter. A license shall not be issued, except upon submission to the ~~division~~ department of an application on forms furnished by the ~~division~~ department, and the required license fee. A license may be **issued** to an eligible applicant. An authorization number to operate may be issued to an applicant until a license is issued. However, a license or authorization number shall not be issued to an applicant who has been convicted of ~~or~~ pled guilty to a violation of this chapter, or who has been convicted of or pled guilty to a violation of chapter 123 that resulted, at any time, in revocation of a license issued to the applicant under chapter 123 ~~or~~ that resulted, within the twelve months preceding the date of application for a license required by this chapter, in suspension of a license issued under chapter 123. To be eligible for a two-year license under section 998.7, an organization shall have been in existence at least five years prior to the date of issuance of the license. However, an organization which has been in existence for less than five years prior to the date of issuance of the license may obtain a two-year license if either of the following conditions apply:

Sec. 31. Section 998.3, subsection 1, paragraph b, Code 1987, is amended to read as follows:

b. The person conducting the game has submitted a license application and a fee of fifteen fifty dollars for each game, and has been issued a license for the game, and prominently displays the license at the playing area of the game. A license is valid for a period of one year from the date of issue.

Sec. 32. Section 998.6, subsection 1, paragraph a, Code Supplement 1987, is amended to read as follows:

a. The holder of the liquor control license or beer permit has submitted an application for a license and an application fee of one hundred fifty dollars, and has been issued a license and prominently displays the license on the premises.

Sec. 33. Section 998.7, subsection 3, paragraph a, Code Supplement 1987, is amended to read as follows:

3. a. A person wishing to conduct games and raffles pursuant to this section as a qualified organization shall submit an application and a license fee of one hundred fifty dollars. However, upon submission of an application accompanied by a license fee of fifteen dollars, a person may be issued a limited license which shall authorize the person to conduct all games and raffles pursuant to this section at a specified location and during a specified period of fourteen consecutive calendar days. A limited license shall not be issued more than once during any calendar year to the same person, or for the same location. For the purposes of this paragraph, a limited license is deemed to be issued on the first day of the fourteen-day period for which the license is issued.

Sec. 34. Section 998.10, subsection 1, Code Supplement 1987, is amended to read as follows:

1. A prize of merchandise ~~exceeding-five-dollars-in-value~~ or cash shall not be awarded for use of the device. However, a mechanical or amusement device may be designed or adapted to award **a-prize-at** one or more free games or portions of games without payment of additional consideration by the participant.

Sec. 35. Section 116.3, subsection 3, unnumbered paragraph 2, Code 1987, is amended by striking the paragraph.

Sec. 36. Section 117.8, Code 1987, is amended to read **as follows**:

117.8 REAL ESTATE ~~EXAMINING-BOARD~~ COMMISSION CREATED -- STAFF.

A real estate ~~examining-board~~ commission is created within the professional licensing and regulation division of the department of commerce. The **board** commission consists of three members licensed under this chapter and two members not licensed under this chapter and who shall represent the

general public. At least one of the licensed members shall be a licensed real estate salesperson, except that if the licensed real estate salesperson becomes a licensed real estate broker during a term of office, that person may complete the term, but is not eligible for reappointment on the board commission as a licensed real estate salesperson. A licensed member shall be actively engaged in the real estate business and shall have been **so** engaged for five years preceding the appointment, the last two of which shall have been in Iowa. Professional associations or societies of real estate brokers or real estate salespersons may recommend the names of potential board commission members to the governor. However, the governor is not bound by their recommendations. A board commission member shall not be required to be a member of any professional association or society composed of real estate brokers or salespersons. Board Commission members shall be appointed by the governor subject to confirmation by the senate. Appointments shall be for three-year terms and shall commence and end as provided in section 69.19. A member shall serve no more than three terms or nine years, whichever is less. No more than one member shall be appointed from a county. A board commission member shall not hold any other elective or appointive state or federal office. Vacancies shall be filled for the unexpired term by appointment of the governor and are subject to senate confirmation. A majority of the board commission members constitutes a quorum. The administrator of the professional licensing and regulation division shall hire and provide staff to assist the board commission with implementing this chapter.

Sec. 37. Section 118.16, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 14. "Interior designer" means a person using such designation in the performance of interior design services who has either passed the NCIDQ (National Council for Interior Design Qualification) prior to or subsequent to

enactment of this Act, or who were qualified under established NCIDQ criteria to take the examination as of the date of enactment of this Act. An interior designer performing customary interior design services shall not be deemed to **be** engaged in the unlawful practice of architecture. Customary interior design services include nonstructural aspects of interior space as provided in section 118.18.

Sec. 38. Section 170.5, unnumbered paragraph 3, Code 1987, is amended by striking the unnumbered paragraph.

Sec. 39. Section 170A.5, unnumbered paragraph 3, Code 1987, is amended by striking the unnumbered paragraph.

Sec. 40. NEW SECTION. 258A.11 CONTINUING EDUCATION MINIMUM REQUIREMENTS.

The board of barber examiners and the board of cosmetology examiners, created pursuant to chapter 147, shall each require, as a condition of license renewal, a minimum of six hours of continuing education in the two years immediately prior to a licensee's license renewal.

Sec. 41. Section 546.10, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The professional licensing and regulation division of the department of commerce may expend additional funds, including funds for additional personnel, if those additional expenditures are directly the cause of actual examination expenses exceeding funds budgeted for examinations. Before the division expends or encumbers an amount in excess of the funds budgeted for examinations, the director of the department of management shall approve the expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the examination expenses exceed the funds budgeted by the general assembly to the division and the division does not have other funds from which the expenses can be paid. Upon approval of the director of the department of management, the division may expend and encumber funds for excess examination

expenses. The amounts necessary to fund the examination expenses shall be collected as fees from additional examination applicants and shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 42. 1384 Iowa Acts, chapter 1279, section 44, is repealed.

Sec. 43. NEW SECTION. 237.23 AUTOMATIC REPEAL.

Sections 237.15 through 237.22, Code 1987, are repealed July 1, 1992.

Sec. 44. The department of human services, the foster care review board, and the supreme court shall submit a coordinated foster care plan to the legislature on or before January 15, 1989. The plan shall coordinate foster care services between the participants to avoid duplication, to improve delivery of services, and improve fact-finding, review, and appeal processes, both nonjudicial and judicial, to the extent possible. The plan should include specific proposals for legislative action necessary to implement the plan. The plan shall also include a critical review and summary of problems with the current system.

Sec. 45. Section 714.23, unnumbered paragraph 1, Code 1987, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

A student enrolled in a proprietary school which offers a course of study of more than four months in length and leads to a degree, diploma, or license shall, upon terminating study in the course, be obligated to the school for costs not to exceed the following:

1. The total cost of all textbooks, tools, equipment, uniforms, and other course-related materials purchased and received by the student as of the date of termination.
2. Fees charged by the school, not to exceed one hundred fifty dollars.
3. The total tuition cost of the course multiplied by a factor whose numerator shall be the time the student was in

attendance and whose denominator shall be the total length of the course. In determining the student's tuition obligation to the school, the following rules shall apply:

a. The student's starting date shall be the first day the student attends classes.

b. The student's termination date shall be the last day the student attends classes.

c. Time in attendance shall be the actual time the student was at the school: total length of the course shall be stated in identical units as time in attendance.

All moneys collected by the proprietary school from or for the benefit of the student: in excess of the total of subsections 1 through 3 shall, within thirty days of the student's termination date, be returned to the appropriate agency or person. For purposes of this chapter, unless the context otherwise requires, "proprietary school" means a person offering a course of instruction at the postsecondary level, for profit, that is more than four months in length and leads to a degree, diploma, or license.

Sec. 46. NEW SECTION. 714.24 PERFORMANCE BOND.

A proprietary school shall, prior to enrollment of any students and thereafter annually on or before June 30 of each year, present evidence to the attorney general that the school has obtained a performance bond to be used to make refunds of moneys received by the school for the benefit of students in the event the school ceases business or is otherwise unable to perform as required by section 714.23.

The amount of the performance bond shall be fifty thousand dollars for a school which has not operated in the state in the previous twelve months, and shall be fifty thousand dollars or twenty-five percent of the school's previous year's tuition receipts, whichever is less, for a school which has operated in the state in the previous calendar year.

Sec. 47. NEW SECTION. 714.25 DISCLOSURE.

A proprietary school located within the state shall, prior to the time a student is obligated for payment of any moneys, inform the student of all of the following:

1. The total cost of the course of instruction as charged by the school.
2. An estimate of any fees which may be charged the student by others which would be required if the student is to successfully complete the course and, if applicable, obtain a degree, diploma, or license.
3. The percentage of students who successfully complete the course, the percentage who terminate prior to completing the course, and the period of time upon which the school has based these percentages. The reporting period shall not be less than one year in length and shall not extend more than five years into the past.
4. If claims are made by the school as to successful placement of students in jobs upon completion of the course of study, the school shall provide the student with all of the following:
  - a. The percentage of graduating students who were placed in jobs in fields related to the course of instruction.
  - b. The percentage of graduating students who went on to further education immediately upon graduation.
  - c. The percentage of students who, ninety days after graduation, were without a job and had not gone on to further education.
  - d. The period of time upon which the reports required by paragraphs "a" through "c" were based. The reporting period shall not be less than one year in length and shall not extend more than five years into the past.
5. If claims are made by the school as to income levels of students who have graduated and are working in fields related to the school's course of instruction, the school shall inform the student of the method used to derive such information.

Sec. 48. 1986 Iowa Acts, chapter 1245, section 763, is repealed.

Sec. 49. Section 114.23, Code 1987, is repealed.

Sec. 50. Sections 3 and 11 of this Act, being deemed of immediate importance, are effective upon enactment.

Sec. 51. Section 43 of this Act is effective June 30, 1988.

Sec. 52. All federal grants to and the federal receipts of the agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants or receipts unless otherwise provided by the general assembly.

\_\_\_\_\_  
WNALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2444, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor





OFFICE OF THE GOVERNOR

STATE CAPITOL  
DES MOINES, IOWA 50319  
515 281-5211

TERRY E. BRANSTAD  
GOVERNOR

April 13, 1988

The Honorable Donald Avenson  
Speaker  
House of Representatives  
State Capitol Building  
L O C A L

Dear Mr. Speaker:

I hereby transmit House File 2444, an act relating to regulatory bodies of state government by **making** appropriations to agencies, **boards**, commissions, departments, and programs of state government including the auditor of state, campaign finance, employment services, labor services, industrial services, **job** services, **inspections** and appeals, commerce, professional licensing and regulation, insurance, alcoholic beverages, **banking**, credit union, savings and loan, and **utilities**, by mandating certain studies, policies, and other actions by certain regulatory bodies; by increasing certain fees, by allocating certain **expenses** between state agencies, and by exempting certain regulatory personnel from the merit pay system and providing certain effective dates.

House File 2444 is approved with *the following exceptions which I hereby disapprove,*

**I am unable to approve** the item designated as Section 45 of House File 2444.

Section 45 of House File 2444 puts **in place an excessively strict tuition refund provision for proprietary schools. The proportionate tuition refund provision in this bill is far more extreme than** the tuition refund policies utilized by the Regents and *the* community colleges. For example, if a student drops a **course four** weeks into the semester at a Regent institution or five weeks into a **course** at an area school, the student forfeits **any** possibility for a refund of their tuition. Under Section 45 of House File 2444, if a student drops out after four weeks in a course at a proprietary college, 80 percent of all tuition paid **would have to be refunded,**

The Honorable Donald Avenson

April 13, 1988

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It is clear that proprietary schools do have longer **course** years than the Regent institutions. However, a strict proportionate refund provision ignores the fact that these schools have significant fixed costs. Commitments must be made to teachers and associated supplies and services once the course begins. Allowing a student to drop out at **any time** during the length of that course **and** receive a proportionate reduction **in** their **tuition** ignores the **need** for schools to cover **these** necessary fixed costs. Indeed, **applying this** strict tuition refund **method** could cause many cosmetology schools to go out of business.

In short, the proportionate tuition refund provision of Section **45** is excessive **when** compared **with similar** policies **put** in place at public postsecondary and educational **institutions** and **could be** an economic backbreaker for many of these **institutions**. I encourage the General **Assembly** to **work** to develop **an** appropriate tuition refund provision **which** will provide appropriate protection to students **while** recognizing the necessary **fixed** costs **at** these institutions.

I am unable to approve *the* item designated as Section **46** of House File **2444**,

**This item requires** each proprietary school to obtain a performance bond of **\$50,000** in order to operate in the **state of Iowa**. I understand that this performance bond provision was in response to a recent closing of a beauty college in Des Moines. However, *the* level of bonding authorized -- **\$50,000** -- is not **sufficient** to provide significant long-term protection for students and would increase *the* cost these students would have to pay in order to attend these institutions. If proprietary school closings become a major concern, I would suggest that the cosmetology school association consider some kind of umbrella policy to protect students at all the institutions. Requiring individual bonding for each institution is an unnecessary burden and an excessive cost for students in our state.

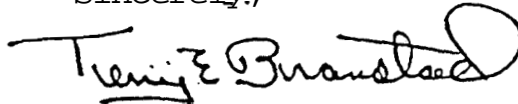
My office has been in close communication with key legislators who have worked on this issue. They have indicated support for my action to item veto **these** sections of House File **2444** and that they have **worked** out a compromise with all the appropriate

The Honorable Donald Avenson  
**April** 13, 1988  
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parties to provide appropriate protections for students and to allow proprietary institutions to stay in business, I encourage the General Assembly to take swift action yet this General Assembly to adopt that compromise, which is supported by bipartisan leadership.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in House **File 2444** are hereby approved as of this date.

Sincerely,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of State  
Secretary of *the* Senate  
Chief Clerk of the House

HOUSE FILE 2447

AN ACT

RELATING TO HUMAN SERVICES, AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF HUMAN SERVICES FOR THE FISCAL YEARS BEGINNING JULY 1, 1987, AND JULY 1, 1988, AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used:

1. For aid to families with dependent children:

..... \$ 48,328,449

2. As a condition of this appropriation, the department shall continue to operate the pilot grant diversion program which qualifies for federal financial participation according to federal law for the aid to families with dependent children program. The grant diversion program shall be operated from July 1, 1988, through June 30, 1989, as a component of the work incentive demonstration program in the Des Moines district. Employers who provide jobs shall receive financial compensation in return for training provided. Aid to families with dependent children savings which result from the participant's employment shall be used to compensate an employer.

3. As a condition of this appropriation, the department shall continue to contract for services in developing and monitoring a waiver program with a consortium of other states to facilitate assistance to aid to dependent children families in self-employment. From the funds provided in this section, one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, shall be used to provide technical

assistance for aid to dependent children families seeking self-employment. The technical assistance shall be provided either directly or through a contract with the division of job training of the department of economic development and through a contract with the corporation for enterprise development.

4. As a condition of this appropriation, the department shall work with the legislative fiscal bureau and the department of management to establish goals and objectives for each new program which commenced on or after July 1, 1987, or thereafter. The goals and objectives shall be submitted to the fiscal committee of the legislative council on or before August 15, 1988.

5. As a condition, qualification, and limitation of the appropriation made by this section, there is appropriated from the general fund of the state one million one hundred seventy-five thousand seven hundred (1,175,700) dollars to the department for transfer to the appropriate state agency to be used for the child development grants under Senate File 2192 if Senate File 2132 is enacted by the Seventy-second General Assembly, 1988 Session. Grants shall be awarded on a two-year basis, subject to renewal, and the funds appropriated in this subsection shall be for support for the first twelve-month period the grant is in effect. Grants shall be awarded not later than January 1, 1989. Notwithstanding section 8.33, unexpended or unencumbered funds shall not revert to the general fund, but shall be available for the purposes set forth in this subsection.

6. As a condition, qualification, and limitation of the appropriation made by this section, there is appropriated from the general fund of the state six hundred ninety thousand (690,000) dollars to be used for the family development and self-sufficiency grant program under Senate File 2225 if Senate File 2225 is enacted by the Seventy-second General Assembly, 1988 Session. A grant shall be awarded on a three-year basis, subject to annual renewal, and the funds appropriated under this subsection shall be for support for the first twelve-month period the grant is in effect. All

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grants shall be awarded not later than January 1, 1989. Not more than five percent of the appropriation shall be used for administration of the program. Notwithstanding section 8.33, unexpended or unencumbered funds shall not revert to the general fund, but shall be available for the purposes set forth in this subsection.

7. As a condition, qualification, and limitation of the appropriation made by this section, the schedule of basic needs under the aid to families with dependent children program is established for one person at one hundred sixty-nine dollars, for two persons at three hundred thirty-three dollars, for three persons at three hundred ninety-four dollars, for four persons at four hundred fifty-eight dollars, for five persons at five hundred seven dollars, for six persons at five hundred sixty-four dollars, for seven persons at six hundred nineteen dollars, for eight persons at six hundred seventy-six dollars, for nine persons at seven hundred thirty-one dollars, for ten persons at seven hundred ninety-nine dollars, and for each additional person at eighty dollars.

Sec. 2. WORK AND TRAINING PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For work incentive program:

..... \$ 1,202,794

It is the intent of the general assembly that the department operate the work incentive demonstration program as it operated in the fiscal year beginning July 1, 1986, unless a replacement program is mandated by federal law.

2. For food stamp employment and training program:

..... \$ 246,550

Sec. 3. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 10, 1989, to the department of

human services, the following amount, or so much thereof as is necessary, to be used for medical assistance, on the condition that effective July 1, 1988, the basis for establishing the maximum medical assistance rate for intermediate care facilities shall be the sixty-fourth percentile of all facility per diem rates as calculated from the June 30, 1988, unaudited compilation of cost and statistical data, on the condition that effective January 1, 1989, the basis for establishing and maintaining the maximum medical assistance rate for intermediate care facilities shall be the seventy-fourth percentile of all facility per diems as calculated from the June 30, 1988, unaudited compilation of cost and statistical data and that the minimum number of hours of care per resident of an intermediate care facility shall be two hours per resident per day computed on a seven-day week, and on the condition that the provider rates specified in section 33 of this Act are enacted into law, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

1. Medically necessary abortions are those performed under any of the following conditions:

a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

c. The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

d. The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled:

..... \$163,290,645

2. Of the funds appropriated in this section, not more than two hundred thousand (200,000) dollars may be transferred to the Iowa department of public health for contingency state assistance for the federal program for women, infants, and children in order to allow the Iowa department of public health to fully use available funds under this program.

3. As a condition, qualification, and limitation of the funds appropriated under this section, the department may implement mandatory enrollment of eligible clients into licensed health maintenance organizations where appropriate and consistent with federal guidelines. However, clients shall continue to be eligible to use the family planning services and mental health services provided through community mental health centers without obtaining referral from the health maintenance organization and effective January 1, 1989, the cost of the services shall be billed directly to the medical assistance program. Clients shall not be required to enroll in a health maintenance organization if the health maintenance organization does not provide service that is easily accessible with no more than a minimal transportation expense to the client. The department shall track any savings realized by the use of the health maintenance organizations and shall annually submit to the legislative fiscal bureau the results of the client satisfaction survey required by the federal health care financing administration. The department shall report at the start of each calendar quarter, beginning on January 1, 1989, to the legislative fiscal bureau regarding cost savings.

4. As a condition, qualification, and limitation of the funds appropriated under this section, the copayment policy relating to mandatory services shall not require copayment by a recipient on a service or an item where copayment was not required by rules in effect on January 1, 1988.

5. As a condition, qualification, and limitation of the funds appropriated under this section, effective October 1, 1988, the department shall extend medical assistance benefits

for a maximum of twelve months to those persons who lose assistance through the aid to dependent children program as the result of income obtained from employment. The department shall extend medical assistance benefits for an additional six months, up to a maximum of fifteen months, to those persons who lose assistance under the aid to dependent children program because the earned income disregards are no longer applicable and who would continue to be eligible for aid to dependent children if the disregards were still applicable.

6. As a condition, qualification, and limitation of the funds appropriated under this section, payments made to hospitals shall include inpatient and outpatient services. The department shall establish by rule criteria that a hospital provider shall meet in order to receive reimbursement for routine outpatient services and for clinical program services provided on an outpatient basis. Hospital outpatient program services reimbursed under the medical assistance program shall include, but are not limited to, alcoholism and substance abuse, mental health, eating disorders, cardiac rehabilitation, pulmonary rehabilitation, pain management, and outpatient diabetes education. Outpatient diabetes education programs shall be certified by the Iowa department of public health. All other outpatient programs shall meet requirements established by the department. Other clinical outpatient programs may be reimbursed under the medical assistance program upon a determination by the department that such programs are effective in meeting the health care needs of recipients and in avoiding more costly inpatient medical care and that criteria can be developed for those programs to govern admissions to and utilization of those program services consistent with the health care needs of the patient and the fiscal needs of the medical assistance program.

7. As a condition, qualification, and limitation of the funds appropriated under this section, beginning July 1, 1988, the department of inspections and appeals shall issue provisional licenses to specialized psychiatric hospitals for children and adolescents for those facilities which are

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providing residential psychiatric services to children and adolescents, which are accredited by the joint commission on the accreditation of hospitals, and which are in compliance with all applicable state rules and standards regarding the operation of comprehensive residential facilities for children. Each applicant shall submit a copy of the applicant's accreditation and a statement of approval from the state fire marshal to the department of inspections and appeals. Such facilities are not required to apply for or receive a certificate of need pursuant to section 135.63. Notwithstanding the provisions of section 237.1, subsection 3, paragraph "e", care furnished by these facilities shall continue to be considered foster care.

The department of inspections and appeals, with the approval of the state board of health, shall adopt permanent standards for the licensure of specialized psychiatric hospitals for children and adolescents under chapter 135B. The rules shall take effect no later than July 1, 1989. Specialized psychiatric hospitals for children and adolescents licensed prior to July 1, 1989, are not required to apply for or receive a certificate of need pursuant to section 135.63.

The department of human services shall adopt rules to expand coverage under the medical assistance program to include services provided by specialized psychiatric hospitals for children and adolescents which are licensed by the department of inspections and appeals. The rules shall take effect no later than July 1, 1988, contingent upon the facilities meeting the federal requirements for a hospital as outlined in 42 C.F.R., subpart D. Initially, the rules shall provide that the medical assistance reimbursement rate for such specialized hospitals shall be one hundred twenty dollars per day or actual audited costs, whichever is less. The department shall develop a permanent reimbursement methodology for such specialized hospitals to be effective on or before July 1, 1989. Notwithstanding any other provisions of this Act, the department may transfer funds from the foster care appropriation to the medical assistance appropriation if necessary for the purposes of this subsection.

8. As a condition, qualification, and limitation of the funds appropriated under this section, the department and the Iowa department of public health shall proceed with implementation of enhanced services and targeted case management for pregnant women as recommended in the report entitled "case management and enhanced services for Medicaid eligible pregnant women".

9. As a condition, qualification, and limitation of the funds appropriated under this section, effective January 1, 1989, the department shall extend coverage to include caretaker relatives under the medically needy program. The department shall increase resource limitations under the medically needy program to five thousand dollars for a one-person household and seven thousand five hundred dollars for a family of two or more persons.

10. As a condition, qualification, and limitation of the funds appropriated under this section, no later than January 1, 1989, the department shall modify the diagnosis related group payment system for adolescents treated in Title XIX-certified adolescent substance abuse and adolescent psychiatric treatment units to reflect the treatment needs of Title XIX-eligible adolescents.

11. As a condition, qualification, and limitation of this appropriation, the department, with the approval of the legislative council, may expend not more than twenty thousand (20,000) dollars to obtain technical assistance from the national center for health services research in identifying and examining state approaches for providing health care services to uninsured and underinsured persons in the low-income population.

12. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall provide a disproportionate share adjustment of four percent in the reimbursement rate paid to a hospital which provides more than twenty percent of its services to indigent patients.

13. As a condition of this appropriation, the department shall develop policies and guidelines to implement on a pilot

basis a physician case management program for recipients of medical assistance. The pilot program shall be developed after review of established programs in other states. The pilot program shall continue for at least twenty-four months subsequent to implementation. If necessary, the department shall request a waiver from the federal health care financing administration. Of the funds appropriated under this section, forty-two thousand (42,000) dollars may be used to contract for the development of the policies or guidelines or to add an additional full-time equivalent position for this purpose. If an additional full-time equivalent position is added, it is in addition to the positions authorized under the appropriation for general administration in this Act.

14. As a condition, qualification, and limitation of the appropriation made by this section, there is appropriated from the general fund of the state six hundred eight thousand (608,000) dollars, or so much thereof as is necessary to the department, effective on January 1, 1989, for medical assistance to all pregnant women and infants under one year of age whose income does not exceed one hundred fifty percent of the federal nonfarm poverty level, and for children up to age five on an incremental basis whose income does not exceed one hundred percent of the federal nonfarm poverty level, for salaries, support, and miscellaneous purposes.

a. The department shall expend the funds appropriated under this section for not more than three full-time equivalent positions in the field at a cost of not more than thirty-seven thousand (37,000) dollars, for salaries and support for not more than four full-time equivalent positions in general administration at a cost of not more than fifty-nine thousand (59,000) dollars, for systems and fiscal agent development at a cost of no more than twenty-five thousand (25,000) dollars, and for payment of medical benefits at a cost of no more than four hundred eighty-seven thousand (487,000) dollars. These positions are in addition to the positions authorized under the appropriations for community services and general administration in this Act.

b. As a condition, qualification, and limitation of the funds appropriated under this section, resource limitations shall be five thousand dollars for a one person household and seven thousand five hundred dollars for a family of two or more persons. Pregnant women shall have resources considered according to the standards for computing resources under the supplemental security income program. Infants and children shall have resources considered in accordance with the standards for computing resources under the aid to families with dependent children program. Pregnant women, infants, and children shall have income considered in accordance with standards under the aid to families with dependent children program. All other medical assistance program requirements apply. Upon implementation, phased-in coverage for children shall begin with children up to age two and shall be continued through January 1, 1992.

c. For persons who do not have a spend-down requirement under the medically needy program, the department shall set the length of the certification period at the length authorized by federal regulations.

d. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall report, in each month of the fiscal year, to the fiscal committee of the legislative council regarding the expenditure of the funds for the implementation of the medical assistance program for pregnant women, infants, and children and the additional full-time equivalent positions authorized for this purpose under this section. The report shall detail the number of additional authorized positions which have been filled, describe problems encountered in filling the positions, and assess the impact of the additional positions upon the quality of services provided to the targeted persons. If the department is caused to reduce expenditures because of an unanticipated reduction in federal funding, or the average base salary and support cost in staffing is greater than anticipated, or the staff vacancy factor is lower than anticipated, the department shall fill the additional full-time equivalent positions by reducing other expenditures.



15. As a condition, qualification, and limitation of the funds appropriated under this section, the department, in cooperation with the Iowa department of public health and the department of elder affairs, shall apply for federal waivers for the provision of case management services, homemaker/home health aide services and personal care services, adult day health services, habilitation services, and respite care under the medical assistance program pursuant to provision of the federal Omnibus Budget Reconciliation Act of 1987, Pub. L. NO. 100-203.

Sec. 4. MEDICAL CONTRACTS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for medical contracts:

..... \$ 2,527,045

The department may expend up to two thousand (2,000) dollars of the funds appropriated in this section for changes in the claims payment and reporting system to support implementation of a program of mandatory enrollment in health maintenance organizations.

Sec. 5. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for child support recoveries, including salaries and support for not more than one hundred point forty-two full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 1,012,000

1. The commissioner of human services, within the limitations of the funds appropriated in this section, or funds transferred from the aid to families with dependent children program for this purpose, may establish new positions and add additional employees to the child support recovery unit when the commissioner determines that both the current and additional employees together can reasonably be expected

to recover for the aid to families with dependent children program and the nonpublic assistance support recovery program more than twice the amount of money required to pay the salaries and support for both the current and additional employees. The department shall demonstrate the cost-effectiveness of the current and additional employees by reporting to the human services appropriations subcommittee the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recoveries.

2. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall extend the child support modification demonstration program to at least fifteen counties in the state. The department may transfer funds from the appropriation for aid to families with dependent children to the extent that is necessary in order to fund the demonstration program. Notwithstanding the number of full-time equivalent positions allowed under this section, the department may exceed the number allowed to the extent the positions are funded by the funds transferred for this purpose from the appropriation for aid to families with dependent children. The department shall report to the legislative fiscal bureau regarding the demonstration program each quarter.

Sec. 6. COMMUNITY SERVICES. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services the following amount, or so much thereof as is necessary, to be used for community services:

1. As a condition of this appropriation for field operations, including salaries and support for not more than two thousand two hundred five point five full-time equivalent positions, maintenance, and miscellaneous purposes, the department shall provide an extensive orientation program for newly employed social workers in the area of community resource programs and shall provide assistance to each county board of social welfare to identify community resources in counties pursuant to section 234.11:

..... \$ 31,890,603

2. As a condition, qualification, and limitation of the funds appropriated under this section, the appropriation for community services is based upon an expected federal cost allocation share of fifteen million nine hundred seventy-two thousand nine hundred seventeen (15,972,917) dollars, a federal block grant share of twelve million six hundred sixty-seven thousand two hundred forty-nine (12,667,249) dollars, an average base salary and support cost of twenty-seven thousand five hundred forty-nine (27,549) dollars, and a vacancy factor of four percent. The department shall seek additional funds through supplemental appropriation if the expected federal cost allocation share is less than expected, the average base salary and support cost is more than expected, or the vacancy factor is lower than expected. The department shall report monthly to the fiscal committee of the legislative council regarding the projections of expenditures under this appropriation, and any changes related to the federal cost allocation, the average base salary and support, and the vacancy factor that occur. The department shall not expend more than two million four hundred fourteen thousand one hundred three (2,414,103) dollars of this appropriation on items not related to salary and benefits without obtaining approval by the legislative council or the general assembly. The number of full-time equivalent positions under subsection 1 is the target number to be reached by the department in the fiscal year beginning July 1, 1988, and ending June 30, 1989. The department may fill up to two thousand two hundred ninety-seven point five positions and shall coordinate the P-5 hiring process in order to meet the target number for the fiscal year. However, if the state Title XIX plan amendments for candidate services under section 14 of this Act are approved by the federal government, the department may exceed the specified number of full-time equivalent positions for those full-time equivalent positions which are funded by cost savings and additional funds received by the state pursuant to section 14 of this Act.

3. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall not place any orders for computer terminals and other hardware related to the family assistance management information system project and shall not take delivery of any terminals or hardware previously ordered when the general assembly is not in session without receiving approval from the legislative council after notification to the fiscal committee and the membership of the human services appropriations subcommittee.

4. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall identify the amount of the state funds and federal block grant funds saved under this appropriation and the amount of additional federal funds gained as a result of the case management provided under section 14, subsection 2, of this Act and transfer the total of the amounts to the funds appropriated under section 14 to provide enhanced mental health, mental retardation, and developmental disabilities services.

Sec. 7. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, for general administration, including salaries and support for not more than three hundred seventeen point forty-four full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 6,841,215

1. Full-time equivalent positions which are funded entirely with federal, public, private grants, or the gambler's assistance fund established in section 99E.10 are exempt from the limits on the number of full-time equivalent positions provided in this section, but are approved only for the period of time for which the federal funds or grants are available for the position.

2. As a condition, qualification, and limitation of the funds appropriated under this section, the appropriation for

general administration is based upon an expected federal cost allocation share of seven million one hundred three thousand nine hundred forty-six (7,103,916) dollars, a federal block grant share of one million eight hundred forty-nine thousand three hundred thirty-one (1,849,331) dollars, an average base salary and support of cost of thirty-four thousand two hundred forty-five (34,245) dollars, and a vacancy factor of two point six percent. The department shall seek additional funds through supplemental appropriation if the expected federal cost allocation share is less than expected, the average base salary and support cost is more than expected, or the vacancy factor is lower than expected. The department shall report monthly to the fiscal committee of the legislative council regarding the projections of expenditures under this appropriation, and regarding any changes related to the federal cost allocation, the average base salary and support, and the vacancy factor that occur. The department shall not expend more than two million four hundred fifty-six thousand five hundred seventeen (2,456,517) dollars of this appropriation on items not related to salary and benefits without obtaining approval by the legislative council or the general assembly. The number of full-time equivalent positions under unnumbered paragraph 1 of this section is the target number to be reached by the department in the fiscal year beginning July 1, 1988, and ending June 30, 1989. The department may fill up three hundred twenty-six point five positions and shall coordinate the P-5 hiring process in order to meet the target number for the fiscal year.

As a condition, qualification, and limitation of the funds appropriated under this section, eighteen thousand (18,000) dollars, or so much thereof as is necessary, shall be used to fill the zero point five full-time equivalent position for administration of the expanded coverage under the medical assistance program to include specialized psychiatric hospitals. The position is in addition to the other positions authorized under this section. The department shall report, at least quarterly, to the fiscal committee of the legislative

council regarding the expenditure of the funds for the administration of the expanded coverage and the additional position authorized for this purpose under this subsection. The report shall detail when the additional authorized position has been filled, describe problems encountered in filling the position, and assess the impact of the additional position upon the quality of services provided. If the department is caused to reduce expenditures because of an unanticipated reduction in federal funding, or the average base salary and support cost in staffing is greater than anticipated, or the staff vacancy factor is lower than anticipated, the department shall fill the zero point five additional full-time equivalent position by reducing other expenditures.

Sec. 8. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services the following amount, or so much thereof as is necessary, to be used for the operation of the state training school and the Iowa juvenile home, including salaries and support for not more than three hundred twenty-nine full-time equivalent positions, maintenance, and miscellaneous purposes:  
 ..... \$ 10,062,000

1. As a condition, qualification, and limitation of the funds appropriated under this section, eight hundred twelve thousand (812,000) dollars shall be used to implement the recommendations of the governor's foster care task force, including filling thirty-six point seventy-five additional full-time equivalent positions. Of the funds designated in this subsection, one hundred fifty thousand (150,000) dollars shall be used to improve programs and services provided at the juvenile institution at Eldora. Notwithstanding the cap placed on full-time equivalent positions in this section, the positions filled for this purpose shall only be limited to the extent of the funds so designated.

2. As a condition, qualification, and limitation of the funds appropriated under this section, such funds shall be

used to increase staff in order to improve supervision and services provided to residents, to implement a classification system and a short-term high-impact program for adjudicated delinquents at the state training school, and to establish a diagnostic program and short-term high-impact program for adjudicated female delinquents and adjudicated "child in need of assistance" boys and girls residing at the state juvenile home.

3. As a condition, qualification, and limitation of the funds appropriated under this section, the juvenile institution at Eldora shall maintain an average of two hundred juveniles and the juvenile institution at Toledo maintain an average of ninety juveniles during the fiscal year ending June 30, 1989. The plurality of the population at Eldora should consist of older juveniles with a history of serious offenses who are expected to require placement for a period of one year or longer. Eldora may also be used to provide a short-term high-impact placement for juveniles who will be evaluated and provided other services following the placement at Eldora. The department shall review each new and existing placement of a juvenile at the juvenile institutions and determine whether the placement is appropriate for the juvenile. If it is determined that an alternative placement, including, but not limited to, placement for substance abuse and mental health treatment or programming for juveniles with mental retardation, would be more appropriate for the juvenile, the department shall seek modification of the court order for placement,

4. As a condition of this appropriation, the department shall report, in each month of the fiscal year, to the fiscal committee of the legislative council regarding the expenditure of the funds for the implementation of the governor's foster care task force and the additional full-time equivalent positions authorized for this purpose under this section. The report shall detail the number of additional authorized positions which have been filled, describe problems encountered in filling the positions, and assess the impact of

the additional positions upon the quality of services provided by the juvenile institutions. If the department is caused to reduce expenditures because of an unanticipated reduction in federal funding, or the average base salary and support cost in staffing is greater than anticipated, or the staff vacancy factor is lower than anticipated, the department shall fill the thirty-six point seventy-five additional full-time equivalent positions by reducing other expenditures.

Sec. 9. It is the intent of the general assembly that the legislative council establish an advisory committee to develop a plan for the future use of the juvenile institutions at Eldora and Toledo.

1. The plan shall include all of the following:

a. A needs statement, an organizational structure, and a location for an assessment and placement unit for juveniles who are committed directly to the state juvenile institutions at Eldora and Toledo.

b. A recommendation regarding the type of juvenile who should be placed at the juvenile institutions, the length of stay which is suitable, the programming required, and the number of beds needed.

c. A recommendation regarding the establishment of a short-term high-impact program for juveniles which includes potential locations and an organizational structure for the program.

d. A recommendation regarding modifications needed in the juvenile justice system, including the statutory law, responsibilities of the department, and responsibilities of the court, to ensure that a juvenile is appropriately placed.

e. A recommendation regarding amending chapters 242 and 244 to make statutory language consistent with the responsibilities of the juvenile institutions.

f. A recommendation regarding staff, equipment, and capital improvements needed at the juvenile institutions.

g. A recommendation regarding living needs and supervision needs of juveniles following their departure from the institution.

h. A recommendation regarding a system for tracking juveniles after release from the juvenile institution.

2. The plan shall be developed by an advisory group composed of representatives of the state child welfare and juvenile justice system, including representation of the juvenile court officers, the courts, the department of human services, the coalition for children and family services, and the advisory committees for Toledo and for Eldora. The committee may enlist the aid of experts from other states and visit other institutions inside or outside this state in order to obtain information. The plan shall be submitted to the general assembly on or before January 1, 1989.

3. The plan shall be comprehensive and build upon past studies which deal with out-of-state placement of children, foster care, juvenile institutions, decategorization, and the state mental health institution services for children. The department shall submit the plan to the general assembly or legislative council on or before January 15, 1989.

Sec. 10. HOSPITAL-SCHOOLS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services for the state hospital-schools, the following amount, or so much thereof as is necessary, to be used for salaries and support for not more than two thousand one hundred seventy-nine point zero two full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 59,918,000

The state hospital-schools may exceed the specified number of full-time equivalent positions if the additional positions are specifically related to licensing, certification, or accreditation standards, or citations. The department shall notify the legislative fiscal bureau if the specified number is exceeded. The notification shall include an estimate of the number of full-time equivalent positions added and the fiscal effect of the addition.

Sec. 11. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state for the fiscal year

beginning July 1, 1988, and ending June 30, 1989, to the department of human services for the state mental health institutes, the following amount, or so much thereof as is necessary, to be used for salaries and support for not more than one thousand one hundred ninety-one point sixteen full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 38,153,000

The state mental health institutes may exceed the specified number of full-time equivalent positions if the additional positions are specifically related to licensing, certification, or accreditation standards, or citations. The department shall notify the legislative fiscal bureau if the specified number is exceeded. The notification shall include an estimate of the number of full-time equivalent positions added and the fiscal effect of the addition.

Sec. 12. IOWA VETERANS HOME. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for operation of the Iowa veterans home, including salaries and support for not more than seven hundred sixty-one point twenty-eight full-time equivalent positions, maintenance, and miscellaneous purposes, on the condition that the sixty new beds are phased into operation and salary and support is provided for not more than nineteen point fifteen full-time equivalent positions for this purpose:

..... \$ 23,181,000

As a condition, qualification, and limitation of the funds appropriated by this section, five hundred thousand (500,000) dollars, or so much thereof as is necessary, shall be used to phase in and staff new beds at the Iowa veterans home; however, if federal or private per diem rates paid to the home exceed the rates budgeted for the fiscal year, then the amount of unplanned revenue from the increased rates shall be used first.

The department may use the gifts accepted by the commissioner of human services pursuant to section 218.96 and other resources available to the department for use at the Iowa veterans home for purposes identified by the department.

The Iowa veterans home may exceed the specified number of full-time equivalent positions if the additional positions are specifically related to licensing, certification, or accreditation standards, or citations. The department shall notify the legislative fiscal bureau if the specified number is exceeded. The notification shall include an estimate of the number of full-time equivalent positions added and the fiscal effect of the addition.

Sec. 13. MENTAL HEALTH AND RETARDATION SERVICES FUND. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the state community mental health and mental retardation services fund established in section 225C.7 the following amount, or so much thereof as is necessary:  
..... \$ 3,205,000

Sec. 14. ENHANCED MENTAL HEALTH -- MENTAL RETARDATION -- DEVELOPMENTAL DISABILITIES SERVICES. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the state Candidate services fund established in this section, the following amount, or so much thereof as is necessary:  
..... \$ 1,300,000

1. An enhanced mental health, mental retardation, and developmental disabilities services plan oversight committee is created to assure the services plan is implemented within identified, budgeted, and appropriated funds. For purposes of this section "oversight committee" means the enhanced mental health, mental retardation, and developmental disabilities services plan oversight committee.

The oversight committee shall have nine members. Two members shall be designated by the fiscal committee of the legislative council and subject to approval by the governor. The commissioner of human services and the director of the

division of mental health, mental retardation, and developmental disabilities or their designees shall be members. Three members shall be designated by the Iowa state association of counties. One member shall be designated by the state mental health and mental retardation commission. One member shall be designated by the governor's planning council on developmental disabilities.

The oversight committee shall do all of the following:

a. Take action on whether to include behavior management as a candidate service in the state Title XIX plan amendment, to develop a federal waiver request for behavior management as a candidate service, or to take no action to include behavior management as a covered service. Decisions shall be based upon a determination of the availability of funds for the nonfederal share of the cost of the service.

b. Explore and make recommendations regarding the submission of a Title XIX plan waiver for any candidate services which are not accepted by the federal government as a state plan amendment.

c. Review and make recommendations regarding the county case management implementation plan and budget to the state mental health and mental retardation commission.

d. Track the expenditures for, and utilization of, candidate services. Report a variance in an approved plan to the governor, the legislative fiscal bureau, and each county.

e. Recommend action regarding variations from the budgeted, appropriated, and identified expenditures and projected expenditure offsets to the council on human services and the state mental health and mental retardation commission.

f. Submit a report regarding the results of the implementation of the provisions of this section, including the impact upon the institutional populations, to the governor and the general assembly. The report shall contain recommendations regarding continuing the provisions of this section in subsequent budget years.

g. Recommend rules, or amendments to existing rules, which implement the provisions of this section, to the council on

human services and the state mental health and mental retardation commission.

h. Develop a methodology to determine the base year expenditure for a county maintenance of effort which includes an amount for each of the candidate services described in this section.

i. Issue a final decision regarding any issue of disagreement between a county and the department relating to expenditures for candidate services or the county's maintenance of effort.

2. For purposes of this section, "candidate services" means rehabilitation services, day treatment, partial hospitalization, and case management. Case management shall be limited to persons with mental retardation, a developmental disability, or chronic mental illness. A state candidate services fund is created in the office of the treasurer of state for the purposes of this section.

Effective October 1, 1988, the department shall add candidate services to the state Title XIX plan. Behavior management services shall be included in the plan as a candidate service if recommended by the oversight committee.

If recommended by the oversight committee, the department shall seek Title XIX plan waivers for any of the candidate services which are not accepted by the federal government as a state plan amendment.

3. The county of legal settlement shall be billed for fifty percent of the nonfederal share of the cost of candidate services provided under the medical assistance program for persons with mental retardation, a developmental disability or chronic mental illness.

4. By using the general allocation application for the state community mental health and mental retardation services fund under section 225C.10, the department, in conjunction with the oversight committee, and with the agreement of each county, shall establish the actual amount expended by each county for persons with mental retardation, a developmental disability, or chronic mental illness in the fiscal year which

ended on June 30, 1987, and this amount shall be deemed each county's maintenance of effort. A disagreement between the department and a county as to the actual amount spent in a category shall be decided by the oversight committee. A county is responsible to continue to pay at least the agreed upon amount in fiscal year 1988-1989 for services to persons with mental retardation, a developmental disability, or chronic mental illness. If a county does not spend the agreed upon amount in a fiscal year, the balance not spent shall not revert to the general fund of the county, but shall be carried over to the next fiscal year to be expended for the provision of services to persons with mental retardation, a developmental disability, or mental illness including, but not limited to, the chronically mentally ill, and shall be used as additional funds. The additional funds shall be used, to the greatest extent possible, to meet unmet needs of persons with mental retardation, a developmental disability, or mental illness. This subsection does not relieve the county from any other funding obligations required by law, including but not limited to the obligations in section 222.60.

5. a. Notwithstanding section 8.33, funds appropriated under this section which are not obligated or expended, shall not revert to the general fund on June 30, 1989, but shall be deposited in the state community mental health and mental retardation services fund for use in the next fiscal year. It is the intent of the general assembly that the funds deposited in the fund for this purpose shall be used in addition to moneys appropriated in the next fiscal year for this purpose.

b. Notwithstanding section 8.39, funds appropriated to the department for the state hospital-schools by section 10 of this Act and to the state mental health institutes by section 11 of this Act shall not be subject to transfer, except to the state candidate services fund after January 1, 1989, subsequent to a reevaluation of the institutional budgets for the remainder of the fiscal year.

6. The department, in conjunction with the oversight committee, and with the agreement of each county, shall

establish the actual amount expended for each candidate service for persons with mental retardation, a developmental disability, or chronic mental illness in the fiscal year which ended June 30, 1987, and this amount shall be deemed each county's base year expenditure for the candidate service. A disagreement between the department and a county as to the actual amount spent shall be decided by the oversight committee.

The department, in conjunction with the oversight committee, and with the agreement of each county, shall determine the expenditures in the 1988-1989 fiscal year by each county for the candidate services, including the amount the county contributes under subsection 3. If the expenditures in the 1988-1989 fiscal year exceed the base year expenditures for candidate services, then the county shall receive from the funds under this appropriation the least amount of the following:

a. The difference between the total expenditures for the candidate services in fiscal year 1988-1989 and the base year expenditures.

b. The amount expended by the county under subsection 3.

c. The amount by which the fiscal year 1988-1989 total expenditures under subsection 4 exceed the maintenance of effort expenditures.

7. Case management shall be provided by the department except when a county or a consortium of counties contracts to be the provider. The criteria for the case management services shall include, but are not limited to, the appropriateness, availability, and accessibility of the services and financial resources. A county or counties may contract to be the provider at any time within ninety days of the final publication of the standards for case management in the Iowa administrative bulletin. The county or consortium of counties may subcontract for the provision of case management services so long as the subcontract meets the same criteria. The department shall agree to the contract so long as the contract meets the standards for case management established

by the department and the criteria for case management as stated in the state Title XIX plan and rules.

8. This section does not relieve the county from any other funding obligations required by law, including but not limited to the obligations in section 222.60.

9. Nothing in this Act is intended by the general assembly to be the provision of a fair and equitable funding formula specified in 1985 Iowa Acts, chapter 249, section 9. Nothing in this Act shall be construed, is intended, or shall imply a claim of entitlement to any programs or services specified in section 225C.28.

10. For the purposes of this section only, persons with organic mental disorders shall not be considered chronically mentally ill.

11. As a limitation of this appropriation, the funds shall be expended for not more than three full-time equivalent positions in general administration at a cost of not more than seventy thousand (70,000) dollars to administer the analysis of funding amounts and related issues required under this section. The positions are in addition to the positions authorized under the appropriation for general administration in this Act.

12. The legislative council is requested to appoint a committee staffed by the legislative fiscal bureau to conduct a study and develop recommendations regarding a fair and equitable funding formula for services provided to persons described in section 225C.26. The committee shall study an equitable split in funding between state and counties, providing equitable services between population groups, and providing adequate reimbursement for providers to assure services are provided. The committee shall submit a report of the study on or before December 1, 1988.

Sec. 15. STATE SUPPLEMENTARY ASSISTANCE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for state supplementary



assistance, on the condition that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the maximum reimbursement rate paid to residential care facilities and in-home health related care providers, as specified in section 34 of this Act:

..... \$ 14,995,600

The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security and federal social security benefits are increased due to a recognized increase in the cost of living.

Sec. 16. BLOCK GRANT SUPPLEMENTATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services for supplementation of federal social services block grant funds and for allocation to the various counties for the purchase of local services, the following amount, or so much thereof as is necessary, on the condition that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the reimbursement rate paid to service providers funded under this appropriation, as specified in section 35 of this Act:

..... \$ 3,064,000

The funds appropriated in this section shall be allocated to the counties pursuant to the rules of the department in effect on January 1, 1985. The department shall increase the income guidelines for income eligible persons receiving services funded with federal social services block grant funds for the fiscal year beginning July 1, 1988, by the same percentage and at the same time as federal social security benefits are increased due to a recognized increase in the cost of living. A county shall allocate funds for child day care services in an amount at least equal to the amount expended by the county for government-assisted child day care services in the fiscal year ending June 30, 1988.

Sec. 17. STATE CHILD DAY CARE ASSISTANCE. There is appropriated from the general fund of the state for the fiscal

year beginning July 1, 1988, and ending June 30, 1989, to the department of human services the following amount, or so much thereof as is necessary, to be used for supplemental payments of child care costs:

..... \$ 3,500,000

1. The funds appropriated in this section shall be allocated to counties based upon the number of children living in a county whose family income is equivalent to or below one hundred twenty-five percent of the current federal office of management and budget poverty guidelines as estimated by the department. The department shall not require counties to match the state child day care services funds with local funds but shall require a maintenance of effort. The counties shall allocate local funds for child day care services in an amount at least equal to the county expenditures for child day care services in the fiscal year ending June 30, 1983 and expend at least the same amount of block grant supplemental funds for child day care services as expended for the purpose in the fiscal year ending June 30, 1988. If a county elects not to use the state child day care services funds, an amount equal to the county expenditure for its maintenance of effort and an amount equal to the county expenditure under the provision to use up to four percent of the federal social services block grant fund and supplemental state purchase of local services funds in the fiscal year ending June 30, 1983, shall be deducted from the amount allocated to the county for the purchase of local services under this Act. The state day care services funds and the amount deducted from the local services funds for a county shall be administered by the district administrator for child day care services in the county. The department shall transfer the state child day care services funds which a county does not utilize to a county where there is a demonstrated need.

2. The department shall establish the income eligibility level for recipients of child day care services at the equivalent of one hundred twenty-five percent of the federal office of management and budget poverty guidelines for

families of all sizes. However, a local office which is allocated funds under this section may manage the funds to assure that child care services are purchased in a system of slots which last for a period of twelve months. The local office shall maintain a list of persons who were eligible, but did not receive the child care services due to a lack of funds.

3. Any funds allocated for the local purchase of child care services shall be available for purchase of services in any type of child care facility approved under 441 I.A.C. § 170.

4. If the department determines that funds under this section for child day care services will not be fully expended, the department may increase the income guidelines in order to provide for the expenditure of all funds under this section for child day care services.

The recipient of child day care services shall contribute to the cost of the child care in accordance with the sliding fee schedule currently utilized by the department for child care services.

5. As a condition, qualification, and limitation of this appropriation, the funds appropriated under this section shall be expended for not more than six full-time equivalent positions in the field at a cost of not more than one hundred seventy-five thousand (175,000) dollars, and for salary and support for not more than one full-time equivalent position in general administration at a cost of not more than twenty-three thousand (23,000) dollars. The positions are in addition to the positions authorized under the appropriations for community services and general administration in this Act.

6. It is the intent of the general assembly for the fiscal year ending June 30, 1990, that allocations to counties under the appropriation for federal social services block grant supplementation for child day care services and the allocation for this purpose under state child day care assistance will be combined. The allocation to a county for child day care services will be based upon the expenditures by the county for this purpose in the fiscal year ending June 30, 1989.

7. Nothing in this section shall be construed or is intended as, or shall imply a grant of entitlement for services to persons described in subsection 2 of this section. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated under this section.

Sec. 18. RESOURCE AND REFERRAL PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services the following amount, or so much thereof as is necessary, to be used for allocation in the form of grants to public agencies and private nonprofit corporations which provide child and dependent adult care resource and referral programs:

..... \$ 150,000

Individual grants shall not exceed fifty thousand (50,000) dollars. A program which is allocated funding shall match funds appropriated with local funds which may be in the form of private donations, in-kind contributions, or public funding sources including block grant local purchase funds. The department of human services shall adopt rules pursuant to chapter 17A which establish the criteria for allocation of grant funds to local resource and referral programs. Of the funds appropriated in this section, not more than fifteen thousand (15,000) dollars may be used for a computerized information and referral system for children, youth, and families agencies, organizations, and departments within the state.

Sec. 19. COMMUNITY-BASED PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for community-based programs on the condition that displaced homemaker programs and the pilot projects relating to adolescent pregnancy under 1987 Iowa Acts, chapter 234, section 203, subsection 1, paragraph "i", are funded, that four hundred fifty-five

thousand (455,000) dollars of the following amount is used for child care assistance pursuant to section 237A.13, and that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the reimbursement rate paid to service providers funded under this appropriation, as specified in section 35 of this Act:

..... \$ 4,682,014

The commissioner of human services shall pay from the funds appropriated in this section, as the entitled aid from the state under section 232.142, subsection 4, one-half of one percent of the total cost of the establishment, improvement, operation, and maintenance of approved county or multicounty juvenile homes.

Of the funds allocated to the pilot projects relating to adolescent pregnancy, the department shall expend no more than seven percent for administrative costs.

Sec. 20. CHILD ABUSE PREVENTION GRANTS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, for child abuse prevention grants:

..... \$ 350,686

Sec. 21. SUPPLEMENTAL CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used beginning on or before October 1, 1988, for supplemental payments of the child care costs of persons who qualify for transitional child care assistance for a period of twelve months due to a loss of eligibility for assistance under chapter 239 because of an increase in earned income:

..... \$ 2,100,000

1. The department shall deliver the supplemental payments through a voucher agreement system which requires the recipient to contribute to the cost of the child care services in accordance with the sliding fee schedule currently utilized

by the department for child day care services. Reimbursement for services will be limited to registered or licensed child care providers.

2. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall work with the legislative fiscal bureau to develop a means to measure the effect of the supplemental child care assistance upon the number of aid to families with dependent children recipients and the economic status of the persons who receive the assistance.

Sec. 22. HOME-BASED SERVICES. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for home-based services on the condition that family planning services are funded, and that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the reimbursement rate paid to service providers funded under this appropriation as specified in section 35 of this Act provided that if the department amends the allocation to a program funded under this section, then the department shall promptly notify the fiscal committee of the legislative council of the change:

..... \$ 6,974,800

Of the funds appropriated in this section, nine hundred fifty-nine thousand forty (959,040) dollars, or so much thereof as is necessary, shall be used to continue the three-year family preservation pilot services initiative to provide highly intensive in-home family reunification and placement prevention services. These funds shall be used to maintain fiscal year 1988 service levels. The payment system for this project shall be other than an hourly unit-based system and may be based on a cost per family unit with actual payments per family adjusted according to the performance of the provider and the outcome of their services to each family. It is the intent of the general assembly that the three-year evaluation of this initiative and other project monitoring

activities be continued to assess service impact and cost-effectiveness.

Sec. 23. AID TO INDIANS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for aid to Indians under section 252.33:

..... \$ 34,965

The tribal council shall not use more than ten percent of the funds for administration purposes.

Sec. 24. VOLUNTEERS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for development and coordination of volunteer services:

..... \$ 67,932

Sec. 25. JUVENILE JUSTICE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for juvenile justice reimbursement to counties under section 232.141, subsection 2:

..... \$ 2,502,000

Sec. 26. FOSTER CARE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for foster care on the condition that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the reimbursement rate paid to foster care providers, as specified in section 35 of this Act:

..... \$ 30,247,000

1. The department shall revise the reimbursement formula for foster family special care and emergency care allowances to encourage foster family special care and emergency care

placements in lieu of group foster care placements. Beginning December 1, 1988, the formula shall recognize the special needs of children in foster care and the special services that may be required of foster parents.

2. Beginning on the effective date of administrative rules governing this section, the department may use a portion of the funds appropriated in this section to provide payments to senior citizens, recipients of assistance under aid to families with dependent children, or other appropriate persons to assist in monitoring certain children in foster family placement, in order to demonstrate whether the monitoring can make family foster care a more viable placement option for delinquent children.

3. Beginning on the effective date of administrative rules governing this section, the department may use a portion of the funds appropriated in this section to purchase special services in order to demonstrate whether the services can prevent out-of-home shelter care.

4. It is the intent of the general assembly that the department of human services, the state judicial department, the department of education and representatives of service providers shall establish a target problem-child committee. The committee shall be responsible to find placements for children who have exceptional service needs or who have been rejected in previous referrals and who may be at risk of being placed out of state.

5. It is the intent of the general assembly that the department of human services and the judicial department shall jointly develop, for submission to the governor and general assembly by December 1, 1988, a plan to eliminate the practice of joint case management and the monitoring of juvenile court cases.

6. Of the funds appropriated in this section, thirty thousand (30,000) dollars, or so much thereof as is necessary, may be used by the department to conduct a study to determine the impact of establishing a fee schedule for parental participation in all child welfare services.

7. For those children who would otherwise be eligible for federal Title IV-E funding, when a juvenile court considers ordering a "payment only" foster care placement, the juvenile court and the department shall determine whether departmental custody and placement is feasible. The department shall record the number of cases which were eligible for Federal Title IV-E Funding, but were ordered into "payment only" foster care and report this information to the legislative fiscal bureau every three months beginning October 1, 1988. The department and the state court administrator shall work with the federal department of health and human services to develop an agreement between the department and the state court administrator which would enable the state to receive federal Title IV-E funds for "payment only" cases and make recommendations to the general assembly as to legislation required to fulfill the agreement.

8. The department shall develop an alternative system for reimbursing Foster care providers that provide performance-based payment. The system shall include contract features which provide incentives and penalties based upon outcomes. It is the intent of the legislature that the alternative system shall be made available on a demonstration project basis by December 1, 1988.

9. The department may transfer a portion of the funds appropriated in this section for use in providing subsidized adoption services or for use in purchasing adoption services, if funds allocated for adoption services are insufficient.

10. No more than thirty percent of children in foster care funded under Title IV, part E of the Federal Social Security Act shall be in foster care for more than twenty-four months.

11. Of the funds appropriated in this section, forty-five thousand (45,000) dollars, or so much thereof as is necessary, is allocated for foster parent training prior to the initial licensure of foster parents.

12. As a condition, qualification, and limitation of the funds appropriated under this section, by September 1, 1988, the department shall designate two counties as the counties in

which the demonstration program to decategorize child welfare services will occur. The county boards of supervisors and the judicial districts serving the counties shall agree to those counties serving in the demonstration. The department shall establish a child welfare fund for those counties composed of all or part of the amount that would otherwise be expected to be used for residents of the counties for foster care, family-centered services, subsidized adoption, day care, local purchase services, juvenile institutional care, mental health institute care, state-hospital school care, juvenile detention, department direct services, and juvenile justice county-based reimbursable services. Notwithstanding other service funding provisions in law, the department shall establish this fund by transferring funds from the budgets affected, except for the funds appropriated for juvenile institutions, mental health institutes, and state hospital schools, which shall be identified in the demonstrations for auditing purposes only. The child welfare fund may be used to support services and payment rates not allowable within historical program or service categories. The department shall work with the county board of supervisors and the judicial districts in providing training for the project, and shall make use of the national conference of state legislatures and the center for the study of social policy for technical assistance. It is the intent of the general assembly that the demonstration program commence not later than April 1, 1989, and be designed to operate for a three year period.

13. As a condition, qualification, and limitation of the appropriation made under this section, thirty thousand (30,000) dollars, or so much thereof as is necessary, may be used by the department to contract with universities to provide ongoing research and evaluation assistance to programs and initiatives of the department involving family-centered services and foster care. Such contracts shall make maximum use of any matching resources from the universities with which the department contracts.

14. As a condition, qualification, and limitation of the funds appropriated under this section, seventy-five thousand (75,000) dollars, or so much thereof as is necessary, shall be used for grants under the family support subsidy program as provided in Senate File 2018 if enacted by the Seventy-second General Assembly, 1988 Session.

Sec. 27. FOSTER HOME INSURANCE FUND. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for the foster home insurance fund as required under Senate File 2107, if enacted by the Seventy-second General Assembly, 1988 Session:

..... \$ 165,000

As a condition, qualification, and limitation of the funds appropriated under this section, if Senate File 2107 is not enacted, funds appropriated under this section shall be allocated as follows:

1. One hundred twenty-five thousand (125,000) dollars for additional services to support foster family placements under section 29.

2. Forty thousand (40,000) dollars, or so much thereof as is necessary, may be used by the department on or after January 1, 1989, to reimburse foster parents for damages caused by a child placed in their care which cannot be reimbursed from another source. Funds shall be reimbursed according to criteria established by rule. The criteria shall include the provision that a foster parent who claims damages shall be responsible for one hundred fifty dollars of the claim.

Notwithstanding section 8.33, the funds remaining in the foster home insurance fund shall not revert to the general fund on June 30, 1989.

Sec. 28. SUPPLEMENTAL PAYMENTS TO IN-STATE FOSTER CARE PROVIDERS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the

following amount, or so much thereof as is necessary, to be used to provide supplemental payments to in-state providers of foster care beginning July 1, 1988, in order to reduce the number of out-of-state foster care placements. Payments shall be made according to criteria established by administrative rules and shall be based upon the special needs of individual children:

..... \$ 450,000

Sec. 29. ADDITIONAL SERVICES TO SUPPORT FOSTER FAMILY PLACEMENTS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used to provide additional services to support foster family placement commensurate with the needs of the child in order to make the placement a viable alternative to group foster care. The additional services may begin on the effective date of administrative rules governing this section:

..... \$ 240,000

Sec. 30. FOSTER PARENT IN-SERVICE TRAINING. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used to offer foster parent in-service training in order to meet the requirement for six hours of foster parent training annually to qualify for relicensure:

..... \$ 200,000

Sec. 31. TRANSFERS PROHIBITED. As a condition of the appropriations made for aid to families with dependent children, medical assistance, state supplementary assistance, and foster care under sections 1, 3, 15, and 26 of this Act the following shall apply:

1. Notwithstanding section 8.39, and except as provided in section 3, subsection 3, for the health maintenance organization enrollment, in section 3 for the medical assistance for pregnant women, infants, and children program,

in section 5, for the child support recovery unit, in section 26 for subsidized adoption and purchase of adoption services, funds appropriated for aid to families with dependent children, medical assistance, state supplementary assistance, and foster care shall not be subject to transfer. Department of human services' programs shall not be modified for the purpose of transferring other funds appropriated to the department of human services into the aid to families with dependent children, medical assistance, state supplementary assistance, and foster care accounts.

2. Except as provided in subsection 3 of this section, the commissioner of human services shall not modify programs funded under the aid to families with dependent children, medical assistance, state supplementary assistance, and foster care appropriations in order to meet any projected budget shortfalls, but shall request supplemental appropriations from the general assembly to meet those shortfalls.

3. Notwithstanding the concept of allotments in section 8.31, for the purpose of any across-the-board budget reductions ordered by the governor, the appropriations for the aid to families with dependent children, medical assistance, state supplementary assistance, and foster care shall be deemed to include amounts needed to operate the programs for the entire fiscal year beginning July 1, 1988, and ending June 30, 1989, under the July 1988 program guidelines and mandated subsequent changes. The across-the-board budget reductions shall be applied to the appropriations, and the estimate of revenues needed to balance the state's budget shall be made so as to operate the July 1, 1988 programs, as modified by mandated changes for the entire fiscal year.

4. Notwithstanding section 8.31, for deficit appropriations, the department shall apply the across-the-board budget reductions to the aid to families with dependent children, medical assistance, state supplementary assistance, and foster care appropriations, and to additional anticipated needs according to the July 1, 1988, guidelines and mandated subsequent changes. For surplus appropriations, the across-

the-board budget reductions shall be applied first to the surplus appropriations and then to amounts needed to maintain the July 1, 1988, programs and any mandated subsequent changes.

5. The appropriations made to the department of human services for general administration, community services, and the supplemental block grant are based upon receipt of grants to the state from the federal government in the federal fiscal year beginning October 1, 1988, and ending September 30, 1989, in the amount of thirty-two million sixty-eight thousand seven hundred seventy-seven (32,068,777) dollars for the social services block grant. The appropriations are based upon general administration receiving one million eight hundred forty-nine thousand three hundred thirty-one (1,849,331) dollars of the block grant and community services receiving twelve million six hundred sixty-seven thousand two hundred forty-nine (12,667,249) dollars for community services. It is the intent of the general assembly that if the amount provided by the federal grants is less than the amounts listed above, then fiscal adjustments shall be made during the state fiscal year beginning July 1, 1989, and ending June 30, 1990.

Sec. 32. GOALS AND OBJECTIVES. As a condition, qualification, and limitation of the appropriation for general administration, the department of human services shall work with the legislative fiscal bureau and the department of management to establish goals and objectives for each program which commenced on July 1, 1988, or thereafter. The goals and objectives shall be submitted to the fiscal committee of the legislative council on or before August 15, 1988.

Sec. 33. MEDICAID PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES. The following providers shall have their reimbursement rates frozen at the rates in effect on June 30, 1985: optometrists, opticians, clinics, audiologists, rehabilitation agencies, community mental health centers, family planning clinics, psychologists, screening centers, hearing aid dealers, orthopedic shoe dealers, maternal health centers, ambulatory surgery centers and genetic counseling clinics.

However, the material costs of products which are reimbursed at the acquisition cost shall not be frozen.

All across-the-board cuts currently in effect shall be removed effective July 1, 1988.

Reimbursement rates to hospitals and skilled nursing facilities shall be increased according to an inflation factor determined by the department.

Reimbursement rates for rural health clinics shall be increased in accordance with increases under the federal Medicare program.

Home health agencies certified for the medical assistance program shall be reimbursed for their current federal Medicare audited costs. The department shall conduct a study of the reimbursement methodology used for home health agencies in order to change from one of retrospectively determined rates to one of prospectively determined rates.

Sec. 34. STATE SUPPLEMENTARY ASSISTANCE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES. Effective July 1, 1988, the across-the-board cuts currently in effect will no longer apply to residential care facilities. Furthermore, the maximum reimbursement rate for residential care facilities shall be increased by three percent making the maximum rate seventeen dollars and ninety-seven cents. The new flat rate for facilities electing not to file cost reports shall be twelve dollars and eighty-four cents.

Effective July 1, 1988, the across-the-board cuts currently in effect shall not be applied in the in-home health related care program. Furthermore, the maximum reimbursement rate for the in-home health related care program shall be increased by three percent.

Sec. 35. SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES. For services given by social service providers on or after July 1, 1988, reductions to invoices or rates shall be discontinued. In addition, for services given between July 1, 1988, and June 30, 1989, rates shall be automatically increased by three percent over the unreduced rates in effect on June 30, 1988. Rates for foster

group care and shelter care services shall not exceed sixty-eight dollars and thirteen cents per day. This automatic increase is intended to be a one-time exception to policy for the fiscal year beginning July 1, 1988, and ending June 30, 1989, only and is not intended to eliminate regular submission of cost reports. The maximum rate in effect on June 30, 1989, shall become the provider's base maximum rate. Future maximum increases shall be calculated on the base maximum rate, except that the maximum rate a provider may charge shall be calculated under the cost-based system. The base maximum rate for service providers not included in a contract on June 30, 1989, shall be the first actual cost-based rate determined for the provider.

Sec. 36. ASSISTANCE TO GAMBLERS. The department shall use funds deposited in the gamblers assistance fund established in section 99E.10 only for programs to assist gamblers. Any unspent funds shall remain in the fund and shall not be transferred or reverted to the general fund of the state.

The department shall use gamblers assistance fund moneys for three full-time equivalent positions to support this program.

Sec. 37. RULES. The department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", for the following: Sections 3, 15, 16, 19, 20, 21, 26, 27, 33, 34, and 35 of this Act and rules shall become effective immediately upon filing, unless a later effective date is specified in the rules.

Sec. 38. Section 222.73, subsection 2, Code 1987, is amended to read as follows:

2. The superintendent shall certify to the director of revenue and finance the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and outpatient treatment charges computed pursuant to subsection 1, and the number of inpatient days and outpatient treatment service



units chargeable to the county. The county billing for a patient shall be reduced by an amount received for the patient's care from any source other than state appropriated funds. The per diem costs billed to each county shall not exceed the per diem costs in effect on July 1, 1988. However, the per diem costs may be adjusted annually to the extent of the adjustment in the consumer price index published annually in the federal register by the federal department of labor, bureau of labor statistics.

Sec. 39. Section 230.20, subsection 2, Code Supplement 1987, is amended to read as follows:

2. The superintendent shall certify to the director of revenue and finance the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and other service charges computed pursuant to subsection 1, and the number of inpatient days and other service units chargeable to the county. However, a county billing shall be decreased by an amount equal to reimbursement by a third party payor or estimation of such reimbursement from a claim submitted by the superintendent to the third party payor for the preceding calendar quarter. When the actual third party payor reimbursement is greater or less than estimated, the difference shall be reflected in the county billing in the calendar quarter the actual third party payor reimbursement is determined. The per diem costs billed to each county shall not exceed the per diem costs in effect on July 1, 1988. However, the per diem costs may be adjusted annually to the extent of the adjustment in the consumer price index published annually in the federal register by the federal department of labor, bureau of labor statistics.

Sec. 40. STATE BOARD OF REGENTS REPORT. The state board of regents shall prepare a report regarding the professional training required to ensure there are a sufficient number of qualified staff to deliver the case management services under section 14 of this Act in regard to enhanced mental health,

mental retardation, and developmental disabilities services. The report shall be submitted to the legislative council on or before December 1, 1988.

Sec. 41. SUPPLEMENTAL APPROPRIATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1987, and ending June 30, 1988, to the department of human services, the following amount, or so much thereof as is necessary, to supplement the prior appropriation for medical assistance to be used for the same purposes and to supplement funds appropriated by 1987 Iowa Acts, chapter 234, section 203, subsection 2:

..... \$ 3,600,000

Sec. 42. FEDERAL RECEIPTS. All federal grants to and the federal receipts of the department of human services are appropriated for the purposes set forth in the federal grants or receipts. The veterans per diem payable for veterans at the veterans home and funds received under Title XIX of the federal Social Security Act by the state mental health institutes and state hospital-schools shall be deposited in the general fund of the state.

Sec. 43. CAPITAL EXPENDITURES EXCLUDED. Funds appropriated by this Act shall not be used for capital acquisitions or improvements.

Sec. 44. OUT-OF-STATE TRAVEL PROHIBITED. Funds appropriated by this Act shall not be used by an employee of the department of human services for travel or other expenses related to a training program that takes place outside of this state unless the training is required or it can be demonstrated that out-of-state training is the least expensive alternative.

Sec. 45. LAYOFF PROCEDURES. If the department of human services must lay off more than five employees, the ratio of the number of departmental employees below merit classification pay grade twenty-five who are laid off compared to the total number of departmental employees who are laid off shall not exceed the ratio of the total number of departmental employees below merit classification pay grade twenty-five compared to the total number of departmental employees.

Sec. 46. Sections 135.84 and 142B.1, Code Supplement 1987, are repealed.

Sec. 47. Section 6, subsection 3 of this Act takes effect upon enactment.

Sec. 48. EFFECTIVE DATE. Section 41 of this Act takes effect upon enactment.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2347, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

HF 2447

OFFICE OF THE GOVERNOR

STATE OFFICE

DES MOINES, IOWA 503 19

515 26 150

TERRY E. BRANSTAD  
GOVERNOR

April 14, 1988

The Honorable Donald Avenson  
Speaker  
House of Representatives  
State Capitol Building  
L O C A L

Dear Mr. Speaker:

I hereby transmit House File **2447**, an act relating to human services, and making appropriations to the Department of Human Services for the fiscal years beginning July 1, 1987, and July 1, 1988, and providing effective dates.

House File **2447** provides funding for various human services programs, including important welfare reform initiatives. I am approving the funding provided in this bill since it is consistent with the budget compromise. I am pleased that the bill, for the most part, **fully funds** these programs within available funds, **As** a result, we can avoid a supplemental appropriation next year while providing an honest accounting of the expenditures during **this fiscal year**.

**However, items in this bill excessively limit the ability of the executive branch to administer state government and rule out necessary cost-saving options in the event of budget shortfalls. This administrative flexibility is essential if we are to wisely conserve taxpayers money. For that reason, I have item vetoed some of this restrictive language in House File 2447,**

Therefore, House File **2447** is approved with the following exceptions which I hereby disapprove,

I am unable to approve the designated portions of Section 1, subsections **5** and **6**, of House File **2447**.

The Honorable Donald Avenson  
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The item vetoed language in subsections 5 and 6 of Section 1 of House File **2447** prevents these appropriations from reverting to the state's general fund at the end of fiscal year 1989. Apparently, these nonreversion clauses were inserted in this legislation to prevent the Department of Human Services from making hasty decisions about awarding grants in the Child Development and Family Development and Self-Sufficiency Grant Programs. However, this legislation also requires that all grant awards be made by January 1, 1989. These confusing signals to the Department should be eliminated by striking the nonreversionary clauses and maintaining the requirement for the department to make these grant awards by January 1 of next year. The grant awards by the department can be multi-year in nature without the threat of a reversion being required in the next fiscal year, since the money **is** required to be encumbered by January 1.

I am unable to approve the designated portions of Section 3, subsection **3**, of House File **2447**.

The designated language would greatly hinder the effectiveness of the department's efforts to implement mandatory HMO's to contain Medicaid **costs**. Medicaid costs **are** increasing by over fifteen percent a year and mandatory HMO's are needed as a way to contain these costs, While I appreciate the legislature's recognition of the need to implement mandatory HMO's to contain these costs, restrictive language included in this subsection could render these mandatory HMO's ineffective.

Specifically, this item would exempt family planning services, and mental health **services** provided through community mental health centers from the **mandatory** HMO's and could exempt **anyone** with "**minimal** transportation expense" from the mandatory HMO.

**Federal law and the remaining language** in Section 3, subsection 3 require **that** HMO Medicaid services be easily accessible to needy individuals. The minimal transportation requirement would be most difficult to define and **could** result in a substantial and unnecessary loophole in the HMO requirements.

In addition, exempting community family planning services and mental health services from the HMO would greatly restrict our ability to contain the cost of those services.

The Honorable Donald Avenson  
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I am unable to approve the item designated as Section 3, subsection 7, of House File 2447,

This provision of the bill exempts certain specialized psychiatric hospitals for children and adolescents from the certificate of need requirements.

I understand that the rationale for this legislative provision exempting these facilities from the certificate of need process was to attempt to allow the facilities to draw **down** federal dollars from the Medicaid program. I am certainly willing to consider **ways** in which to accomplish that effort.

However, there is no assurance that money will actually be saved through this method and the legislative action to set aside the certificate of need requirements could open the door for for-profit institutions to **become** JCAH-accredited and licensed during the next fourteen months in order to draw down federal Medicaid dollars.

The certificate of need process is designed to provide a technical review of the **need** for additional beds and to help contain health care costs. Those goals are important to the state and the certificate of need process should not be subverted by this legislative action.

I am **unable** to approve the designated portion of Section 3, subsection 11, of House File 2447.

This item in House File 2447 requires the approval of **Legislative Council** before the Department can expend **\$20,000** to obtain assistance from the National Center for Health Services Research in **examining** state approaches to providing health services to **uninsured and underinsured** persons, **Requiring** such approval of the Legislative Council **before** the Department **can** administer these appropriated funds is an unnecessary intrusion by the legislative branch into the administration of **the executive** branch **and** therefore cannot be approved. If the legislature is uncertain about the wisdom of providing these funds for this purpose, the legislature should establish appropriate criteria governing the expenditure of these dollars without granting the Legislative Council *de facto* administrative power over an executive branch agency.

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I am unable to approve the designated portions of Section 6, subsection 2, of House File 2447.

The item vetoed language in this section of House File 2447 requires the Department of Human Services to seek additional funds through supplemental appropriation in the event the department discovers a shortfall in expected funds. Thus, by implication, the department is prohibited from putting in place efficiencies or cost savings in order to pick up an unexpected shortfall. It is bad public policy to rule out the possibility of the department achieving cost savings in order to save taxpayers dollars. The efficiency and cost saving options should be the first ones selected by the department and a supplemental appropriation **should** be used only as a last resort. In addition, this item would require the department to seek Legislative Council approval before spending additional funds on non-salary or benefit items in its budget. Again, this allows the

Legislative Council to, in effect, administer the appropriation made in Section 6 of House File 2447. The legislature does **have** the authority to appropriately indicate, by statute, the way in which funds should be expended. However, **requiring** the **department** to seek Legislative Council approval before certain administrative action is taken is an intrusion on the executive branch's constitutional responsibility to manage state government.

I am unable to approve the item designated as Section 6, subsection 3, of **House File 2447**.

**This section of the bill prohibits the department from placing any orders for computer terminals or other hardware for the family assistance management information system. It also prohibits the department from taking delivery of any terminals or hardware previously ordered without receiving authority of the Legislative Council.**

Again, this is an excessive intrusion of the Legislative Council into the administration of state government. Requiring Legislative Council approval before those funds can be administered is an unnecessary and potentially unconstitutional intrusion in the administration of the executive branch of state government. I will ask the Department of Human Services to inform the Legislative Council, the fiscal committees of the

The Honorable Donald Avenson  
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legislature and the membership of the Human Services Appropriation Subcommittee as to their plans for the administration of the Family Assistance Management Information System. However, I cannot accept Legislative Council approval before any action can be taken by the department.

I am unable to approve the designated portions of Section 7, subsection 2, of House File 2447.

This item in Section 7, subsection 2, of the bill again requires the department to seek supplemental funds before attempting to cut costs in order to meet the potential budget shortfalls. It also requires Legislative Council approval before the department can spend funds on items other than salary and benefits. For the above reasons, I believe that the department should use cost saving efforts as a first option when dealing with budget shortfalls and requiring Legislative Council approval before certain administrative actions can be taken is an intrusion into the administration of the executive branch of state government.

I am unable to approve the designated portion of Section 8, subsection 3, of House File 2447.

This item requires **the** department to limit the population of the Eldora juvenile institution to an average of **200** and puts a limit of 90 juveniles at the Toledo institution.

**While** I generally agree **with** the intent of this legislation to **maintain** a manageable **level** of population at these institutions, I **believe it would be** wrong for us **to strictly hamstring the** department **and the court's** ability to **make** appropriate decisions in the placement of foster children. Meeting **this strict limitation** would be most difficult for **the department to achieve** and the impact of **failing** to achieve it is not clear.

In addition, we should not limit our **ability** to appropriately place foster care individuals and if the population increases excessively, all three branches of government **should** review options for dealing with that population problem. A strict cap on that population is an inappropriate option to select at this time.

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I am unable to approve the designated portion of Section 17, subsection 4, of House File 2447.

This item of the bill requires that the department increase the eligibility standards for child day care services in the event the Department is unable to expend all the funds appropriated for this purpose.

The primary purpose of an appropriation should not be to attempt to make certain that all of it is spent. Rather, it should be designed to meet a particular need that has been identified.

In this case, the need has been identified and the department has been provided funds for that purpose. If the General Assembly determines that funds are available and an additional need is in existence, the legislature can review the need for expansion of the eligibility requirements in the future. However, the department should not run this program with an eye toward making certain all funds are spent.

I am unable to approve the item designated as Section 31 of House File 2447.

This item **proposes** to prohibit the transfer of funds within the Aid to **Families** with Dependent Children (AFDC), medical assistance, state supplementary assistance, and the foster **care** programs. This section also prohibits the department from modifying any of these programs in order to meet budget shortfalls. It also prohibits these programs **from** being affected by any **across-the-board** cuts **required in** order to balance the state budget. Finally, this section prevents the Department, in the event that a shortfall of federal funds, **occurs from** taking **action** to **cut** those programs and instead requires a supplemental appropriations to continue funding in a future **fiscal** year.

This section of the bill, in effect, prohibits *the* department, from looking **for ways in which** to **cut** costs in order to **meet** potential budget shortfalls. Moreover, the department is strictly limited in its ability to meet changing **needs** that may be identified during the course of the next fiscal year.

It **would** be my hope that our projections **are** accurate enough that budget transfer authority **would** not need to be utilized. In addition, I am confident that we can avoid an across-the-board cut in the coming fiscal year.



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April 14, 1988  
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Nevertheless, the executive branch must maintain these options if **we** are to make certain that taxpayers' money is efficiently and wisely used. Hamstringing the department and the executive branch in efforts to deal with budget shortfalls would only encourage inefficiency **and** potential unnecessary expenditures. Existing statutory authority ensures the legislative branch is fully informed before the utilization of these necessary tools in the administration of the state's budget. Those notice requirements will be fully met by the executive branch should **any** of these options need to be selected in the coming fiscal year.

I am unable to approve the item designated **as** Section **45** of House File **2447**.

This section of the **bill sets** out a strict methodology for the department to use in the event of the need for layoffs of departmental employees. I generally agree with the intent of the legislation to make certain that line employees are not disproportionately impacted should layoffs be needed.

However, the executive branch needs to maintain flexibility to select individuals affected by programs or administrative reductions for layoff in the event of a budget shortfall. Establishing a strict layoff procedure could limit the ability of the department to flexibly deal with budget shortfalls and to set appropriate priorities.

I am unable to approve the item designated as Section **47** of House File **2447**.

This section of *the* bill **makes** effective the prohibition on the purchase or delivery of any computer equipment by the department **upon** enactment of the bill. **Since** that portion of this bill has been item vetoed, this enactment clause is not **necessary**.

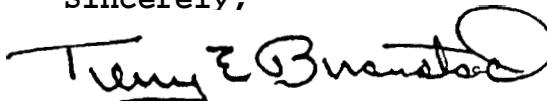
*The* remainder of House File **2447** is approved in its entirety. Substantial additional funds are provided for child **care** and medical assistance to help needy Iowans climb the ladder out of poverty. In addition, the bill contains a controlled and manageable state response to the bill of rights. **And**, the cost estimates for the Medicaid, AFDC, and foster care programs included in this bill are reasonable and should be sufficient to meet the anticipated needs for next fiscal year -- thus making a supplemental appropriation not necessary.

The Honorable Donald Avenson  
April 14, 1988  
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I salute the legislature for working with the executive branch to meet these joint goals.

For the above reasons, I hereby respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa, All other items in House File 2447 are hereby approved as of this date.

Sincerely,

A handwritten signature in cursive script that reads "Terry E. Branstad". The signature is written in dark ink and is positioned above the printed name and title.

Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of State  
Secretary of the Senate  
Chief Clerk of the House

Sec. 3. This Act, being deemed of immediate importance, is effective upon enactment.

HOUSE FILE 2451

AN ACT

RELATING TO THE TREATMENT OF INTEREST AND DIVIDENDS FROM STATE AND OTHER POLITICAL SUBDIVISIONS AND FROM REGULATED INVESTMENT COMPANIES IN DETERMINING THE ALTERNATIVE MINIMUM TAX FOR CORPORATIONS AND PROVIDING FOR RETROACTIVE APPLICABILITY AND EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.33, subsection 4, paragraph a, Code Supplement 1987, is amended to read as follows:

a. Add items of tax preference included in federal alternative minimum taxable income under section 57, except subsections (a)(1) and (a)(5), of the Internal Revenue Code, make the adjustments included in federal alternative minimum taxable income under section 56, except subsections (a)(4) and (d), of the Internal Revenue code, and add losses as required by section 58 of the Internal Revenue Code. In making the adjustment under section 56(c)(1) of the Internal Revenue Code, interest and dividends from federal securities and interest and dividends from state and other political subdivisions and from regulated investment companies exempt from federal income tax under the Internal Revenue Code, net of amortization of any discount or premium, shall be subtracted.

Sec. 2. This Act is retroactive to January 1, 1988, for tax years beginning on or after that date.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2451, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HF 2451

HOUSE FILE 2452

AN ACT

RELATING TO THE RECEIPT AND DISBURSEMENT OF SUPPORT PAYMENTS BY TRANSFERRING THE COLLECTION AND DISTRIBUTION OF CHILD SUPPORT PAYMENT FROM THE DEPARTMENT OF HUMAN SERVICES COLLECTION SERVICES CENTER TO THE DISTRICT COURT CLERKS, BY MAKING AN EXCEPTION, FOR FEDERAL SOCIAL SECURITY PAYMENTS, TO THE STATUTORY REQUIREMENTS REGARDING ALLOWABLE PAYEES, BY PROVIDING APPROPRIATIONS, AND BY PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 2526.13, subsection 1, Code Supplement 1987, is amended to read as follows:

2528.13 COLLECTION SERVICES CENTER,

1. The department shall establish within the unit a collection services center for the receipt and disbursement of all support payments as defined in section 598.1 required pursuant to an order for which the unit is providing or has provided enforcement services on or after July 1, 1988 under this chapter. For purposes of this section, child support payments do not include attorney fees or court costs. The judicial department and the department of human services shall cooperate in the establishment of the center which will receive and disburse support payments transferring or directing these judgments and orders for support and Payments to the collection services center.

Sec. 2. Section 2528.14, Code Supplement 1987, is amended by striking the section and inserting in lieu thereof the following:

2528.14 SUPPORT PAYMENTS -- CLERK OF COURT -- COLLECTION SERVICES CENTER.

All support payments required pursuant to orders entered under this chapter and chapter 234, 252A, 252C, 598, or 675, or any other chapter shall be directed and processed as

follows:

1. In cases for which services are being provided by the unit under this chapter, payment shall be directed to the collection services center established pursuant to section 2526.13. The department of human services shall notify the clerk of the district court if payment should be directed to the collection services center and the clerk shall provide the collection services center with a copy of the order or judgment.

2. In all other cases, payment shall be directed to the clerk of the district court for the use of the person for whom payments have been awarded.

Payments to persons other than the clerk of the district court and the collection services center do not satisfy the support obligation created by such orders or judgments, except as provided for trusts and social security income in section 252D.1, 598.22, or 598.23, or for tax refunds or rebates in section 602.8102, Subsection 47.

Sec. 3. Section 2528.16, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

2528.16 CONVERSION -- PROCESSING OF SUPPORT PAYMENTS.

All judgments and orders for support and support payments which are currently collected and disbursed by the collection services center, other than those subject to section 2528.14, subsection 1, shall be transferred for further processing from the collection services center to the appropriate clerk of the district court on or before March 1, 1989. Support payments subject to section 2528.14, subsection 1, which are not currently collected and disbursed by the collection services center shall be transferred for further processing from each clerk of the district court to the collection services center. The following procedure shall be used to transfer payments:

1. The judicial department and the department of human services shall mutually agree to dates to effectuate the transfer of cases. The department of human services shall cause to be published in the administrative bulletin a

cumulative list of effective dates by county, once agreed upon and determined, which list shall be final and inclusive of all counties on the next date of publication subsequent to March 1, 1989.

2. In addition, for orders of support which must be transferred pursuant to this section, the department of human services shall notify the payee and the obligor as provided in subsections 3 and 4 that the obligor will be directed to pay future support payments to the clerk of the district court or to the collection services center as of the date provided in the notice. The notice under subsection 3 to the obligor is the equivalent of a court order directing the payment of the sums to the clerk of the district court or to the collection services center.

3. The notice of the change in the direction of payments shall be sent by ordinary mail to the payee's and the obligor's last known addresses or the persons shall be personally served with the notice in the manner provided for service of an original notice at least fifteen days prior to the date provided in the notice for the redirection of the payments. The notice shall include all of the following:

a. The name of the payee and, if different in whole or in part, the names of the persons to whom the obligation of support is owed by the obligor.

b. The name of the obligor.

c. The amount of the periodic support payment, the due dates of the payments, and any arrearages.

d. The beginning date for sending payments to the clerk of the district court or to the collection services center.

4. In addition to the notice required in subsection 3, the department shall provide notice to the payee and the obligor at the time of abstracting. The notice shall contain all information contained in the abstract and shall be given at least ten working days prior to any notice given pursuant to subsection 3 and shall be made in the same manner as allowed in subsection 3. A person receiving such notice shall have

ten working days to file a written statement to the effect that information contained in the abstract is in whole or in part erroneous, and may request a correction of that information. The department shall provide the person with an opportunity for a review hearing to correct the information, unless the department corrects the information.

5. Any payments received after the case has been transferred under this section, shall be sent to the appropriate office within two working days of receipt of payments.

Sec. 4. Section 252D.1, subsection 3, Code 1987, is amended to read as follows:

3. If support payments ordered under section 234.39, section 252A.6, subsection 12, chapter 252C, section 598.21, or section 675.25, or under a comparable statute of a foreign jurisdiction, as certified to the child support recovery unit established in section 2528.2, are not paid to the clerk of the district court or the collection services center pursuant to section 598.22 and become delinquent in an amount equal to the payment for one month, upon application of a person entitled to receive the support payments, the child support recovery unit or the district court may enter an ex parte order notifying the person whose income is to be assigned, of the delinquent amount, of the amount of income or wages to be withheld, and of the procedure to file a motion to quash the order of assignment, and shall order an assignment of income and notify an employer, trustee, or other payor by certified mail of the order of the assignment of income requiring the withholding of specified sums to be deducted from the delinquent person's periodic earnings, trust income, or other income sufficient to pay the support obligation and, except ~~for trusts governed by the federal Retirement-Equity-Act of 1984, Pub. L. No. 98-397~~ as provided in section 598.22, requiring the payment of such sums to the clerk of the district court or the collection services center. ~~Per-trusts governed by the federal Retirement-Equity-Act of 1984, Pub. L.~~

~~No. 98-397, the assignment of income shall require the payment of such sums to the alternate payee;~~ The assignment of income is binding on an existing or future employer, trustee, or other payor ten days after the receipt of the order by certified mail. The amount of an assignment of income shall not exceed the amount specified in 15 U.S.C. §1673(b). The assignment of income has priority over a garnishment or an assignment for a purpose other than the support of the dependents in the court order being enforced. The child support recovery unit or the district court, upon the application of any party, by ex parte order, may modify the assignment of income on the full payment of the delinquency or in an instance where the amount being withheld exceeds the amount specified in 15 U.S.C. §1673(b), or may revoke the assignment of income upon the termination of parental rights, emancipation, death or majority of the child, or upon a change of custody.

Sec. 5. Section 252D.6, Code 1987, is amended to read as follows:

2520.6 ADMINISTRATION OF WAGE WITHHOLDING PROCEDURES.

The collection services center ~~established pursuant to section 252B-13~~ is and each clerk of the district court are designated as the public-agency entities of the state to administer wage withholding in accordance with procedure specified for keeping adequate records to document, track and monitor support payments in accordance with Title IV-D of the United States federal Social Security Act.

Sec. 6. Section 598.22, unnumbered paragraph 1, Code 1987, is amended to read as follows:

This section applies to all initial or modified orders for support entered under this chapter, chapter 234, 252A, 252C, 675, or any other chapter of the Code. All orders or judgments ~~for support entered on or before March 31, 1987,~~ entered under chapter 234, 252A, 252C, or 675, or under this chapter or any other chapter which provide for temporary or permanent support payments shall direct the payment of those

sums to the clerk of the district court or the collection services center in accordance with section 2528.14 for the use of the person for whom the payments have been awarded. ~~Aff orders or judgments for support entered on or after April 1, 1987, shall direct the payment of those sums to the collection services center established pursuant to section 252B-13;~~ Payments to persons other than the clerk of the district court and the collection services center do not satisfy the support obligations created by the orders or judgments, except as provided for trusts ~~in section 252B-17, 598-23, or this section~~ or governed by the federal Retirement Equity Act of 1984, Pub. L. No. 98-397, for tax refunds or rebates in section 602.8102, subsection 47, or for dependent benefits paid to the child support obligee as the result of disability benefits awarded to the child support obligor under the federal Social Security Act. For trusts governed by the federal Retirement Equity Act of 1984, Pub. L. No. 98-397, the assignment of income shall require the payment of such sums to the alternate payee in accordance with the federal Act.

Sec. 7. Section 598.22, unnumbered paragraph 3, Code 1987, is amended to read as follows:

An order or judgment entered by the court for temporary or permanent support or for an assignment shall be filed with the clerk. The orders have the same force and effect as judgments when entered in the judgment docket and lien index and are records open to the public. The clerk or the collection services center, as appropriate, shall disburse the payments received pursuant to the orders or judgments within ten two working days of the receipt of the payments. All moneys received or disbursed under this section shall be entered in a record-book records kept by the clerk, or the collection services center, as appropriate, which shall be open available to the public. The clerk or the collection services center shall not enter any moneys paid in the record book if not paid directly to the clerk or the center, as appropriate, except as provided for trusts ~~in section 252B-17, 598-23, or this section~~

or and federal social security disability payments in this section, and for tax refunds or rebates in section 602.8102, subsection 47.

Sec. 8. Section 598.22, unnumbered paragraph 5, Code 1987, is amended to read as follows:

Prompt payment of **sums** required to be paid under sections 598.11 and 598.21 shall be **is** the essence of such orders or judgments and the court may act pursuant to section 598.23 regardless of whether the amounts in default are paid prior to the contempt hearing.

Sec. 9. Section 598.23, subsection 2, paragraph a, Code 1987, is amended to read as follows:

a. Directs the defaulting party to assign trust income, or a sufficient amount in salary or wages due or to become due in the future from an employer or successor employers, to the clerk of the district court where the order or judgment was granted or the collection services center, except as otherwise provided in section 598.22 for certain trust income, social security disability payments, or tax refunds or rebates for the purpose of paying the sums in default as well as the payments to be made in the future. ~~However for trusts governed by the Federal Retirement Equity Act of 1984, Pub. Law No. 98-397, payments shall be made to the alternate payee in accordance with the Federal Act.~~ If the assignment is of salary or wages due, the amount assigned shall not exceed the amount set forth in 15 U.S.C. §1673(b)(1982) and the assignment order is binding upon the employer only for those amounts that represent child support and only upon receipt by the employer of a copy of the order, signed by the employee. For each payment deducted in compliance with the direction, the payor may deduct a sum not exceeding two dollars as a reimbursement for costs. Compliance by a payor with the court's order shall operate as a discharge of the payor's liability to the payee as to the affected portion of the payee's wages or trust income. An employer who dismisses an employee due to the entry of an assignment order commits a simple misdemeanor.

Sec. 10.

1. The department of human services shall actively seek to correct the credit rating of a person whose credit rating has been adversely affected due to incorrect information in the collection services center. The corrective action shall be taken by the department without charge, at the request of a person who believes they have been adversely affected. Action by the department may include personal contact with the credit reporting agency, insertion of written information into the record, and further tracking of incorrect credit information which was submitted to other parties by the credit reporting agency.

2. The center and the judicial department shall submit a report regarding the activities of the collection services center and the clerks of the district court to the fiscal committee of the legislative council, the legislative fiscal bureau, and the directors of the majority and minority legislative caucus staffs of the senate and house of representatives in each month following the enactment of this Act. The report shall contain all of the following information:

a. The progress made in verifying the data in the converted counties.

b. The time required between the time a payment is received and the time funds are distributed to a recipient.

c. The number, nature, and frequency of complaints regarding the operation of the center and the activities of the clerks of the district court including an analysis of the sources of the complaints.

3. **As** part of comprehensive legislative oversight, the legislative fiscal bureau, in consultation with the department of human services and the judicial department, shall submit a report to the general assembly on or before January 1, 1989, which evaluates the operation of the center and the transition to the clerks of the district court during the period beginning May 1, 1988, and ending December 1, 1988. The report shall include all of the following:

a. An assessment of the impact of the center upon the payment of child support, including information regarding the dollar amount collected by the child support recovery unit and the dollar amount received by recipients.

b. An assessment of the effect of the center upon the percentage of payors who are making payments.

c. An assessment of the level of satisfaction with the services of the center and the clerks of the district court among payors and recipients.

d. An assessment of the cost-effectiveness of processing child support payments through the center in comparison with processing through the clerks of the district court.

e. A comparison of the collection services center and the clerks of the district court.

f. Other information relevant to the policy analysis of child support issues as requested by the legislative fiscal bureau.

Sec. 11. The judicial department, after consulting with the department of human services, shall appoint an advisory committee to advise the department of human services and the judicial department regarding modifications of the system for processing payments of support and to review complaints concerning this system. The committee shall be composed of five voting members, including one member representing the Iowa bar association, one member representing financial institutions, one member representing the title examiners, one member representing the payees, and one member representing the obligors. The judicial department and the department of human services shall also appoint one member each as ex officio nonvoting members representing the departments.

Sec. 12. Section 2528.15, Code 1987, is repealed.

Sec. 13. Any personnel in the state merit system of employment whose position is eliminated due to the deletion of positions as a result of this Act shall be placed on the outplacement list. The judicial department may provide information regarding positions available as a result of the

transition from the collection services center to the judicial department.

Sec. 14. Section 2528.13, code Supplement 1987, as amended by this Act, is repealed effective July 1, 1990.

Sec. 15. Notwithstanding the provisions of this Act to the contrary, all duties of the department of human services relating to the collection and disbursement of support payments by the collection services center shall be transferred from the collection services center to the appropriate clerk of the district court by July 1, 1990, if further action is not taken by the general assembly.

The judicial department and the department of human services shall mutually agree to dates to effectuate the transfer of cases. The department of human services shall cause to be published in the administrative bulletin a cumulative list of effective dates by county, once agreed upon and determined, which list shall be final and inclusive of all counties on the next date of publication subsequent to March 1, 1990. The court shall provide for the automated access of data and automated transfers of moneys by the child support recovery unit necessary for carrying out the unit's duties. The court shall also examine, in a plan for any computerized system, the potential for including the use of the electronic transmission of funds as a method of payment satisfying any support obligation.

Sec. 16. CHILD SUPPORT COLLECTION SERVICES FUND -- APPROPRIATIONS.

1. A child support collection services fund is created in the office of the treasurer of state consisting of all revenues appropriated to the fund by the general assembly and other revenues and moneys as designated to be deposited in the fund.

2. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 3 and 4, there is transferred for the fiscal year beginning July 1, 1987, and ending June 30, 1988,



notwithstanding sections 99D.17 and 99D.18, from funds paid to the state racing commission pursuant to section 99D.14, four hundred thousand (400,000) dollars, to be deposited in the child support collection services fund. Notwithstanding section 8.33, funds transferred pursuant to this subsection shall not revert but shall be subject to expenditure from the child support collection services fund during the fiscal year ending June 30, 1989.

3. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 2 and 4, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, there is appropriated from the general fund of the state, seven hundred thousand (700,000) dollars, and notwithstanding sections 99D.17 and 99D.18, there is transferred from funds paid to the state racing commission pursuant to section 99D.14, two hundred ninety-two thousand (292,000) dollars, to be deposited in the child support collection services fund.

4. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 2 and 3, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, there is appropriated from the child support collection services fund, five hundred one thousand (501,000) dollars, or so much thereof as is necessary, to the department of human services for the operation of the collection services center established pursuant to section 2528.13, and eight hundred ninety-one thousand (891,000) dollars, or so much thereof as is necessary, to the judicial department to be used for the receipt and disbursement of support payments as provided in chapter 2528.

5. The general assembly declares that the entire one million three hundred ninety-two thousand (1,392,000) dollars appropriated in this section shall be spent as set out in this section. If the governor attempts to execute a purported item veto pursuant to Article III, Section 16 of the Constitution

of the State of Iowa, this entire section and all appropriations in this section shall be null and void. Each subsection in this section is part of a unified plan and program and the attempted removal of any subsection will destroy the whole, and each subsection is a qualification, limitation, and condition of every other subsection and of all appropriations in this section.

Sec. 17. 1988 Iowa Acts, House File 209, is repealed.

Sec. 18. Sections 16 and 17 of this Act, being deemed of immediate importance, are effective upon enactment.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2452, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

TERRY E. BRANSTAD  
Governor



TERRY E. BRANSTAD  
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL  
DES MOINES, IOWA 50319

515 281-5211

May 12, 1988

The Honorable Elaine Baxter  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

I hereby transmit House File **2452**, an act relating to the receipt and disbursement of support payments by transferring the collection and distribution of child support payment from the department of human services collection services center to the district court clerks, by making an exception, for federal social security payments, to the statutory requirements regarding allowable payees, by providing appropriations, and by providing effective dates.

House File **2452** is approved with the following exception which I hereby disapprove.

- I am unable to approve the item designated as Section 16, subsection **5**, in its entirety.

House File **2452** deals with child support collection services and provides that the Department of Human Services shall continue to provide for centralized child support collection services for Aid to Dependent Children (ADC) recipients with the remaining collection services to be provided by the clerks court. While I am concerned about the additional costs of this transfer, I believe this modification is understandable and not inappropriate, given the past startup problems associated with the state centralized collection service system.

However, subsection 5 of Section 16 is an attempt by the General Assembly to statutorily delimit the Governor's constitutional line item veto authority and, as a result, cannot be approved.

The Honorable Elaine Baxter  
May 12, 1988  
Page 2

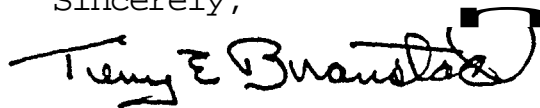
This subsection includes legislative dicta that the effect that individual appropriations included in the bill are considered part of the unified whole and, purportedly, cannot be subject to the Governor's line item veto authority. I have some concerns about the funding mechanism used in this bill -- this ongoing program is funded with one-time Racing Commission **dollars** that had been set aside for another purpose. Nevertheless, I understand that the legislature had no other source of funds available to finance the transfer of a portion of the child support collection services to the judicial department and I have, therefore, approved those appropriation items.

However, when the legislature attempts to define the Constitution by statute, it is clearly exceeding its authority. We have a time honored tradition in this country of judicial review. That means the court, not the legislature, decides what is constitutional and what is not. Indeed, in a recent decision, Junkins v. Branstad, Case No. 86-1740 (filed March 16, 1988), the court strongly reaffirmed the principle that it is the court, not the legislature, that decides the meaning of the Constitution.

Therefore, in subsection 5, the legislature is clearly invading the power of the judicial branch to construe the law and the power of the executive branch to carry it out.

For the above reasons, I hereby respectfully disapprove **this** item in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in House **File** 2452 are hereby approved as of this date.

Sincerely,



Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of the Senate  
Chief Clerk of the House

HOUSE FILE 2453

AN ACT

RELATING TO THE SALE AND USE OF PACKAGING PRODUCTS, PROVIDING SALES AND USE TAX INCENTIVES FOR THE USE OF DEGRADABLE PACKAGING PRODUCTS, SUBJECTING VIOLATORS TO A PENALTY, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 455B.301, Code Supplement 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 16. "Degradable" means capable of decomposing by biodegradation, photodegradation, or chemical process into harmless component parts after exposure to natural elements for not more than three hundred sixty-five days.

NEW SUBSECTION. 17. "Biodegradable" means degradable through a process by which fungi or bacteria secrete enzymes to convert a complex molecular structure to simple gasses and organic compounds.

NEW SUBSECTION, 18. "Photodegradable" means degradable through a process in which ultraviolet radiation in sunlight causes a chemical change in a material.

NEW SUBSECTION. 19. "Beverage" means wine as defined in section 123.3, subsection 7, alcoholic liquor as defined in section 123.3, subsection 8, beer as defined in section 123.3, subsection 10, wine cooler or drink, tea, potable water, soda water and similar carbonated soft drinks, mineral water, fruit juice, vegetable juice, or fruit or vegetable drinks, which are intended for human consumption.

NEW SUBSECTION. 20. "Beverage container" means a sealed glass, plastic, or metal bottle, can, jar, or carton containing a beverage.

Sec. 2. NEW SECTION. 455B.314 BEVERAGE CONTAINER CONNECTORS -- PROHIBITION.

1. A distributor as defined in section 455C.1, subsection 5, shall not sell or offer to sell any beverage container if the beverage container is connected to another beverage container by a device constructed of a material which is not biodegradable or photodegradable.

2. A distributor violating subsection 1 is guilty of a serious misdemeanor.

Sec. 3. NEW SECTION. 459.30 LABORATORY DIVISION -- PACKAGING DETERMINATION -- PROMOTION.

The laboratory division of the department shall do all of the following:

1. Designate, pursuant to chapter 17A, packaging products which are degradable as defined pursuant to section 455B.301, subsection 16.

2. Promote the use at the point of sale of designated degradable, as defined pursuant to section 455B.301, subsection 16, packaging products by retailers.

HC 2453

3. Promote the development of markets which provide degradable, as defined pursuant to section 4555.301, subsection 16, packaging alternatives for use at the point of sale by retailers in this state.

Sec. 4. Section 422.45, subsection 19, Code Supplement 1987, is amended to read as follows:

19. The gross receipts from the sale of property which is a container, label, carton, pallet, packing case, wrapping paper, twine, bag, bottle, shipping case, or other similar article or receptacle sold to ~~retailers or~~ manufacturers for the purpose of packaging or facilitating the transportation of tangible personal property ~~sold at retail~~ or transferred in association with the maintenance or repair of fabric or clothing.

Sec. 5. Section 422.45, Code Supplement 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 19A. The gross receipts from the sale of degradable, as defined in section 4558.301, subsection 16, property which is a container, carton, packaging case, wrapping paper, bag, bottle, shipping carton, or other similar article or receptacle sold to retailers ~~for~~ the purpose of point-of-sale packaging or for facilitating the transportation of tangible personal property sold at retail or transferred in association with the maintenance or repair of fabric or clothing. For the purpose of this subsection and subsection 195, "point-of-sale" means the point at which payment is exchanged for tangible personal property.

NEW SUBSECTION. 19B. The gross receipts from the sale of property which is a container, carton, packaging case, wrapping paper, bag, bottle, shipping carton, or other similar article or receptacle sold to retailers ~~for~~ the purpose of nonpoint-of-sale packaging.

Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 1989. Sections 4 and 5 take effect when the authority determines that degradable products are available to a degree

which makes compliance reasonably possible. The authority shall establish the effective date by rule adopted under chapter 17A.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2453, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HOUSE FILE 2456

AN ACT

RELATING TO PROGRAMS FOR WHICH RPPROPRIATIONS TO THE DEPARTMENT OF HUMAN SERVICES ARE REQUIRED, PROVIDING AN EFFECTIVE DATE, AND PROVIDING PENALTIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 1358.9, Code 1987, is amended to read as follows:

1358.9 INSPECTIONS AND CONSULTATIONS -- PROTECTION AND ADVOCACY AGENCY INVESTIGATIONS.

The department of inspections and appeals shall make or cause to be made such inspections as it may deem necessary. The state Iowa department of public health shall, with the advice of the hospital licensing board, prescribe by regulations that any licensee or applicant for license desiring to make specified types of alteration or addition to its facilities or to construct new facilities shall before commencing such alteration, addition or new construction, submit plans and specifications therefor to the department of inspections and appeals for preliminary inspection and approval or recommendations with respect to compliance with the regulations and standards herein authorized.

In the state hospital-schools and state mental health institutes operated by the department of human services, the designated protection and advocacy agency as provided in section 13SC.2, subsection 4, shall have the authority to investigate all complaints of abuse and neglect of persons with developmental disabilities or mental illnesses if the complaints are reported to the protection and advocacy agency or if there is probable cause to believe that the abuse has occurred. Such authority shall include the examination of all records pertaining to the care provided to the residents and contact or interview with any resident, employee, or any other

person who might have knowledge about the operation of the institution.

Sec. 2. Section 1358.12, Code 1987, is amended to read as follows:

1358.12 INFORMATION CONFIDENTIAL.

Information received by the department of inspections and appeals and the protection and advocacy agency through Piled reports, inspection, or as otherwise authorized under this chapter, shall not be disclosed publicly in such manner as to identify individuals or hospitals, except in a proceeding involving the question of licensure or the denial, suspension or revocation of a license or civil suit or administrative action by or on behalf of a patient.

Sec. 3. Section 13SC.2, subsection 4, Code Supplement 1987, is amended to read as follows:

4. The protection and advocacy agency designated in the state, under Pub. L. No. 98-527, the developmental disabilities Act of 1984, and Pub. L. No. 99-319, the protection and advocacy for mentally ill individuals Act of 1986, and Pub. L. No. 100-146, the federal Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1987, is recognized as an agency legally authorized and constituted to ensure the implementation of the purposes of this chapter for populations under its authority and in the manner designated by Pub. L. No. 98-527, and Pub. L. No. 99-319, and Pub. L. No. 100-146 and in the assurances of the governor of the state.

Sec. 4. Section 217.20, Code 1987, is amended to read as follows:

217.20 TRIPS TO OTHER STATES.

No authority shall be granted to any person to travel to another state except by approval of the commissioner and under guidelines established by the executive council.

Sec. 5. Section 218.78, subsection 1, Code 1987, is amended to read as follows:

1. All institutional receipts of the department of human services, including funds received from client participation at the state hospital-schools under section 222.78 and at the state mental health institutes under section 230.20, shall be deposited in the general fund except for reimbursements for services provided to another institution or state agency, for receipts deposited in the revolving fund under section 246.706, for deposits into the medical assistance fund under section 249A.11, and rentals charged to employees or others for room, apartment, or house and meals, which shall be available to the institutions.

Sec. 6. Section 222.73, subsection 2, Code 1987, is amended to read as follows:

2. The superintendent shall certify to the director of revenue and finance the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and outpatient treatment charges computed pursuant to subsection 1, and the number of inpatient days and outpatient treatment service units chargeable to the county. ~~The county billing for a patient shall be reduced by an amount received for the patient's care from any source other than state appropriated funds.~~ The billings to a county of legal settlement are subject to adjustment for all of the following circumstances:

a. The county billing for a patient shall be reduced by the amount received for the patient's care from a source other than state appropriated funds.

b. If more than twenty percent of the cost of a patient's care is initially paid from a source other than state appropriated funds, the amount paid shall be subtracted from the average per-patient-per-day cost of that patient's care and the patient's county shall be billed for the full balance of the cost so computed.

c. The county of a patient who is eligible for reimbursement under the medical assistance program shall be

responsible for the costs which are not reimbursed by the medical assistance program, regardless of the level of care provided to the patient.

d. A county shall be responsible for eighty percent of the cost of care of a patient who is not eligible for reimbursement under the medical assistance program.

e. The billings for counties shall be credited with one hundred percent of the client participation for patients eligible for medical assistance in the calculation of the per diem rate for patients.

The per diem costs billed to each county shall not exceed the per diem costs in effect on July 1, 1988. However, the per diem costs may be adjusted annually to the extent of the adjustment in the consumer price index published annually in the federal register by the federal department of labor, bureau of labor statistics.

Sec. 7. Section 225C.10, subsection 2, paragraph a, subparagraph (1), Code 1987, is amended to read as follows:

(1) Indicates that the services for which the county or counties intend to use general allocation money are comprehensive services OR other services mandated or authorized by law, and in accordance with rules adopted by the commission, are ~~offered~~ by accredited or licensed providers where accreditation or licensure standards are applicable, and do not include major maintenance or capital expenditure projects.

Sec. 8. Section 225C.10, Subsection 3, Code 1987, is amended to read as follows:

3. Each application shall be for a period of at least one year and shall be acted upon as soon as reasonably possible by the director, who shall notify the applicant county or counties of the action on the application no later than December 1 of the year in which the application is submitted. Money from the general allocation shall be disbursed on a quarterly basis to the counties entitled to the money under section 225C.9 and this section. Counties receiving the money

shall submit quarterly financial and plan status reports at least annually at the time and in the manner prescribed by the director.

Sec. 9. Section 230.20, subsection 1, paragraph a, Code Supplement 1987, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (4) The costs of the psychiatric residency program.

NEW SUBPARAGRAPH. (5) The costs of the chaplain intern program.

Sec. 10. Section 232.21, subsection 2, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Placement shall be made in the least restrictive facility available consistent with the best interests and special needs of the child. Foster family care shall be used for a child unless the child has problems requiring specialized service or supervision which cannot be provided in a family living arrangement.

Sec. 11. Section 232.21, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 6. A child twelve years of age or younger shall not be placed in a group shelter care home, unless there have been reasonable but unsuccessful efforts to place the child in an emergency foster family home which is able to meet the needs of the child. The efforts shall be documented at the shelter care hearing.

Sec. 12. Section 232.52, subsection 2, paragraph d, subparagraph (3). Code 1987, is amended to read as follows:

(3) The department of human services for purposes of foster care and prescribing the type of placement which will serve the best interests of the child and the means by which the placement shall be monitored by the court. The court shall consider ordering placement in family foster care as an alternative to group foster care.

Sec. 13. Section 232.52, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 7. If the court orders the transfer of the custody of the child to the department of human services or to another agency for placement in foster group care, the department or agency shall make every reasonable effort to place the child within the state, in the least restrictive setting available and in close proximity to the parents' home, consistent with the child's best interests and special needs.

Sec. 14. Section 232.102, subsection 6, Code Supplement 1987, is amended to read as follows:

6. In any order transferring custody to the department or an agency, or in orders pursuant to a custody order, the court shall specify the nature and category of disposition which will serve the best interests of the child, and shall prescribe the means by which the placement shall be monitored by the court. If the court orders the transfer of the custody of the child to the department of human services or other agency for placement, the department or agency shall submit a case permanency plan to the court and shall make every effort to return the child to the child's home as quickly as possible consistent with the best interest of the child. When the child is not returned to the child's home and if the child has been previously placed in a licensed foster care facility, the department or agency shall consider placing the child in the same licensed foster care facility. If the court orders the transfer of custody to a relative or other suitable person, the court may direct the department or other agency to provide services to the child's parent, guardian or custodian in order to enable them to resume custody of the child. If the court orders the transfer of custody to the department of human services or to another agency for placement in foster group care, the department or agency shall make every reasonable effort to place the child within Iowa, in the least restrictive setting available, and in close proximity to the parents' home, consistent with the child's best interests and special needs.

Sec. 15. NEW SECTION. 232.167 PENALTY.



A person or agency which violates or aids and abets in the violation of any of the provisions of sections 232.158 through 232.166 commits a fraudulent practice.

Sec. 16. NEW SECTION. 239.21 TRANSITIONAL CHILD CARE ASSISTANCE.

A recipient who loses eligibility for assistance under this chapter because of an increase in earned income is eligible to receive transitional child care assistance for a period of twelve months following the loss of assistance. The department shall deliver the transitional child care assistance through a vendor voucher payment or purchase of service system which requires the recipient to contribute to the cost of the assistance in accordance with a sliding-scale fee established by rule.

Sec. 17. NEW SECTION. 249A.17 TRANSITIONAL MEDICAL ASSISTANCE.

The department shall provide transitional medical coverage comparable to medical assistance provided under this chapter, for twelve months or for the maximum period permitted under federal regulations, whichever is greater, for the family of a recipient who has lost eligibility for public assistance under aid to families with dependent children pursuant to chapter 239 because of an increase in earned income.

Sec. 18. NEW SECTION. 249C.18 EDUCATIONAL INCENTIVES.

A person who receives assistance under chapter 239 may participate or cooperate in a program to attain a certificate of general educational development, high school diploma, or adult basic literacy where the person has not previously received such certification. The department shall provide incentives to encourage such participation.

Sec. 19. Section 692.2, subsection 1, paragraph c, Code Supplement 1987, is amended to read as follows:

c. The department of human services for the purposes of section 237.8, subsection 2 and section 237A.5, and section 600.8, subsections 1 and 2.

Sec. 20. Section 692.3, subsection 2, Code Supplement 1987, is amended to read as follows:

2. Notwithstanding subsection 1, paragraph "a", the department of human services ~~shall~~ may redisseminate criminal history data obtained pursuant to section 692.2, subsection 1, paragraph "c", to persons licensed, or registered, or certified under chapters 237, and 237A, 238 and 600 for the purposes of section 237.8, subsection 2 and section 237A.5. ~~licensees-and-registrants-under-either-chapter-237-or-chapter-237A~~ A person who ~~receive~~ receives information pursuant to this subsection shall not use the information other than for purposes of section 237.8, subsection 2 or section 237A.5, or section 600.8, subsections 1 and 2. ~~A licensee-or-registrant person who receives criminal history data pursuant to this subsection~~ who uses the information for other purposes other than those permitted by this subsection or who communicates the information to another person except for the purposes of ~~section-237.8, subsection-2-or-section-237A.5~~ permitted by this subsection is guilty of an aggravated misdemeanor.

Sec. 21. Beginning July 1, 1988, the department of inspections and appeals shall issue provisional licenses to specialized psychiatric hospitals for children and adolescents for those facilities which are providing residential psychiatric services to children and adolescents, which are accredited by the joint commission on the accreditation of health care organizations, which are in compliance with all applicable state rules and standards regarding the operation of comprehensive residential facilities for children, and which have been awarded a certificate of need. Each applicant shall submit a copy of the applicant's accreditation, a copy of the certificate of need, and a statement of approval from the state fire marshal to the department of inspections and appeals, Notwithstanding the provisions of section 237.1, subsection 3, paragraph "e", care furnished by these facilities shall continue to be considered foster care.

The department of inspections and appeals, with the approval of the state board of health, shall adopt permanent standards for the licensure, of specialized psychiatric hospitals for children and adolescents under chapter 1358. The rules shall take effect no later than July 1, 1989.

The department of human services shall adopt rules to expand coverage under the medical assistance program to include services provided by specialized psychiatric hospitals for children and adolescents which are licensed by the department of inspections and appeals. The rules shall take effect no later than July 1, 1988, contingent upon the facilities meeting the federal requirements for a hospital as outlined in 42 C.F.R.. subpart D. Initially, the rules shall provide that the medical assistance reimbursement rate for the specialized hospitals shall be one hundred twenty dollars per day or the actual audited costs, whichever are less. The department shall develop a permanent reimbursement methodology for the specialized hospitals to be effective on or before July 1, 1989.

The health facilities council shall expedite the process by ruling on a certificate of need application under this section within seventy-five days of the application and shall give primary consideration in this expedited process to those issues related to meeting the conditions set out in this section, provided that either of the following conditions apply:

a. The hospital was accredited by the joint commission on the accreditation of health care organizations prior to the effective date of this Act and has been providing psychiatric treatment services for adolescents and children as a licensed foster care facility prior to the effective date of this Act and the provisional license will not increase the capacity of the facility.

b. The hospital had sought accreditation by the joint commission on the accreditation of health care organizations prior to January 1, 1988, and has been providing psychiatric

treatment services for adolescents and children as a licensed foster care facility prior to the effective date of this Act and the provisional license will not increase the capacity of the facility.

Sec. 22. EFFECTIVE DATE. Section 21 of this Act takes effect upon enactment.

\_\_\_\_\_  
WENALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2456, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HF 2456

HOUSE FILE 2451

AN ACT

RELATING TO PAYMENTS FOR LOCAL SCHOOL DISTRICTS, AREA SCHOOLS,  
COUNTIES, CITIES, LOCAL CONFERENCE BOARDS, COUNTY HOSPITALS,  
AND COUNTY AGRICULTURAL EXTENSION COUNCILS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 405A.1 DEFINITIONS.

As used in this chapter, unless the context requires otherwise:

1. "Personal property replacement base" means the personal property tax replacement base as described in section 427A.12, subsection 2, paragraph "c".

2. "Political subdivision" means a city, county, local conference board established pursuant to chapter 441, county hospital established pursuant to chapter 347 or 347A, or county agricultural extension council elected pursuant to chapter 176A.

3. "Local government" means a school district, area school, city, county, local conference board established pursuant to chapter 441, county hospital established pursuant to chapter 347 or 347A, or county agricultural extension council elected pursuant to chapter 176A.

Sec. 2. NEW SECTION. 405A.2 GENERAL ALLOCATION.

The general allocation for each local government is equal to the product of the following for all of the taxing districts comprising the local government: The ratio of sixty-five million to the total personal property replacement base in the state multiplied by the personal property replacement base of the taxing district, and the product multiplied by the ratio of the tax rate of the local government for taxes payable in the fiscal year ending June 30, 1987, to the consolidated tax rate of the taxing district for taxes payable in the fiscal year ending June 30, 1987.

Sec. 3. NEW SECTION. 405A.3 CITY ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each city in the state is equal to the sum of the following:

a. The general allocation as determined pursuant to section 405A.2.

b. The ratio of the population of each city to the total population of all cities in the state, multiplied by twenty-seven million three hundred thousand dollars. The population of each city shall be determined by the latest available federal census. A city may have one special federal census taken each decade, and the population figure obtained shall be used in apportioning amounts under this subsection beginning the calendar year following the year in which the special census is certified to the secretary of state. If a city has annexed territory since the last regular or special federal census, the mayor and council shall certify to the treasurer of state the actual population of the annexed territory as determined by the last certified federal census of the territory and the apportionment of funds under this subsection shall be based upon the population of the city as modified by the certification of the population of the annexed territory until the next regular or special federal census enumeration.

c. The amount of moneys and credits replacement received by the city under section 422.100 for the fiscal year ending June 30, 1988.

2. A city shall not receive an apportionment of funds under this section after its dissolution. After the dissolution of a city, its general allocation as determined under section 405A.2 and the allocation as determined under subsection 1, paragraph "c" of this section shall be paid to the county in which the dissolved city was located. If two or more cities have consolidated, the apportionment of funds under this section shall be determined by adding the apportionment of the consolidating cities.

Sec. 4. NEW SECTION. 405A.4 COUNTY ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county in the state is equal to the sum of the following:

a. The general allocation as determined pursuant to section 405A.2.

b. The ratio of the population of each county residing in the unincorporated area of the county to the total population residing in the unincorporated areas of all the counties, multiplied by five million four hundred thousand dollars. The population of each county shall be determined by the latest available federal census.

c. The ratio of the personal property replacement base of the county to the total personal property replacement base of all counties in the state, multiplied by four hundred forty-seven thousand dollars.

2. The allocation of a county as determined under subsection 1 may be credited to the general, rural services, secondary road, or other special revenue fund of the county.

Sec. 5. NEW SECTION. 405A.5 LOCAL CONFERENCE BOARD ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each local conference board in the state is equal to the general allocation of the local conference board as determined in section 405A.2.

2. When the office of city assessor is discontinued, the amounts that would otherwise be due to the city conference board under this section shall be paid to the county conference board.

Sec. 6. NEW SECTION. 405A.6 COUNTY HOSPITAL ALLOCATIONS.

1. For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county hospital in the state is equal to the general allocation of the county hospital as determined in section 405A.2.

2. When a county hospital is discontinued or organized pursuant to chapter 37, the amounts that would otherwise be due to the hospital under this section shall be paid to the county.

Sec. 7. NEW SECTION. 405A.7 AGRICULTURAL EXTENSION COUNCIL ALLOCATIONS.

For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, the amount due to each county agricultural extension council in the state is equal to the general allocation of the county agricultural extension council as determined in section 405A.2.

Sec. 8. NEW SECTION. 405A.8 APPROPRIATIONS.

1. There are appropriated from the general fund of the state to the department of revenue and finance the following sums to carry out the provisions of this chapter: For the fiscal year beginning July 1, 1988, and each subsequent fiscal year, sixty-seven million seven hundred thirty-seven thousand (67,737,000) dollars.

2. If, for any fiscal year the amount appropriated is insufficient to pay in full the amounts due to all political subdivisions, then the amount of each payment shall be reduced by the same percentage, so that the aggregate payments to all political subdivisions are equal to the amount appropriated for such payments. If, for any fiscal year the amount appropriated is in excess of the amounts due to all political subdivisions, then the amount of each payment shall be increased by the same percentage, so that the aggregate payments to all political subdivisions are equal to the amount appropriated for such payments.

Sec. 9. NEW SECTION. 405A.9 PAYMENT SCHEDULE.

The amounts due each political subdivision for each fiscal year shall be paid in the form of warrants payable to the treasurers of the respective political subdivisions by the department of revenue and finance according to the following schedule:

1. One-half of the amount due for a fiscal year shall be paid on December 15 of that fiscal year.

2. One-half of the amount due for a fiscal year shall be paid on March 15 of that fiscal year.

Sec. 10. Section 123.53, subsections 3, 4, 5, and 6, Code 1987, are amended by striking the subsections.

Sec. 11. Section 286A.11, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. An amount equal to the general allocation of the area school as determined under section 405A.2.

Sec. 12. Section 331.429, subsection 1, paragraphs a and b, Code Supplement 1987, are amended to read as follows:

a. Transfers from the general fund not to exceed in any year the dollar equivalent of a tax of sixteen and seven-eighths cents per thousand dollars of assessed value on all taxable property in the county multiplied by the ratio of current taxes actually collected and apportioned for the general basic levy to the total general basic levy for the current year, and an amount equivalent to the moneys derived by the general fund from military service tax credits under chapter 426A, mobile home taxes under section 1350.22, the ~~personal-property-tax-replacement-fund-under-section-427A-12, subsection-6,~~ and delinquent taxes for prior years collected and apportioned to the general basic fund in the current year, multiplied by the ratio of sixteen and seven-eighths cents to three dollars and fifty cents.

b. Transfers from the rural services fund not to exceed in any year the dollar equivalent of a tax of three dollars and three-eighths cents per thousand dollars of assessed value on all taxable property not located within the corporate limits of a city in the county multiplied by the ratio of current taxes actually collected and apportioned for the rural services basic levy to the total rural services basic levy for the current year and an amount equivalent to the moneys derived by the rural services fund from the livestock-tax

~~credits-under-section-427-17,~~ military service tax credits under chapter 426A, mobile home taxes under section 1350.22, ~~the-personal-property-tax-replacement-fund-under-section-427A-12, subsection-6,~~ and delinquent taxes for prior years collected and apportioned to the rural services basic fund in the current year, multiplied by the ratio of three dollars and three-eighths cents to three dollars and ninety-five cents.

Sec. 13. Section 011.20, subsection 1, Code 1987, is amended to read as follows:

1. There is appropriated from the general fund of the state ~~to-the-municipal-assistance-fund-established-in-chapter-405~~ for each fiscal year an amount necessary to be distributed to cities which have established fire and police retirement systems under the provisions of this chapter. Funds shall be used to finance the costs of benefits provided in this chapter by amendments of the Acts of the Sixty-sixth General Assembly, chapter 1089.

Sec. 14. Section 427A.12, subsection 6, Code 1987, is amended by striking the subsection.

Sec. 15. Section 427A.13, Code 1987, is amended to read as follows:

427A.13 APPROPRIATION.

There is appropriated from the general fund of the state to the personal property tax replacement fund the following sums, or so much thereof as may be necessary, to carry out the provisions of this chapter as amended by this division. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, there is appropriated the sum of thirty-one million nine hundred thousand dollars. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, and each succeeding fiscal year, there is appropriated the sum of thirty-five million seven hundred thousand dollars. For each year of the fiscal period beginning July 1, 1977 and ending June 30, 1979 the total appropriation shall be thirty-eight million six hundred thousand dollars. For the fiscal year beginning July 1, 1983 and ending June 30, 1984, the total appropriation shall be

forty-six million two hundred thousand dollars. For the fiscal year beginning July 1, 1984 and ending June 30, 1985, the total appropriation shall be twenty-three million one hundred thousand dollars. For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and each succeeding fiscal year, the total appropriation shall be an amount equal to the amount paid on May 15 of the preceding fiscal year plus one-half of the amount needed to fund the additional personal property tax credit payable in that fiscal year. In each fiscal year for which an increase in the additional personal property tax credit becomes effective as provided in this division, the appropriation under this section shall be increased by three million eight hundred thousand dollars, and this increased appropriation shall continue for each succeeding fiscal year. For the fiscal year beginning July 1, 1987, the total appropriation shall be ~~fifty-nine~~ fifty-seven million five hundred thousand dollars. For the fiscal year beginning July 1, 1988, ~~and for each succeeding fiscal year,~~ the total appropriation shall be sixty-eight thirty-two million five hundred thousand dollars per-year. For the fiscal year beginning July 1, 1989, and for each succeeding fiscal year, the total appropriation shall be zero.

Sec. 16. Section 442.2, subsections 2 and 3, Code 1987, are amended by striking the subsections.

Sec. 17. Section 442.3, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. For school years beginning July 1, 1988, and subsequent school years, the state foundation base shall be increased by the sum of the following amounts:

1. The amount included in the district's budget for the fiscal year beginning July 1, 1986, for the additional portion of the livestock tax credit pursuant to section 442.2, subsection 2 as it appeared in the 1987 Code.

2. The difference between the following amounts:

a. The general allocation of the school district as determined under section 405A.2.

b. The foundation property tax rate multiplied by the total actual value of all personal property assessed for valuation in the school district as of January 1, 1973, excluding livestock.

Sec. 18. Section 442.26, Code 1987, is amended to read as follows:

442.26 APPROPRIATIONS.

There is hereby appropriated each year from the general fund of the state an amount necessary to pay the state school foundation aid.

All state aids paid under this chapter, unless otherwise stated, shall be paid in monthly installments beginning on September 15 of a budget year and ending on June 15 of the budget year and the installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state resources. However, an amount of state school foundation aid equal to the general allocation of the school district as determined under section 405A.2 and the amount for the tax credit for livestock pursuant to section 442.2, subsection 2 as it appeared in the 1987 Code, shall be paid to the school district on July 15 of the subsequent fiscal year, and the appropriation for this amount shall be made for the fiscal year during which the payment is made. However, the state aids paid to school districts under section 442.28 shall be paid in monthly installments beginning on December 15 and ending on June 15 of a budget year and state aids paid to school districts under section 442.38 shall be paid in monthly installments beginning on February 15 and ending on June 15 of a budget year.

All moneys received by a school district from the state under the provisions of this chapter shall be deposited in the general fund of the school district, and may be used for any school general fund purpose.

Sec. 19. Section 444.3, unnumbered paragraphs 2, 3, 4, and 5, Code 1987, are amended by striking the unnumbered paragraphs.

Sec. 20. For the fiscal year beginning July 1, 1987, and ending June 30, 1988, the payments **are** scheduled to be made on January 1, 1988, and July 1, 1988. It is the intent of the general assembly that the July 1, 1988, payment shall be made pursuant to section 123.53, subsections 3, 4, 5, and 6.

Sec. 21. Section 422.100, Code 1987, is repealed. Section 427.17, Code Supplement 1987, is repealed.

Sec. 22. Chapters 334A and 405, Code 1987, are repealed.

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**DONALD D. AVENSON**  
Speaker of the House

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**JO ANN ZIMMERMAN**  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2457, Seventy-second General Assembly.

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**JOSEPH O'HERN**  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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**TERRY E. BRANSTAD**  
Governor

**HF 2457**

attributable to the cost of the tangible personal property used in the processing of the modular home is forty percent.

HOUSE FILE 2458

AN ACT

RELATING TO THE EXEMPTION FROM THE STATE SALES, SERVICES, AND USE TAXES OF THE GROSS RECEIPTS FROM THE SALES OF MODULAR HOMES WHICH ARE NOT ATTRIBUTABLE TO THE COST OF THE TANGIBLE PERSONAL PROPERTY USED IN THE PROCESSING OF THE MODULAR HOMES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.45, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 36. The gross receipts from the sale of a modular home, as defined in section 135D.1, to the extent of the portion of the purchase price of the modular home which is not attributable to the cost of the tangible personal property used in the processing of the modular home. For purposes of this exemption, the portion of the purchase price which is not

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DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2458, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HF 2458



HOUSE FILE 2453

AN ACT

RELATING TO THE IMPOSITION AND COLLECTION OF THE STATE SALES, SERVICES, AND USE TAXES BY OUT-OF-STATE RETAILERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.43, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 12. A tax of four percent is imposed upon the gross receipts from all sales of tangible personal property, consisting of goods, wares, or merchandise, except as otherwise provided in this division, sold at retail in the state to consumers or users within the state by retailers that meet any of the following criteria:

a. Solicit retail sales of tangible personal property from residents of this state on a continuous, regular, seasonal, or systematic basis by means of advertising which is broadcast from or relayed from a transmitter within this state.

b. Solicit orders from residents of this state for tangible personal property by mail or otherwise, if the solicitations are continuous, regular, or systematic and if the retailer benefits from any banking, financing, debt collection, telecommunications, or marketing activities occurring in this state or benefits from the location in this state of authorized installation, servicing, or repair facilities.

c. Are owned or controlled by the same interests which own or control a retailer engaged in business in the same or a similar line of business in this state.

d. Maintain or have a franchisee or licensee operating under the retailer's trade name in this state if the franchisee or licensee is required to collect the tax imposed by this division or chapter 423.

Sec. 2. Section 422.69, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The director shall estimate the amount of tax revenues collected as a result of the sales tax imposed under section 422.43, subsection 12, and shall deposit a like amount in a "GAAP escrow account" to be created within the general fund. Amounts deposited in the GAAP escrow account shall be used to implement generally accepted accounting principles as required in 1986 Iowa Acts, chapter 1245, section 2046, as amended by 1986 Iowa Acts, chapter 1238, section 59.

Sec. 3. Section 422B.8, unnumbered paragraph 1, Code 1987, is amended to read as follows:

A local sales and **services** tax at the rate of not more than one percent may be imposed by a county on the gross receipts taxed by the state under chapter 422, division IV. A local sales and services tax shall be imposed on the same basis as the state sales and services tax and may not be imposed on the sale of any property or on any service not taxed by the state, except the tax shall not be imposed on the gross receipts from the sale of motor fuel or special fuel as defined in chapter 324, on the gross receipts from the rental of rooms, apartments, or sleeping quarters which are taxed under chapter 422A during the period the hotel and motel tax is imposed, on the gross receipts from the **sale** of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period **the franchise or user fee is imposed, on the gross receipts upon which sales tax is imposed only under section 422.43, subsection 12,** and on the gross receipts from the sale of a lottery ticket or share in a lottery game conducted pursuant to chapter 99E. ~~However, notwithstanding that the gross receipts from the sale or rental of the tangible personal property described in section 422.43, subsections 26 and 27 are taxable during the period beginning July 17, 1985 and~~

HF 2453

~~ending-June-30,-1987,-a-local-sales-and-services-tax-shall-not  
be-imposed-on-the-sale-or-rental-of-such-property.~~ A local sales and services tax is applicable to transactions within those incorporated and unincorporated areas of the county where it is imposed and shall be collected by all persons required to collect state gross receipts taxes. All cities contiguous to each other shall be treated as part of one incorporated area and the tax would be imposed in each of those contiguous cities only if the majority of those voting in the total area covered by the contiguous cities favor its imposition.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2459, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

not be included so long as the rebate is applied to the purchase price of the vehicle.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

HOUSE FILE 2460

AN ACT

RELATING TO THE TREATMENT OF REBATES GIVEN ON THE SALES OF MOTOR VEHICLES SUBJECT TO REGISTRATION FOR PURPOSES OF THE STATE SALES, SERVICES, AND USE TAXES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 423.1, subsection 3, paragraph a, Code Supplement 1987, is amended to read as follows:

a. That cash discounts taken on sales are not included. A cash rebate which is provided by a motor vehicle manufacturer to the purchaser of a vehicle subject to registration shall

I hereby certify that this bill originated in the House and is known as House File 2460, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HF 2460

tax review, or district court within one year of the final decision.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that **this** bill originated in the House and is known as House File 2461, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1900

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HOUSE FILE 2461

AN ACT

RELATING TO TAX REFUNDS PAID BY THE COUNTY TREASURER.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 445.60, Code 1987, is amended to read as follows:

445.60 REFUNDING ERRONEOUS TAX.

The board of supervisors shall direct the treasurer to refund to the taxpayer any tax or portion ~~thereof~~ of any tax found to have been erroneously or illegally ~~exacte~~ paid, with all interest and costs actually paid thereon. A refund shall not be ordered or made unless a claim for refund is presented to the board within one year of the date the tax was due or if appealed to the board of review, the state board of

HF 2461

HOUSE FILE 2462

AN ACT

RELATING TO THE LICENSING OF DOGS, SUBJECTING VIOLATORS TO A PENALTY, AND PROVIDING AN EFFECTIVE DATE,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 351.1, Code 1987, is amended to read as follows:

351.1 ANNUAL LICENSE,

The owners of all dogs ~~six~~ FOUR months old or over, except dogs kept in state or federally licensed kennels and not allowed to run at large, shall annually obtain a license therefor, as herein provided in this chapter.

Sec. 2. Section 351.3, Code 1987, is amended to read as follows:

351.3 APPLICATION BY OWNER.

The owner of a dog for which a license is required shall, ~~on or before the first day of January of each year, apply to the auditor of the county in which the owner resides~~ for a license for each dog owned. An owner residing in a city which licenses dogs shall apply to the city clerk. An owner not residing in a city which licenses dogs shall apply to the auditor of the county in which the owner resides.

Sec. 3. Section 351.5, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Such The application shall be in writing on blanks provided by the city clerk or county auditor and shall state the breed, sex, age, color, markings, and name, if any, of the dog, and ~~the~~ address of the owner, and be signed by the owner.

Sec. 4. Section 351.6, Code 1987, is amended to read as follows:

351.6 FEE.

The annual license fee shall be set by the city council or the board of supervisors, as applicable. The fee shall accompany the application.

Sec. 5. Section 351.7, Code 1987, is amended to read as follows:

351.7 TAG.

The city clerk or the county auditor shall, upon receipt of said the application, deliver or mail to the applicant a license which shall be in the form of a metal tag stamped as follows:

1. The-year Year in which issued.
2. Name of city or county issuing it.
3. Serial number as shown by the record book in the office of the city clerk or county auditor.

Sec. 6. Section 351.11, Code 1987, is amended to read as follows:

351.11 TRANSFER ON CHANGE OF RESIDENCE.

When a dog licensed in one county is permanently transferred to another county or is permanently transferred to a city which licenses dogs, the owner shall surrender the original license tag to the auditor of the county or to the clerk of the city to which the dog is removed. When a dog licensed in a city is permanently transferred outside the city, the owner shall surrender the original license tag to the city to which the dog is removed, if the city licenses dogs, or to the auditor of the county if the dog is removed

outside a city or to a city which does not license dogs. The city clerk or auditor shall preserve the surrendered tag, and, without license fee, issue a new license tag. The city clerk or auditor shall note on the license record the fact that the newly Issued license tag is issued to effect a transfer of, and is in lieu of, such surrendered license tag.

Sec. 7. Section 351.14, Code 1987, is amended to read as follows:

351.14 DUPLICATE TAG.

Upon the filing of an affidavit that the license tag has been lost or destroyed, the owner may obtain another tag on the payment of twenty-five cents. The city clerk or county auditor shall enter in the license record the new number assigned.

Sec. 8. Section 351.16, Code 1987, is amended to read as follows:

351.16 PAYMENT TO ASSESSOR.

ff-the The owner of any dog required to be licensed by the county and upon which a license fee is due so-desires, the owner may pay such the fee to the assessor and the assessor shall give a receipt therefor for it, showing the name of the owner, the number of dogs owned upon which the fee is paid, the sex of each such dog, and the amount of the fee for each such dog. The assessor shall forthwith promptly pay said the fees collected to the auditor and shall make a full report to said the auditor showing the name and address of the owner, the number of dogs and the sex of each dog owned by each owner, the evidence of rabies vaccination for each dog, and the fee paid on each such dog. The auditor shall forthwith promptly mail to said the owner the proper license tag or tags. The auditor may also assign the license tags to the assessor who may issue and record them when license fees are collected by the assessor as provided in this section.

Sec. 9. Section 351.22, unnumbered paragraph 1, Code 1987, is amended to read as follows:

The city clerk or county auditor shall keep a book to be known as the record of licenses which shall show:

Sec. 10. This Act takes effect January 1, 1989.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2462, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

HOUSE FILE 2463

AN ACT

RELATING TO LOCAL OPTION TAXES BY AUTHORIZING A CITY OR COUNTY TO RECEIVE TAX RETURN INFORMATION RELATING TO THE TAXES; CHANGING THE NUMBER OF DAYS NOTICE MUST BE GIVEN BEFORE A LOCAL HOTEL OR MOTEL TAX IS IMPOSED, REPEALED, OR ITS RATE CHANGED; LEGALIZING THE PREMATURE COLLECTION OF A LOCAL HOTEL OR MOTEL TAX; AND PROVIDING AN EFFECTIVE DATE,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 98.6, subsection 5, Code 1987, is amended by striking the subsection.

Sec. 2. Section 123.37, Code 1987, is amended to read as follows:

123.37 EXCLUSIVE POWER TO LICENSE AND LEVY TAXES.

The power to establish licenses and permits and levy taxes as imposed in title VI of the Code is vested exclusively with the state. Unless specifically provided, ~~as a~~ a local authority shall ~~levy a local tax on the sale of alcoholic beverages, wine, or beer,~~ not require the obtaining of a special license or permit for ~~such~~ the sale of alcoholic beverages, wine, or beer at any establishment, or require the obtaining of a license by any person as a condition precedent to the person's employment in the sale, serving, or handling of alcoholic beverages, wine, or beer, within an establishment operating under a license or permit.

Sec. 3. Section 422.72, subsection 4, Code Supplement 1987, is amended to read as follows:

4. A person violating subsection 1, 2, or 3, or 6 is guilty of a serious misdemeanor.

Sec. 4. Section 422.12, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 6. The department may enter into a written informational exchange agreement for tax administration purposes with a city or county which is entitled to receive funds due to a local hotel and motel tax or a local sales and services tax. The written informational exchange agreement shall designate no more than two paid city or county employees that have access to actual return information relating to that city's or county's receipts from a local hotel and motel tax or a local sales and services tax.

City or county employees designated to have access to information under this subsection are deemed to be officers and employees of the state for purposes of the restrictions and penalties pursuant to subsection 1 pertaining to confidential information. The department may refuse to enter into a written informational exchange agreement if the city or county does not agree to pay the actual cost of providing the information and the department may refuse to abide by a written informational exchange agreement if the city or county does not promptly pay the actual cost of providing the information or take reasonable precautions to protect the information's confidentiality.

Sec. 5. Section 422A.1, unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

A local hotel and motel tax shall be imposed on January 1, April 1, July 1, or October 1, following the notification of the director of revenue and finance. Once imposed, the tax shall remain in effect at the rate imposed for a minimum of one year. A local hotel and motel tax shall terminate only on March 31, June 30, September 30, or December 31. At least sixty forty-five days prior to the tax being effective or prior to a revision in the tax rate, or prior to the repeal of the tax, a city or county shall provide notice by mail of such action to the director of revenue and finance.

Sec. 6. NEW SECTION. 4228.11 CONSTRUCTION CONTRACTOR REFUNDS.

1. Construction contractors may make application to the department for a refund of the additional local sales and services tax paid under this chapter by reason of taxes paid on goods, wares, or merchandise under the following conditions:

a. The goods, wares, or merchandise are incorporated into an improvement to real estate in fulfillment of a written contract fully executed prior to the date of the imposition or increase in rate of a local sales and services tax under this chapter. The refund shall not apply to equipment transferred in fulfillment of a mixed construction contract.

b. The contractor has paid to the department or to a retailer the full amount of the state and local tax.

c. The claim is filed on forms provided by the department and is filed within six months of the date the tax is paid.

2. The department shall pay the refund from the appropriate city's or county's account in the local sales and services tax fund.

3. A contractor who makes an erroneous application for refund shall be liable for payment of the excess refund paid plus interest at the rate in effect under section 421.7. In addition, a contractor who willfully makes a false application for refund is guilty of a simple misdemeanor and is liable for a penalty equal to fifty percent of the excess refund claimed. Excess refunds, penalties, and interest due under this subsection may be enforced and collected in the same manner as the local sales and services tax imposed under this chapter.

Sec. 7. In a city that was authorized to impose a local hotel and motel tax under chapter 422A as a result of an election held during the last quarter of the 1987 calendar year, any hotel and motel owner or other person responsible for collection of a local hotel and motel tax that prematurely collects a local hotel and motel tax in such city during the period beginning January 1, 1988, and ending with the actual imposition of such tax, shall remit the amount collected to

the department of revenue and finance at the time of filing the person's next state sales, services, and use tax return. Moneys received by the department pursuant to this section shall be deposited and disbursed as provided in section 422A.2. To the extent of the amount prematurely collected, the local hotel and motel tax shall be deemed to have been imposed January 1, 1988, in a city described in this section.

Sec. 8. This Act, being deemed of immediate importance, takes effect upon enactment.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2463, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor



HOUSE FILE 2364

AN ACT

RELATING TO THE LEASE-PURCHASE AND DISPOSAL OF REAL OR  
PERSONAL PROPERTY BY THE DEPARTMENT OF GENERAL SERVICES AND  
PROVIDING A STANDING APPROPRIATION OF PROCEEDS PREVIOUSLY  
DEPOSITED.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 18.12, Code Supplement 1987, is amended  
by adding the following new subsection after subsection 9:

NEW SUBSECTION. 9A. On behalf of the department, enter  
into lease-purchase contracts for real or personal property,  
wherever located within the state, to be used for buildings,  
facilities, and structures, or for additions or improvements  
to existing buildings, facilities, and structures, to carry  
out the provisions of this chapter or for the proper use and  
benefit of the state and its state agencies on the following  
terms and conditions:

a. The director shall coordinate the location, design,  
plans and specifications, construction, and ultimate use of  
the real or personal property lease-purchased with the state  
agency for whose benefit and use the property is being  
obtained and the terms and conditions of the lease-purchase  
contract with both the state agency for whose benefit and use  
the property is being obtained and the treasurer of state.

Upon awarding the contract for construction of a building or  
for site development, the director shall have sole authority  
to administer the contract.

b. The lease-purchase contract may provide for ultimate  
ownership of the property by the state. Title to all property  
acquired in this manner shall be taken and held in the name of  
the state. The state shall be the lessee or contracting party  
under all lease-purchase contracts entered into pursuant to  
this chapter. The lease-purchase contract may contain  
provisions similar to provisions customarily found in lease-  
purchase contracts between private persons, including, but not  
limited to, provisions prohibiting the acquisition or use by  
the lessee of competing property or property in substitution  
for the lease-purchased property, obligating the lessee to pay  
costs of operation, maintenance, insurance, and taxes relating  
to the property, and permitting the lessor to retain a  
security interest in the property lease-purchased, until title  
passes to the state, which may be assigned or pledged by the  
lessor. The director may contract for additional security or  
liquidity for a lease-purchase contract and may enter into  
agreements for letters of credit, lines of credit, insurance,  
or other forms of security with respect to rental and other  
payments due under a lease-purchase contract. Fees for the  
costs of additional security or liquidity are a cost of  
entering into the lease-purchase contract and may be paid from  
funds annually appropriated by the general assembly to the  
state agency for which the property is being obtained or from  
other funds legally available. The lease-purchase contract  
may include the costs of entering into the lease-purchase  
contract as a cost of the lease-purchased property. The  
provision of a lease-purchase contract which provides that a  
portion of the periodic rental payment be applied as interest  
is subject to chapter 74A. Other laws relating to interest  
rates do not apply. Chapter 75 does not apply to lease-  
purchase contracts entered into pursuant to this chapter.

Rental and other costs due under lease-purchase contracts entered into pursuant to this chapter shall be payable from funds annually appropriated by the general assembly to the state agency for which the property is being obtained or from other funds legally available.

c. A lease-purchase contract to which the state is a party is an obligation of a state for purposes of chapters 502 and 682, and is a lawful investment for banks, trust companies, building and loan associations, savings and loan associations, investment companies, insurance companies, insurance associations, executors, guardians, trustees, and other fiduciaries responsible for the investment of funds.

d. The director shall not enter into lease-purchase contracts pursuant to this chapter without prior authorization by a constitutional majority of each house of the general assembly and approval by the governor of the use, location, and maximum cost, not including interest expense, of the real or personal property to be lease-purchased. However, the director shall not enter into a lease-purchase contract for real or personal property which is to be constructed for use as a prison or prison-related facility without prior authorization by a constitutional majority of each house of the general assembly and approval by the governor of the use, location, and maximum cost, not including interest expense, of the real or personal property to be lease-purchased and with the construction in accordance with space needs as established by an independent study of space needs authorized by the general assembly.

e. A contract for acquisition, construction, erection, demolition, alteration, or repair by a private person of real or personal property to be lease-purchased by the director pursuant to this chapter is exempt from section 18.6, subsections 1 and 9, unless the lease-purchase contract is funded in advance by a deposit of the lessor's moneys to be administered by the director under a lease-purchase contract

which requires rent payments to commence upon delivery of the lessor's moneys to the lessee.

This subsection provides an alternative and independent method for carrying out projects under this chapter and for entering into lease-purchase contracts in connection therewith, without reference to any other statute, and is not an amendment of or subject to the provision of any other law. No publication of any notice, whether under section 23.12 or otherwise, and no other or further proceedings with respect to the lease-purchase contracts is required except as set forth in this chapter, any provisions of other statutes of the state to the contrary notwithstanding.

For purposes of this subsection and subsection 11, "state agency" means a board, commission, bureau, division, office, department, or branch of state government.

Sec. 2. Section 18.12, Code Supplement 1901, is amended by adding the following new subsection:

NEW SUBSECTION. 13. With the authorization of a constitutional majority of each house of the general assembly and approval by the governor, dispose of real property belonging to the state and its state agencies upon terms, conditions, and consideration as the director may recommend. If real estate subject to sale under this subsection has been purchased or acquired from appropriated funds, the proceeds of the sale shall be deposited with the treasurer of state and credited to the general fund of the state or other fund from which appropriated. There is appropriated from that same fund, with the prior approval of the executive council and in cooperation with the director, a sum equal to the proceeds so deposited and credited to the state agency to which the disposed property belonged or by which it was used, for purposes of the state agency.

Sec. 3. Section 18.12, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 14. Subject to the selection procedures of section 12.30, employ financial consultants, banks, insurers, underwriters, accountants, attorneys, and other advisors or consultants necessary to implement the provisions of subsection 9A.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File **2464**, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

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TERRY E. BRANSTAD  
Governor

**HF 2464**

HOUSE FILE 2465

AN ACT

RELATING TO TAXATION ESTABLISHING AN EXCISE TAX ON MOTOR FUEL USED IN AIRCRAFT, ESTABLISHING AN EXCISE TAX ON SPECIAL FUEL USED IN AIRCRAFT, ELIMINATING THE SALES TAX EXEMPTION FOR CASUAL SALES OF AIRCRAFT, ADDING A SALES AND USE TAX EXEMPTION FOR THE SALE OF CERTAIN AIRCRAFT, REQUIRING A PERSON FIRST REGISTERING AN AIRCRAFT TO SHOW EVIDENCE THAT THE SALES TAX OR USE TAX HAS BEEN PAID, PROHIBITING A MOTOR FUEL EXCISE TAX REFUND FOR MOTOR FUEL OR SPECIAL FUEL TAKEN OUT OF THE STATE IN FUEL SUPPLY TANKS OF AIRCRAFT OR WATERCRAFT, PROHIBITING AN INCOME TAX CREDIT ON FUEL TAX PAID ON MOTOR FUEL USED IN WATERCRAFT OR AIRCRAFT, AND PROVIDING AN APPROPRIATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 312.2. subsection 16, paragraph a, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

From the excise tax on motor fuel and special fuel imposed under the tax rate of section 324.3 except aviation gasoline:

Sec. 2. Section 324.2, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 12. "Aviation gasoline" means any gasoline which is capable of being used for propelling aircraft, which is invoiced as aviation gasoline or is received, sold, stored, or withdrawn from storage by any person for the purpose of propelling aircraft. Motor fuel capable of being used for propelling motor vehicles is not aviation gasoline.

Sec. 3. Section 324.3, unnumbered paragraph 1 Code 1901, is amended to read as follows:

For the privilege of operating motor vehicles in this state an excise tax of fifteen cents per gallon for the period beginning July 1, 1985 and ending December 31, 1985, and sixteen cents per gallon beginning January 1, 1986, is imposed upon the use of all motor fuel used for any purpose except aviation gasoline and except motor fuel containing at least ten percent alcohol distilled from cereal grains grown in the United States for the period beginning July 1, 1978 and ending June 30, 1992 and except as otherwise provided in this division. For the privilege of operating aircraft in this state an excise tax of eight cents per gallon beginning July 1, 1988, is imposed on the use of all aviation gasoline.

Sec. 4. Section 324.16, unnumbered paragraph 1, Code 1987, is amended to read as follows:

A distributor, dealer or user licensed under this chapter who has received motor fuel or has paid the tax on motor fuel or special fuel ~~shall be~~ is entitled to a memorandum of credit or refund, when the fuel is used for any purpose other than as fuel for propelling motor vehicles or in watercraft or aircraft, or, while owned by the licensee, is lost or destroyed through accountable leakage or to fire, accident, lightning, flood, storm, act of war or public enemy or other like cause. A memorandum of credit shall be allowed against subsequent liability under this chapter upon application to

the department supported by such proof as the director prescribes by rule. If the licensee is no longer engaged in activity for which the license was issued, the department shall refund the appropriate amount upon receipt of an application for refund as provided by the department. Credits and refunds shall be are subject to the following conditions:

Sec. 5. Section 324.17, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Any A person other than a distributor, dealer or user licensed under this chapter who uses motor fuel or special fuel for the purpose of operating or propelling farm tractors, corn shellers, roller mills, truck-mounted feed grinders, stationary gas engines, ~~aircraft~~, for producing denatured alcohol within the state, for cleaning or dyeing or for any purpose other than in watercraft or aircraft or for propelling motor vehicles operated or intended to be operated upon the public highways, and who has paid the motor fuel or special fuel tax on the fuel either directly ~~to~~ the department or by having the tax added to the price of the fuel, and who has a refund permit, upon presentation to and approval by the department of a claim for refund, shall be reimbursed and repaid the amount of the tax which the claimant has paid on the gallonage ~~so~~ used, except that the amount of any a refund payable under this division may be applied by the department against any tax liability outstanding on the books of the department against the claimant. Every claim is subject to the following conditions:

Sec. 6. Section 321.17, subsections 4, 5, 6, and 14, Code 1987, are amended to read as follows:

4. The claim shall state the gallonage of motor fuel or special fuel that was used or will be used by the claimant other than in watercraft or aircraft or to propel motor vehicles, the manner in which the motor fuel or special fuel was used or will be used and the equipment in which it was used or will be used.

5. The claim shall also state whether or not the claimant used fuel for watercraft or aircraft or to propel motor vehicles from the same tanks or receptacles in which the claimant kept the motor fuel on which the refund is claimed.

6. A refund ~~will~~ shall not be paid with respect to any motor fuel or special fuel taken out of this state in fuel supply tanks of watercraft, aircraft, or motor vehicles.

14. In lieu of the refund provided in this section, a person may receive an income tax credit as provided in chapter 422, division IX, but only as to motor fuel or special fuel not used in motor vehicles, aircraft, or watercraft.

Sec. 7. Section 324.18, Code 1987, is amended to read as follows:

324.18 REFUND PERMIT.

A person shall not claim a refund under section 324.17 or section 324.21 until the person has obtained a refund permit from the department. A special permit shall be obtained by applicants claiming a refund under this chapter on account of motor fuel used ~~for the purpose of operating aircraft or used~~ to blend gasohol. Application for a refund permit shall be made to the department on a form provided by the department, shall be certified by the applicant under penalty for false certificate and shall contain among other things, the name, address, and occupation of the applicant, the nature of the applicant's business, and a sufficient description for identification of the machines and equipment in which is to be used motor fuel for which refund may be claimed under the permit. Each permit shall bear a separate number and each claim for refund shall bear the number of the permit under which it is made. The department shall keep a permanent record of all permits issued and a cumulative record of the amount of refund claimed and paid under each. A refund permit shall continue in effect until it is revoked or becomes invalid.

Sec. 8. Section 324.32, Code 1987, is amended to read as follows:

**324.32 PURPOSE.**

The purpose of this division is to supplement division I of this chapter, by imposing an excise tax upon the receipt, delivery or placing into the fuel supply tanks of motor vehicles or aircraft which are within this state and into motor vehicle or aircraft special fuel holding tanks which are within this state, of all fuels not taxed under division I.

Sec. 9. Section 324.33, subsections 1 through 5, Code 1987, are amended to read as follows:

1. "Special fuel" means and includes fuel oils and all combustible gases and liquids suitable for the generation of power for propulsion of motor vehicles or turbine-powered aircraft also any substance used for that purpose, except that it does not include motor fuel as defined in the motor fuel tax law,

2. "Use" means the receipt, delivery or placing of special fuels by a special fuel user into a supply fuel tank of a motor vehicle or aircraft while the vehicle or aircraft is in this state or delivered into a motor vehicle or aircraft special fuel holding tank, except that with respect to natural gas used as a special fuel "use" means the receipt, delivery or placing of the natural gas into equipment for compressing the gas for subsequent delivery into the fuel supply tank of a motor vehicle.

3. "Special fuel dealer" means any person in the business of handling special fuel who delivers any part thereof of the special fuel into a fuel supply tank of any motor vehicle or aircraft or delivers special fuel to a motor vehicle or aircraft special fuel holding tank.

4. "Special fuel user" means the owner or other person responsible for the operation of a motor vehicle or aircraft at the time special fuel is placed in a fuel supply tank thereof of the motor vehicle or aircraft while the motor

vehicle or aircraft is in this state or the owner of a motor vehicle or aircraft special fuel holding tank into which special fuel is delivered to be used for highway or aircraft use ~~only~~ and upon which special fuel the special fuel tax is paid upon receipt.

5. "Licensed special fuel user" means and includes any person licensed by the department who dispenses special fuel, upon which the special fuel tax has not been previously paid, for highway or aircraft use from bulk sources owned and controlled by the person into the fuel supply tank of a motor vehicle, ~~or commercial motor vehicle,~~ or aircraft owned or controlled by the person. A licensed special fuel user shall make bulk purchases of special fuel for highway or aircraft use only from a licensed special fuel distributor, except that a licensed special fuel user may purchase natural gas for highway use as a special fuel from the piped distribution system of a public utility or a pipeline company. The sale of natural gas by a public utility or a pipeline company is not a sale of special fuel requiring a special fuel distributor's license.

Sec. 10. Section 324.33, subsections 7 and 8, Code 1987, are amended to read as follows:

7. "Motor vehicle or aircraft special fuel holding tank" means a tank with a capacity of not more than **one** thousand fifty gallons owned by or in the possession of a special fuel user in which special fuel is contained for use by the special fuel user only in a motor vehicle for highway use or for use in aircraft.

8. "Special fuel distributor" means any person who sells special fuel in this state in bulk for highway or aircraft use. Delivery of special fuel into a motor vehicle or aircraft special fuel holding tank shall not be considered a bulk sale of special fuel.

Sec. 11. Section 324.34, Code 1987, is amended to read as follows:

**324.34 TAX IMPOSED.**

For the privilege of operating motor vehicles or aircraft in this state, there is imposed an excise tax on the use, as defined in section 324.33, of special fuel in a motor vehicle or aircraft. The tax rate on special fuel for diesel engines of motor vehicles is sixteen and one-half cents per gallon for the period beginning July 1, 1985 and ending December 31, 1985, is seventeen and one-half cents per gallon for the period beginning January 1, 1986 and ending December 31, 1986, and is eighteen and one-half cents per gallon beginning January 1, 1987. The rate of tax on special fuel for aircraft is three cents per gallon beginning July 1, 1988. On all other special fuel the per gallon rate is the same as the motor **fuel** tax.

The tax, with respect to all special fuel delivered by a special fuel dealer for use in this state as defined by section 324.33, shall attach at the time of the delivery and shall be collected **by** the dealer from the special fuel user and paid over to the department as provided in this chapter. The tax, with respect to special fuel acquired by a special fuel user in any manner other than **by** delivery by a special fuel dealer into a fuel supply tank of a motor vehicle or aircraft or delivery into a motor vehicle or aircraft special fuel holding tank by a special fuel dealer or distributor, attaches at the time of the use, as defined in section **324.33**, of the fuel and shall be paid over to the department by the **user** as provided in this chapter.

All deliveries by distributors of special fuel to be used for highway use or used in aircraft, except deliveries into a motor vehicle or aircraft special fuel holding tank, must be made into storage connected to a sealed meter pump as licensed **in-said under this** section. Special fuel delivered to a motor vehicle or aircraft special fuel holding tank **of** a special fuel user by a distributor shall **be** metered upon delivery and the special fuel tax shall be collected by the distributor and **paid** over to the department.

The department shall make reasonable rules governing the dispensing of special fuel by distributors, special fuel dealers and licensed special fuel users. The department shall require that all pumps located at special fuel dealer locations and licensed special fuel user locations through which fuel oil or liquefied petroleum gas can **be** dispensed, be metered, inspected, tested for accuracy, sealed and licensed by the state department of agriculture and land stewardship, and that special fuel delivered into the fuel supply tank of any motor vehicle or aircraft or into a motor vehicle or aircraft special fuel holding tank shall be dispensed only through tested metered pumps and may be sold without temperature correction or corrected to a temperature of sixty degrees. If the metered gallonage is to be temperature corrected, only a temperature compensated meter shall be used.

The deliberate heating of **road** taxable motor fuel or special fuel by dealers prior to consumer sale is a simple misdemeanor.

All gallonage which is not for **nonhighway highway or aircraft** use, dispensed through metered pumps as licensed **above under this section**, on which special fuel tax is not collected, must be substantiated by **nonhighway** exemption certificates as provided by the department, signed by the purchaser, and retained by the dealer.

For the privilege of purchasing special fuel, dispensed through metered pumps as licensed above, on a basis exempt from the special fuel tax, the purchaser shall **sign nonhighway** exemption certificates for the gallonage claimed which is not for **nonhighway highway or aircraft** use.

The department will disallow all sales **said of gallonage which is not** to be **Lor nonhighway highway or aircraft** use unless proof is established by the retention of **said the** certificate. ~~Certificates for nonhighway use sales must~~ Exemption certificates shall be retained by the dealer for a period of three years.

For natural gas used as a special fuel the rate of tax that is equivalent to the motor fuel tax shall be thirteen cents per hundred cubic feet adjusted to a base temperature of sixty degrees Fahrenheit and a pressure of fourteen and seventy-three hundredths pounds per square inch absolute. The tax on natural gas shall attach at the time of delivery into equipment for compressing the gas for subsequent delivery into the fuel supply tank of a motor vehicle and shall be paid over to the department by the person operating the compressing equipment under the applicable provisions for users or dealers. Natural gas used as a special fuel shall be delivered into compressing equipment through sealed meters certified for accuracy by the department of agriculture and land stewardship.

A person shall not deliver any special fuel into the fuel supply tank of a motor vehicle registered in Iowa on or after March 15, 1983 unless there is a special fuel user identification sticker affixed in a prominent place on the vehicle adjacent to the place where the special fuel is delivered into the tank or unless the motor vehicle is registered under chapter 326,

Except for deliveries to a licensed special fuel dealer or licensed special fuel user or deliveries on which the special fuel tax is paid at the time of delivery it is unlawful to deliver liquefied petroleum gas into any tank which has a valve or other outlet capable of transferring the liquefied petroleum gas into the fuel supply tank of a motor vehicle unless the person making the delivery receives a written statement from the recipient of the fuel which states that the recipient knows that the use of liquefied petroleum gas for highway purposes for which the special fuel tax has not been paid is unlawful.

Sec. 12. Section 324.36, subsections 1 and 2, Code 1987, are amended to read as follows:

1. REQUIRED. It is unlawful for a person to act as a special fuel dealer in this state unless the person holds a special fuel dealer's license issued to the person by the department, except as provided in this section. A person who holds a special fuel distributor's license may dispense special fuel into a motor vehicle or aircraft special fuel holding tank without obtaining a special fuel dealer's license. Except for special fuel which is delivered by a special fuel dealer into a fuel supply tank of a motor vehicle or aircraft or into a motor vehicle or aircraft special fuel holding tank in this state or delivered by a special fuel distributor into a motor vehicle or aircraft special fuel holding tank, the use of special fuel in this state by a person is unlawful unless the person holds a special fuel user's license issued to the person by the department. It is unlawful for a person to sell special fuel in this state in bulk for highway or aircraft use without first obtaining a special fuel distributor's license. The license shall be issued under the same procedure and subject to the same requirements and limitations as provided in section 324.4.

2. APPLICATION. Application for a special fuel dealer's license or a special fuel user's license shall be made to the department. A special fuel dealer's license or a special fuel user's license, whichever is applicable, shall be required for each separate place of business or location where special fuels are regularly delivered or placed into the fuel supply tank of a motor vehicle or aircraft. Provided that However, if a special fuel dealer also operates one or more bulk plants from which the distribution of a special fuel is primarily by tank vehicle, the special fuel dealer need not obtain a separate license for any of these plants not provided with fixed equipment designed for fueling vehicles or aircraft. Upon written application and at the discretion of the director, a special fuel user whose business operations require mobile special fuel storage may obtain a single



special fuel user's license to be issued to the user's permanent principal place of business.

Sec. 13. Section 324.37, subsection 2, Code 1987, is amended to read as follows

2. For each location where special fuel is delivered or placed into the fuel supply tank of a motor vehicle or aircraft, the special fuel dealer or user making the delivery shall prepare and maintain for a period of three years such records as the department may reasonably require with respect to all these deliveries, and with respect to inventories, receipts, purchases, and sales or other dispositions of special fuel.

Sec. 14. Section 324.38, subsections 1, 2, 3, and 4, Code 1987, are amended to read as follows:

1. RETURNS FOR LICENSED DEALERS AND USERS. For the purpose of determining the amount of liability for special fuel tax each special fuel dealer and each special fuel user shall file with the department not later than the last day of the month next following the month in which this division becomes effective and not later than the last day of each calendar month thereafter a monthly tax return certified under penalty for false Certificate. The return shall show, with reference to each location at which special fuel is delivered or placed by the dealer or user into a fuel supply tank of any motor vehicle or aircraft during the next preceding calendar month, such information as the department may reasonably require for the proper administration and enforcement of this division. However, if a special fuel dealer or user is also a wholesale distributor of special fuel at a location where special fuel is delivered into the supply tank of a motor vehicle or aircraft, the monthly return to the department covering the location need not include inventory control data covering bulk storage from which wholesale distribution of special fuel is made.

2. COMPUTATION. The amount of tax due shall be computed by multiplying the appropriate tax rate per gallon by the number of gallons of special fuel delivered or placed by the special fuel dealer or user into supply tanks of motor vehicles and aircraft.

3. PAYMENTS. The return shall be accompanied by remittance in the amount of the tax due for the month in which the special fuel was placed in the fuel tanks of motor vehicles and aircraft.

4. QUARTERLY RETURNS AND TAX PAYMENT BY SPECIAL FUEL DISTRIBUTORS. For the purpose of determining the amount of the tax liability for special fuel tax, each special fuel distributor licensed under this chapter shall file with the department, not later than the last day of the month next following each calendar quarter, a quarterly tax return certified under penalty for false certificate. The return shall show the total amount of special fuel sold during the quarter, the amount of special fuel sold which was not for nanhghway highway or aircraft use, the amount of fuel sold to licensed special fuel dealers and users, the amount of special fuel delivered into motor vehicle or aircraft special fuel holding tanks, the amount of tax due, and such other pertinent information required by the department. The amount of tax due shall be computed by multiplying the appropriate tax rate per gallon by the number of gallons of special fuel delivered or placed by the special fuel distributor into the motor vehicle or aircraft special fuel holding tanks. The return shall **be** accompanied by a remittance in the amount of the tax due for the quarter.

Sec. 15. Section 324.38, subsection 5, paragraphs a through c, Code 1987, are amended to read as follows:

a. Special fuels purchased tax paid and delivered into the fuel supply tank of the user's motor vehicles or aircraft by licensed special fuel dealers.

b. Special fuels purchased tax paid and delivered into the user's motor vehicle or aircraft special fuel holding tanks by licensed special fuel dealers.

c. Special fuels purchased tax paid and delivered into the user's motor vehicle or aircraft special fuel holding tanks by licensed special fuel distributors.

Sec. 16. Section 324.38, subsection 6, Code 1987, is amended to read as follows:

6. PRESUMPTION. For purposes of this section there shall be a prima-facie presumption that all special fuel received by a special dealer or special fuel user into storage and dispensing equipment designed to fuel motor vehicles or aircraft is to be delivered by the special fuel dealer or special fuel user into the fuel supply tanks of motor vehicles or aircraft.

Sec. 17. Section 324.82, Code 1987, is amended to read as follows:

324.82 AVIATION GAS FUEL TAX FUND.

The portion of the moneys collected under ~~the provisions of~~ this chapter received on account of aviation gasoline and special fuel used in aircraft shall be deposited in a separate fund to be maintained by the treasurer. All moneys ~~reimbursed and repaid pursuant to section 324.17 or transferred pursuant to section 422.112 on account of motor fuel used for the purpose of operating aircraft shall be paid from said separate fund and~~ ~~and~~ ~~at~~ ~~man~~ ~~rya~~ remaining in said the separate fund after ~~affidavits~~ ~~of~~ ~~refund~~ ~~and~~ the cost of administering said the fund have been paid shall be credited to the state aviation fund.

Sec. 18. Section 328.26, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. When an aircraft is registered to a person for the first time the application for registration shall be accompanied by evidence that the tax imposed by section 422.43 or section 423.1 has been paid or

evidence of ~~the~~ exemption of the aircraft from the tax imposed under section 422.43 or 423.2.

Sec. 19. Section 328.36, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 453.7, subsection 2, interest or earnings on investments or time deposits of the moneys in the state aviation fund shall be credited to the state aviation fund.

Sec. 20. Section 422.45, subsections 6 and 11, Code Supplement 1987, are amended to read as follows:

6. The gross receipts from "casual sales". However, this exemption does not apply to aircraft.

11. The gross receipts from the sale of motor fuel and special fuel consumed for highway use or in watercraft or aircraft where the fuel tax has been imposed and paid and no refund has been or will be allowed and the gross receipts from the sales of gasohol, ~~as~~ defined in section 324.2.

Sec. 21. Section 422.45, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 36. The gross receipts from the sale of aircraft for use ~~in~~ a scheduled interstate federal aviation administration certificated air carrier operation.

Sec. 22. Section 422.110, subsection 1, Code 1987, is amended to read ~~as~~ follows:

1. Motor fuel as defined in section 324.2, subsection 1, used for the purpose of operating or propelling farm tractors, corn shellers, roller mills, truck-mounted feed grinders, stationary engines, ~~aircraft~~, for producing denatured alcohol within the state, for cleaning or dyeing, or for any purpose other than in watercraft or aircraft or in motor vehicles operated or intended to be operated upon the public highways.

Sec. 23. Section 422.110, unnumbered paragraph 2, Code 1987, is amended to read as follows:

~~However~~, no credit shall be given with respect to motor fuel taken out of the state in fuel supply tanks of motor

vehicles, motor fuel used in aircraft or watercraft, or motor fuel used in the performance of a contract which is paid out of state funds unless the contract for the work contains a certificate made under penalty for false certificate that the estimate, bid or price to be paid for the work includes no amount representing motor fuel tax subject to a credit. The right to a credit under this section is not assignable and the credit may be claimed only by the person or corporation that purchased the fuel.

Sec. 24. Section 422.111, unnumbered paragraph 1, Code 1987, is amended to read as follows:

The fuel tax credit may be applied against the income tax liability of the person or corporation as determined on the tax return filed for the year in which the fuel tax was paid.

~~The fuel tax credit for tax paid on motor fuel used for the purpose of operating aircraft must be itemized separately.~~

The department shall provide forms for claiming the fuel tax credit. If the fuel tax credit would result in an overpayment of income tax, the person or corporation may apply for a refund of the amount of overpayment or may have the overpayment credited to income tax due in subsequent years.

Each person or corporation that claims a fuel tax credit shall maintain the original invoices showing the purchase of the fuel on which a credit is claimed. No invoice is acceptable in support of a claim for credit unless it is a separate serially numbered invoice covering no more than one purchase of motor fuel or special fuel, prepared by the seller on a form approved by the department, nor unless it is legibly written with no corrections or erasures and shows the date of sale, the name and address of the seller and of the purchaser, the kind of fuel, the gallonage in figures, the per gallon price of the fuel, the total purchase price including the Iowa fuel tax, and that the total purchase price has been paid.

However, as to refund invoices made on a billing machine the department may waive these requirements. If an original

invoice is lost or destroyed, the department may approve a credit supported by a copy identified and certified by the seller as being a true copy of the original. Each person or corporation that claims a fuel tax credit shall maintain complete records of purchases of motor fuel or special fuel on which Iowa fuel tax was paid, and for which a fuel tax credit is claimed.

Sec. 25. The excise tax imposed under this Act is effective for fuel purchased on or after July 1, 1988.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2465, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HOUSE FILE 2469

AN ACT

RELATING TO ENERGY DEVELOPMENT AND CONSERVATION, MAKING APPROPRIATIONS OF THE PETROLEUM OVERCHARGE FUNDS, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated for the fiscal period beginning July 1, 1988, and ending June 30, 1990, the following amounts, or so much thereof as is necessary, from those funds designated within the energy conservation trust created in section 93.11, to the energy and geological resources division of the department of natural resources for disbursement under section 93.11 to the following agencies for the purposes designated:

1. To the division of community action agencies of the department of human rights for qualifying energy conservation programs for low-income persons, including but not limited to energy weatherization projects, which target the highest energy users, and including administrative costs, to be expended first from the balance of the Warner/Imperial fund and supplemented by the Exxon fund for a total appropriation not to exceed:

..... \$ 3,000,000

If additional funding is necessary for the implementation of the provisions of 1988 Iowa Acts, the division of community action agencies of the department of human rights may allocate not more than one hundred fifty thousand (150,000) dollars from the moneys appropriated under this subsection for the funding of such provisions.

2. To the department of natural resources for the following purposes:

a. To deposit in the oil overcharge account of the groundwater protection fund created pursuant to section

455E.11, subsection 2, paragraph "e", and allocated as provided, from the Stripper Well fund:

..... \$ 4,000,000

b. For the state energy conservation program, from the Exxon fund:

.....\$ 118,500

c. For the energy extension service program including seventy thousand (70,000) dollars for the energy extension program at Iowa State University from the Exxon fund:

..... \$ 119,700

d. To reduce the cost of financing, pursuant to section 19.34, for implementation of energy conservation measures which are identified through comprehensive engineering analysis of state facilities from the Stripper Well fund:

..... \$ 1,000,000

3. To the department of economic development for the energy-related activities of the amorphous semiconductor project at Iowa State University, from the Stripper Well fund:

.....\$ 500,000

If the amorphous semiconductor project is not approved, the moneys appropriated under this subsection shall revert to the Stripper Well fund.

4. To the division of community action agencies of the department of human rights for the operation of the affordable heating payment program pilot project from the Exxon fund to the extent to which the project qualifies for such funding, and the remainder shall be appropriated from the Stripper Well fund:

..... \$ 350,000

If the project under this subsection cannot be funded with either Exxon or Stripper Well funds, or both, the moneys appropriated shall revert to their respective funds.

Not more than twenty-five thousand (25,000) dollars of the moneys appropriated under this subsection shall be used for administrative costs. This appropriation is contingent upon and shall only be made if the 1988 Session of the General

HF 2469

Assembly enacts House File 683 establishing the affordable heating payment program pilot project.

Sec. 2. There is appropriated an amount up to five percent, but not to exceed two hundred thousand (200,000) dollars, of the allowable petroleum overcharge money appropriated for fiscal year 1989 to be used for administration of the petroleum overcharge programs.

Sec. 3. Notwithstanding section 8.33, the funds appropriated by sections 1 and 2 shall not revert until the completion of the projects.

Sec. 4. 1987 Iowa Acts, chapter 230, section 1, subsection 2, paragraph d, subparagraph (1), is amended by striking the subparagraph.

Sec. 5. 1987 Iowa Acts, chapter 230, section 1, subsection 3, paragraph c, is amended by striking the paragraph.

Sec. 6. 1987 Iowa Acts, chapter 230, section 8, is amended to read as follows:

SEC. 8. 1986 Iowa Acts, chapter 1249, section 4, unnumbered paragraph 1, is amended to read as follows:

There is appropriated from the funds available in the energy conservation trust fund, established in section 93.11, for the fiscal period beginning July 1, 1986, and ending June 30, ~~1988~~ 1989, to the energy and geological resources division of the department of natural resources for disbursement under section 93.11, the following amounts, or so much thereof as is necessary, to be used for the purposes designated consistent with the expressed legislative intent of this Act:

Sec. 7. Section 93.7, subsections 4, 5, 9, and 11, Code 1987, are amended by striking the subsections.

Sec. 8. Section 93.11, Code Supplement 1987, is amended to read as follows:

93.11 ENERGY CONSERVATION TRUST FUND ESTABLISHED --  
RECEIPTS & DISBURSEMENTS.

1. a. The energy conservation trust fund is created within the state treasury. This state on behalf of itself, its citizens, and its political subdivisions accepts any

moneys awarded or allocated to the state, its citizens, and its political subdivisions as a result of the federal court decisions and federal department of energy settlements resulting from alleged violations of federal petroleum pricing regulations and deposits the moneys in the energy conservation trust fund.

b. The energy conservation trust fund is established to provide for an orderly, efficient, and effective mechanism to make maximum use of moneys available to the state, in order to increase energy conservation efforts and thereby to save the citizens of this state energy expenditures. The moneys in the accounts-in-the-fund funds in the trust shall be expended only upon appropriation by the general assembly and only for programs which will **benefit** citizens who may have suffered economic penalties resulting from the alleged petroleum overcharges.

c. The moneys awarded or allocated from each court decision or settlement shall be placed in a separate account fund in the energy conservation trust fund. Notwithstanding section 453.7, interest and earnings on investments from moneys in the fund trust shall be credited proportionately to the accounts-in-the-fund funds in the trust.

d. Unless prohibited by the conditions applying to an account a settlement, the moneys in the energy conservation trust fund may be used for the payment of attorney fees and expenses incurred by the state to obtain the moneys and shall be paid by the director of revenue and finance from the available moneys in the fund trust subject to the approval of the attorney general.

e. However, petroleum overcharge funds moneys received pursuant to claims filed on behalf of the state, its institutions, departments, agencies, or political subdivisions shall be deposited in the general fund of the state to be disbursed directly to the appropriate claimants in accordance with federal guidelines and subject to the approval of the attorney general.

2. The treasurer of state shall be the custodian of the energy conservation trust fund and shall invest the moneys in the fund trust, in consultation with the energy fund disbursement council established in subsection 3 and the investment board of the Iowa public employees' retirement system, in accordance with the following guidelines:

a. To maximize the rate of return on moneys in the fund trust while providing sufficient liquidity to make fund disbursements, including contingency disbursements.

b. To absolutely insure the fund trust against loss.

c. To use such investment tools as are necessary to achieve these purposes.

3. An energy fund disbursement council is established. The council shall be composed of the governor or the governor's designee, the director of the department of management, who shall serve as the council's chairperson, the administrator of the division of community action agencies of the department of human rights, the administrator of the energy and geological resources division of the department of natural resources, and a designee of the director of the department of transportation, who is knowledgeable in the field of energy conservation. The council shall include as nonvoting members two members of the senate appointed by the majority leader of the senate and two members of the house of representatives appointed by the speaker of the house. The legislative members shall be appointed upon the convening and for the period of each general assembly. Not more than one member from each house shall be of the same political party. The council shall be staffed by the energy and geological resources division of the department of natural resources. The attorney general shall provide legal assistance to the council.

The council shall:

a. Oversee the investment of moneys deposited in the energy conservation trust fund.

b. Make recommendations to the governor and the general assembly regarding annual appropriations from the energy conservation trust fund.

c. Work with the energy and geological resources division in adopting administrative rules necessary to administer expenditures from the fund trust, encourage applications for grants and loans, review and select proposals for the funding of competitive grants and loans from the energy conservation trust fund, and evaluate their comparative effectiveness.

d. Monitor expenditures from the fund trust.

e. Approve any grants or contracts awarded from the energy conservation trust fund in excess of five thousand dollars.

f. Prepare, in conjunction with the energy and geological resources division, an annual report to the governor and the general assembly regarding earnings of and expenditures from the energy conservation trust fund.

4. The administrator of the energy and geological resources division of the department of natural resources shall be the administrator of the energy conservation trust fund. The administrator shall disburse moneys appropriated by the general assembly from the accounts funds in the fund trust in accordance with the federal court orders, law and regulation, or settlement conditions applying to the moneys in that account fund, and subject to the approval of the energy fund disbursement council if such approval is required. The council, after consultation with the attorney general, shall immediately approve the disbursement of moneys from the account funds in the fund trust for projects which meet the federal court orders, law and regulations, or settlement conditions which apply to that account fund.

5. The following accounts funds are established in the energy conservation trust fund:

a. The Warner/Imperial account fund.

~~b. The Amoco/Beidridge/Hordstrom account.~~

c. The Exxon account fund.

d. The Stripper Wells account Well fund.

d. The Diamond Shamrock **account fund**.

~~f--The-Amoco-Refined-account-~~

~~g--The-OKC-6-Coline-account-~~

~~h--The-other-funds-account-~~

e. The office of hearings and appeals second-stage settlement fund.

6. The moneys in the **account fund** in the energy conservation trust fund distributed to the state as a result of the 1985 federal court decision finding Exxon corporation in violation of federal petroleum pricing regulations shall be expended, to the extent possible, over a period of no more than six years and shall be disbursed for projects which meet the strict guidelines of the five existing federal energy conservation programs specified in Pub. L. No. 97-377, § 155, 96 Stat. 1830, 1919 (1982). The council shall approve the disbursement of moneys from the **account fund** in the fund **trust** for other projects only if the project meets one or more of the following conditions:

a. The projects meet the guidelines for allowable projects under a modification order entered by the federal court in the case involving Exxon corporation.

b. The projects meet the guidelines for allowable projects under a directive order entered by the federal court in the case involving Exxon corporation.

c. The projects meet the guidelines for allowable projects under the regulations adopted or written clarifications issued by the United States department of energy.

Sec. 9. Section 93.18, Code 1987, is repealed.

Sec. 10. Sections 93.21, 93.22, 93.23, 93.24, 93.25, 93.26, 93.27, 93.28, 93.29, and 93.30, Code 1987, are repealed.

Sec. 11. If Senate File 2312 is enacted by the Seventy-second General Assembly, 1988 Session, there is appropriated from the general fund of the state to the public broadcasting division of the department of cultural affairs an amount equal to the difference between the eleven million one hundred

thousand (11,100,000) dollars appropriated to the state board of regents for construction of the power plant addition at the University of Northern Iowa in that Act and the total amount of the bids let for construction of the project, not to exceed eight hundred seventy thousand (870,000) dollars, to be used by the public broadcasting division to purchase energy efficiency packages for its ultrahigh frequency transmitters.

Sec. 12. Section 9 of this Act, being deemed of immediate importance, takes effect upon enactment.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2469, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

CE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

May 6, 1988

Baxter

secretary of State  
State Capitol Building  
L O C A L

Dear ~~Madam~~ Secretary:

I hereby transmit House File **2469**, an act relating to energy development and conservation, making appropriations of the petroleum overcharge funds, and providing an effective date.

House File 2469 is approved with the following exception which I hereby disapprove.

I am unable to approve the item designated as Section 1, subsection 2, paragraph d. This item in House File **2469** appropriates \$1 million to the Department of Natural Resources to buy down interest rates by approximately one-half percent on \$10 million dollars worth of energy conservation bonds. These bonds are to be issued to the State of Iowa Facilities Improvement Corporation with the debt service to be paid out of each department's operating budget.

I understand that the State of Iowa Facilities Improvement Corporation has issued bonds in the past in order to finance energy conservation improvements with short **pay-back** periods. State agencies are now saddled with paying approximately \$19 million of debt service on those bonds for the next ten years.

While I understand there is a continuing need for additional capital expenditures for energy conservation improvements on state property, I believe it would be fiscally unwise for the state to further encumber operating budgets with long term debt. Indeed, excessive use of the bonding financed out of operating budgets would place state agencies in a fiscal straight jacket. Moreover, the long-term debt financed in operating budgets has put other governmental jurisdictions in deep financial crises.



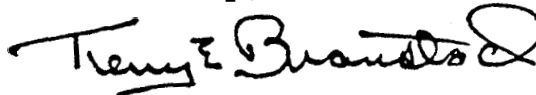
The Honorable Elaine Baxter  
May 6, 1988  
Page 2

I understand that the State of Iowa Facilities Improvement Corporation has not planned to issue any additional bonds under its authority and I concur with that decision. Moreover, I believe that with the improving state economy, the state ought to attend to the most critical of these capital needs through direct appropriation. Indeed, with Department of Energy approval, the \$1 million provided for this purpose would be much better used to provide for the actual energy improvements rather than buying down interest rates by one-half percent on \$10 million worth of debt-

In short, appropriating a million dollars to buy **down** interest rates by one-half percent on \$10 million of additional debt is fiscally unsound and unwise. The state should instead consider capital appropriations for energy conservation needs without encumbering operating budgets with long-term debt service-

For this reason, I hereby respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in House File **2469** are hereby approved as of **this** date-

Sincerely,



Terry E. Branstad  
Governor

**TEB/ps**

cc: Secretary of the Senate  
Chief Clerk of the House

HOUSE FILE 2471

AN ACT

RELATING TO REGULATION OF MILK PRODUCTION AND MARKETING BY CREATING A FUND FOR ADMINISTRATION AND APPROPRIATING THE HONEYS IN THE FUND, PROVIDING FOR INSPECTION, RAISING FEES RELATING TO THE MILK INDUSTRY, AND PROVIDING FOR THE ESTABLISHMENT OF MILK PRODUCTION AND PROCESSING STANDARDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 192.8, subsection 7, Code 1987, is amended by striking the subsection, inserting in lieu thereof the following, and renumbering subsequent subsections:

7. A "milk plant" is any place where milk or milk products are collected, handled, processed, stored, pasteurized, aseptically processed, bottled, or prepared for distribution.

8. A "receiving station" is any place where raw milk is received, collected, handled, stored, or cooled and prepared for further transporting.

Sec. 2, Section 192.11, unnumbered paragraphs 4 and 5, Code 1987, are amended to read as follows:

Each dairy farm, milk plant, receiving station, and transfer station whose milk or milk products are intended for

consumption as grade "A" pasteurized milk and milk products shall be inspected by the secretary prior to the issuance of the permit provided for in section 192.5. However, ~~if any a person, including a municipal corporation, makes application to the secretary for authority to~~ may conduct such inspections, ~~the secretary, upon finding that such municipal corporation has qualified personnel to perform the same, shall enter into agreements with the municipal corporation providing for such inspection if~~ authorized by an agreement under section 192.48. Inspection by ~~either the secretary or approved municipal corporation~~ a person acting under an agreement pursuant to section 192.48, including a municipal corporation, or a person acting under a sub-agreement with a municipal corporation shall be acceptable for issuance of such permit by the secretary or municipal corporation making or entering into an agreement or sub-agreement for the inspection.

When ~~inspections are conducted and~~ permits are issued by a municipal corporation under this chapter, in a manner which the secretary deems consistent with the provisions of the agreement, this chapter and chapters 190 and 191, as evidenced by the annual survey by the Iowa department of public health provided for in section 192.31, the secretary shall accept such procedures in lieu of administration of the provisions of said chapters by the state, within the jurisdiction involved. In the event the ~~survey required in section 192.31 indicates~~ secretary finds that a municipal corporation is acting in a manner which is inconsistent with the provisions of the agreement or said chapters, the secretary may revoke the agreement with the municipal corporation after notice and hearing, in the manner described for permit revocation in section 192.5 and perform such acts as are necessary to regulate grade "A" milk and milk products in such jurisdiction in conformity herewith.

Sec. 3. Section 192.30, unnumbered paragraph 1, Code 1987, is amended to read as follows:

This chapter and chapters 190 and 191 shall be enforced by the secretary or municipal corporations, which have entered into agreements with the secretary under section sections 192.11 and 192.48, both of whom shall make regulations which shall conform to the Grade "A" Pasteurized Milk Ordinance with Administrative Procedures -- 1978 Recommendations of the United States Public Health Service, a certified copy of which shall be on file at the secretary's office or the office of the clerk of an authorized municipal corporation. Where the mandatory compliance with provisions of the appendixes therein is specified, the provisions shall be deemed a requirement of the chapters.

Sec. 4. Section 192.40, Code 1987, is amended to read as follows:

192.40 FEES.

A license, unless earlier revoked, is valid until July 1 after the date of its issuance. The maximum fee for each a license shall be thirty dollars, which shall be paid before the license is issued, and standard test bottles and pipettes shall be furnished at actual cost. Fees collected under this section shall be deposited in the milk fund established in section 192.47.

Sec. 5. NEW SECTION. 192.47 INSPECTION FEES AND MILK FUND.

1. Except as otherwise provided in this section, a milk plant which is not a receiving station shall pay an inspection fee not greater than one thousand dollars per year. A transfer station shall pay an inspection fee not greater than two hundred dollars per year. A milk hauler shall pay an inspection fee not greater than twenty-five dollars per year. The secretary shall fix the fees annually. The fees shall be paid on July 1 of each year.

2. A purchaser of milk from a grade "A" milk producer shall pay an inspection fee not greater than one point five cents per hundredweight. The fee shall be payable monthly to the secretary in a manner prescribed by the secretary. A fee imposed under this subsection shall not be paid on milk subject to inspection by a municipal corporation pursuant to section 192.11.

3. a. Fees collected under this section and moneys appropriated to the department for dairy control shall be deposited in the milk fund which is established in the office of the treasurer of state. All moneys deposited in the milk fund are appropriated for the costs of inspection, sampling, analysis, and other expenses necessary for the administration of this chapter and chapters 194 and 195. All moneys in the milk fund are subject to audit by the auditor of state. The milk fund is subject at all times to warrants by the director of revenue and finance, drawn upon written requisition of the secretary. Notwithstanding section 8.33, moneys, including interest earned, in the milk fund shall remain from year to year and shall not revert to the general fund.

b. If there is an unencumbered balance of funds in the milk fund on June 30 of any fiscal year equal to or exceeding one hundred fifty thousand dollars, the secretary shall reduce the fees provided for in section 192.47, subsection 2 and section 194.21 for the next fiscal year in an amount which will result in an ending estimated balance for June 30 of the next fiscal year of one hundred fifty thousand dollars.

Sec. 6. NEW SECTION. 192.48 INSPECTIONS REQUIRED, AGREEMENTS.

The department shall be responsible for the inspection of a dairy farm, milk plant, or transfer station to ensure compliance with this chapter and chapters 190 and 191. Whenever practical, the department shall enter into an agreement with a person, including but not limited to a municipal corporation, qualified to perform inspection

services if the agreement for the services is cost-effective and the quality of inspection assures compliance with state and federal law. A person entering into an agreement with the secretary or a person entering into a sub-agreement with an authorized municipal corporation for the purpose of inspecting premises, taking samples, or testing samples, shall be deemed to be an agent of the secretary or municipal corporation, and have the same authority under this chapter provided to the secretary or authorized municipal corporation, unless the agreement or sub-agreement specifies otherwise. The department shall review inspection services performed by a person under an agreement with the department or sub-agreement with a municipal corporation to ensure quality cost-effective inspections. If a person is acting in a manner which is inconsistent with the provisions of the applicable chapter, agreement, or sub-agreement, the secretary or municipal corporation entering into the agreement or sub-agreement with the person may revoke the agreement or sub-agreement with the person after notice and hearing, in the manner described for permit revocation in section 192.5 and perform such acts as are necessary to enforce this chapter.

Sec. 7. Section 194.2, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The secretary may adopt by rule requirements recommended by the United States department of agriculture for the production and processing of milk for manufacturing purposes, including, but not limited to, requirements for the inspection and certification of grade "9" dairy farms and grade "8" dairy plants.

Sec. 6. Section 194.14, Code 1987, is amended to read as follows:

194.14 FEE.

Each A license shall, unless sooner revoked, be valid until July 1 after date of issuance. The maximum fee therefor shall be three dollars, which shall be

paid before the license is issued. Fees collected under this section shall be deposited in the milk fund established in section 192.47.

Sec. 9. Section 194.19, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Every A vehicle used for the collection of milk for manufacture of dairy products, ~~and persons purchasing milk for manufacture of dairy products,~~ shall first be licensed by the ~~secretary of agriculture according to chapter 195~~ department. A license, unless earlier revoked, is valid until July 1 after the date of its issuance. The maximum fee for a license is twenty-five dollars, which shall be paid before the license is issued. A fee shall not be imposed under this section if the vehicle or its operator has paid the fee imposed upon milk haulers under section 192.47. Fees collected under this section shall be deposited in the milk fund established in section 192.47. This ~~shall~~ section does not apply to individuals transporting their own dairy products.

Sec. 10. NEW SECTION. 194.21 INSPECTION FEES.

A purchaser of milk from a grade "8" milk producer shall pay an inspection fee not greater than one half cent per hundredweight. The fee is payable monthly to the secretary at a time prescribed by the secretary. A fee imposed by this section shall not be paid on milk subject to inspection by a municipal corporation pursuant to section 192.11. Fees collected under section 192.47, subsection 2 and this section shall be deposited in the milk fund established in section 192.47.

Sec. 11. Section 195.9, Code 1987, is amended to read as follows:

195.9 TENURE -- FEE.

Each A license shall, unless sooner revoked, be valid until July 1 after the date of its issuance. The maximum fee therefor shall be ~~three~~ three dollars for a license is twenty-five dollars which shall be paid before the license is issued. Fees

collected under this section shall be deposited in the milk  
fund established in section 192.47.

---

DONALD D. AVENSON  
Speaker of the House

---

JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and  
is known as House File 2471, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

---

TERRY E. BRANSTAD  
Governor

HOUSE FILE 2473

AN ACT

RELATING TO THE ADMINISTRATION AND REQUIREMENTS FOR MILITARY SERVICE TAX CREDITS, AND MAKING APPROPRIATIONS DIRECTLY FROM THE STATE GENERAL FUND FOR PURPOSES OF THE MILITARY SERVICE TAX CREDIT AND PAYMENT OF THE FRANCHISE TAX TO LOCAL GOVERNMENTS, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 123.53, subsection 7, Code 1987, is amended by striking the subsection.

Sec. 2. Section 422.65, Code 1987, is amended to read as follows:

422.65 ALLOCATION OF REVENUE.

~~Fifty-five-percent-of-the-total~~ All moneys received from the franchise tax shall be deposited in the state general fund. ~~The remaining moneys received from the franchise tax shall be deposited in a franchise tax fund hereby established in the office of the treasurer of state; and~~ Forty-five percent of all franchise tax money received and deposited in the state general fund shall be paid quarterly on warrants by the director, after certification by the director, as follows:

1. Sixty percent to the general fund of the city from which the tax is collected.

2. Forty percent to the county from which the tax is collected.

If the financial institution maintains one or more offices for the transaction of business, other than its principal office, a portion of its franchise tax shall be allocated to each office, based upon a reasonable measure of the business activity of each office. The director shall prescribe, for each type of financial institution, a method of measuring the business activity of each office. Financial institutions shall furnish all necessary information for this purpose at the request of the director.

Quarterly, the director shall certify to the treasurer of state the amounts to be paid to each city and county from the franchise-tax state general fund. All moneys received from the franchise tax are hereby appropriated according to the provisions of this section.

Sec. 3. Section 426A.1, Code 1987, is amended to read as follows:

426A.1 ~~MILITARY-SERVICE-TAX-CREDIT-FUND~~ APPROPRIATION.

There is hereby appropriated from ~~any moneys in the general fund of~~ the state ~~treasury not otherwise appropriated; the sum of eight hundred thousand dollars to establish a fund to be known as "the military service tax credit fund"; in which fund shall also be included~~ the amounts credited to the military ~~service tax fund provided by section 123.53, subsection 7~~ necessary to fund the credits provided under this chapter.

Sec. 4. Section 426A.2, Code 1987, is amended to read as follows:

426A.2 WHERE CREDIT GIVEN.

The military-service-tax-credit-fund moneys shall be apportioned each year ~~as hereinafter provided~~ so as to replace all or a portion of the tax on property eligible for military service tax exemption in the state, were such ~~the~~ the property subject to taxation the amount of such credit to be equal to no more than six dollars and seventy-five cents per thousand

dollars of assessed value upon the valuation of property subject to the tax which, but for military service tax exemption, would be payable upon such the property in the taxing district to which such the property is located.

Sec. 5. Section 426A.4, Code 1987, is amended to read as follows:

426A.4 CERTIFICATION BY DIRECTOR OF REVENUE AND FINANCE.

Sums distributable from the military-service-tax-credit general fund of the state shall be allocated annually to the counties of the state. On September 15 annually the director of revenue and finance shall certify and draw warrants to the treasurer of each county payable from the ~~military-service-tax credit general~~ fund of the state in the amount claimed.

~~However, if the amount of money in the fund is insufficient to pay the credits claimed in full, the claims shall be paid on a pro-rata basis.~~ Payments shall be made to the treasurer of each county not later than September 30 of each year. ~~The director of revenue and finance shall transfer any funds in the military-service-tax-credit fund on May 31 of each year not necessary for the payment of claims to the general fund.~~

Sec. 6. Section 426A.6, Code 1987, is amended to read as follows:

426A.6 SETTING ASIDE ALLOWANCE.

If the director of revenue and finance determines that any claim for military service tax exemption has been allowed by any board of supervisors which is not justifiable under the law and not substantiated by proper facts, the director may, at any time within twenty-four months from July 1 of the year in which the claim is allowed, set aside the allowance.

Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or the board of supervisors may seek judicial review of the action of the director of revenue and

finance in accordance with ~~the Iowa administrative procedure Act chapter 17A~~. In any case, where a claim is so disallowed by the director of revenue and finance and a petition for judicial review is not filed with respect to the disallowance, any amounts of credits allowed and paid from the ~~military service-tax-credit general~~ fund of the state become a lien upon the property on which the credit was originally granted, if still in the hands of the claimant, and not in the hands of a bona fide purchaser, and any amount so erroneously paid shall be collected by the county treasurer in the same manner as other taxes and the collections shall be returned to the department of revenue and finance and credited to the ~~military service-tax-credit general~~ fund of the state. The director of revenue and finance may institute legal proceedings against a military service tax exemption claimant for the collection of all payments made on disallowed exemptions.

Sec. 7. Section 426A.8, Code 1987, is amended to read as follows:

426A.8 EXCESS REMITTED -- APPEALS.

If the amount of credit apportioned to any property eligible to military service tax exemption under ~~the provisions of~~ this chapter in any year shall exceed the total tax, exclusive of any special assessments levied against such property eligible for military service tax exemption then ~~such the~~ excess shall be remitted by the county treasurer to the department of revenue and finance to be redeposited in the ~~military-service-tax-credit general~~ fund of the state and reallocated the following year by the department ~~as provided hereunder~~.

~~In the event if~~ any claim for exemption made ~~hereunder~~ has been denied by the board of supervisors, and ~~such the~~ action is subsequently reversed on appeal, the same credit shall be allowed on the assessed valuation, not to exceed the amount of the military service tax exemption involved in ~~said the~~ appeal, as was allowed on other military service tax exemptions.

valuations for the year or years in question, and the director of revenue and finance, the county auditor, and the county treasurer ~~are hereby authorized and directed to make such~~ shall credit and to change their books and records accordingly.

in the event if the appealing taxpayer has paid one or both of the installments of the tax payable in the year or years in question on such military service tax exemption valuation, remittance shall be made to the county treasurer in the amount of such credit.

The amount of such the credit shall be allocated and paid from the surplus redeposited in the ~~military tax credit~~ general fund of the state provided for in the first paragraph of this section.

Sec. 8. Section 426A.9, Code 1987, is amended to read as follows:

426A.9 ERRONEOUS CREDITS.

In the event if any claim is allowed, and subsequently reversed on appeal, any credit made thereunder shall be void, and the amount of such the credit shall be charged against the property in question, and the director of revenue and finance, the county auditor and the county treasurer ~~are authorized and directed to~~ shall correct their books and records accordingly. The amount of such the erroneous credit, when collected, shall be returned by the county treasurer to the ~~military service tax credit~~ general fund ~~to be reallocated the following year~~ as provided herein of the state.

Sec. 9. Section 427.3, subsection 5, Code 1987, is amended to read as follows:

5. The provisions of this section shall apply to personal property held in partnership but not in excess of the value of the veteran's share actually held. Wherever the word "soldier" shall appear in this chapter, it shall be construed to include, without limitation, the members of the United States Air Force and the United States merchant marine.

Sec. 10. Section 427.3, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 6. For the purpose of determining a military tax exemption under this section, property includes a mobile home as defined in section 135D.1.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2473, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor



HOUSE FILE 2414

AN ACT

RELATING TO FINANCIAL INSTITUTIONS AND THE LOCATION OF SATELLITE TERMINALS AND THE IMPOSITION OF THE FRANCHISE TAX ON FINANCIAL INSTITUTIONS DOING BUSINESS WITHIN THE STATE AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.61, subsection 1, Code Supplement 1987, is amended to read as follows:

1. "Financial institution" means an entity having an office and employees located within this state and doing business within this state which is a state bank as defined in section 524.103, subsection 19, a state bank chartered under the laws of any other state, a national banking association having-its-principal-office-within-this-state, a trust company, a federally chartered savings and loan association, an out-of-state state chartered savings bank, a financial institution chartered by the federal home loan bank board, a non-Iowa chartered savings and loan association, an association incorporated or authorized to do business under chapter 534, or a production credit association.

Sec. 2. Section 527.4, subsection 3, paragraph a, subparagraph (5), Code Supplement 1987, is amended to read as follows:

(5) At any retail sales location in this state if any all of the following apply:

(a) The satellite terminal is not designed, configured, or operated to accept deposits or to dispense script or other negotiable instruments.

(b) The satellite terminal is not designed, configured, or operated to dispense cash except when operated by the retailer as part of a retail sales transaction.

(c) The satellite terminal is utilized for the purpose of making payment to the retailer for goods or services purchased at the location of the satellite terminal.

(d) The financial institution controls a satellite terminal described under subparagraph part subdivision (c) at a location of the retailer established pursuant to subparagraph (1), (2), (3), or (4).

Sec. 3. This Act is effective July 1, 1988, for tax years beginning on or after that date.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2474, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HF 2474



TERRY E. BRANSTAD  
GOVERNOR

# OFFICE OF THE GOVERNOR

STATE CAPITOL  
DES MOINES, IOWA 50319

515 281-5211

May 14, 1988

The Honorable Elaine Baxter  
Secretary of State  
State Capitol Building  
L O C A L

Dear Madam Secretary:

House File **2474**, an act relating to financial institutions and the location of satellite terminals and the imposition of the franchise tax on financial institutions doing business within the state and providing an effective date, is hereby transmitted to you in accordance with Article III, Section 16, of the Constitution of the State of Iowa.

House File **2474** strictly limits the ability of Iowa banks to provide point of sale financial services outside of their market territories. The bill also applies the franchise tax to **banks** that move their home offices outside the state. Since interstate banking was not authorized, this provision of the bill has no impact.

Restricting the operation of **banks** offering point of sale services, however, could have significant adverse impact on economic development in the state and, as a result, I find it objectionable. This bill inhibits the growth of the electronic **fund** transfer industry in the state of Iowa and is in direct contradiction to economic development efforts to help telecommunications **and** data processing industries grow in the state of Iowa.

Specifically, this legislation prohibits any bank from placing point of sale terminals outside of its market area. These terminals are likely to be a significant growth area in the data processing business in the future as merchants attempt to ease the financial transaction process for consumers at the point of purchase. By preventing the Iowa banks from offering point of sale terminal services outside of their market area, this legislation would significantly inhibit the availability of this new technology for Iowa consumers.

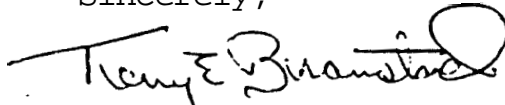
The Honorable Elaine Baxter  
May 14, 1988  
Page 2

in addition, this legislation would ironically allow an out-of-state bank to offer point of sale services for merchants in the state of Iowa while limiting an in-state bank's ability to do so.

I understand there are some banks in Iowa that are interested and have the data processing capability to become real market leaders in this field. I do not believe the state should forfeit the job opportunities associated with those capabilities by establishing the significant point of sale restrictions included in House File **2474**.

For the above reasons, I hereby hereby respectfully disapprove House File **2474**.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry E. Branstad". The signature is fluid and cursive, with a large loop at the end of the last name.

Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of the Senate  
Chief Clerk of the House

HOUSE FILE 2476

AN ACT

RELATING TO ADMINISTRATIVE PROCEDURES TO CHALLENGE THE IDENTIFICATION, CLASSIFICATION, AND EXEMPTION OF PROPERTY FOR TAXATION PURPOSES,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 421.1, subsection 4, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

Advise and counsel with the director of revenue and finance concerning the tax laws and the rules adopted pursuant to the law; and, upon its own motion or upon appeal by any affected taxpayer, review the record evidence and the decision8 of, and any orders or directive issued by, the director of revenue and finance for the identification of taxable property, classification of property as real or personal, or for assessment and collection of taxes by the department, or an order to reassess or to raise assessments to any local assessor and shall affirm, modify, reverse, or remand them within sixty days from the date the case is submitted to the board for decision. For an appeal to the board to be valid, written notice must be given to the department within thirty days of the rendering of the decision, order, or directive from which the appeal is taken. The director shall certify to the board the record, documents, reports, audits, and all other information pertinent to the decision, order, or directive from which the appeal is taken.

Sec. 2. Section 441.37, subsection 1, paragraph c, Code 1987, is amended to read as follows:

c. That the property is not assessable, is exempt from taxes, or is misclassified and stating the reasons therefor for the protest.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2476, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor

HH 2476

HOUSE FILE 2477

AN ACT

RELATING TO CERTAIN STATE TAXES BY PROVIDING FOR THE STATUTE OF LIMITATIONS FOR STATE INDIVIDUAL AND CORPORATE TAX PURPOSES, THE DEFINITION OF INVESTMENT COUNSELING FOR STATE SALES, SERVICES, AND USE TAX PURPOSES, THE ALLOWANCE OF THE MILITARY SERVICE TAX CREDIT FOR MOBILE HOMES, FOR THE EXEMPTION FROM OR THE REFUND OF STATE SALES, SERVICES, AND USE TAXES ON THE GROSS RECEIPTS FROM SALES OR RENTALS OF REPLACEMENT: PARTS FOR FARM MACHINERY, EQUIPMENT, AND IMPLEMENTS AND TO THE ISSUANCE OF FUEL EXEMPTION CERTIFICATES FOR STATE SALES, SERVICES AND USE TAX PURPOSES FOR THE PURCHASE OF FUEL USED IN FARM IMPLEMENTS, AND PROVIDING A RETROACTIVE APPLICABILITY AND EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 99D.8, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

99D.8 HORSE OR DOG RACING LICENSES -- APPLICATIONS.

A qualifying organization, as defined in section 513(d)(2)(C) of the Internal Revenue Code, as defined in section 422.3, exempt from federal income taxation under sections 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal

Revenue Code, which is organized to promote those purposes enumerated in section 99B.7, subsection 3, paragraph "b", and which regularly conducts, as one of its substantial exempt purposes, an agricultural and educational fair or exposition for the promotion of the horse, dog, or other livestock breeding industries of the state, or an agency, instrumentality, or political subdivision of the state, may apply to the commission for a license to conduct horse or dog racing. The application shall be filed with the administrator of the commission at least sixty days before the first day of the horse race or dog race meeting which the organization proposes to conduct, shall specify the day or days when and the exact location where it proposes to conduct racing, and shall be in a form and contain information as the commission prescribes.

If any part of the net income of a licensee is determined to be unrelated business taxable income as defined in sections 511 through 514 of the Internal Revenue Code, the qualifying organization shall be required to distribute the amount of net unrelated business taxable income to political subdivisions in the state and organizations described in section 501(c)(3) of the Internal Revenue Code in the county in which it operates. Distributions to these organizations made during the year in which the unrelated business income was earned shall be treated as included in the required distributions for this purpose.

An organization which meets the requirements of this section, as amended, on or before July 1, 1988, shall be considered to have met the requirements of this section on the date that its initial application was originally filed.

Sec. 2. Section 422.45, subsection 22, Code Supplement 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Community health centers as defined in 42 U.S.C.A. § 254c and migrant health centers as defined in 42 U.S.C.A. § 254b.

Sec. 3. Section 422.45, subsection 26, unnumbered paragraph 1, Code Supplement 1987, is amended to read as follows:

The gross receipts from the sale or rental, on or after July 1, 1987, of farm machinery and equipment, including replacement parts which are depreciable for state and federal income tax purposes, if the following conditions are met:

Sec. 4. Section 422.45, subsection 26, Code Supplement 1987, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. c. The replacement part is essential to any repair or reconstruction necessary to the farm machinery's or equipment's exempt use in the production of agricultural products.

Sec. 5. Section 422.45, Code Supplement 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 36. The gross receipts from the sale or rental of farm machinery and equipment, including replacement parts, if all of the following conditions are met:

a. The implement, machinery, or equipment is directly and primarily used in livestock or dairy production.

b. The implement is not a self-propelled implement or implement customarily drawn or attached to self-propelled implements.

c. The replacement part is essential to any repair or reconstruction necessary to the farm machinery's or equipment's exempt use in livestock or dairy production.

Sec. 6. Section 422.45, Code Supplement 1987, is amended by adding the following new subsections:

NEW SUBSECTION. 36. Gross receipts from the sale of tangible personal property to a nonprofit organization which was organized for the purpose of lending the tangible personal property to the general public for use by them for nonprofit purposes.

NEW SUBSECTION. 37. The gross receipts from the sale or rental of tangible personal property or from services performed, rendered, or furnished to nonprofit legal aid organizations.

Sec. 7. Section 422.47, subsection 4, paragraph f, Code Supplement 1987, is amended to read as follows:

f. In this section, "fuel" includes gas, electricity, water, heat, steam, and any other tangible personal property consumed in creating heat, power, or steam. In this section, "fuel consumed in processing" means fuel used or disposed of for processing including grain drying, for providing heat or cooling for livestock buildings or for generating electric current, or consumed in self-propelled implements of husbandry engaged in agricultural production. In this subsection, "fuel exemption certificate" means an exemption certificate given by the purchaser under penalty of perjury to assist retailers in properly accounting for nontaxable sales of fuel consumed in processing. In this subsection, "substantial change" means a change in the use or disposition of tangible personal property and services by the purchaser such that the purchaser pays less than ninety percent of the purchaser's actual sales tax liability. A change includes a misstatement of facts in an application made pursuant to paragraph "c" or in a fuel exemption certificate.

Sec. 8. Section 422.47C, subsection 1, Code Supplement 1987, is amended to read as follows:

1. Sales, services, and use taxes paid on repairs to implements or on the purchase or rental of farm machinery or equipment, including replacement parts which are depreciable for state and federal income tax purposes, shall be refunded to the owner, purchaser, or renter provided all of the following conditions are met:

a. The repairs, purchase, or rental was made on or after between July 1, 1987, and June 30, 1988.

b. The tax was paid to the retailer or timely paid to the department by the user if section 423.14 is applicable.

c. The claim is filed on Coms provided by th8 department and is filed between July 1, 1988, and September 1 let-the previous-catendar-year, 1988.

d. The implements, machinery or rquipment is directly and primarily used in livestock or dairy production.

e. The implement is not a self-propelled implement or an implement customarily drawn or attached to a self-propelled implement, and the machinery or equipment is not a grain dryer, subject to an exemption under nectlon 422.45.

f. The replacement part is essential to any repair or reconstruction necessary to the farm machinery's, equipment's, or Implement's exempt use in livestock or dairy production.

Sec. 9. Section 422.70, subsection 1, Code 1987, is amended to read as follows:

1. The director, for the purpose of ascertaining the correctness of any a return or for the purpose of making an estimate of the taxable income or receipts of any a taxpayer, shaff-have has power: To examine or cause to be examined by any an agent or representative derignated by the director, books, papers, records, or memoranday-such-an-examination-not to-include-any-transaction-completed-five-years-or-more-prior to-such-an-examination; provided, however, that the director may, by ruies, provide-for-a-limitation-of-time-of-any-number of-years-less-than-five; to require by subpoena the attendance and testimony of witnesses; to issue and sign subpoenas; to administer oaths, to examine witnesses and receive evidencer to compel witnesses to produce for examlnatlon books, papers, records, and documents relating to any matter vvhloh the director shaff-have has the authority to investigate or determine.

Sec. 10. Section 427.3, code 1987, is amended by adding the following nev subsectionr

NEW SUBSECTION. 6. For the purpose of determining a military tax exemption under this section, property includes a mobile home as defined in section 1350.1.

Sec. 11. Section 7 of this Act applies retroactively to January 1, 1988.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2477, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved \_\_\_\_\_, 1988

\_\_\_\_\_  
TERRY E. BRANSTAO  
Governor

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