



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

May 12, 2017

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol
LOCAL

Dear Mr. Secretary:

I hereby transmit House File 643, an Act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, the state bond repayment fund, the technology reinvestment fund, and the revenue bonds capitals fund, providing for related matters, and including effective date provisions.

House File 643 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Division I, Section 1, subsection 6, in its entirety. This item provides \$1.8 million for Community Action Agencies facilities. Although I support the mission of Community Action Agencies, money should be directed to the low-income individuals the agencies serve and not to the agencies' facilities.

I am unable to approve the item designated as Division V, Section 20, in its entirety. This item requires the Department of Administrative Services (DAS) to inventory and study vacant buildings owned by the state. It then directs half of the profits from potential sales of these buildings to the Department of Cultural Affairs and the other half of the profits to major maintenance projects at DAS. DAS already has the authority to conduct a survey of the state's buildings. Current law provides that proceeds from the sale of any state buildings by DAS shall be returned to the original funding source and I see no reason to change this designation. Further, I have recommended appropriating funds for repairs and remodeling of Department of Cultural Affairs' building. Funding should be done using a sustainable source of revenue and not on speculative earmarked funds.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 643 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is written in a cursive style with a prominent initial "T" and a long, sweeping underline.

TERRY E. BRANSTAD

Governor



House File 643

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO STATE DEPARTMENTS AND AGENCIES FROM THE REBUILD IOWA INFRASTRUCTURE FUND, THE STATE BOND REPAYMENT FUND, THE TECHNOLOGY REINVESTMENT FUND, AND THE REVENUE BONDS CAPITALS FUND, PROVIDING FOR RELATED MATTERS, AND INCLUDING EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

REBUILD IOWA INFRASTRUCTURE FUND

Section 1. REBUILD IOWA INFRASTRUCTURE FUND —
APPROPRIATIONS. There is appropriated from the rebuild Iowa infrastructure fund to the following departments and agencies

for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

For major maintenance projects:

..... \$ 11,510,000

Of the moneys appropriated in this subsection, \$2,000,000 is allocated for the cost to modernize, upgrade, or replace elevator systems in facilities on the state capitol complex. The department shall give priority for projects modernizing elevator systems wherever possible.

2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

a. (1) For deposit in the water quality initiative fund created in section 466B.45 for purposes of supporting the water quality initiative administered by the division of soil conservation and water quality as provided in section 466B.42, including salaries, support, maintenance, and miscellaneous purposes, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 5,200,000

(2) (a) The moneys appropriated in this lettered paragraph shall be used to support demonstration projects in subwatersheds as designated by the department that are part of high-priority watersheds identified by the water resources coordinating council.

(b) The moneys appropriated in this lettered paragraph shall be used to support demonstration projects in watersheds generally, including regional watersheds, as designated by the division and high-priority watersheds identified by the water resources coordinating council.

(3) In supporting projects in watersheds and subwatersheds as provided in subparagraph (2), subparagraph divisions (a) and (b), all of the following shall apply:

(a) The demonstration projects shall utilize water quality practices as described in the latest revision of the document entitled "Iowa Nutrient Reduction Strategy" initially presented in November 2012 by the department of agriculture and land stewardship, the department of natural resources, and Iowa

state university of science and technology.

(b) The division shall implement demonstration projects as provided in subparagraph division (a) by providing for participation by persons who hold a legal interest in agricultural land used in farming. To every extent practical, the division shall provide for collaborative participation by such persons who hold a legal interest in agricultural land located within the same subwatershed.

(c) The division shall implement demonstration projects on a cost-share basis as determined by the division. However, the state's share of the amount, except for edge-of-field practices, shall not exceed 50 percent of the estimated cost of establishing the practice as determined by the division or 50 percent of the actual cost of establishing the practice, whichever is less.

(d) The demonstration projects shall be used to educate other persons about the feasibility and value of establishing similar water quality practices. The division shall promote field day events for purposes of allowing interested persons to establish water quality practices on their agricultural land.

(e) The division shall conduct water quality evaluations within supported subwatersheds. Within a reasonable period after accumulating information from such evaluations, the division shall create an aggregated database of water quality practices. Any information identifying a person holding a legal interest in agricultural land or specific agricultural land shall be a confidential record.

(4) The moneys appropriated in this lettered paragraph shall be used to support education and outreach in a manner that encourages persons who hold a legal interest in agricultural land used for farming to implement water quality practices, including the establishment of such practices in watersheds generally, and not limited to subwatersheds or high-priority watersheds.

(5) The moneys appropriated in this lettered paragraph may be used to contract with persons to coordinate the implementation of efforts provided in this paragraph.

(6) The moneys appropriated in this lettered paragraph may be used by the department to support urban soil and water

conservation efforts, which may include but are not limited to management practices related to bioretention, landscaping, the use of permeable or pervious pavement, and soil quality restoration. The moneys shall be allocated on a cost-share basis as provided in chapter 161A.

(7) Notwithstanding any other provision of law to the contrary, the department may use moneys appropriated in this lettered paragraph to carry out the provisions of this paragraph on a cost-share basis in combination with other moneys available to the department from a state or federal source.

(8) Not more than 10 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of the water quality initiative administered by the soil conservation division.

b. For deposit in the agricultural drainage well water quality assistance fund created in section 460.303 for purposes of supporting the agricultural drainage well water quality assistance program as provided in section 460.304, notwithstanding section 8.57, subsection 5, paragraph "c":
..... \$ 1,875,000

Not more than 10 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil conservation practices.

c. For deposit in the renewable fuels infrastructure fund created in section 159A.16 for renewable fuel infrastructure programs:
..... \$ 3,000,000

3. DEPARTMENT FOR THE BLIND

For elevator improvements:
..... \$ 150,000

4. DEPARTMENT OF CULTURAL AFFAIRS

a. For deposit in the Iowa great places program fund created in section 303.3D for Iowa great places program projects that meet the definition of "vertical infrastructure" in section 8.57, subsection 5, paragraph "c":
..... \$ 1,000,000

b. For costs associated with maintenance projects for the state historical building:

..... \$ 1,000,000

c. For grants to nonprofit organizations committed to strengthening communities through youth development, healthy living, and social responsibility for costs associated with the renovation and maintenance of facility infrastructure at facilities located in cities with a population of less than 28,000 as determined by the 2010 federal decennial census:

..... \$ 250,000

5. ECONOMIC DEVELOPMENT AUTHORITY

a. For deposit in the community attraction and tourism fund created in section 15F.204:

..... \$ 5,000,000

b. For equal distribution to regional sports authority districts certified by the department pursuant to section 15E.321, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 500,000

c. For administration and support of the world food prize including the Borlaug/Ruan scholar program, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 300,000

d. For connection of communities to the Lewis and Clark regional water system:

..... \$ 2,250,000

The authority shall establish a plan for the repayment of moneys appropriated pursuant to this paragraph once federal moneys for the project have been received. The authority shall submit a report to the general assembly by February 1, 2018, on the status of any federal moneys being appropriated for the project.

e. For the renovation, expansion, and enhancements to a swimming pool at a year-round camp for persons with disabilities that is located in a city with a population of more than 200,000 as determined by the 2010 federal decennial census:

..... \$ 500,000

f. For costs associated with the relocation of utilities in a city with a population between 75,000 and 85,000 as determined by the 2010 federal decennial census:

..... \$ 1,500,000

~~6. DEPARTMENT OF HUMAN RIGHTS~~

~~For grants to be awarded equally to local community action agencies and the largest statewide association representing local community action agencies for costs associated with infrastructure, technology, and other projects, notwithstanding section 8.57, subsection 5, paragraph "c":~~

~~..... \$ 1,800,000~~

7. DEPARTMENT OF HUMAN SERVICES

For the renovation and construction of certain nursing facilities, consistent with the provisions of chapter 249K:

..... \$ 500,000

8. DEPARTMENT OF NATURAL RESOURCES

a. For implementation of lake projects that have established watershed improvement initiatives and community support in accordance with the department's annual lake restoration plan and report, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 9,600,000

b. For state park infrastructure improvements:

..... \$ 2,000,000

9. DEPARTMENT OF PUBLIC DEFENSE

a. For major maintenance projects at national guard armories and facilities:

..... \$ 1,000,000

b. For improvement projects for Iowa national guard installations and readiness centers to support operations and training requirements:

..... \$ 1,000,000

c. For construction improvement projects at the Camp Dodge facility:

..... \$ 250,000

d. The department of public defense shall report to the general assembly by December 15, 2017, on what projects the department has funded, or intends to fund, from moneys appropriated to the department pursuant to this subsection.

10. BOARD OF REGENTS

For allocation by the state board of regents to the state university of Iowa, Iowa state university of science and

technology, and the university of northern Iowa to reimburse the institutions for deficiencies in the operating funds resulting from the pledging of tuition, 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:

..... \$ 16,072,923

11. DEPARTMENT OF PUBLIC SAFETY

For payments and other costs due under a financing agreement entered into by the treasurer of state for building the statewide interoperable communications system pursuant to section 29C.23, subsection 2, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 4,143,687

12. DEPARTMENT OF TRANSPORTATION

a. For acquiring, constructing, and improving recreational trails within the state:

..... \$ 1,000,000

b. For deposit in the public transit infrastructure grant fund created in section 324A.6A, for projects that meet the definition of vertical infrastructure in section 8.57, subsection 5, paragraph "c":

..... \$ 1,500,000

c. For deposit in the railroad revolving loan and grant fund created in section 327H.20A, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 1,000,000

d. For infrastructure improvements at the commercial service airports within the state:

..... \$ 900,000

e. For infrastructure improvements at general aviation airports within the state:

..... \$ 500,000

13. TREASURER OF STATE

For distribution in accordance with chapter 174 to qualified fairs which belong to the association of Iowa fairs for county fair infrastructure improvements:

..... \$ 1,060,000

Sec. 2. REBUILD IOWA INFRASTRUCTURE FUND — FY 2018-2019

APPROPRIATIONS. There is appropriated from the rebuild Iowa infrastructure fund to the economic development authority for the fiscal year beginning July 1, 2018, and ending June 30, 2019, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For connection of communities to the Lewis and Clark regional water systems:

..... \$ 4,750,000

The authority shall establish a plan for the repayment of moneys appropriated pursuant to this paragraph once federal moneys for the project have been received. The authority shall submit a report to the general assembly by February 1, 2019, on the status of any federal moneys being appropriated for the project.

Sec. 3. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

DIVISION II

TECHNOLOGY REINVESTMENT FUND

Sec. 4. TECHNOLOGY REINVESTMENT FUND. There is appropriated from the technology reinvestment fund created in section 8.57C to the following departments and agencies for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. OFFICE OF THE CHIEF INFORMATION OFFICER

For technology consolidation and technology improvement projects approved by the state chief information officer pursuant to chapter 8B:

..... \$ 1,000,000

2. DEPARTMENT OF EDUCATION

a. For the continued development and implementation of an

educational data warehouse that will be utilized by teachers, parents, school district administrators, area education agency staff, department of education staff, and policymakers:

..... \$ 600,000

The department may use a portion of the moneys appropriated in this lettered paragraph for an e-transcript data system capable of tracking students throughout their education via interconnectivity with multiple schools.

b. For maintenance and lease costs associated with connections for part III of the Iowa communications network:

..... \$ 2,727,000

c. To the public broadcasting division for the replacement of equipment and for tower and facility maintenance:

..... \$ 260,000

3. DEPARTMENT OF HUMAN RIGHTS

a. For the cost of equipment and computer software for the continued development and implementation of Iowa's criminal justice information system:

..... \$ 1,000,000

b. For the costs associated with the justice enterprise data warehouse:

..... \$ 157,980

4. DEPARTMENT OF HUMAN SERVICES

For technology upgrades necessary to support health program operations and the continued development of integrated systems for cash assistance, the federal supplemental nutrition assistance program (SNAP), and health program eligibility:

..... \$ 1,000,000

5. STATE PUBLIC DEFENDER

For technology projects:

..... \$ 66,463

6. DEPARTMENT OF MANAGEMENT

a. For the continued development and implementation of a searchable database that can be placed on the internet for budget and financial information:

..... \$ 45,000

b. For the continued development and implementation of the comprehensive electronic grant management system:

..... \$ 50,000

c. For the upgrade of the local government budget and property tax system:

..... \$ 600,000

7. DEPARTMENT OF PUBLIC HEALTH

For replacement and upgrades of equipment for the office of the state medical examiner:

..... \$ 1,037,000

8. DEPARTMENT OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

For the implementation of a statewide mass notification and emergency messaging system:

..... \$ 400,000

9. DEPARTMENT OF PUBLIC SAFETY

For replacement radios for the investigative division:

..... \$ 1,116,377

DIVISION III

MISCELLANEOUS APPROPRIATIONS

Sec. 5. REVENUE BONDS CAPITALS FUND. There is appropriated from the revenue bonds capitals fund created in section 12.88 to the department of administrative services for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For major maintenance projects:

..... \$ 760,000

Sec. 6. STATE BOND REPAYMENT FUND. There is appropriated from the state bond repayment fund created in section 8.57F to the state board of regents for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purposes designated, notwithstanding section 8.57F, subsection 1, paragraphs "a" and "b":

For allocation by the state board of regents to the state university of Iowa, Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in the operating funds resulting from the pledging of tuition, 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:

..... \$ 12,200,000

Sec. 7. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

Sec. 8. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION IV
CHANGES TO PRIOR APPROPRIATIONS

Sec. 9. 2014 Iowa Acts, chapter 1136, section 1, subsection 7, paragraph b, as amended by 2016 Iowa Acts, chapter 1133, section 10, is amended to read as follows:

b. For costs associated with the renovation, modernization, and construction of a new addition at the pharmacy building at the state university of Iowa:

FY 2015-2016:	
.....	\$ 13,000,000
FY 2016-2017:	
.....	\$ 23,000,000
FY 2017-2018:	
.....	\$ 28,300,000
	<u>22,800,000</u>
<u>FY 2018-2019:</u>	
.....	\$ 5,500,000

Sec. 10. 2014 Iowa Acts, chapter 1136, section 1, subsection 7, paragraph c, as amended by 2016 Iowa Acts, chapter 1133, section 11, is amended to read as follows:

c. For the construction of a new facility and an addition, renovation, and modernization of current facilities and related improvements for biosciences at Iowa state university of science and technology:

FY 2015-2016:

.....	\$ 11,000,000
FY 2016-2017:	
.....	\$ 15,500,000
FY 2017-2018:	
.....	\$ 23,500,000
	<u>19,500,000</u>
<u>FY 2018-2019:</u>	
.....	\$ 4,000,000

Sec. 11. 2015 Iowa Acts, chapter 139, section 1, subsection 10, paragraph b, is amended to read as follows:

b. For construction of a student innovation center at Iowa state university of science and technology:

FY 2016-2017:	
.....	\$ 1,000,000
FY 2017-2018:	
.....	\$ 9,000,000
	<u>6,000,000</u>
FY 2018-2019:	
.....	\$ 10,000,000
FY 2019-2020:	
.....	\$ 10,000,000
FY 2020-2021:	
.....	\$ 10,000,000
<u>FY 2021-2022:</u>	
.....	\$ 3,000,000

Sec. 12. 2016 Iowa Acts, chapter 1133, section 1, subsection 1, is amended to read as follows:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

For major maintenance projects:

FY 2016-2017:	
.....	\$ 9,489,237
	<u>8,729,237</u>

However, of the moneys appropriated in this subsection, \$100,000 is allocated for the costs of major maintenance of monuments without dedicated funds available for maintenance and restoration, subject to a requirement that moneys shall not be allocated unless a match of at least \$2 for each \$1 allocated is received from private sources.

In addition, of the moneys appropriated in this subsection,

the department should give priority to projects that address health and safety issues of Iowa law enforcement academy facilities.

Sec. 13. 2016 Iowa Acts, chapter 1133, section 1, subsection 10, as amended by 2016 Iowa Acts, chapter 1138, section 19, is amended to read as follows:

10. STATE FAIR AUTHORITY

For infrastructure costs associated with the remodeling of the northwest portion of the fairgrounds, including but not limited to a new events area and updates to the grandstand, stage, and midway:

FY 2016-2017:		
.....	\$	500,000
FY 2017-2018:		
.....	\$	500,000
		<u>1,000,000</u>
FY 2018-2019:		
.....	\$	4,500,000
		<u>8,500,000</u>

Sec. 14. 2016 Iowa Acts, chapter 1133, section 6, subsection 1, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. From any moneys appropriated in this subsection and remaining upon completion of the repair and renovation of the dome of the Iowa state capitol, the department shall expend such amount as is necessary for maintenance projects for the Iowa state capitol and the Ola Babcock Miller building.

Sec. 15. EFFECTIVE UPON ENACTMENT. The following provision of this division of this Act, being deemed of immediate importance, takes effect upon enactment:

1. The section of this division of this Act amending 2016 Iowa Acts, chapter 1133, section 1, subsection 1.
2. The section of this division of this Act amending 2016 Iowa Acts, chapter 1133, section 6, subsection 1.

DIVISION V

MISCELLANEOUS PROVISIONS

Sec. 16. Section 8.57, subsection 5, paragraph c, Code 2017, is amended to read as follows:

c. Moneys in the rebuild Iowa infrastructure fund in a

fiscal year shall be used as directed by the general assembly for public vertical infrastructure projects. For the purposes of this subsection, "vertical infrastructure" includes only land acquisition and construction; major renovation and major repair of buildings; routine, recurring maintenance; all appurtenant structures; utilities; site development; recreational trails; renewable fuel infrastructure programs; and debt service payments on academic revenue bonds issued in accordance with chapter 262A for capital projects at board of regents institutions. "Vertical infrastructure" does not include operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

Sec. 17. Section 8.57C, subsection 3, paragraph a, subparagraph (2), Code 2017, is amended to read as follows:

(2) The fiscal year beginning July 1, ~~2017~~ 2018, and for each subsequent fiscal year thereafter.

Sec. 18. Section 8.57C, subsection 3, Code 2017, is amended by adding the following new paragraph:


NEW PARAGRAPH. *f.* There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the sum of ten million dollars to the technology reinvestment fund, notwithstanding section 8.57, subsection 5, paragraph "c".


Sec. 19. Section 12.88, Code 2017, is amended by adding the following new subsection:

NEW SUBSECTION. 6. For the fiscal year beginning July 1, 2017, any unobligated and unencumbered moneys in the fund from the previous fiscal year are appropriated to the department of administrative services for major maintenance projects.


~~TEB [~~ Sec. 20. ~~DEPARTMENT OF ADMINISTRATIVE SERVICES — VACANT BUILDING STUDY — APPROPRIATION.~~ The department of administrative services shall conduct an inventory and study of vacant buildings owned by the state. The study shall include an assessment as to how much revenue could be realized by the sale of any buildings identified. If during the fiscal year beginning July 1, 2017, the department sells any vacant buildings identified by the study, fifty percent of any moneys realized from the sale of any vacant buildings are appropriated to the department of administrative services for

~~major maintenance projects and fifty percent are appropriated to the department of cultural affairs for costs associated with maintenance projects for the state historical building.~~ JTEB


LINDA UPMEYER
Speaker of the House


JACK WHITVER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 643, Eighty-seventh General Assembly.


CARMINE BOAL
Chief Clerk of the House

Approved May 12, 2017
with exceptions noted.


TERRY E. BRANSTAD
Governor