

Sec. 2071. The department of general services shall submit a report to the legislature by January 1, 1987 on the implementation of the life cycle cost and energy efficiency standards by the department of general services, state board of regents, department of transportation and other state agencies. The department of general services shall include in its report recommendations from the other state agencies and from within the department as to any legislative changes that are necessary in order to improve the energy efficiency and reduce the life cycle cost of energy consuming products. For the purposes of this section, energy consuming products shall include buildings.

Sec. 2072. Notwithstanding any other provision of this Act, nothing in this Act shall be construed as making an appropriation. This Act is not an appropriation bill.

Approved May 29, 1986

CHAPTER 1246

STATE GOVERNMENT APPROPRIATIONS

H.F. 2484

AN ACT relating to and making appropriations to agencies, boards, commissions, departments, and programs of state government and making certain provisions retroactive.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

BUSINESS/TRADE/TRANSPORTATION

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, 1986 and ending June 30, 1987 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1986-1987
	<u>Fiscal Year</u>
1. For salaries, support, maintenance, and other operational purposes	\$ 3,000,000
2. For tourism and promotion programs	\$ 1,429,560

**Of the funds appropriated by this subsection, one hundred thousand (100,000) dollars, or so much thereof as is necessary, shall be expended to develop a state tourism marketing plan. The plan shall be provided to the legislative council upon completion. Of the funds appropriated by this subsection, one million (1,000,000) dollars shall not be expended prior to the completion of the state tourism marketing plan and presentation of the plan to the legislative council.*

There is created a tourism marketing plan task force. The director of the department of economic development or the director's designee shall serve as chairperson of the tourism marketing plan task force. The task force shall consist of five members. The director shall appoint a representative of the state conservation commission, a representative of the recreation, tourism, and leisure study committee, a representative of the department of cultural affairs, and a representative of the tourism industry from the private sector.

*The task force shall develop guidelines for the preparation of a comprehensive statewide tourism marketing plan and tourism information delivery system plan, recommendations from which shall be submitted by the task force to the legislative council for the release of withheld funds.**

The department shall actively pursue the acquisition of the Grant Wood Gothic House in Eldon, Iowa. The department shall cooperate with the historical division of the department of cultural affairs to acquire and maintain the Grant Wood Gothic House and to promote the property as a tourist attraction.

*Item veto; see message at end of the Act

3. For advertising and marketing \$ 92,333
 4. For establishment and maintenance of an ambassador's program \$ 1,000,000

The funds appropriated by this subsection shall be matched on a dollar for dollar basis with capital provided by private sources and be expended to attract private capital to be used by the department to develop a comprehensive national and international marketing program. These funds shall be utilized to implement a statewide initiative that includes, but is not limited to, the development of a trade network, national and international marketing research, business recruitment, utilization of national advertising features, 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. 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.

5. For establishment and maintenance of an Asian trade office \$ 300,000

The funds appropriated by this subsection shall be expended to establish an Iowa investment and trade office in Asia to promote Iowa as a location offering advantages to Asian firms for investment, to promote Iowa commodities, goods, and services to the Asian market, and to encourage Asian tour companies to bring group tours to this state.

6. For establishment and maintenance of an export finance program \$ 1,000,000

The funds appropriated by this subsection shall be expended to develop a program to assist, promote and enhance economic prosperity by fostering expansion of exports through an interest buy-down program for exported sales targeted to assist small businesses which are entering the export market.

7. Community development block grant administration and related federal housing and urban development community development grant administration

- For salaries, support, maintenance, and miscellaneous purposes \$ 53,800

8. Job training partnership Act: dislocated workers

- For salaries, support, maintenance, and miscellaneous purposes to develop and administer the job training partnership Act \$ 958,936

9. Mississippi river parkway commission

- For support, maintenance, and miscellaneous purposes \$ 15,000

10. Youth services administration

- For salaries, support, maintenance, and miscellaneous purposes to develop and administer employment opportunities for the youth \$ 71,391

11. Iowa youth corps

- For salaries, support, maintenance, and miscellaneous purposes \$ 330,000

12. For additional and supplemental funding for the child care services program and the displaced homemakers program in connection and coordination with the federal Job Training Partnership Act of 1982 and funding for a child care grants program to provide grants of up to ten thousand dollars for start-up funding for before and after school programs using school facilities, infant care programs, child care information and referral centers, and on-site employer day care. An application for a grant under the child care grants program shall include a study documenting a need for the service or program for which the grant is sought and a plan for implementation of the service or program which plan includes a listing of other sources of income, the staff to be employed, and the method to make the service or program self-supporting within three years \$ 1,000,000

Sec. 2. There is appropriated from the general fund of the state to the department of cultural affairs for the historical division for the fiscal period beginning July 1, 1986 and ending June 30, 1988 the sum of one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, to acquire by negotiated sale part of the land encompassing the Blood Run national historic landmark in Lyon county, Iowa. This appropriation shall be matched by revenue from other sources.

Ten thousand (10,000) dollars of the appropriation in this section shall be allocated to the state archaeologist for the fiscal year beginning July 1, 1986 and ending June 30, 1987, or so much thereof as is necessary, for the development planning and the next phase of archaeological field study at the Blood Run national historic landmark in Lyon county, Iowa. The state archaeologist shall consult with the historical division of the department of cultural affairs in conducting the developmental planning and archaeological field study.

Sec. 3. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 1986 and ending June 30, 1987, 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:

	1986-1987 <u>Fiscal Year</u>
For salaries, support, maintenance, and miscellaneous purposes	\$ 16,770,770

Sec. 4. There is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1986-1987 <u>Fiscal Year</u>
For salaries, support, maintenance, and miscellaneous purposes	\$ 270,230
TUITION GRANT PROGRAM	

To supplement the appropriation provided in subsection 1 of section 261.25 for tuition grants to full-time resident students attending accredited private institutions of higher education in Iowa under sections 261.9 to 261.16

	\$ 926,184
For salaries, support, and maintenance of the elder law education program ..	\$ 95,000

Sec. 5.

1. There is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of seven hundred twenty-five thousand four hundred ten (725,410) 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, 1986, 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.

2. In addition to the requirements of sections 261.18 and 261.19, the availability of funds appropriated by this section is subject to the condition that one-half of the funds appropriated for fiscal year 1986-1987 shall not be released until delivery to the legislative fiscal bureau of the June 30, 1986, financial audits, conducted by an independent third party, of the college of osteopathic medicine and surgery.

Sec. 6. There is appropriated from the motor vehicle fuel tax fund to the department of revenue and finance for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amount, 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:

1986-1987
Fiscal Year
\$ 827,788

Sec. 7. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

For salaries, support, maintenance, and other operational purposes \$ 487,646

Sec. 8. 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, 1986 and ending June 30, 1987 the sum of two million four hundred seventy-five thousand (2,475,000) dollars, or so much thereof as may be necessary, to be used for payments to counties as provided in section 422.100.

Sec. 9. There is appropriated from the general fund of the state to the state department of transportation for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amount, or so much thereof as may be necessary, to be used for the following purposes:

1986-1987
Fiscal Year

STATE DEPARTMENT OF TRANSPORTATION

1. For salaries, support, maintenance, and miscellaneous purposes \$ 620,000

Sec. 10. There is appropriated from the road use tax fund to the state department of transportation for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

1986-1987
Fiscal Year

STATE DEPARTMENT OF TRANSPORTATION

- 1. For salaries, support, maintenance, and miscellaneous purposes \$ 15,581,482
- 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. 11. There is appropriated from the road use tax fund to the department of personnel for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of thirty-two thousand seven hundred fifty (32,750) 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. 12. There is appropriated from the primary road fund to the state department of transportation for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

1986-1987
Fiscal Year

STATE DEPARTMENT OF TRANSPORTATION

- 1. For salaries, support, maintenance, and miscellaneous purposes \$128,247,126
- 2. To be deposited in the state department of transportation materials and equipment revolving fund established by section 307A.7 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
- 5. For area garages for the Tama-Toledo area, Dubuque and Centerville ... \$ 1,344,000

Sec. 13. There is appropriated from the primary road fund to the department of personnel for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of six hundred twenty-two thousand two hundred fifty (622,250) dollars, or so much thereof as is necessary, for the purpose of paying workers' compensation claims under chapter 85 on behalf of the employees of the state department of transportation.

Sec. 14. There is appropriated from the state aviation fund to the state department of transportation for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amount, or so much thereof as may be necessary, to be used for the following purposes:

	1986-1987
	<u>Fiscal Year</u>
For salaries, support, maintenance, and miscellaneous purposes	\$ 261,318

Sec. 15. The state department of transportation shall operate a commercial vehicle permit issuing center utilizing existing field facilities near the location of the intersection of Iowa highways 151, 61 and 52.

Sec. 16. Notwithstanding the appropriation amounts in section 261.25, there is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amounts for the purposes listed:

- 1. Nineteen million eight hundred six thousand nine hundred (19,806,900) dollars for tuition grants.
- 2. Three hundred thirty-six thousand five hundred twenty-five (336,525) dollars for scholarships.
- 3. Six hundred forty-six thousand five hundred eighty-two (646,582) dollars for vocational-technical tuition grants.

Sec. 17. Notwithstanding the appropriation amount listed 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, 1986 and ending June 30, 1987 the sum of fifty-seven thousand six hundred ninety (57,690) dollars, or as much thereof as is necessary, to make the reimbursement payments for the guaranteed student loan payment program.

Sec. 18. Notwithstanding the appropriation amount listed in section 261.53, there is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of sixty-seven thousand three hundred five (67,305) dollars, or as much thereof as is necessary, for science and mathematics loans.

Sec. 19. Notwithstanding the appropriation amount listed in section 261.63, there is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of nine hundred thousand (900,000) dollars, or as much thereof as is necessary, for supplemental grants.

Sec. 20. Notwithstanding section 321.145, there is transferred from the road use tax fund to the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of twenty-eight thousand seven hundred thirty-five (28,735) dollars to fund salary adjustments required pursuant to 1984 Iowa Acts, chapter 1314.

Sec. 21. There is appropriated from the road use tax fund to the state department of transportation for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of five hundred fifty-two thousand two hundred nine (552,209) dollars, or so much thereof as is

*Item veto; see message at end of the Act

necessary, to provide salary adjustments required by implementation action taken under 1984 Iowa Acts, chapter 1314.

Sec. 22. There is appropriated from the primary road fund to the state department of transportation for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of two million eighty-one thousand one hundred seventeen (2,081,117) dollars, or so much thereof as is necessary, to provide salary adjustments required by implementation action taken under 1984 Iowa Acts, chapter 1314.

Sec. 23. A supplemental authorization is authorized for each departmental revolving, trust, or special fund for the fiscal year beginning July 1, 1986 and ending June 30, 1987 for which the general assembly has established an operating budget in an amount necessary to provide salary adjustments required by implementation action taken under 1984 Iowa Acts, chapter 1314. The supplemental authorization allowed under this section is not applicable to the road use tax fund or the primary road fund.

Sec. 24. The treasurer of state shall transfer to the general fund of the state eleven million (11,000,000) dollars from the long-term disability reserve account maintained by the treasurer of state. The transfer shall be during the period from July 1, 1986 and ending June 30, 1987.

Sec. 25. Section 261.35, subsection 5, Code 1985, is amended to read as follows:

5. "Eligible borrower" means a person, or the parent of a person, who is a resident of this state and is enrolled or will be enrolled at an eligible institution within or without the state or who is a nonresident of this state and is enrolled or will be enrolled at an eligible institution within the state and who meets, or who is a resident of a contiguous state and is borrowing from an Iowa-based eligible lender and is enrolled or will be enrolled at an eligible institution within or without the state. All eligible borrowers must meet the eligibility requirements established by the commission. The commission shall establish the qualifications for being a resident of this state; however, the qualifications shall not be more stringent than those established by the state board of regents.

Sec. 26. Section 261.38, subsection 1, Code 1985, is amended to read as follows:

1. The commission shall establish a loan reserve account from which any default on a guaranteed student loan shall be paid. The commission shall credit to this account all moneys designated exclusively for the reserve fund by the United States, the state of Iowa or any of their agencies, departments or instrumentalities, as well as any funds accruing to the program which are not required for current administrative expenses. The department of management shall determine the actuarially sound reserve requirement for the amount of guaranteed loans outstanding.

Sec. 27. Section 261.38, subsection 2, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

2. The general assembly shall appropriate moneys from the loan reserve account of the commission to the college aid commission for operating costs of the guaranteed student loan program. Moneys appropriated from the loan reserve account for operating costs of the guaranteed student loan program that are unencumbered or unobligated on June 30 of a fiscal year shall revert to the loan reserve account of the commission.

Sec. 28. Section 308.4, subsection 3, Code Supplement 1985, is amended by striking the subsection.

Sec. 29. Section 321.211, unnumbered paragraph 1, Code 1985, is amended to read as follows:

Upon suspending the license of any person as authorized the department shall immediately notify the licensee in writing and upon the licensee's request shall afford the licensee an opportunity for a hearing before the director or the director's authorized agent as early as practical

within not to exceed thirty days after receipt of the request in the county in which the licensee resides unless the department and the licensee agree that such hearing may be held in some other county. Upon such hearing the director or the director's authorized agent may administer oaths and may issue subpoenas for the attendance of witnesses and the production of relevant books and papers and may require a re-examination of the licensee. Upon such hearing the department shall either rescind its order of suspension or for good cause may extend the suspension of such license or revoke such license. There is appropriated each year from the general fund of the state road use tax fund to the department ninety one hundred seven thousand (107,000) dollars or so much thereof as may be necessary to be used to pay the cost of notice and personal delivery of service, if necessary to meet the notice requirement of this section. The department shall promulgate rules governing the payment of the cost of personal delivery of service. The reinstatement fees collected under section 321.191 shall be deposited in the general fund of the state road use tax fund in a manner provided in section 321.192, as reimbursement for the costs of notice under this section.

Sec. 30. Section 324.65, unnumbered paragraph 1, Code 1985, is amended to read as follows:

If a licensee or other person fails to remit at least ninety percent of the tax due with the filing of the return on or before the due date or pays less than ninety percent of any tax required to be shown on the return, there shall be added to the tax a penalty of five percent of the amount of the tax due. The penalty imposed under this section is not subject to waiver. The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7 counting each fraction of a month as an entire month, computed from the date the return was required to be filed. If the amount of the tax as determined by the appropriate state agency is less than the amount paid, the excess shall be refunded with interest, the interest to begin to accrue on the first day of the third calendar month following the date of payment or the date the return was due to be filed or was filed, whichever is the latest, at the rate in effect under section 421.7 counting each fraction of a month as an entire month under the rules prescribed by the appropriate state agency. In lieu of a refund allowed under this section, the licensee may request that the department allow the refund to be held as a credit for the licensee.

Sec. 31. Section 423.1, subsection 1, Code Supplement 1985, is amended to read as follows:

1. "Use" means and includes the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it shall not include processing, or the sale of that property in the regular course of business. Property used in "processing" within the meaning of this subsection shall mean and include (a) any tangible personal property including containers which it is intended shall, by means of fabrication, compounding, manufacturing, or germination, become an integral part of other tangible personal property intended to be sold ultimately at retail, and containers used in the collection, recovery or return of empty beverage containers subject to chapter 455C, or (b) fuel which is consumed in creating power, heat, or steam for processing or for generating electric current, or (c) chemicals, solvents, sorbents, or reagents, which are directly used and are consumed, dissipated, or depleted in processing personal property, which is intended to be sold ultimately at retail, and which may not become a component or integral part of the finished product. The distribution to the public of free newspapers or shoppers guides shall be deemed a retail sale for purposes of the processing exemption.

Sec. 32. Section 573.2, Code 1985, is amended to read as follows:

573.2 PUBLIC IMPROVEMENTS – BOND AND CONDITIONS.

Contracts for the construction of a public improvement shall, when the contract price equals or exceeds twenty-five thousand dollars, be accompanied by a bond, with surety, conditioned

for the faithful performance of the contract, and for the fulfillment of other requirements as provided by law. The bond may also be required when the contract price does not equal that amount. However, if a contractor provides a performance or maintenance bond as required by a public improvement contract governed by this chapter and subsequently the surety company becomes insolvent and the contractor is required to purchase a new bond, the contractor may apply for reimbursement from the governmental agency that required a second bond and the claims shall be reimbursed from funds allocated for road construction purposes.

Sec. 33. 1985 Iowa Acts, chapter 256, section 11, is amended to read as follows:

SEC. 11. There is appropriated from the general fund of the state to the Iowa development commission for the fiscal period beginning on the effective date of this Act and ending June 30, 1985 the sum of two hundred thousand (200,000) dollars, or so much thereof as is necessary, for its advertising and tourism budget. ~~The Iowa development commission shall transfer from any other funds received for its advertising and tourism budget an amount up to or equal to two hundred thousand (200,000) dollars received during the fiscal year beginning July 1, 1985 and ending June 30, 1986 which funds shall be transferred to the general fund of the state not later than June 30, 1986 to replace those funds received under this section for the fiscal period beginning on the effective date of this Act and ending June 30, 1985.~~

Sec. 34. All federal grants to and the federal receipts of the agencies appropriated funds under this division of this Act are appropriated for the purposes set forth in such federal grants and receipts unless otherwise provided by the general assembly.

Sec. 35. Section 32 shall apply retroactively to July 1, 1985 and the reimbursement may be applied for until August 31, 1986.

Sec. 36. Section 33 of this Act is retroactive to June 1, 1986.

DIVISION II
EDUCATION

Sec. 101. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the following named agencies the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	1986-1987 Fiscal Year
1. ARTS DIVISION OF CULTURAL AFFAIRS	
For salaries, support, maintenance, and miscellaneous purposes including funds to match federal grants	\$ 450,000
2. HISTORICAL DIVISION OF CULTURAL AFFAIRS	
For salaries, support, maintenance, and miscellaneous purposes	\$ 1,286,045
Notwithstanding sections 18.12 and 18.16, the historical division may directly and independently enter into rental and lease agreements with private vendors for the purpose of selling mementos on the premises of property under the control of the division. All fees and income produced from the sales and rental or lease agreements shall be credited to the account of the division. Retail vendors will not be exempt from the sales and use tax under this provision.	
Notwithstanding section 303.9, subsection 1, all admission fees charged at the Montauk historical site shall be credited to the account of the historical division and are appropriated to the historical division to be invested and used exclusively for maintenance and improvement of the property and grounds of Montauk.	
3. LIBRARY DIVISION OF CULTURAL AFFAIRS	
a. For the state library for salaries, support, maintenance, and miscellaneous purposes	\$ 1,058,693
b. For the regional library system for state aid	\$ 1,430,730
4. PUBLIC BROADCASTING DIVISION OF CULTURAL AFFAIRS	
For salaries, support, maintenance, and miscellaneous purposes	\$ 5,586,848

5. STATE FAIR BOARD	
For maintenance of state fair buildings and grounds	\$ 69,038
6. TERRACE HILL AUTHORITY	
For salaries, support, maintenance, and miscellaneous purposes for the operation of Terrace Hill and for conducting tours	\$ 137,792
7. HERBERT HOOVER BIRTHPLACE FOUNDATION	
For capital improvements	\$ 1,246

Sec. 102. There is appropriated from the general fund of the state to the arts division of the department of cultural affairs for the fiscal period beginning July 1, 1986 and ending June 30, 1988 the following amounts, or so much thereof as is necessary, to be used for the following purposes:

	1986-1988 Fiscal Year
1. For the Herbert Hoover memorial in West Branch, Iowa	\$ 35,000
2. For the Cedar Rapids science station for development	\$ 30,000
3. For the Ottumwa arts council	\$ 30,000
4. For the Dubuque great rivers hall of fame for capital improvements	\$ 40,000
5. For the Amana art guild-folk art show for the folk art showcase	\$ 20,000
6. For the Clinton riverboat theater for rehabilitation	\$ 20,000
7. For the Davenport river development project for capital improvements ..	\$ 35,000
8. For general promotion of the arts	\$ 40,000

Notwithstanding section 8.33, unencumbered and unobligated funds appropriated in this section shall not revert to the general fund.

Sec. 103. There is appropriated from the general fund of the state to the historical division of the department of cultural affairs for the fiscal period beginning July 1, 1986 and ending June 30, 1988 the following amounts, or so much thereof as is necessary, to be used for the following purposes:

	1986-1988 Fiscal Year
1. For the purchase and development of property adjacent to the gravesite at Gardner cabin	\$ 41,700
2. For capital improvements and operational contract services for the Matthew Edel blacksmith shop in Haverhill	\$ 30,000
3. For Montauk at Clermont for repairs	\$ 20,700
4. For the Bow-String Bridge restoration project for restoration	\$ 20,000
5. For the centennial building in Iowa City for repairs	\$ 40,000
6. For old Fort Madison for reconstruction	\$ 25,000
7. For the Rock Island depot in Council Bluffs for reconstruction	\$ 20,000
8. For the old territorial capitol in Burlington for restoration	\$ 22,000
9. For promotion of historical sites in this state	\$ 30,000

Notwithstanding section 8.33, unencumbered and unobligated funds appropriated in this section shall not revert to the general fund.

Sec. 104. There is appropriated from the general fund of the state to the division for the blind of the department of human rights for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amount, or so much thereof as may be necessary, to be used by the following agency for the purposes designated:

	1986-1987 Fiscal Year
DIVISION FOR THE BLIND, DEPARTMENT OF HUMAN RIGHTS	
For salaries, support, maintenance, and miscellaneous purposes	\$ 1,019,280

Sec. 105. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the department of education the following amounts, or so much thereof as may be necessary, to be used in the manner designated:

1986-1987
Fiscal Year

1. GENERAL OFFICE ADMINISTRATION

a. For salaries, support, maintenance, and miscellaneous purposes \$ 4,148,910

It is the intent of the general assembly that the department of education expend, from funds appropriated in this paragraph, at least five hundred thousand (500,000) dollars to be used by the department to provide technical assistance and monetary grants to school districts for developing elementary and secondary foreign language programs. The department shall transmit plans for the expenditure of moneys allocated for development of foreign language programs under this paragraph to the joint education appropriations subcommittee not later than January 1, 1987.

It is also the intent of the general assembly that a portion of moneys appropriated in this paragraph to the department of education be expended for the continuation of the meetings of subject matter committees and committees that cross subject matter lines for coordination of curriculum at all education levels.

b. Fire service education \$ 140,377

c. As a condition of the appropriation made in paragraph "a", the department of education shall expend at least sixty thousand (60,000) dollars of the moneys appropriated in paragraph "a" to provide funding for the evaluator approval process.

Of the funds identified in this paragraph for funding for the evaluator approval process, an amount not to exceed ten thousand (10,000) dollars of those funds shall be used by the department of education to develop a mental retardation model curriculum. The department shall develop a model curriculum for teachers of grades one through twelve on mental retardation prevention and related issues. The department may use existing staff members or may contract with outside parties for developing the model curriculum. The model curriculum shall be distributed to school districts and area education agencies prior to July 1, 1988. The funds allocated for the development of the mental retardation model curriculum are not subject to reversion pursuant to section 8.33 until June 30, 1988.

2. VOCATIONAL EDUCATION ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes \$ 795,655

3. VOCATIONAL EDUCATION AID

For vocational education aid to secondary schools \$ 3,723,061

Funds appropriated by this paragraph 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.

It is the intent of the general assembly that the state board of education provide an opportunity for input from representatives from appropriate labor groups for vocational education programs that could lead to apprenticeships.

4. PROFESSIONAL TEACHING PRACTICES COMMISSION

For the use of the professional teaching practices commission to carry out chapter 272A \$ 35,128

5. VOCATIONAL YOUTH ORGANIZATION FUND

To carry out section 258.14 \$ 9,252

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 \$ 3,173,131

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 \$ 333,160

8. SCHOOL BUDGET REVIEW COMMITTEE \$ 110,000

Of the funds appropriated by this subsection, one hundred thousand (100,000) dollars may be expended as supplemental aid pursuant to section 286A.14.

9. VOCATIONAL REHABILITATION DIVISION

For salaries, support, maintenance, and miscellaneous purposes \$ 2,587,715

10. NON-ENGLISH SPEAKING

To provide funding to public schools and for nonpublic school students for special instruction for non-English speaking students as provided in section 280.4 \$ 150,000

11. MERGED AREA SCHOOLS

a. For general state financial aid to merged areas as defined in section 280A.2 the amount of forty-two million five hundred seventy-six thousand five hundred eighty-six (42,576,586) dollars to be allocated as follows:

(1) Merged area I	\$ 1,970,381
(2) Merged area II	\$ 2,620,675
(3) Merged area III	\$ 2,328,125
(4) Merged area IV	\$ 921,853
(5) Merged area V	\$ 2,953,129
(6) Merged area VI	\$ 2,594,155
(7) Merged area VII	\$ 2,951,909
(8) Merged area IX	\$ 3,572,825
(9) Merged area X	\$ 5,545,497
(10) Merged area XI	\$ 6,152,704
(11) Merged area XII	\$ 2,100,476
(12) Merged area XIII	\$ 2,943,089
(13) Merged area XIV	\$ 1,033,696
(14) Merged area XV	\$ 2,934,428
(15) Merged area XVI	\$ 1,953,644

b. To provide funds for matching federal reimbursement for continuing and new vocational education programs in merged area schools in accordance with chapter 258 and chapter 280A, and to purchase instructional equipment for vocational and technical courses of instruction in such schools \$ 8,049,520

Sec. 106.

1. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1987 and ending June 30, 1988, for general state financial aid to merged areas the amount of fourteen million one hundred twenty-nine thousand five hundred eighty-three (14,129,583) dollars, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1986 and ending June 30, 1987, to be allocated to each area school as follows:

a. Merged area I	\$ 658,260
b. Merged area II	\$ 868,028
c. Merged area III	\$ 784,978
d. Merged area IV	\$ 308,988

e. Merged area V	\$ 1,034,684
f. Merged area VI	\$ 872,933
g. Merged area VII	\$ 989,868
h. Merged area IX	\$ 1,133,265
i. Merged area X	\$ 1,769,391
j. Merged area XI	\$ 2,059,840
k. Merged area XII	\$ 743,035
l. Merged area XIII	\$ 1,025,453
m. Merged area XIV	\$ 347,525
n. Merged area XV	\$ 880,354
o. Merged area XVI	\$ 652,991

2. Funds appropriated by this section shall be allocated pursuant to this section and paid on or about August 15, 1987.

Sec. 107. 1985 Iowa Acts, chapter 263, section 7, subsection 1, is amended by striking the subsection and inserting in lieu thereof the following:

1. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1986 and ending June 30, 1987, for general state financial aid to merged areas the amount of thirteen million seven hundred seventy-six thousand five hundred seven (13,776,507) dollars, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1985 and ending June 30, 1986, to be allocated to each area school as follows:

a. Merged area I	\$ 658,260
b. Merged area II	\$ 863,660
c. Merged area III	\$ 777,840
d. Merged area IV	\$ 296,488
e. Merged area V	\$ 1,004,788
f. Merged area VI	\$ 850,695
g. Merged area VII	\$ 989,868
h. Merged area IX	\$ 1,114,498
i. Merged area X	\$ 1,683,267
j. Merged area XI	\$ 2,059,840
k. Merged area XII	\$ 688,938
l. Merged area XIII	\$ 995,539
m. Merged area XIV	\$ 335,025
n. Merged area XV	\$ 813,544
o. Merged area XVI	\$ 644,257

Sec. 108. General state aid paid to area schools under section 105, subsection 11, paragraph "a" of this Act, for expenditures incurred during the fiscal year beginning July 1, 1986 and ending June 30, 1987, 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 payment received by area schools on or about August 15 under section 106 of this Act is an account 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. 109. There is appropriated from the general fund of the state to the Iowa academy of science for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following

amount, or so much thereof as may be necessary, to be used by the following agency for the purposes designated:

	<u>1986-1987</u> <u>Fiscal Year</u>
IOWA ACADEMY OF SCIENCE	
For support and maintenance	\$ 57,494

It is the intent of the general assembly that the Iowa academy of science submit a report to the legislative fiscal bureau by December 1, 1986, listing each project funded under this section, describing the anticipated results of each project, and outlining the potential value to or impact upon this state of each project.

Sec. 110. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as may be necessary, for use for the following designated purposes, however, as a condition for the appropriation of these funds, the state board of regents, for purposes of implementing and administering collective bargaining pursuant to chapter 20, shall act as the exclusive representative of the state of Iowa with respect to its faculty, scientific, and other professional staff:

	<u>1986-1987</u> <u>Fiscal Year</u>
1. OFFICE OF STATE BOARD OF REGENTS	
a. For salaries, support, maintenance, equipment, and miscellaneous purposes, including state board of regents members receiving a per diem not to exceed forty dollars per day	\$ 411,336

The state board of regents shall not assess charges to the three institutions of higher education under the control of the state board, for the fiscal year beginning July 1, 1986, in excess of the charges to the three institutions assessed and approved by the state board as of April 1, 1986 for the fiscal year ending June 30, 1986.

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	\$ 17,291,054
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The state board of regents shall refund and refinance selected academic revenue bonds under section 262A.5, if substantial savings can be expected, in order to reduce the shortfall in tuition replacement appropriations made in this paragraph. The board shall analyze the conditions prevalent in the tax exempt bond market, the overall potential savings, the possibility of restructuring debt service to lessen future tuition replacement costs, the potential impacts upon the owners of state board of regents' bonds, and the potential impacts upon future sales of state board of regents' bonds.

In determining the amount of the shortfall, the state board of regents shall not include tuition or fee increases approved by the state board of regents after May 1, 1986.

c. For allocation by the state board of regents to the institutions under its control for supplemental salary increases for faculty, professional, and scientific employees	\$ 2,000,000
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The state board of regents shall allocate moneys appropriated in this paragraph so that each institution of higher education receives a portion of the appropriation equal to the percent that eligible full-time equivalent faculty at the institution bears to the total full-time equivalent faculty at all institutions of higher education. The funds distributed by the university of northern Iowa for organized faculty shall be distributed either through the collective

*Item veto; see message at end of the Act

bargaining agreement in force for the fiscal year beginning July 1, 1986, or according to a different procedure that is acceptable to the collective bargaining representatives for the faculty at the university of northern Iowa and for the university of northern Iowa.

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory.

For salaries, support, maintenance, equipment, and miscellaneous purposes and for the pediatric department of the college of medicine to continue to fund the program of research at the current level in the cause, course, treatment, cure, and management of diabetes mellitus \$117,840,274

It is the intent of the general assembly that funds appropriated in this paragraph not be used to pay for efforts of the prisoner assistance clinic at the university of Iowa law school to solicit participation in the clinic by inmates at state correctional facilities.

It is the intent of the general assembly that three hundred twelve thousand five hundred (312,500) dollars of the funds appropriated in this paragraph be used for the purchase of research and instructional equipment.

b. University hospitals

(1) For salaries, support, maintenance, equipment, and miscellaneous purposes; for medical and surgical treatment of indigent patients as provided in chapter 255 \$ 23,070,941

(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 \$ 1,359,609

(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 \$ 278,758

c. As a condition of the appropriation made in paragraph "b", subparagraph (1), the county quotas for indigent patients for the fiscal year commencing July 1, 1986 shall not be lower than the county quotas for the fiscal year commencing July 1, 1985. 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.

It is the intent of the general assembly that university hospitals shall not perform heart, liver, pancreas, artificial heart, or heart/lung transplantations on indigent patients referred under chapter 255 unless the patient meets criteria developed by the national heart, lung and blood institute's special advisory group for heart recipients, or the 1983 national institute of health's consensus conference on liver transplants for liver recipients, or unless the patient meets nationally recognized criteria for pancreas transplantations. The total amount of state funds expended for heart, liver, pancreas, artificial heart, or heart/lung transplantations shall not exceed nine-tenths of one percent of the total state indigent funds received by the university hospitals for the fiscal year beginning July 1, 1986 and ending June 30, 1987.

d. As a condition 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 of the appropriation made in paragraph "b", funds appropriated in this section 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. Psychiatric hospital

For salaries, support, maintenance, equipment, and miscellaneous purposes and for the care, treatment and maintenance of committed and voluntary public patients \$ 5,321,186

g. State hygienic laboratory

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 2,098,376

h. Hospital school

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 3,874,645

i. Oakdale campus

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 2,278,902

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university

For salaries, support, maintenance, equipment, and miscellaneous purposes . \$ 96,082,703

It is the intent of the general assembly that three hundred twelve thousand five hundred (312,500) dollars of the funds appropriated in this paragraph be used for the purchase of research and instructional equipment.

b. Agricultural experiment station

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 11,002,021

c. Cooperative extension service in agriculture and home economics

(1) For salaries, support, maintenance, and miscellaneous purposes \$ 10,343,403

The cooperative extension service in agriculture and home economics and the department of economic development shall enter into an agreement under chapter 28E that provides a procedure for coordinating the economic development activities of the cooperative extension service in agriculture and home economics with the economic development activities of the department of economic development.

(2) For continuation of the rural concern hotline \$ 90,000

These funds may be matched by private contributions.

d. Center for industrial research and services

(1) For hazardous waste and cleanup project \$ 50,000

4. UNIVERSITY OF NORTHERN IOWA

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 37,846,399

5. STATE SCHOOL FOR THE DEAF

For salaries, support, maintenance, and miscellaneous purposes \$ 4,520,929

6. IOWA BRAILLE AND SIGHT-SAVING SCHOOL

For salaries, support, maintenance, and miscellaneous purposes \$ 2,475,290

Sec. 111. INDIGENT OBSTETRICAL PATIENT QUOTAS.

1. The statewide indigent patient care program shall continue the nonquota system for indigent obstetrical and orthopedic patients and shall maintain the current county quota system for other indigent patients. In addition, commencing October 1, 1986, under the statewide indigent patient care program each county shall be allocated an indigent obstetrical patient quota equal to the lesser of sixty patients or a total number equal to four percent of the average number of live births per year in the county, calculated for the 1983, 1984, and 1985 calendar years, minus the number of obstetrical patients from the county who delivered at the university of Iowa hospitals and clinics under the statewide indigent patient care program in the fiscal year beginning July 1, 1985. However, each county shall be allocated a minimum indigent obstetrical patient quota of four. The department of public health shall provide for the reassignment of an unused county obstetrical quota allotment to other counties on April 1, 1987. The reassignment shall only be taken from a county which has an unused obstetrical patient quota for the portion of the fiscal period ending March 31, 1987, and the reassignment shall not affect the county's portion of the quota for the calendar quarter ending June 30, 1987. The reassignments shall be made to other counties on a first-come, first-served basis. A newborn infant who is born locally to an indigent woman under a county's indigent obstetrical patient quota may be transferred to the university of Iowa hospitals and clinics and receive care as a nonquota indigent patient. A county may use its obstetrical quota to provide services to indigent obstetrical patients and their newborns under the county's general relief program to hospitals licensed in this state and to physicians licensed and practicing in this state. All providers of services to quota and nonquota obstetrical and newborn patients shall agree to accept as full payment the reimbursements allowable under the medical assistance program established pursuant to chapter 249A, adjusted for intensity of care. However, the total reimbursement from the obstetrical patient care fund to providers for residents of a county is limited to that county's indigent obstetrical patient quota multiplied by one thousand four hundred dollars. The university of Iowa hospitals and clinics and other hospitals shall submit their billings on the UB 82, uniform hospital billing form, and physicians shall submit their billings on the HCFA 1500. University hospital billings shall be submitted directly to the department of public health and other billings shall be submitted through the county general relief directors to the department of public health.

2. The department of public health, in collaboration with the department of human services and in consultation with the Iowa state association of counties, shall adopt rules, pursuant to chapter 17A, establishing minimum standards for eligibility for obstetrical and newborn care, including physician examination, medical testing, and inpatient transportation costs, for indigent obstetrical and newborn care provided by the university of Iowa hospitals and clinics and by other hospitals licensed in this state and physicians licensing and practicing in this state. The minimum standards for eligibility shall provide eligibility for persons with incomes at or below one hundred fifty percent of the annual revision of the poverty income guidelines published by the United States department of health and human services, and shall provide, but shall not be limited to providing, eligibility for uninsured and underinsured persons financially unable to pay for necessary obstetrical and newborn care. The minimum standards may include a spend-down provision. The resource standards shall be set at or above the resource standards under the federal supplemental security income program. The resource exclusions allowed under the federal supplemental security income program shall be allowed and shall include resources necessary for self-employment. The department of public health shall adopt administrative rules to implement the statewide indigent obstetrical patient quota system under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b" and the rules shall become effective no later than October 1, 1986.

3. The department of public health shall establish procedures for payment to other hospitals licensed in this state, and physicians licensed and practicing in this state.

4. A county shall not be held responsible for the costs of providing obstetrical and newborn care, including physician examination, medical testing, and transportation costs, to pregnant

women and their newborn infants who meet the eligibility requirements adopted by the department of public health.

5. A person desiring obstetrical and newborn care, the cost of which is payable under the obstetrical patient care program, or the parent or guardian of a minor desiring or in need of such care, may apply to the general relief director of the person's county of residence to have the cost of such care paid from the obstetrical patient care fund. The applicant shall attest to the accuracy of the information contained on the application. The county general relief director shall first ascertain from the local office of the department of human services if the applicant would be eligible for medical assistance or for assistance under the medically needy program without any spend-down requirement, pursuant to chapter 249A. If the applicant is eligible for assistance pursuant to chapter 249A, if the applicant is eligible for maternal and child health care services covered by a maternal and child health program, the obstetrical patient care program shall not provide such assistance, care, or covered services provided under other programs.

6. The legislative fiscal bureau and the state health data commission shall study the operation of the obstetrical patient care program for the fiscal period beginning July 1, 1986, and ending June 30, 1988, shall identify the levels of medical care provided and the location of the care provided under the program, and the costs of the care provided by all hospitals under this section, and shall report its preliminary findings to the governor and the general assembly convening in 1987 and its final determinations to the governor and the general assembly convening in 1988.

7. There is appropriated from the general fund of the state to a special account in the state treasury to be known as the obstetrical patient care fund, for the fiscal year beginning July 1, 1986, and ending June 30, 1987, one million one hundred thousand (1,100,000) dollars, or so much thereof as is necessary, for the development and operation, commencing October 1, 1986, of a statewide obstetrical patient care program as provided in this section. The department of public health shall be the administrator of the fund.

If moneys appropriated to the obstetrical patient care fund by this section remain unobligated and unencumbered on June 30, 1987, the moneys shall not revert to the general fund of the state but shall be transferred to the indigent patient care fund established pursuant to chapter 255.

8. It is the intent of the general assembly that commencing July 1, 1987 under the statewide indigent patient care program established pursuant to chapter 255, each county shall be allocated an indigent obstetrical and newborn patient quota equal to the lesser of seventy patients or a total number equal to six percent of the average number of live births per year in the county, calculated for the 1984, 1985, and 1986 calendar years, minus the number of obstetrical patients from the county who delivered at the university of Iowa hospitals and clinics under the statewide indigent patient care program in the fiscal year beginning July 1, 1986, with each county being allocated a minimum quota of four.

It is the intent of the general assembly* that the portion of the indigent patient care program established pursuant to chapter 255 serving indigent obstetrical and newborn patients be completely decentralized to all counties by July 1, 1988 so as to allow reimbursement for care locally as well as at the university of Iowa hospitals and clinics. It is the intent of the general assembly that persons certified for obstetrical and newborn care under the decentralized program be entitled to reimbursement only to the extent of moneys appropriated to the program. It is further the intent of the general assembly that the amount appropriated for obstetrical and newborn care under the decentralized program be equal to the amount that would otherwise have been appropriated for obstetrical and newborn patients under the indigent patient care program established pursuant to chapter 255.

*According to enrolled Act

Sec. 112. Upon the request of the public broadcasting division of the department of cultural affairs, the executive council shall sell the property and building located at 2801 Bell avenue in Des Moines, Iowa, and used by the Iowa department of public broadcasting. The proceeds from the sale of the property and building are appropriated to the public broadcasting division of the department of cultural affairs to pay a portion of the costs of construction of a new building for the public broadcasting division of the department of cultural affairs. However, the executive council may direct that the building and property located at 2801 Bell avenue in Des Moines, Iowa, be used for another state purpose. The executive council shall determine by independent appraisal the fair market value of the building and property and, in that case, an appropriation equal to appraised value of the building and property may be considered by the general assembly to pay a portion of the costs of construction of a new building for the public broadcasting division of the department of cultural affairs.

Sec. 113. The department of education shall establish auditable standards and a maximum number of reimbursable contact hours for each program offered by one or more of the area schools. The standards shall provide the basis for allocation of state general aid and state vocational aid, on an equitable program basis for the fiscal year beginning July 1, 1988 and thereafter.

Sec. 114. The Iowa college aid commission shall notify eligible high school seniors in writing that the supplemental grant program established in sections 261.61 through 261.63 has been retained by the general assembly and nine hundred thousand (900,000) dollars is appropriated in section 261.63 for the payments. The letter shall include notification that it supersedes correspondence previously received by the student stating that the program was abolished.

Sec. 115. Notwithstanding the procedures and appropriation specified in section 273.11, for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the director of the department of education may modify the amount due from an area education agency under section 273.11 and the director of the department of revenue and finance shall pay the amount due to an area education agency from moneys appropriated for state school foundation aid under section 119 of this Act.

Sec. 116. Notwithstanding the procedures and appropriation specified in section 281.12, for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the director of the department of education may modify the amount due to a school district or agency providing a special education program under section 281.12 and the director of the department of revenue and finance shall pay the amount due to a school district or agency providing a special education program from moneys appropriated for state school foundation aid under section 119 of this Act.

Sec. 117. Notwithstanding the procedures and appropriation specified in section 282.19, for the fiscal year beginning July 1, 1986 and ending June 30, 1987, if the child does not require special education, the superintendent of the school district shall certify the costs of instruction under section 282.19 to the director of the department of education not later than September 1 of each year for the preceding fiscal year. The director of the department of education shall review the costs of instruction and may modify them and submit a requisition to the department of revenue and finance. The amount due shall be paid by the department of revenue and finance to the school district from moneys appropriated for state school foundation aid under section 119 of this Act.

For the purpose of this section, "costs of instruction" means the tuition fee of the school district in which the child is enrolled calculated under section 282.24 and multiplied by the portion of the school year in which the child was enrolled.

Sec. 118. Notwithstanding the procedures and appropriation specified in section 282.27, for the fiscal year beginning July 1, 1986 and ending June 30, 1987, if a child requiring special education is not counted in the weighted enrollment of any district under section 281.9 and payment is not made by any district, the director of the department of education may modify the special education instructional costs certified to the director of the department of education under section 282.27 by a school district and the director of the department of revenue and finance shall pay the amount due from moneys appropriated for state school foundation aid under section 119 of this Act.

Sec. 119. Notwithstanding section 442.26, from moneys appropriated pursuant to section 442.26 for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the department of revenue and finance shall deduct the total of the amounts due under sections 115 through 118, not to exceed the total amounts paid under sections 273.11, 281.12, 282.19, and 282.27, for the fiscal year beginning July 1, 1984. If the total of the amounts due under this section is more than the total of the amounts paid for the fiscal year beginning July 1, 1984, the department of revenue and finance shall allocate an amount to be paid under each of sections 115 through 118 based upon the proportion the amount paid under each of sections 273.11, 281.12, 282.19, and 282.27 for the fiscal year beginning July 1, 1984 bears to the total amount paid for that fiscal year. The payments to area education agencies under section 115, to school districts or other agencies under section 116, and to school districts under sections 117 and 118, shall be prorated based upon the moneys allocated for the respective sections.

Sec. 120. 1985 Iowa Acts, chapter 254, section 2, subsection 1, is amended by adding the following new unlettered paragraphs after unlettered paragraph 2:

NEW UNLETTERED PARAGRAPH. A pay adjustment provided in this subsection for the 1986-1987 fiscal year shall be added to the salary of a full-time nonadministrative certificated employee and shall supplement, not supplant, the results of a collective bargaining agreement negotiated under chapter 20, if any. The amount of a pay adjustment is for the adjustment of base pay only.

NEW UNLETTERED PARAGRAPH. It is the intent of the general assembly that moneys appropriated for salary adjustments for each area school under this subsection shall be included in each institution's general aid request for the fiscal year beginning July 1, 1987 and the amounts of the pay adjustments shall be submitted to the general assembly by the department of education.

Sec. 121. Section 8.6, subsection 9, Code Supplement 1985, as amended by House File 2225, enacted by the Seventy-first General Assembly, 1986 Session, is amended by striking the subsection and inserting in lieu thereof the following:

9. **INTEREST OF THE PERMANENT SCHOOL FUND.** To transfer the interest of the permanent school fund to the credit of the first in the nation in education foundation as provided in section 302.1A.

Sec. 122. Section 257A.1, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

There is created a corporate body called "First In the Nation in Education, an education foundation". The foundation is an independent nonprofit quasi-public instrumentality and the exercise of the powers granted to the foundation as a corporation in this chapter is an essential governmental function. As used in this chapter "foundation" means "First In the Nation in Education, an education foundation". The purposes of the foundation include but are not limited to the following for the common schools of this state:

Sec. 123. Section 257A.7, Code Supplement 1985, is amended by striking the section and inserting in lieu thereof the following:

257A.7 FUND CREATED AND TRANSFER OF MONEYS.

The "First in the Nation in Education Fund" is established in the office of treasurer of state. The fund shall be an endowment for the foundation and moneys deposited in the fund shall not be expended, but shall be invested by the treasurer of state in investments authorized for the Iowa public employees' retirement fund in section 97B.7.

The governing board of the foundation may accept gifts, grants, bequests, and other moneys for deposit in the fund as a part of the endowment or for the use of the foundation.

Gifts, grants, and bequests from public and private sources, federal funds, and other moneys received for the endowment shall be deposited in the fund. Interest earned on the fund shall be transferred by the department of revenue and finance to the credit of the foundation at the request of the governing board and shall be used for the purposes of this chapter.

The governing board may transfer moneys credited for the use of the foundation not encumbered or obligated on June 30 of a fiscal year to the fund and those moneys shall be considered interest earned by the fund and may be transferred back to the credit of the foundation at the request of the governing board at any time.

Sec. 124. Section 260.15, Code Supplement 1985, is amended to read as follows:

260.15 APPLICATIONS — DISBURSEMENT OF FEES.

Applications for the issuance or renewal of all teachers' certificates shall be made to the commissioner of public instruction director of the department of education. Fees for the issuance or renewal of certificates shall be paid to the commissioner of public instruction director of the department of education who shall deposit each fee received from these sources with the treasurer of state and credit the fee to the general fund of the state. If an application for the issuance or renewal of a certificate is not approved, the commissioner of public instruction shall remit the fee to the applicant by a state comptroller's warrant issued on the general fund of the state upon certification of the commissioner of public instruction that the fee has not been earned. The commissioner director shall keep an accurate and detailed account of money received.

Sec. 125. Section 262.9, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 15. Provide that residents of Yamanashi, Japan; Yucatan, Mexico; and Hebei, China, who enroll in its institutions of higher education are eligible for resident student status and resident student tuition. The named locations are Iowa's sister states.

Sec. 126. Section 262.44, subsection 1, Code 1985, is amended to read as follows:

1. Set aside and use such portions of the respective campuses of the institutions of higher education under its control, namely, the state University university of Iowa, the Iowa State University state university of science and technology, and the University of Northern university of northern Iowa, as the board shall determine to be determines are suitable for the acquisition or construction thereon of the following self-liquidating and revenue producing buildings and facilities, which the board deems necessary for the comfort, convenience and welfare of their students and suitable for the purposes for which the institutions were established, including student: 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 now or hereafter used for any or all of the purposes aforesaid.

Except as provided for self-liquidating dormitories, the state board of regents, or any bonding authority established by them, shall not issue any notes, bonds or other evidence of indebtedness 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.

Sec. 127. NEW SECTION. 262.64A REPORTS TO GENERAL ASSEMBLY.

The state board of regents shall determine, in consultation with the legislative fiscal bureau, the financial information to be included in line item budget information for projects funded by the issuance of bonds or notes under this chapter and shall submit the line item budget information to the general assembly as requested. The state board of regents shall submit quarterly reports to the general assembly concerning the projects funded by the issuance of bonds or notes under this chapter as follows:

1. Identification of both undercharges and overcharges for line items of projects.
2. Identification of contracts in which any line item for a project exceeds the adopted budget for that line item by ten percent or more.
3. Identification of complaints received by an institution regarding the construction of a project.

If the state board of regents approves a change in the amount of the line item of a budget for a project, the change shall be transmitted to the appropriations committees of the house of representatives and senate, while the general assembly is in session, and to the legislative council, when the general assembly is not in session, for review.

Sec. 128. Section 262A.5, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The board is authorized to borrow money under the provisions of this chapter, and the board may issue and sell negotiable bonds to pay all or any part of the cost of carrying out any project at any institution and may refund and refinance bonds issued for any project or for refunding purposes at the same rate or at a higher or lower rate or rates of interest. Bonds issued under the provisions of this chapter shall be sold by said board at public sale on the basis of sealed proposals received pursuant to a notice specifying the time and place of sale and the amount of bonds to be sold which shall be published at least once not less than seven days prior to the date of sale in a newspaper published in the state of Iowa and having a general circulation in said state. The provisions of chapter 75 shall not apply to bonds issued under authority contained in this chapter, but such bonds shall be sold upon terms of not less than par plus accrued interest. Bonds issued to refund other bonds issued under the provisions of this chapter may either be sold in the manner hereinbefore specified and the proceeds thereof applied to the payment of the obligations being refunded, or the refunding bonds may be exchanged for and in payment and discharge of the obligations being refunded. The refunding bonds may be sold or exchanged in installments at different times or an entire issue or series may be sold or exchanged at one time. Any issue or series of refunding bonds may be exchanged in part or sold in parts in installments at different times or at one time. The refunding bonds may be sold or exchanged at any time on, before, or after the maturity of any of the outstanding bonds or other obligations to be refinanced thereby and may be issued for the purpose of refunding a like or greater principal amount of bonds, except that the principal amount of the refunding bonds may exceed the principal amount of the bonds to be refunded to the extent necessary to pay any premium due on the call of the bonds to be refunded or to fund interest in arrears or about which is to become due.

Sec. 129. NEW SECTION. 262A.12A REPORTS TO GENERAL ASSEMBLY.

The state board of regents shall determine, in consultation with the legislative fiscal bureau, the financial information to be included in line item budget information for projects funded by the issuance of bonds or notes under this chapter and shall submit the line item budget information to the general assembly as requested. The state board of regents shall submit quarterly reports to the general assembly concerning the projects funded by the issuance of bonds or notes under this chapter as follows:

1. Identification of both undercharges and overcharges for line items of projects.
2. Identification of contracts in which any line item for a project exceeds the adopted budget for that line item by ten percent or more.

3. Identification of complaints received by an institution regarding the construction of a project.

If the state board of regents approves a change in the amount of the line item of a budget for a project, the change shall be transmitted to the appropriations committees of the house of representatives and senate, while the general assembly is in session, and to the legislative council, when the general assembly is not in session, for review.

Sec. 130. NEW SECTION. 263A.10A REPORTS TO GENERAL ASSEMBLY.

The state board of regents shall determine, in consultation with the legislative fiscal bureau, the financial information to be included in line item budget information for projects funded by the issuance of bonds or notes under this chapter and shall submit the line item budget information to the general assembly as requested. The state board of regents shall submit quarterly reports to the general assembly concerning the projects funded by the issuance of bonds or notes under this chapter as follows:

1. Identification of both undercharges and overcharges for line items of projects.
2. Identification of contracts in which any line item for a project exceeds the adopted budget for that line item by ten percent or more.
3. Identification of complaints received by an institution regarding the construction of a project.

If the state board of regents approves a change in the amount of the line item of a budget for a project, the change shall be transmitted to the appropriations committees of the house of representatives and senate, while the general assembly is in session, and to the legislative council, when the general assembly is not in session, for review.

Sec. 131. Section 270.9, subsection 2, Code 1985, is amended to read as follows:

2. Transportation reimbursement at a rate established annually by the state board of regents to the parents or guardians for ~~not more than eleven trips per year~~ transportation from the institution to the residence of the parent or guardian and return to the institution for children who reside in the institution.

Sec. 132. NEW SECTION. 270.10 MERGER REQUIREMENTS.

The state board of regents shall not merge the school for the deaf at Council Bluffs with the Iowa braille and sight-saving school at Vinton or close either of those institutions until all of the following requirements have been met:

1. The department of management has presented to the general assembly a comprehensive plan, program, and fiscal analysis of the existing circumstances and the circumstances which would prevail upon the proposed merger or closing, together with data which would support the contention that the merger or closing will be more efficient and effective than continuation of the existing facilities. The analysis shall include a detailed study of the educational implications of the merger or closing, the impact on the students, and the opinions and research of nationally recognized experts in the field of the education of visually impaired and deaf students. The comprehensive plan shall further include a study relating to the programming, fiscal consequences, and political implications which would result if either a merger or an agreement under chapter 28E should be implemented between the school for the deaf in Council Bluffs and comparable state programs in the state of Nebraska.

2. The general assembly has studied the plans, programs, and fiscal analysis and has reviewed their impact on the programs.

3. The general assembly has enacted legislation authorizing either the closing or the merger to take effect not sooner than two years after the enactment of the legislation.

Sec. 133. Section 273.3, subsection 10, Code Supplement 1985, is amended to read as follows:

10. In any county operating a juvenile home, upon request of the county board of supervisors, provide suitable curriculum, teaching staff, books, supplies, and other necessary materials for the instruction of children of school age who are maintained in the juvenile home of the county, as provided in section 232.142. An area education agency shall also provide

suitable curriculum, teaching staff, books, supplies, and other necessary materials for the instruction of children of school age in juvenile homes other than those operated by a county if the juvenile home meets the criteria adopted by the board of education and if the children have been placed in the juvenile homes by the district court and parental rights have been terminated. The department of education shall adopt rules under chapter 17A for the instruction provided by area education agencies under this subsection. Reimbursement for the cost of instruction provided under this section shall be made pursuant to section 273.11.

Sec. 134. Section 280A.23, Code 1985, is amended by adding the following new subsection:
NEW SUBSECTION. 12. During the second week of August of each year, publish by one insertion in at least one newspaper published in the merged area a summarized statement verified by affidavit of the secretary of the board showing the receipts and disbursements of all funds of the area school for the preceding fiscal year. The statement of disbursements shall show the names of the persons, firms, or corporations, and the total amount paid to each during the fiscal year. The board is not required to make the publications and notices required under sections 279.34, 279.35, and 279.36.

Sec. 135. Section 285.1, subsection 3, Code Supplement 1985, is amended to read as follows:

3. In a district where transportation by school bus is impracticable 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. The 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 the following 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 public instruction education:

- a. For the school year commencing July 1, 1980, twenty-five percent.
- b. For the school year commencing July 1, 1981, fifty percent.
- c. For the school year commencing July 1, 1982 and each school year thereafter, seventy-five percent.

However, a parent or guardian shall not receive reimbursement for furnishing transportation for more than two family members who attend elementary school and one family member who attends high school.

Sec. 136. Section 285.2, unnumbered paragraph 2, Code 1985, is amended to read as follows:

There is appropriated from the general fund of the state to the department of public instruction education funds sufficient to pay the approved claims of public school districts for transportation services to nonpublic school pupils as provided in this section. The portion of the amount appropriated for approved claims under section 285.1, subsection 3, shall be determined under section 285.3.

Sec. 137. Section 285.2, unnumbered paragraph 4, Code 1985, is amended to read as follows:

Claims for reimbursement shall be made to the department of public instruction education by the public school district providing transportation or transportation reimbursement during a school year on a form prescribed by the department, and the claim shall state the services provided and the actual costs incurred. A claim shall not exceed the average transportation costs of the district per pupil transported except as otherwise provided. If transportation is provided under section 285.1, subsection 3, the amount of a claim shall be determined under paragraph "c" of that subsection shall be the amount of the claim under section 285.3 regardless of the average transportation costs of the district per pupil transported.

PARAGRAPH DIVIDED. Claims shall be accompanied by an affidavit of an officer of the public school district affirming the accuracy of the claim. By February 1 and by July 15 of each year, the department shall certify to the state comptroller department of revenue and finance

the amounts of approved claims to be paid, and the ~~state comptroller~~ department of revenue and finance shall draw warrants payable to school districts which have established claims. Claims shall be allowed where practical, and at the option of the public school district of the pupil's residence, subject to approval by the area education agency of the pupil's residence, under section 285.9, subsection 3, the public school district of the pupil's residence may transport any a pupil to a school located in a contiguous public school district outside the boundary lines of the public school district of the pupil's residence. The public school district of the pupil's residence may contract with the contiguous public school district or with a private contractor under section 285.5 to transport the pupils to the school of attendance within the boundary lines of the contiguous public school district. The public school district in which the pupil resides may contract with the contiguous public school district or with a private contractor under section 285.5 to transport the pupil from the pupil's residence or from designated school bus collection locations to the school located within the boundary lines of the contiguous public school district, subject to the approval of the area education agency of the pupil's residence. The public school district of the pupil's residence may utilize the reimbursement provisions of section 285.1, subsection 3.

**Sec. 138. NEW SECTION. 285.3 PARENTAL REIMBURSEMENT FOR NON-PUBLIC TRANSPORTATION.*

The portion of the amount appropriated under section 285.2 to pay claims to reimburse parents or guardians of nonpublic school pupils for furnishing transportation for their children is 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 multiplied by the total number of nonpublic school pupils for which the parent or guardian furnishes transportation, except that only two members of a family who attend a nonpublic high school shall be included in the total number.

The amount of an approved claim to a parent or guardian for furnishing transportation shall include a base payment, and may include a supplemental payment, determined under this section. The base payment is equal to the amount of the reimbursement determined under section 285.1, subsection 3.

*The difference between the amount appropriated under this section for reimbursement of parents and guardians and the amount paid to parents and guardians pursuant to section 285.1, subsection 3, shall be used for supplemental payments to the parents and guardians of nonpublic school pupils who transport one or more family members more than four miles to a school of attendance. The department of education shall add together the number of parents and guardians who transport one or more family members more than four and less than eight miles to their schools of attendance and two times the number of parents and guardians who transport one or more family members eight or more miles to their schools of attendance and divide that total number of parents and guardians into the amount available for supplemental payments to determine a supplemental payment amount. Parents and guardians who transport one or more family members more than four but less than eight miles to their schools of attendance shall receive an amount equal to the supplemental payment amount. Parents and guardians who transport one or more family members eight or more miles to their schools of attendance shall receive an amount equal to two times the supplemental payment amount.**

Sec. 139. Section 302.1, subsection 1, Code 1985, is amended to read as follows:

1. Five percent of the net proceeds of the public lands of the state, which shall be paid to the state treasurer and be apportioned by the state comptroller among the area education agencies of this state.

Sec. 140. Section 302.1, Code 1985, is amended by adding the following new subsection:

*Item veto; see message at end of the Act

NEW SUBSECTION. 5. The portion of the interest on the permanent school fund that has not been transferred to the credit of the first in the nation in education foundation.

Annually on January 1, the treasurer of state shall transfer a portion of the permanent school fund to the first in the nation in education fund pursuant to the requirements of this section. Prior to January 1 of each year, the governing board of the first in the nation in education foundation shall certify to the treasurer of state the amount that the governing board has received under section 257A.7, subsections 2 and 3, during the previous calendar year. The treasurer of state shall deposit in a separate account in the first in the nation in education fund the portion of the permanent school fund equivalent to the amount certified.

Sec. 141. **NEW SECTION. 302.1A TRANSFER OF INTEREST.**

The department of revenue and finance shall transfer the interest earned on the permanent school fund to the first in the nation in education foundation in the manner provided in this paragraph. Prior to March 1 of each year, the governing board of the first in the nation in education foundation established in section 257A.2 shall certify to the state comptroller the total amount of the endowment in the first in the nation in education fund. The portion of the permanent school fund that is equal to the total amount of the endowment is dedicated to the first in the nation in education foundation for that year. The interest from this dedicated amount shall be transferred to the credit of the first in the nation in education foundation. The remaining portion of the interest earned on the permanent school fund shall become a part of the permanent school fund.

Sec. 142. Section 304A.6, subsection 6, Code 1985, is amended to read as follows:

6. Accept gifts, contributions, endowments, or bequests for all or any of the purposes of this chapter. Interest earned on the gifts, contributions, endowments, or bequests accepted under this subsection shall be credited to the fund or funds to which the gifts, contributions, endowments, or bequests have been deposited and are available for all or any of the purposes of this chapter.

Sec. 143. Section 442.3, Code 1985, is amended by striking the section and inserting the following:

442.3 STATE FOUNDATION BASE.

The state foundation base for the school year beginning July 1, 1986 is eighty percent of the state cost per pupil. The state foundation base for the school year beginning July 1, 1987 is eighty-one and one-half percent of the state cost per pupil. For each succeeding school year, the state foundation base shall be increased by the amount of one-half percent of the state cost per pupil, up to a maximum of eighty-five percent of the state cost per pupil. The district foundation base is the larger of the state foundation base or the amount per pupil which the district will receive from foundation property tax and state school foundation aid.

Sec. 144. Section 442.27, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. For the school year beginning July 1, 1986, the department of management shall increase the area media services cost per pupil in each area education agency and the state media services cost per pupil determined under subsection 4 by one dollar and one cent for the purchase or replacement of material required in section 273.6, subsection 1, paragraphs "a", "b", and "c".

Sec. 145. **NEW SECTION. 286A.1 STATE AREA SCHOOL FUNDING PLAN.**

The state area school funding plan is established for the fiscal year beginning July 1, 1986 and succeeding fiscal years. Funds appropriated specifically for distribution under this chapter shall be allocated to the area schools established under chapter 280A in the manner provided in this chapter. If the funds appropriated for distribution under this chapter are insufficient to make the allocations required, the department of management shall prorate the allocations. However, an area school shall be allocated an amount at least equal to the state general aid allocated for the base year unless the formula is fully funded under this chapter.

Sec. 146. NEW SECTION. 286A.2 DEFINITIONS.

As used in this chapter and chapter 280A, unless the context otherwise requires:

1. "Contact hour" means fifty minutes of contact between an instructor and students in a scheduled course offering for which students are registered.

The total contact hours for an area school in a cost center for a budget year for purposes of determining state general aid under this chapter are the average of the total contact hours offered by the area school in that cost center for the base year and the two fiscal years preceding the base year.

2. "Contact hour eligible for general aid" is a contact hour as provided in subsection 1 except for the contact hours of nonresident students; contact hours of students in avocational or recreational programs; and contact hours of students in courses or programs the direct operational costs of which are entirely paid by federal, state, or other governmental agencies, or private subsidy, or both.

3. "Base year" means base year as defined in section 442.6.

4. "Budget year" means budget year as defined in section 442.6.

5. "State percent of growth" is the state percent of growth calculated under section 442.7.

6. "Area school allowable growth for an instructional cost center" is a dollar amount determined by the department of management by multiplying the state average cost per contact hour for that cost center for a base year times the state percent of growth for the budget year.

7. "Instructional cost center" means one of the following areas of course offerings of the area schools:

- a. Arts and sciences cost center.
 - b. Vocational-technical preparatory cost center.
 - c. Vocational-technical supplementary cost center.
 - d. Adult basic education and high school completion cost center.
 - e. Continuing and general education cost center.
8. "Noninstructional function" means all of the following functions:
- a. General institutional function.
 - b. Student services function.
 - c. Physical plant, including plant maintenance and utility costs functions.
 - d. Library services function.

9. "State average cost per contact hour for an instructional cost center" is the actual state average cost per contact hour for that instructional cost center for all area schools for the base year beginning July 1, 1985 adjusted in succeeding years to equal the base year's state average cost per contact hour for the instructional cost center plus the area school allowable growth for the instructional cost center for the budget year. The state average cost per contact hour does not include expenditures for capital outlay.

Sec. 147. NEW SECTION. 286A.3 FOUNDATION SUPPORT LEVEL.

The department of management shall determine for the base year beginning July 1, 1985, the state average cost per contact hour for each instructional cost center. The state foundation support level per contact hour for each instructional cost center is sixty-five percent of the state average cost per contact hour for that year.

For the budget year commencing July 1, 1986 and succeeding budget years, the department of management shall determine the area school allowable growth for each instructional cost center and shall add those amounts to the foundation support level per contact hour for each instructional cost center for the base year in order to determine the foundation support level per contact hour for the budget year. However, for any budget year for which funds are appropriated by the general assembly for salary improvement for the arts and sciences cost center and for the vocational-technical preparatory cost center, the foundation support level per contact hour for those cost centers for the budget year shall be increased by a salary improvement cost per contact hour. However, the salary improvement cost per contact hour is

not included in the foundation support level per contact hour for those cost centers. Funds appropriated for salary improvement for a budget year shall be divided by the total number of contact hours in the arts and sciences cost center and the vocational-technical preparatory cost center in all area schools for the budget year to determine a salary improvement cost per contact hour. Salary improvement moneys received by an area school shall be added to the base salaries of recipients of the moneys, and shall supplement, not supplant, the results of a collective bargaining agreement negotiated under chapter 20, if any.

Sec. 148. NEW SECTION. 286A.4 SUPPORT PER INSTRUCTIONAL COST CENTER.

Each area school shall multiply the state foundation support level per contact hour for each instructional cost center for a budget year by the number of contact hours eligible for state general aid in the area school in the cost center for the budget year to obtain the support per cost center in that area school. The total support for an area school for instructional cost centers is the sum of the support per cost center for all five instructional cost centers.

Sec. 149. NEW SECTION. 286A.5 GENERAL INSTITUTIONAL FUNCTION.

The general institutional function cost for the base year commencing July 1, 1985 for an area school is determined by multiplying the area school's total expenditures for the fiscal year beginning July 1, 1985 by thirteen and ninety-six hundredths percent, which is the average percent of total expenditures of the area schools for general institutional function costs.

The foundation support level for the general institutional function for an area school for the base year beginning July 1, 1985 is sixty-five percent of the area school's general institutional support function cost for that year.

For the budget year beginning July 1, 1986 and succeeding budget years, the foundation support level for the general institutional support function for an area school is the foundation support level for the base year plus a general institutional function allowable growth amount. The allowable growth amount is determined by the department of management by multiplying the state percent of growth for the budget year by the state average general institutional function cost for the base year.

For the base year beginning July 1, 1989, and each four years thereafter, the department shall recalculate the average percent of total expenditures of the area schools for general institutional function costs and shall use that percent for the four next following budget years.

Sec. 150. NEW SECTION. 286A.6 STUDENT SERVICES FUNCTION COST.

The state student services function cost for the base year commencing July 1, 1985 is determined by dividing the total of all area schools' expenditures for the student services function for that year by the total number of contact hours eligible for general aid in the state for that year to achieve a state average student services function cost per contact hour for the base year.

The foundation support level per contact hour for the student services function cost for the base year beginning July 1, 1985 is sixty-five percent of the state average student services function cost per contact hour for that year.

For the budget year beginning July 1, 1986 and succeeding budget years, the foundation support level per contact hour eligible for state general aid for the student services function cost for an area school is the foundation support level per contact hour for the base year plus a student services support allowable growth amount. The allowable growth amount is determined by the department of management by multiplying the state percent of growth for the budget year by the state average student services function cost per contact hour for the base year. The total is then multiplied by the number of contact hours in the area school to determine the foundation support for the student services function cost for a budget year.

Sec. 151. NEW SECTION. 286A.7 PHYSICAL PLANT FUNCTION COST.

The physical plant function cost includes physical plant maintenance cost and the physical plant utility cost.

1. The physical plant function cost for the base year commencing July 1, 1985 for all area schools is determined by dividing the total physical plant maintenance cost of all area schools for that year by the total square feet of buildings of the area schools for that year to achieve a state average cost per square foot.

The foundation support level per square foot for the physical plant maintenance costs for the base year beginning July 1, 1985 is sixty-five percent of the state average cost per square foot for that year.

For the budget year beginning July 1, 1986 and succeeding budget years, the foundation support level per square foot for the physical plant maintenance costs for an area school is the foundation support level per square foot for the base year plus a physical plant maintenance allowable growth amount. The allowable growth amount is determined by the department of education by multiplying the state percent of growth for the budget year by state average cost per square foot for the base year. The total is then multiplied by the number of square feet in buildings of the area school to determine the foundation support for the physical plant maintenance costs for a budget year. The department shall notify the department of management.

2. The physical plant utility function cost for the base year commencing July 1, 1985 for all area schools is determined by dividing the total physical plant utility costs of all area schools for that year by the total cubic feet of buildings of the area schools for that year to achieve a state average cost per cubic foot.

The foundation support level per cubic foot for the physical plant utility cost for the base year beginning July 1, 1985 is sixty-five percent of the state average cost per cubic foot for the base year for that year.

For the budget year beginning July 1, 1986 and succeeding budget years, the foundation support level per cubic foot for the physical plant utility cost for an area school is the foundation support level per cubic foot for the base year plus a physical plant utility allowable growth amount. The allowable growth amount is determined by the department of education by multiplying the state percent of growth for the budget year by the state average cost per cubic foot for the base year. The total is then multiplied by the number of cubic feet in buildings of the area school to determine the foundation support for the physical plant utility cost for a budget year. The department shall notify the department of management.

3. The foundation support for the physical plant maintenance cost added to the foundation support for the physical plant utility cost for a budget year equals the foundation support for the physical plant function for a budget year.

Sec. 152. NEW SECTION. 286A.8 LIBRARY FUNCTION COST.

The library function cost for a base year for an area school is determined by the department of education by multiplying the total of the area school's support for the five instructional cost centers, for the general institutional support function, for the student services function, and for the physical plant function for that year by three and thirty-three hundredths percent, which is the average percent of the area schools' support expended for the library function cost. The department shall notify the department of management.

The foundation support level for the library services function for an area school for a base year is sixty-five percent of the area school's library function cost for that year.

For the budget year beginning July 1, 1986 and each succeeding budget year, the foundation support level for the library function for an area school is the foundation support level for the base year plus a library allowable growth amount. The allowable growth amount is determined by the department of education by multiplying the state percent of growth for the budget year by the state average library function cost for the base year for each area school. The department shall notify the department of management.

Sec. 153. NEW SECTION. 286A.9 AREA SCHOOL MONEYS.

The difference between the amount of an area school's budget and the sum of the amount of state general aid plus the amount raised by the tax levy under section 280A.17 may include

tuition, student fees, revenues received from property tax levies other than the levy established in section 280A.17, federal moneys, and other moneys received by the area school.

Sec. 154. NEW SECTION. 286A.10 EXPENDITURES FOR BASE YEAR.

When an area school determines its total expenditures, expenditures for the student services function, physical plant maintenance costs, physical plant utility costs, and costs per cost center for the base year beginning July 1, 1985 for purposes of determining state general aid under this chapter, the area school shall use the actual costs and expenditures for the first three quarters of the fiscal year and shall estimate the costs of the fourth quarter. When actual costs and expenditures are known, the department of education shall direct the department of management to adjust the support levels for the cost centers and noninstructional functions and the amount of state general aid to be paid for that budget year on the basis of the actual figures.

Sec. 155. NEW SECTION. 286A.11 STATE GENERAL AID AMOUNT.

The amount of state general aid to which an area school is entitled for a budget year under this chapter is equal to the sum of the following:

1. An amount equal to the difference between the total of foundation support levels for the five instructional cost centers and the four noninstructional functions, and the amount raised by the tax levy under section 280A.17.
2. An amount for operation of a public radio station if one has been established for the area school and has been funded by the state. The amount is the amount for operation of the radio station for the base year plus an amount equal to the cost of operation for the base year multiplied by the state percent of growth for the budget year.
3. Fifty thousand dollars if the area school has fewer than one million contact hours. The department of education shall calculate the difference between the amount of state general aid each area school that has fewer than one million contact hours would receive if a foundation support level of seventy percent were used in lieu of the sixty-five percent specified in this chapter and the amount the area school would receive under this chapter. The area school shall receive that difference in lieu of the fifty thousand dollars granted under this subsection if the difference is greater than fifty thousand dollars.

Sec. 156. NEW SECTION. 286A.12 PAYMENT OF APPROPRIATION.

Payment shall be made by the department of revenue and finance in four installments due on or about November 15, February 15, and May 15 of a budget year and on or about August 15 of the next following budget year, and installments shall be as nearly equal as possible, as determined by the department of revenue and finance, taking into consideration the relative budget and cash position of the state resources.

The payment made on or about August 15 of the next following budget year is an account receivable for the budget year.

Sec. 157. NEW SECTION. 286A.13 MISREPRESENTATION OF REQUIRED INFORMATION.

An area school which misrepresents the cost for a cost center or its contact hours shall repay any excess funds received under this chapter.

Sec. 158. NEW SECTION. 286A.14 AREA SCHOOL BUDGET REVIEW.

1. An area school budget review procedure is established for the school budget review committee created in section 442.12. The school budget review committee, in addition to its duties under chapter 442, shall meet and hold hearings each year under this chapter to review unusual circumstances of area schools, either upon the committee's motion or upon the request of an area school. The committee may grant supplemental aid to the area school from funds appropriated to the department of education for area school budget review purposes, or an amount may be added to the area school allowable growth for all cost centers and area school

allowable growth for noninstructional functions for the budget year either on a temporary or permanent basis, or both.

Unusual circumstances shall include but not be limited to the following:

- a. An unusual increase or decrease in enrollment.
- b. Natural disasters.
- c. Unusual staffing problems.
- d. Unusual necessity for additional funds to permit continuance of a course or program which provides substantial benefit to students.
- e. Unusual need for a new course or program which will provide substantial benefit to students, if the area school establishes the need and the amount of necessary increased cost.
- f. Unique problems of area schools to include vandalism, civil disobedience, and other costs incurred by area schools.

2. When the school budget review committee makes a decision under subsection 1, it shall provide written notice of its decision, including all changes, to the board of directors of the area school and to the department of management.

3. All decisions by the school budget review committee under this chapter shall be made in accordance with reasonable and uniform policies which shall be consistent with this chapter.

4. Failure by an area school to provide information or appear before the school budget review committee as requested for the accomplishment of review or hearing constitutes justification for the committee to instruct the department of revenue and finance to withhold state area school aid to that area school until the committee's inquiries are satisfied completely.

Sec. 159. NEW SECTION. 286A.15 INFORMATION FURNISHED BY AREA SCHOOL.

Each area school shall supply to the department of management and the department of education the information required for calculation of the amount of state area school aid due each area school under the state area school funding plan. Forms for reporting information to calculate the state area school aid for a budget year shall be supplied by the department of management to each area school.

Sec. 160. NEW SECTION. 286A.16 RULES.

The department of education shall adopt rules and definitions of terms necessary for the administration of this chapter. The school budget review committee shall adopt rules under chapter 17A to carry out section 286A.14.

Sec. 161. Section 442.13, Code Supplement 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 16. The committee shall perform the duties assigned to it under chapter 286A.

Sec. 162. Sections 257.44 and 442.44, Code Supplement 1985, and sections 292.1 and 302.13, Code 1985, are repealed.

Sec. 163. All federal grants to and the federal receipts of agencies appropriated funds under this division of this Act are appropriated for the purposes set forth in such federal grants or receipts.

Sec. 164. Moneys appropriated by this division of this Act, except sections 102 and 103 of this division, shall not be used for capital improvements.

DIVISION III HEALTH AND HUMAN RIGHTS

Sec. 201. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986, and ending June 30, 1987, the following amount, or so much thereof as is

necessary, to be used by the following agency for the purposes designated:

	1986-1987 <u>Fiscal Year</u>
1. IOWA STATE CIVIL RIGHTS COMMISSION	
For salaries and support of not more than twenty-four full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 762,129

Sec. 202. There is appropriated from the general fund of the state to the department of human rights for the fiscal year beginning July 1, 1986 and ending June 30, 1987, 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 four full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 116,171
2. SPANISH-SPEAKING PEOPLE DIVISION	
For salaries and support of not more than one full-time equivalent position annually, maintenance, and miscellaneous purposes	\$ 43,316
3. PERSONS WITH DISABILITIES DIVISION	
For salaries and support of not more than three full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 96,531
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	\$ 93,937
5. CHILDREN, YOUTH, AND FAMILIES DIVISION	
For salaries and support of not more than two full-time equivalent positions annually, maintenance and miscellaneous purposes	\$ 68,001
It is the intent of the general assembly that the children, youth, and families division be terminated June 30, 1988.	
6. DEAF SERVICES DIVISION	
For salaries and support of not more than eight and twenty-six hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 215,766

Sec. 203. There is appropriated from the general fund of the state to the department of elder affairs for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1986-1987 <u>Fiscal Year</u>
1. For salaries and support of not more than twenty-nine and five-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 245,601
2. For the administration of area agencies on aging	\$ 114,248
3. For the retired Iowans community employment program	\$ 104,865
4. For the older Iowans legislature	\$ 12,953
5. For the retired seniors volunteer program	\$ 14,278
All of the funds appropriated under subsection 5 shall be divided equally among the programs in existence as of July 1, 1986 and shall not be used by the department for administrative purposes.	
6. For the Alzheimer's disease support program	\$ 70,000
All funds appropriated under subsection 6 shall be used for training and education programs for families serving as caregivers for Alzheimer's disease victims and shall not be used for administrative purposes.	
7. For elderly services programs	\$ 777,195

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-five 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.

Sec. 204. There is appropriated from the general fund of the state to the state department of public health for the fiscal year beginning July 1, 1986, and ending June 30, 1987, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1986-1987 Fiscal Year
1. CENTRAL ADMINISTRATION DIVISION	
For salaries and support of not more than fifty-three and three-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 731,771
2. HEALTH PLANNING AND DEVELOPMENT DIVISION	
For salaries and support of not more than fifteen equivalent positions annually, maintenance, and miscellaneous purposes	\$ 179,411
3. DISEASE PREVENTION DIVISION	
For salaries and support of not more than fifty-four and six-tenths full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 1,092,967
4. PROFESSIONAL LICENSURE	
For salaries and support of not more than twelve full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 412,745
5. STATE BOARD OF DENTAL EXAMINERS	
For salaries and support of not more than two full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 96,093
6. STATE BOARD OF MEDICAL EXAMINERS	
For salaries and support of not more than fourteen full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 574,876
7. STATE BOARD OF NURSING EXAMINERS	
For salaries and support of not more than sixteen full-time time* equivalent positions annually, maintenance, and miscellaneous purposes	\$ 506,774
8. STATE BOARD OF PHARMACY EXAMINERS	
For salaries and support of not more than ten full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 323,019
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. PERSONAL AND FAMILY HEALTH DIVISION	
a. For salaries and support of not more than forty-six full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 1,510,018
The department shall allocate from the funds appropriated under this paragraph at least six hundred thousand nine hundred forty-four (600,944) dollars for the fiscal year beginning July 1, 1986, and ending June 30, 1987, for the birth defects and genetics counseling program and of	

*According to enrolled Act

these funds, thirty-nine thousand six hundred (39,600) dollars shall be allocated for a central birth defects registry 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 \$ 308,411
- (2) Muscular dystrophy and related genetic disease programs \$ 125,322
- (3) Statewide perinatal program \$ 41,635

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 speciality clinics under subparagraph 1 of this paragraph, sixty-eight thousand five hundred thirty-six (68,536) dollars shall be used for a specialized medical home care program providing care planning and coordination of community support services for children 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 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. Sexual abuse investigations.
 - For medical procedures required by section 709.10 \$ 55,014
- c. 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" \$ 14,278

10. COMMUNITY HEALTH DIVISION

- a. For salaries and support of not more than thirty-one and ninety-nine hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 1,562,508

The department shall allocate from the funds appropriated under this lettered paragraph eight hundred ninety-five thousand forty-one (895,041) dollars for the fiscal year beginning July 1, 1986, 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.

- b. For grants to local boards of health for the public health nursing program \$ 2,101,259

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 subcontract with agencies that are currently providing services 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 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 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 "b". 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.

c. For grants to county boards of supervisors for the homemaker-home health aide program \$ 7,033,669

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 advisory 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.

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.

d. For the development and maintenance of well-elderly clinics in the state . . . \$ 205,957

11. SUBSTANCE ABUSE DIVISION

a. For salaries and support of not more than fifteen full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 503,917

b. For program grants \$ 6,772,423

Sec. 205. The licensing boards for which general fund appropriations have been provided for in section 204, 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 204, 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 office 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. 206. It is the intent of the general assembly that the department of inspections and appeals initiate a demonstration waiver project 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, 1988.

A provider may apply for a demonstration waiver from the department. Before the waiver is granted, the provider shall meet all of the requirements:

1. Compliance with program requirements pursuant to chapter 135C and administrative rules relating to residential care facilities adopted by the state board of health or standards adopted by the accreditation council for services for persons with mental retardation and other developmental disabilities. The program shall emphasize age appropriate and least restrictive programs.

2. The proposed facility shall be housing located in areas zoned for single or multiple-family housing, shall have been constructed after 1950, shall meet local housing codes and fire safety requirements in accordance with minimum procedures and subsequent rules promulgated by the state fire marshal that are in accordance with the concepts of least restriction and the applicable sections of the appendix of chapter 21 of the national fire protection association, fire safety code of 1985.

3. The proposed facility shall have appropriate accessibility for the disabilities of the proposed residents.

4. Written plans shall demonstrate that the proposed facility meets the needs of the proposed residents pursuant to individual program plans meeting age appropriate and least restrictive program requirements.

5. Written plans shall demonstrate that proposed residents will have reasonable access to employment or job-related training, education, generic community resources, and integrated opportunities to promote community interaction.

The director of the department of inspections and appeals shall appoint a temporary waiver committee not to exceed nine members, to provide monitoring of program progress and initial project approval recommendations which are subject to final approval by the director. The committee shall include but not be limited to representatives from the following interested organizations, designated by the respective organizations and appointed by the director: the association for retarded citizens of Iowa, the Iowa association of rehabilitation and residential facilities, the developmental disabilities council, the mental health and mental retardation commission of the department of human services, the mental health association of Iowa, and the Iowa state association of counties. The state fire marshal or the fire marshal's designee shall also be a member of the committee.

The housing for persons with mental retardation, chronic mental illness, and other developmental disabilities, developed under the demonstration waiver project pursuant to this section shall be eligible for funding utilized by licensed residential care facilities for the mentally retarded, including but not limited to, the social services block grant funds, state supplementary assistance funds, state community mental health and mental retardation services funds, and county funds.

The allocation of waiver sites shall be based upon equitable distribution within the districts of the department of human services. The total number of waivers approved shall not exceed a capacity for more than two hundred twenty-five residents before July 1, 1987, unless otherwise changed by rules adopted by the state board of health to no more than four hundred by July 1, 1987. Total waiver approval for housing shall not exceed approval for more than a total of eight hundred residents before July 1, 1988.

Prior to July 1, 1988 the waiver committee shall be responsible for recommending the appropriate licensure standards to the state board of health for continuation of the project on and after July 1, 1988.

The waiver committee may recommend to the general assembly the number of full-time equivalent employees needed within the office of the state fire marshal to conduct the health and fire safety inspections of housing developed under the demonstration waiver project pursuant to this section during the fiscal year ending June 30, 1987.

Sec. 207. There is appropriated from the general fund of the state to the department of inspections and appeals for each year of the fiscal biennium beginning July 1, 1986 and ending June 30, 1988, one hundred ten thousand (110,000) dollars, or so much thereof as is necessary, for three full-time equivalent positions specifically designated to provide staff support for the demonstration waiver project.

Sec. 208. 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.

DIVISION IV
HUMAN SERVICES

Sec. 301. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986, and ending June 30, 1987, to the department of human services for general administration, including salaries and support, maintenance, and miscellaneous purposes, the following amount, or so much thereof as is necessary:

1986-1987
Fiscal Year
\$ 5,752,032

The funds appropriated by this section include necessary amounts to continue, for the fiscal year beginning July 1, 1986, the general administration programs relating to staff training, program evaluation, and the purchase-of-local-services allocations to the counties as operated in the fiscal year beginning July 1, 1985.

Sec. 302. FIELD OPERATIONS AND VOLUNTEERS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986, and ending June 30, 1987, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

1. For field operations, including salaries and support, maintenance, and miscellaneous purposes \$ 21,055,632

The funds appropriated by this subsection include necessary amounts to continue, for the fiscal year beginning July 1, 1986, the purchase-of-local-services allocations to the counties and the individual education and training plan program as made and operated in the fiscal year beginning July 1, 1985.

2. For development and coordination of volunteer services \$ 68,000
3. For the support of protective service workers \$ 95,000

Sec. 303. SPECIAL PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986, and ending June 30, 1987, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

1. For aid to families with dependent children \$ 59,000,000

The funds appropriated by this subsection include necessary amounts to continue, for the fiscal year beginning July 1, 1986, the individual education and training plan program as operated in the fiscal year beginning July 1, 1985.

If the state of Minnesota receives approval of its federal waiver request involving self-employed individuals, the department shall analyze the impact of such a waiver request for Iowa's program and report the impact to the general assembly by January 15, 1987. The department shall work with other states in seeking to develop a federal waiver request for self-employed individuals.

2. For medical assistance, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary. 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 \$128,000,000

The funds appropriated by this subsection include necessary amounts to continue, for the fiscal year beginning July 1, 1986, the expanded medically needy program for supplemental security income-related groups as operated in the last quarter of the fiscal year beginning July 1, 1985, and to increase provider reimbursements, for the fiscal year beginning July 1, 1986, for intermediate care facilities above the provider reimbursements for the fiscal year beginning July 1, 1985.

Of the funds appropriated by this subsection, not more than two hundred thousand (200,000) dollars may be transferred to the state department of public health for contingency state assistance for the federal women, infants, and children program in order to allow the state department of public health to fully use available federal funds under the program.

The department may expend up to one hundred twenty thousand (120,000) dollars of the funds appropriated in this subsection to continue the development and implementation of one or more health maintenance organization projects in the fiscal year beginning July 1, 1986.

The department shall explore means to make full use of veterans' benefits for those medical assistance recipients in intermediate care facilities whose current eligibility for veterans' benefits has not been established.

The department shall seek to reduce the utilization of surgical procedures with high coefficients of variation under the medical assistance program. The department may develop special utilization review efforts, physician education programs, or may mandate second opinions for selected surgical procedures in order to reduce utilization rates.

The department may continue to seek a waiver under the authority of 1984 Iowa Acts, chapter 1310, section 3, subsection 2, unnumbered paragraph 2.

If the department receives approval for a program of home and community-based services pursuant to a waiver under Title XIX of the federal Social Security Act, the program shall be funded with the appropriation made by this subsection. A county shall reimburse the department for the cost of services under the program, which is not paid from federal funds, to mentally retarded or mentally ill persons with legal settlement in the county at the same percentage which the county is required to reimburse the state for mentally retarded or mentally ill persons receiving services at state institutions.

The department may seek a grant to study and implement alternative methods to improve financial access to medical care for Iowa's rural underinsured citizens and if approved, may expend up to one hundred fifty thousand (150,000) dollars of the funds appropriated by this subsection to match foundation moneys or private source donations.

The department may expend up to forty thousand (40,000) dollars of the appropriation made under this subsection to expand the state's drug utilization review program.

The department shall seek a federal waiver to eliminate the co-payment requirements for generic drugs.

3. For medical contracts \$ 2,290,000

The department may expend up to sixty-two thousand nine hundred (62,900) dollars of the funds appropriated in this subsection to contract for staff to further develop and implement recommendations contained in the medical assistance reimbursement study required by 1985 Iowa Acts, chapter 259, section 3, subsection 3.

4. For child support recoveries, including salary and support, maintenance, and miscellaneous purposes \$ 950,000

The commissioner of human services, within the limitations of the funds appropriated in this subsection 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.

5. For state supplementary assistance, including state supplementary assistance for the blind \$ 9,500,000

6. For aid to Indians under section 252.43 \$ 35,000

The tribal council shall not use more than ten percent of the funds for administrative expenses.

7. For home-based services \$ 5,219,000

a. Of the funds appropriated by this subsection, six hundred seventy-two thousand six hundred fifty (672,650) dollars, or so much thereof as is necessary, is allocated for subsidized adoptions, including the purchase of services for severely handicapped children and children in large sibling groups.

b. Of the funds appropriated by this subsection, two hundred ninety-one thousand four hundred fifty (291,450) dollars, or so much thereof as is necessary, is allocated for family planning.

c. Of the funds appropriated by this subsection, four million two hundred fifty-four thousand nine hundred (4,254,900) dollars, or so much thereof as is necessary, is allocated for family centered services.

8. For foster care \$ 24,200,000

a. The department may transfer a portion of the funds appropriated by this subsection for use in providing subsidized adoption services, if funds allocated under subsection 7 are insufficient to provide necessary subsidized adoption services.

b. No more than thirty-five percent of all 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.

c. Of the funds appropriated by this subsection, forty-five thousand (45,000) dollars, or so much thereof as is necessary, is allocated for foster parent training.

d. The department may expend up to five hundred sixty thousand (560,000) dollars, or so much thereof as is necessary, of the funds appropriated by this subsection or subsection 2 to contract for appropriate staff to develop a plan for enhancing federal funding in Title XIX, Title IV-E, third party liability and increased supplemental security income and social security disability insurance participation. The department may begin implementation, if appropriate. The director of human services shall consult with the bill of rights advisory committee, the bill of rights interim study committee and other oversight personnel in the establishment of the contract. The director shall appoint an oversight committee to provide ongoing assistance in the monitoring and oversight of the contract regarding fiscal and programmatic* decisions. The oversight committee shall include but not be limited to representatives of the developmental disabilities council, the association for retarded citizens of Iowa, the Iowa association of rehabilitation and residential facilities, the mental health association of Iowa, and the Iowa state association of counties, all of whom shall be selected from names submitted by their respective organizations. The director shall provide periodic updates on the contract to the legislative council and the fiscal committee of the legislative council and shall provide a progress report making recommendations regarding the contract to the general assembly not later than February 1, 1987.

*According to enrolled Act

e. The department shall review the contract at least quarterly relating to the expenditure of funds appropriated by this subsection. If the department determines that a surplus exists in funds appropriated by this subsection, the department shall use the surplus funds to restore, in whole or in part, the reductions in reimbursement rates made by section 309, subsections 2 and 3, and the department may transfer funds appropriated by this subsection to accomplish the reimbursement rate restorations.

f. Of the funds appropriated by this subsection, the department may expend up to thirty thousand (30,000) dollars to contract with universities to provide ongoing research assistance into programs operated or supervised by the department involving foster care. Such contracts shall make maximum use of any matching resources from the universities with which the department contracts.

9. For community-based programs \$ 2,883,000

a. Of the funds appropriated by this subsection, one hundred twenty thousand (120,000) dollars, or so much thereof as is necessary, is allocated for displaced homemakers.

b. Of the funds appropriated by this subsection, four hundred thirty thousand (430,000) dollars, or so much thereof as is necessary, is allocated for child care center financial assistance.

Notwithstanding section 237A.13, subsection 4, funds unencumbered as of April 30, 1987, shall not be reallocated unless the unencumbered funds reclaimed exceed two thousand dollars.

Notwithstanding section 237A.18, a day care facility is eligible to receive funds if the facility serves some low-income families, even if low-income families served comprise less than a majority of total families served.

c. Of the funds appropriated by this subsection, three hundred fourteen thousand (314,000) dollars, or so much thereof as is necessary, is allocated for the child abuse prevention grant program.

d. Of the funds appropriated by this subsection, two hundred fifteen thousand (215,000) dollars, or so much thereof as is necessary is allocated for domestic abuse program grants.

e. The commissioner of human services shall pay from funds appropriated by this subsection, 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, improvements, operation, and maintenance of approved county or multicounty juvenile homes.

f. Of the funds appropriated by this subsection, one hundred thousand (100,000) dollars, or so much thereof as is necessary, is allocated for community-based juvenile services. These funds shall be used to reduce the need for long-term juvenile institutional and group foster care placements, and to encourage home-based treatment programs as alternatives to juvenile institutional care and group foster care. The department shall only approve grants for residential community-based services when such projects are designed to directly reduce the state juvenile institutional population or the number of children being placed in group foster care outside the state.

g. Of the funds appropriated by this subsection, five hundred forty-five thousand (545,000) dollars, or so much thereof as is necessary, is allocated for state cases.

h. Of the funds appropriated by this subsection, one million one hundred thousand (1,100,000) dollars, or so much thereof as is necessary, is allocated for protective day care.

i. Of the funds appropriated by this subsection, fifty thousand (50,000) dollars, or so much thereof as is necessary, is allocated to provide grants for the provision of essential services to children who are at risk of running away and to the children's families.

10. For county-based juvenile justice reimbursement under section 232.141, subsection 4 \$ 2,100,000

Of the funds appropriated by this subsection, fifty thousand (50,000) dollars, or so much thereof as is necessary, is allocated to the judicial department for administrative preparations to reimburse counties for witness, transportation, and attorney fees pursuant to section 232.141 and for the development of plans for the legal representation of children before the juvenile court in each of the judicial districts.

11. To establish and maintain the registry for the brain injured \$ 17,000

12. As a condition of the appropriations made for aid to families with dependent children, medical assistance, state supplementary assistance, and foster care under subsections 1, 2, 5, and 8, the following shall apply:

a. Notwithstanding section 8.39, and except as provided in subsection 2 for the women, infants, and children program, in subsection 4 for child support recoveries, and in subsection 8, paragraph "e" for foster care, 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.

b. Except as provided in paragraph "c", the director 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.

c. 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, 1986, under the July 1986 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, 1986 programs, as modified by mandated changes for the entire fiscal year.

d. 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, 1986 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, 1986 programs and any mandated subsequent changes.

Sec. 304. JUVENILE AND VETERANS INSTITUTIONS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986, and ending June 30, 1987, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1986-1987
	<u>Fiscal Year</u>
1. For the operation of the state training school and the Iowa juvenile home, including salaries and support, maintenance, and miscellaneous purposes	\$ 7,574,308
2. For operation of the Iowa veterans home, including salaries and support, maintenance, and miscellaneous purposes	\$ 18,358,486

As a condition of this appropriation, the department shall open and staff twenty beds on February 15, 1987 and seventeen additional beds on April 15, 1987 for the care of residents with Alzheimer's disease.

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.

Sec. 305. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986, and ending June 30, 1987, to the department of human services, for the state mental health institutes, the following amount, or so much thereof as is necessary:

1986-1987
Fiscal Year

1. For salaries and support, maintenance, and miscellaneous purposes \$ 30,954,794
2. All funds received from client participation shall be deposited in the general fund of the state.

3. The superintendents of the state mental health institutes at Cherokee and Independence, in discharging the duties imposed by section 230.20, shall not include the costs of the psychiatric residency and chaplain intern programs maintained at those institutes in computing the institutes' respective daily charges to patients.

4. A state mental health institute shall not accept physical custody of a child alleged to be a child in need of assistance, on guest status or otherwise, for more than thirty days. A child found to be a child in need of assistance shall not be placed in a state mental health institute or other appropriate secure facility unless the juvenile court finds that the standard for voluntary admission or involuntary commitment in chapter 229 has been met. The finding may be made by the court under section 232.103 at any time prior to the expiration of a dispositional order.

5. The department shall pursue all reasonable courses of action necessary to expand the recruitment and retention of psychiatrists at the state mental health institutions. 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.

Sec. 306. HOSPITAL-SCHOOLS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986, and ending June 30, 1987, to the department of human services, for the state hospital-schools, the following amount, or so much thereof as is necessary:

1986-1987
Fiscal Year

1. For salaries and support, maintenance, and miscellaneous purposes \$ 46,969,633
2. All funds received from client participation shall be deposited in the general fund of the state.

3. The state hospital-schools' per-patient-per-day cost as determined pursuant to section 222.73 shall be billed at eighty percent for the fiscal year, except as otherwise provided by subsection 4.

4. If more than twenty percent of the cost of a patient's care is initially paid from any source other than state-appropriated funds, the amount so paid shall be subtracted from the per-patient-per-day cost of that patient's care computed pursuant to section 222.73 and the patient's county of legal settlement shall be billed for the full balance of the cost so computed.

5. In the calculation of per diem rates, charges assessed to the county shall be credited with one hundred percent of client participation for eligible medical assistance patients at the state hospital-schools.

Sec. 307. MENTAL HEALTH AND RETARDATION SERVICES FUND. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986, and

ending June 30, 1987, 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:

1986-1987
Fiscal Year
\$ 3,333,000

1. Notwithstanding section 225C.10, subsection 2, paragraph "a", subparagraph (1), counties shall indicate in their annual plan that general allocation moneys will be expended in accordance with administrative rules adopted by the mental health and mental retardation commission and will not be used for major maintenance or capital expenditure projects.

2. Notwithstanding section 225C.10, subsection 3, counties shall submit annual rather than quarterly financial and plan status reports. The annual reports shall include the services funded; the amounts expended by service and by agency; a description of the use of the funds; and the number of persons or units of service provided.

Sec. 308. BLOCK GRANT SUPPLEMENTATION. There is appropriated from the general fund of this state for the fiscal year beginning July 1, 1986, and ending June 30, 1987, 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 and child day care services for eligible individuals, the following amount, or so much thereof as is necessary:

1986-1987
Fiscal Year
\$ 3,180,000

The funds appropriated by 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, 1986 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.

Of the funds appropriated by this section, two million six hundred ninety thousand (2,690,000) dollars shall be earmarked for the purchase of local services and four hundred ninety thousand (490,000) dollars shall be earmarked for child day care services.

A county may use up to four percent of the federal social services block grant funds and the state purchase of local services funds for the purchase of child day care services without matching the federal and state funds with local funds.

The department shall not require counties to match the state child day care services funds with local funds but shall require that the counties 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. The department shall reallocate state child day care services funds from counties which do not qualify for or do not utilize the funds to counties which do qualify for the funds.

If the department determines that funds earmarked 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 earmarked under this section for child day care services.

The department may develop and implement a pilot project establishing a prospective payment system for purchase of service providers in no more than two departmental districts.

Sec. 309. REIMBURSEMENT RATES.

1. Except as provided in paragraphs "a", "b", "c", "d", and "e", and except for medical assistance services provided to recipients in state mental health institutes and the veterans home, rural health clinic services, intermediate care facilities services for the mentally retarded, and the material costs of products which are reimbursed at the acquisition cost, the reimbursement and per diem rates for medical assistance providers for the fiscal year beginning July 1, 1986, shall be limited to the reimbursement and per diem rates for the providers in effect on June 30, 1985.

a. Medical assistance payments for all mandatory and optional services, except for hospital services, physician services, skilled nursing facility services, intermediate care facility services, intermediate care facility services for the mentally retarded, services provided to recipients in state mental health institutes, rural health clinic services, medical transportation services other than ambulance services, and the material costs of products which are reimbursed at the acquisition cost, shall be reduced by a factor of two and one-half percent.

b. A continued reduction of three and eighty-five hundredths percent shall be applied to medical assistance payments for all mandatory and optional services, except for skilled nursing facility services, intermediate care facility services, intermediate care facility services for the mentally retarded, services provided to recipients in state mental health institutes and the veterans home, rural health clinic services, medical transportation services other than ambulance services, and the material costs of products which are reimbursed at the acquisition cost.

c. For the fiscal year beginning July 1, 1986, the incentive and inflation factors shall be reinstated as in place on July 1, 1985. Beginning July 1, 1986, the basis for establishing the maximum medical assistance rate for intermediate care facilities shall be the fifty-fifth percentile of all facility per diems as calculated from the June 30, 1986, unaudited compilation of financial and statistical reports.

d. Beginning July 1, 1986, the professional fee for pharmacies shall continue to be reduced by five and twenty-one hundredths percent until the department establishes a new reimbursement system for drug products based on estimates of actual acquisition costs. The department shall establish by October 1, 1986, unless disapproved by the United States department of health and human services, a new reimbursement system for drug products based on estimates of actual acquisition costs derived from data obtained from the department's survey of drug product costs and professional fees. The department shall adjust the maximum allowable professional fee to reflect the change in the reimbursement system from average wholesale price reimbursement to actual acquisition cost reimbursement. However, the adjustment in the professional fee shall not exceed the professional fee which represents the seventy-fifth percentile of fees charged to the private paying public by pharmacies in this state. Beginning on the date the new reimbursement system is implemented, the professional fees shall be reduced by three and eighty-five hundredths percent rather than by five and twenty-one hundredths percent.

e. For the fiscal year beginning July 1, 1986, skilled nursing facility payment rates shall be increased by four and three-tenths percent and 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.

2. For the fiscal year beginning July 1, 1986, reimbursement limits for residential care facilities shall remain in effect as established for the fiscal year which began July 1, 1985. For the fiscal year beginning July 1, 1986, state supplementary assistance payments for recipients in residential care facilities and recipients receiving in-home health-related care shall be reduced by a factor of three and eighty-five hundredths percent.

3. For the fiscal year beginning July 1, 1986, maximum rates for providers of social services shall remain in effect as established for the fiscal year which began July 1, 1985. For the fiscal year beginning July 1, 1986, the following purchase-of-service providers, at their own option, shall have either their rates or invoices reduced by the following percentages: state cases, three and eighty-five hundredths percent; protective day care, two and thirty-three hundredths percent; family-centered services, three and eighty-five hundredths percent; family planning, two and fifteen hundredths percent; foster group care, two and seventy hundredths percent; subsidized adoption, two and seventy hundredths percent; foster family care, two and seventy hundredths percent; and local purchase, ninety-three hundredths percent.

Sec. 310. 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.

Sec. 311. EMPLOYEE DAMAGE REIMBURSEMENTS. Notwithstanding the dollar limitation in section 217.23, subsection 2, the department may reimburse an employee under that section an amount up to one hundred fifty dollars for each item damaged or destroyed.

Sec. 312. SLIDING-FEE PAYMENT SCHEDULES FOR CHILDREN'S SERVICES. The department shall study the feasibility of establishing sliding-fee payment schedules for all services provided by the department to children and their families. The payment schedules shall be based on the ability of the children's parents, guardians, or custodians to pay for the services, the nature of the services, and other relevant factors. The department shall report its findings to the general assembly by January 15, 1987. The department may implement by administrative rule during the fiscal year beginning July 1, 1986 one or more sliding-fee payment schedules for services provided to children and their families.

Sec. 313. ADMINISTRATIVE RULES INTERIM STUDY - DEPARTMENT OF HUMAN SERVICES AND DEPARTMENT OF PUBLIC HEALTH. The legislative council shall create an interim study committee to review all the administrative rules of the department of human services and of the department of public health, other than rules relating to substance abuse programs. The committee shall be composed of two senators, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate, two representatives, one appointed by the speaker of the house of representatives and one appointed by the minority leader of the house of representatives, the administrative rules coordinator, two representatives of the department of human services appointed by the director of the department, two representatives of the department of public health appointed by the director of the department, and representatives of providers and provider groups appointed by the legislative council, which are regulated or reimbursed in some manner by the department of human services or the department of public health. The committee shall identify burdensome and unnecessary administrative rules and shall make recommendations, which would not have a negative impact on departmental clients, concerning the retention, modification, or rescission of the departments' administrative rules.

Sec. 314. RULES. The department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", relating to subsidized adoption services in section 303, subsection 7, paragraph "a" of this Act, county-based juvenile justice reimbursements in section 303, subsection 10 of this Act, supplementation of federal social services block grant funds in section 308 of this Act, and reimbursements in section 309 of this Act, and the rules shall become effective immediately upon filing, unless a later effective date is specified in the rules.

Sec. 315. NEW SECTION. 225C.22 CENTRAL REGISTRY FOR BRAIN INJURIES.

1. As used in this section, "brain injury" means clinically evident brain damage resulting directly or indirectly from trauma, infection, anoxia, or vascular lesions not primarily related to degenerative or aging processes, which temporarily or permanently impairs a person's physical or cognitive functions.

2. The director shall establish and maintain a central registry of persons with brain injuries in order to facilitate the provision of appropriate rehabilitative services to the persons by the department and other state agencies. Hospitals and attending physicians shall report a brain injury to the director within seven days after identification of the person sustaining a brain injury. The report shall contain the name, age and residence of the person, the date and cause of the brain injury, and additional information as the director requires. The department shall

maintain the confidentiality of all information which would identify any person named in a report. However, the identifying information may be released for bona fide research purposes if the confidentiality of the identifying information is maintained by the researchers, or the identifying information may be released by the person with the brain injury or by the person's guardian or, if the person is a minor, by the person's parent.

Sec. 316. Chapter 252B, Code 1985, is amended by adding the following new sections:

NEW SECTION. 252B.13 COLLECTION SERVICES CENTER.

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. The judicial department and the department of human services shall cooperate in the establishment of the center which will receive and disburse support payments.

NEW SECTION. 252B.14 SUPPORT PAYMENTS – CLERK OF COURT – COLLECTION SERVICES CENTER – DEFAULTS – SECURITY.

Sections 252B.13 through 252B.17 apply 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, shall direct the payment of such sums to the clerk of the district court for the use of the person for whom the payments have been awarded. All orders or judgments for support entered on or after April 1, 1987, shall direct the payment of such 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 such orders or judgments, except as provided for trusts in sections 252D.1, 598.22, 598.23 or for tax refunds or rebates in section 602.8102, subsection 47.

NEW SECTION. 252B.15 TRANSFER OF INFORMATION AND SUPPORT ORDERS.

The clerks of the district court shall transmit information regarding any order of support which is entered or modified on or after April 1, 1987 and a copy of the support order, if appropriate, to the collection services center no later than ten days after the order is entered. Where possible the transmission of data between the courts and the center shall be accomplished by electronic data transmission. Otherwise the transmission shall be accomplished by the transfer of notices, abstracts of orders and other documents. The form and content of the transmissions shall be prescribed by the department of human services after consultation with the judicial department.

NEW SECTION. 252B.16 CONVERSION – PROCESSING OF SUPPORT PAYMENTS.

For existing orders of support entered before April 1, 1987, which direct the payments of support to the clerk of the district court, the following procedure shall be implemented to convert the processing of those payments to the collection services center on or before April 1, 1988:

1. The department of human services and the judicial department shall establish a mutually agreed effective date, between April 1, 1987 and April 1, 1988, to effectuate the transfer of these functions from each clerk of the district court to the collection services center. The department 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 April 1, 1988.

2. In addition, for orders of support entered before April 1, 1987, the judicial department or the child support recovery unit shall notify the payee and the obligor that the obligor will be directed to pay future support payments to the collection services center as of the date provided in the notice. The notice to the obligor shall be equivalent of a court order directing the payment of the sums 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 the following:

a. The name of the payee and, if different in whole or 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, and

d. The beginning date for sending payments to the collection services center.

4. Sixty days prior to the mutually agreed effective date in subsection 1, the clerk of the district court shall transfer to the collection services center information regarding all existing orders of support which direct the payment of support to the clerk of the district court. The form and content of the transfer shall be prescribed by the department after consultation with the judicial department but at a minimum shall include the data elements required for the notice in subsection 3.

5. On or after the mutually agreed effective date in subsection 1, but in any event not later than April 1, 1988, any payments received by the clerk of the district court for support or for the satisfaction of arrearages shall be sent by the clerk to the address specified by the collection services center within ten days of receipt of the payments.

NEW SECTION. 252B.17 ADMISSIBILITY AND IDENTIFICATION OF SUPPORT PAYMENT RECORDS.

Copies of support payment records maintained by the collection services center, when certified over the signature of a designated employee of the center, shall be considered to be satisfactorily identified and shall be admitted in any proceeding as prima facie evidence of the transactions. Additional proof of the official character of the person certifying the record or the authenticity of the person's signature shall not be required. Whenever an employee of the collection services center is served with a summons, subpoena, subpoena duces tecum, or order directing that person to produce such records, the employee may comply by transmitting a copy of the payment records certified as described above to the clerk of the district court.

Sec. 317. Section 252D.1, subsection 2, Code Supplement 1985, is amended by striking the subsection.

Sec. 318. NEW SECTION. 252D.6 ADMINISTRATION OF WAGE WITHHOLDING PROCEDURES.

The collection services center, established pursuant to section 252B.13, is designated as the public agency 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 Social Security Act.

Sec. 319. Section 598.22, unnumbered paragraph 1, Code Supplement 1985, is amended by striking the paragraph and inserting the following:

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, shall direct the payment of those sums to the clerk of the district court for the use of the person for whom the payments have been awarded. All 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 252D.1, 598.23, or this section or for tax refunds or rebates in section 602.8102, subsection 47.

Sec. 320. Section 598.22, unnumbered paragraphs 2, 3, and 4, Code Supplement 1985, are amended to read as follows:

Upon a finding of previous failure to pay child support, the court may order the person obligated for permanent child support to make an assignment of periodic earnings or trust income to the clerk of court or the collection services center established pursuant to section 252B.13 for the use of the person for whom the assignment is ordered. The assignment of earnings ordered by the court shall not exceed the amounts set forth in 15 U.S.C. § 1673(b)(1982). The assignment is binding on the employer, trustee, or other payor of the funds two weeks after service upon that person of notice that the assignment has been made. The payor shall withhold from the earnings or trust income payable to the person obligated the amount specified in the assignment and shall transmit the payments to the clerk or the collection services center, as appropriate. However, for trusts governed by the federal Retirement Equity Act of 1984, Pub. L. No. 98-397, the payor shall transmit the payments to the alternate payee in accordance with the federal Act. The payor may deduct from each payment a sum not exceeding two dollars as a reimbursement for costs. An employer who dismisses an employee due to the entry of an assignment order commits a simple misdemeanor.

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 working days of the receipt of the payments. All moneys received or disbursed under this section shall be entered in a record book kept by the clerk, or the collection services center, as appropriate, which shall be open 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 252D.1, 598.23 or this section or for tax refunds or rebates in section 602.8102, subsection 47.

If the sums ordered to be paid in a support payment order are not paid to the clerk or the collection services center, as appropriate, at the time provided in the order or judgment, the clerk or the collection services center, as appropriate, shall certify a default to the court which may, on its own motion, proceed as provided in section 598.23.

Sec. 321. 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.

Sec. 322. CAPITAL EXPENDITURES EXCLUDED. Funds appropriated by this division of this Act shall not be used for capital acquisitions or improvements.

Sec. 323. Section 317 of this Act is effective April 1, 1988.

DIVISION V JUSTICE SYSTEM

Sec. 401. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the department of corrections the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

1. For operation of adult correctional institutions, including salaries and support, maintenance, and miscellaneous purposes, provided that the director of corrections, in order to keep expenditures from exceeding the amount of funds appropriated by this section, shall declare a prison overcrowding state of emergency in the state's prisons when the population of the prison system exceeds two thousand six hundred forty-five inmates for sixty consecutive days. Upon the declaration of a prison overcrowding state of emergency, the board of parole shall consider all inmates, except for inmates convicted of class "A" felonies, for parole who are within nine months of their tentative discharge date. If the board of parole's actions do not reduce the population of the prison system below two thousand six hundred twenty inmates within ninety days of the date of the declaration of the prison overcrowding state of emergency, the tentative discharge dates of all inmates, whose most serious offenses for which the inmates are currently incarcerated are crimes against property and who are incarcerated in state prisons on the date of the declaration, shall be reduced by ninety days by the director of corrections. However, the tentative discharge date of a prisoner sentenced under section 204.406, 204.413, 902.7, 902.8, or 906.5 shall not be reduced under this section prior to completion of the mandatory minimum sentence required by the section. The director of corrections shall terminate a prison overcrowding state of emergency in the state's prisons when the population of the prison system is reduced below two thousand six hundred twenty inmates. The department shall adopt administrative rules which identify all offenses as either crimes against property or crimes against persons. As used in this section, "prison" means a correctional facility operated by the department of corrections and funded under this section, "prison system" means the prisons of this state which are the Iowa correctional institution for women, the Iowa state men's reformatory, the Iowa state penitentiary, the Iowa medical and classification facility, the north central correctional facility, the Mount Pleasant correctional facility, the Clarinda correctional treatment facility, the correctional release center, and the rehabilitation camps, excluding the Luster Heights honor camp and facilities established under section 402, subsection 2 of this Act for treatment of OWI offenders; and "tentative discharge date" means the date at which an inmate is scheduled for release including good conduct and work time currently received. However, offenders for whom the board of parole has authorized parole, but for whom the director has determined that inadequate parole plans have been formulated, may remain within the correctional institution for a period of ten days following parole authorization or until adequate parole plans have been developed, whichever date is sooner. During this period of time, the offender shall not be included in the list of names used to determine the existence of a prison overcrowding emergency. On and after July 1, 1986, the superintendent shall not admit additional inmates to the medium security facility of the men's reformatory at Anamosa if the inmate population of the men's reformatory equals or exceeds eight hundred and fifty inmates \$ 50,094,227

2. For the planting and care of fruit trees at correctional institutions, the unobligated or unencumbered balance of which shall not revert as provided in section 8.33 \$ 9,973

The department of corrections shall report to the legislative fiscal bureau on a monthly basis the current expenditures of the department's various allocations with a comparison of actual to budgeted expenditures.

Sec. 402. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the department of corrections the following amounts, or so much thereof as is necessary, for the programs as designated:

	1986-1987 Fiscal Year
1. For general administration, including salaries and support, maintenance, and miscellaneous purposes	\$ 1,396,552
2. For salaries, support, and maintenance related to providing additional residential bed space for use in treating substance abuse problems of persons convicted of violating section 321.281 who are sentenced to the custody of the department of corrections	\$ 833,006

The funds appropriated under this subsection shall be allocated and expended for the purpose and subject to the conditions specified in paragraphs "a" through "d".

a. The department of corrections, not later than October 1, 1986, shall establish in each judicial district bed space for the confinement and treatment of offenders convicted of violating section 321.281 (OWI) who are sentenced to the custody of the department of corrections. Prior to establishing any facilities, the department shall solicit bids from all interested parties. It is the intent of the general assembly that OWI offenders who are sentenced to the custody of the department of corrections shall first be assigned to the Iowa medical and classification facility at Oakdale for classification. Notwithstanding any contrary provision of law, the OWI offenders after classification may be assigned to a residential facility operated by any judicial district department of correctional services.

b. The department of corrections shall allocate the funds appropriated under this subsection to the judicial district departments of correctional services upon approval of a written agreement by each judicial district department with the department of corrections. The agreement shall specify the number of beds to be operated, the substance abuse treatment programming to be provided, and whether the beds will be sited in a new facility, in a remodeled existing facility, or in a residential correctional facility currently in use. In developing the allocations, the department of corrections shall pattern the budgets of any new residential facility upon the budgets of existing work release facilities.

c. The department of corrections shall adopt rules concerning standards for the residential facilities offering substance abuse programs for OWI offenders. The department of corrections and the division of substance abuse of the department of public health shall annually review the facilities to ensure compliance with the program standards and licensing standards of the respective state departments. If a facility does not meet these standards, the department of corrections shall follow the process to correct deficiencies or assume administrative control in the same manner as specified in section 905.9.

d. The judicial district departments of correctional services shall offer employment counseling services to OWI offenders who are receiving substance abuse treatment. While in a residential facility operated by a district department, each OWI offender shall be charged a daily fee, but services shall not be denied because of an inability to pay this fee.

3. For salaries, support and maintenance related to the establishment of an alcohol and drug treatment facility, licensed by the division of substance abuse of the department of public health, at a correctional institution chosen by the department of corrections	\$ 63,529
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4. For reimbursement of counties for temporary confinement of work release and parole violators, as provided in sections 247A.10, 901.7, and 906.17	\$ 68,298
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5. For federal prison reimbursement and miscellaneous contracts	\$ 355,720
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The department of corrections shall use funds appropriated in this subsection to continue to contract for the services of a Muslim imam.

6. For salaries, support, maintenance, and miscellaneous purposes at the correctional training center at Mount Pleasant \$ 308,557

7. For salaries, support, maintenance, and miscellaneous purposes for jail inspectors as provided in section 356.43 \$ 75,204

Sec. 403. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the department of corrections the sum of sixteen million four hundred ninety-five thousand nine hundred ten (16,495,910) dollars, or so much thereof as is necessary, for preinstitutional and postconviction community-based corrections, halfway houses, and parole services.

Sec. 404. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the board of parole, the sum of four hundred sixty-one thousand seven hundred fifty-nine (461,759) dollars, or so much thereof as is necessary, for salaries, support and miscellaneous purposes.

Sec. 405. There is appropriated from the general fund of the state to the following named agency for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

DEPARTMENT OF JUSTICE

1. For the general office of attorney general for salaries, support, maintenance, and miscellaneous purposes \$ 3,001,847

2. 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, 1986 and ending June 30, 1987, 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 attorney fees awarded the state in state or federal antitrust actions.

3. 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, 1986 and ending June 30, 1987, 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 paragraph 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. Funds received in a previous fiscal year which have not been expended shall be credited to this fiscal year.

4. Prosecuting attorney training program for salaries, support, maintenance and miscellaneous purposes which funds shall be used to attract federal and county funding \$ 78,742

5. Prosecuting intern program; however, counties participating in the prosecuting intern program shall match funds appropriated by this paragraph \$ 48,308

6. For payment of grants to dispute resolution programs under the prosecuting attorney training program \$ 50,000

Sec. 406. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the judicial department, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

COURTS AND ADMINISTRATION

For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, judicial magistrates and staff, court administrator, clerk of the supreme court, district court administrators, board of law examiners and board of examiners of shorthand reporters and judicial qualifications commission, maintenance, equipment and miscellaneous purposes, including implementation of court reorganization according to provisions of 1983 Iowa Acts, chapter 186, section 10301 \$ 51,445,266

It is the intent of the general assembly that the counties be aware that the state may delay the schedule of state assumption of responsibility for the fiscal year beginning July 1, 1987. If the state is unable to fully assume the 1987-1988 fiscal year component of the court system, the chairpersons of the house and senate committees on appropriations shall notify the supreme court and the counties of this possible delay by no later than February 15, 1987.

Sec. 407. 1985 Iowa Acts, chapter 253, section 2, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. j. The collective bargaining agreements negotiated pursuant to chapter 20 for employees in the bargaining units of the judicial department.

Sec. 408. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as is necessary, to be used for funding the following functions and programs for the purposes designated:

1986-1987
Fiscal Year

DEPARTMENT OF PUBLIC SAFETY

1. ADMINISTRATIVE FUNCTION

- a. For salaries, support, maintenance, and miscellaneous purposes of the department and the criminal justice information system \$ 1,697,542
- b. For salaries, support, maintenance and miscellaneous purposes relating to radio communication \$ 2,482,592
- c. For salaries, support, maintenance, and miscellaneous purposes of the victim compensation program \$ 40,810

When the department of transportation revokes a person's license or operating privilege under chapter 321B, the department shall assess the person a civil penalty of one hundred dollars. A separate fund is created in the state treasury. The money collected by the department under this paragraph shall be transmitted to the treasurer of state who shall deposit the money in the fund to be used for the purposes of chapter 912. Any balance in this fund on June 30 of any fiscal year exceeding fifty thousand dollars shall revert to the general fund of the state. A temporary restricted license shall not be issued or a license or privilege to drive reinstated until the civil penalty has been paid.

2. INSPECTION FUNCTION

For salaries, support, maintenance, and miscellaneous purposes of fire marshal's inspections, administration of the state building code, arson investigators 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 \$ 1,023,634

3. SECURITY FUNCTION

For salaries, support, maintenance, and miscellaneous purposes of the capitol security division \$ 688,452

4. INVESTIGATION FUNCTION

a. For salaries, support, maintenance, and miscellaneous purposes, including lease or lease purchase of laboratory equipment, of the division of criminal investigation containing the bureaus of identification, drug law enforcement, and beer 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 \$ 4,658,508

b. For undercover purchases by the division of criminal investigation agents and local law enforcement agents \$ 189,816

c. For salaries, support, maintenance, and miscellaneous purposes for the employment of 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 \$ 220,186

It is the intent of the general assembly that the division of criminal investigation of the department of public safety shall not purchase more than five motor vehicles of the same make or model based upon specifications submitted by the department.

An employee of the department of public safety or the department of natural resources or their successor agencies 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 that agreement. The employee shall be given credit for the service in that prior position as though it was 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.

5. STATE MEDICAL EXAMINER

For salaries, support, maintenance, and miscellaneous purposes \$ 28,473

If the department of public safety uses funds appropriated for one purpose for other purposes within the scope of the department as provided in section 8.39, the department shall notify, at least two weeks prior to the transfer, in addition to those persons provided in section 8.39, each of the members of the justice system appropriations subcommittees of the senate and house of representatives regarding the transfer.

Sec. 409. There is appropriated from the road use tax fund to the department of public safety for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amount, or so much thereof as is necessary, to be used as follows:

DIVISION OF HIGHWAY SAFETY AND UNIFORMED FORCE

1. For salaries, support, maintenance, and miscellaneous purposes 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 and for funding not to exceed fourteen community service officers, one in each state patrol district, and a statewide coordinator, provided that an amount not to exceed twenty thousand dollars shall be spent upon expenses related to administering federal funds for highway safety, and provided that the governor authorizes the commissioner of public safety, pursuant to section 7.15, to accept and expend funds provided by any Act of Congress for highway safety, and designates the department of public safety to administer these funds \$ 17,174,415

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.

2. In addition to the complement of not to exceed four hundred ten persons, not more than eight additional persons shall be appointed to serve as members of the highway safety patrol

for the period beginning July 1, 1986 and ending June 30, 1987, subject to available federal funding. The additional members of the highway safety patrol appointed to serve under this subsection shall be totally funded through the use of federal funds.

Sec. 410. There is appropriated from the road use tax fund to the department of public safety for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of one million one hundred three thousand seven hundred (1,103,700) dollars, or so much thereof as is necessary, to be distributed to supplement other funds appropriated by the general assembly to the division of highway safety and uniformed force to fund the annual pay adjustments, expense reimbursement and benefits not in conflict with the Code for public officials and employees as authorized by 1985 Iowa Acts, chapter 253.

Sec. 411. There is appropriated from the general fund of the state to the Iowa law enforcement academy for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of six hundred seventy-two thousand two hundred forty-two (672,242) dollars, or so much thereof as is necessary, for salaries, support, maintenance, and miscellaneous purposes.

Notwithstanding section 80B.11, subsection 5, during the fiscal year beginning July 1, 1986, not more than one-half of the cost of providing cognitive and psychological examinations of law enforcement officer candidates may be charged to the candidates taking the examinations by the Iowa law enforcement academy. However, no charge shall be made to officer candidates being tested on behalf of state agencies.

The Iowa law enforcement academy may also charge each law enforcement officer 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 to officers employed by state agencies.

Sec. 412. There is appropriated from the general fund of the state to the Iowa law enforcement academy for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of twenty-three thousand five hundred eighty-six (23,586) dollars, or so much thereof as is necessary, for jailer training and technical assistance.

Sec. 413. There is appropriated from the general fund of the state to the department of justice two hundred fifty thousand (250,000) dollars for the fiscal year beginning July 1, 1986 and ending June 30, 1987, for the legal assistance for farmers program administered by the farm crisis program coordinator. The amounts appropriated under this section are not subject to section 8.33.

Sec. 414. There is appropriated from the general fund of the state to the department of justice the sum of one hundred thousand (100,000) dollars for the fiscal year beginning July 1, 1986 and ending June 30, 1987, for the administrative costs of the farm mediation service administered by the farm crisis program coordinator. The amounts appropriated under this section are not subject to section 8.33.

Sec. 415. 1985 Iowa Acts, chapter 254, section 1, subsection 2, paragraph b, is amended to read as follows:

b. For the fiscal year beginning July 1, 1986	\$	807,300
		<u>1,187,188</u>

Sec. 416. 1985 Iowa Acts, chapter 254, section 1, subsection 3, paragraph b, is amended by striking paragraph b.

Sec. 417. All federal grants to and the federal receipts of agencies appropriated funds under this division of this Act are appropriated for the purposes set forth in such federal grants or receipts.

DIVISION VI
NATURAL RESOURCES

Sec. 501. 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, 1986 and ending June 30, 1987 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	<u>1986-1987</u> <u>Fiscal Year</u>
1. GENERAL ADMINISTRATION	
a. From the general fund for salaries, support, maintenance, and miscellaneous purposes	\$ 1,385,409
b. From the fertilizer fund to be transferred to the administration division	\$ 43,387
c. From the dairy trade practice fund to be transferred to the administration division	\$ 73,614
d. From the commercial feed fund to be transferred to the administration division	\$ 43,387
e. Of the amount appropriated from the general fund of the state under paragraph "a" of this subsection, three hundred forty thousand nine hundred sixty-six (340,966) dollars shall be allocated to the horticultural division for the following purposes:	

	<u>1986-1987</u> <u>Fiscal Year</u>
(1) Farmers market development program	
For salaries, support, maintenance, and miscellaneous purposes	\$ 95,490
It is the intent of this appropriation that the position of farmers market manager, who would work on organizing, developing, and operating a full-time metropolitan farmers market in Iowa, and the position of farmers market specialist, who would provide assistance in areas around the state which desire to upgrade or develop a local farmers market, be established, and that support staff be provided for the program. These funds may be utilized to obtain matching federal grants.	

(2) Centralized facilities development program	
For salaries, support, maintenance, and miscellaneous purposes	\$ 99,995
It is the intent of this appropriation that two agricultural economic development specialist positions, who would work within the community structure in developing and coordinating the overall local centralized facilities plan, assist in pulling together financing mechanisms for the capital investments necessary for centralized facility development, and work with localized grower groups to establish and expand their markets, be established, and that support staff be provided for the program. These funds may be utilized to obtain matching federal grants.	

(3) Electronic marketing program	
For salaries, support, maintenance, and miscellaneous purposes	\$ 44,872
It is the intent of this appropriation that the position of horticultural market specialist be retained and the program continued and expanded to develop working relationships with contacts at regional terminal markets, to integrate in-state market trading prices, to develop hookups at centralized marketing facilities within Iowa, and to update and expand the existing data base on buyers, growers, and market prices. These funds may be utilized to obtain matching federal grants.	

(4) Alternative agricultural products market evaluation program

For salaries, support, maintenance, and miscellaneous purposes \$ 50,606

It is the intent of this appropriation that the position of agricultural diversification administrator be maintained and that the administrator shall work with other departments of agriculture, other state departments, universities, and individual entrepreneurs in order to identify market outlets, market demand, and potential areas for future economic growth, and to identify constraints that need to be overcome in order for Iowa producers to participate in the market. These funds may be utilized to obtain matching federal grants.

(5) Marketing promotions program

For salaries, support, maintenance, and miscellaneous purposes \$ 50,003

It is the intent of this appropriation that the division work with other state departments, and with businesses and producers on promotional and consumer awareness activities, encouraging the purchase of Iowa grown products encompassed in the agricultural diversification program. These funds may be utilized to obtain matching federal grants.

f. The department of agriculture and land stewardship shall establish annual subscription fees for the regular and periodic publications of the department. Fees collected from subscribers shall be deposited in the general fund of the state.

It is the intent of the general assembly that the department of agriculture and land stewardship continue the agricultural diversification program.

2. REGULATORY DIVISION

From the general fund for salaries, support, maintenance, and miscellaneous purposes \$ 3,420,635

3. INDEMNITY FUND AND ESCROW.

From the general fund of the state as an advance for administration of the indemnity fund and escrow provision created by the 1986 Iowa Acts, Senate File 2116, for not more than five full-time equivalent positions \$ 100,000

It is a condition of the funds appropriated by this subsection that the general fund be reimbursed from the interest accruing to the indemnity fund, no later than June 30, 1987, for the advance made by this subsection. Notwithstanding 1986 Iowa Acts, Senate File 2116, section 33, only interest accruing to the indemnity fund may be used for administration costs of the indemnity fund. In addition, interest accruing to the indemnity fund may be used for the expenses of administration of the escrow provision, subject to the approval of the Iowa grain indemnity fund board, notwithstanding 1986 Iowa Acts, Senate File 2116, section 33.

4. LABORATORY DIVISION

a. From the general fund for salaries, support, maintenance, and miscellaneous purposes \$ 553,674

b. From the commercial feed fund to be transferred to the laboratory division \$ 726,814

c. From the pesticide fund to be transferred to the laboratory division \$ 440,317

d. From the fertilizer fund to be transferred to the laboratory division \$ 774,371

5. FARM COMMODITY DIVISION

From the general fund for salaries, support, maintenance and miscellaneous purposes \$ 229,628

Sec. 502. MULTIFLORA ROSE ERADICATION COST REIMBURSEMENT.

1. There is appropriated from the general fund of the state to the state department of agriculture and land stewardship for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of sixty thousand (60,000) dollars, or as much thereof as may be necessary, to be used for the purpose of partially reimbursing agricultural landowners or tenants for the cost of herbicide for controlling or eradicating the multiflora rose which has severely infested their agricultural land. Not more than five percent of the funds appropriated under this subsection shall be used for administrative expenses.

2. A county board of supervisors desiring a share of the appropriation shall, in conjunction with the county weed commissioner and the county soil conservation district commissioners, develop a plan to combat severe infestations of multiflora rose on privately owned land within the county. The plan shall be based upon partial reimbursement of individual landowner's costs for the purchase of herbicide from both state and county appropriations; however, the share of costs reimbursed by state funds shall not exceed one-fourth. The plan shall be submitted to the secretary of agriculture for approval or recommendations for modification.

3. A landowner or tenant whose agricultural land is severely infested by multiflora roses may apply to the soil conservation district commissioners of the county for partial reimbursement, according to the approved plan, of the cost of herbicide for controlling or eradicating the multiflora rose on the agricultural land. The county weed commissioner shall assist the soil conservation district commissioners in investigating the application and determining if the infestation is severe. The soil conservation district commissioners shall review and approve each application for partial cost reimbursement if the infestation is severe on the applicant's agricultural land. If the soil conservation district commissioners find the amount of reimbursement claimed to be excessive, the district commissioners may approve a lesser amount. The reasons for disapproval of an application or reduction of the amount of reimbursement shall be sent in writing to the applicant. The amount of reimbursement certified by the secretary shall be paid by warrant issued by the director of revenue and finance.

4. Federal lands and federal land tenants are not eligible for reimbursement under this section.

Sec. 503. There is appropriated to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1986 and ending June 30, 1987 from the funds available under section 99D.13 the sum of seventy-eight thousand one hundred seventy-five (78,175) dollars, or as much thereof as necessary, for volunteer assistance and not more than two full-time equivalent positions for the administration of section 99D.22.

Sec. 504. SOIL CONSERVATION. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1986-1987 Fiscal Year
1. For salaries, support, maintenance, assistance to soil conservation districts, and for miscellaneous purposes	\$ 3,385,315

It is the intent of the general assembly that if full-time equivalent positions must be reduced, the department shall first consider staff reductions in the central office.

2. For soil conservation grants which shall be allocated by the state soil conservation committee as follows:

a. To conduct soil surveys in conjunction with federal, state, and local agencies in Iowa	\$ 303,436
b. To provide financial incentives for soil conservation practices in accordance with the provisions of subsection 3 of this section	\$ 6,546,519

3. The following requirements apply to the funds appropriated by subsection 2, paragraph "b":

a. Not more than five percent may be allocated for cost sharing to abate complaints filed under sections 467A.47 and 467A.48.

b. 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 subsection 3 of section 507* of this Act.

*Section 505 probably intended

c. The committee may allocate funds to conduct research and demonstration projects to promote conservation tillage practices and nonpoint source pollution control practices.

d. 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.

e. 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.

f. Except for the allocation subject to paragraphs "a", "b", and "e", the financial incentives for voluntary permanent soil conservation practices shall not exceed fifty percent of the approved cost and priority shall be given to family-operated farms.

g. Not more than twenty thousand (20,000) dollars may be used for reimbursement of out-of-pocket expenses of fencing authorized by section 467A.75.

h. The financial incentive payments may be used in combination with department of natural resources funds.

i. It is the intent of the general assembly to encourage greater use of no-till, strip cropping, contour, and other management practices rather than permanent structures thereby increasing participation in soil conservation.

4. The provisions of section 8.33 shall not apply to the funds appropriated by subsection 2. Unencumbered or unobligated funds remaining on June 30, 1990 from funds appropriated for the fiscal year beginning July 1, 1986 shall revert to the general fund on September 30, 1990.

Sec. 505. DEPARTMENT OF NATURAL RESOURCES. There is appropriated from the general fund of the state and the funds indicated to the department of natural resources and its divisions for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1986-1987 Fiscal Year
For salaries, support, maintenance, equipment, and miscellaneous purposes	\$ 9,122,655

The natural resource commission shall give priority to the acquisition of private property along the Cedar Valley nature trail in Black Hawk, Buchanan, Benton, and Linn counties and its extension into Johnson and Cedar counties; the Heritage trail in Dubuque county; the Comet trail in Grundy county; and the trail from Des Moines to Arispe in Polk, Warren, Madison, and Union counties. The department of transportation shall provide technical assistance to the natural resource commission with regard to acquisition proceedings. No state funds will be used unless appropriated by the general assembly.

1. FISH AND WILDLIFE

a. From the state fish and game protection fund for salaries, support, maintenance, equipment, and miscellaneous purposes including not more than one million nine hundred eighty-six thousand three hundred fifty-two (1,986,352) dollars during the fiscal year beginning on July 1, 1986 which shall be available from the state fish and game protection fund for administration and coordination relating to fish and wildlife activities	\$ 13,106,897
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b. 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	\$ 67,000
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c. 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	\$ 906,610
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d. Funds remaining in the fish and game protection fund during fiscal year 1986-1987 which are not specifically appropriated by section 505 of this Act are appropriated and may be used for capital projects and contingencies arising during the fiscal year beginning July 1, 1986. 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.

2. GREEN THUMB PROGRAM

From the general fund for deposit in the green thumb fund for the employment of the elderly in conservation and outdoor recreation related fields to be known as the green thumb program in coordination with other agencies as provided by law \$ 138,730

3. The natural resource commission shall establish a priority list of watersheds above publicly owned lakes and areas within those watersheds which are of highest importance based on soil loss to be used for the allocation of funds set aside in subsection 3 of section 503* of this Act for permanent soil conservation practices on watersheds above publicly owned lakes.

4. For reimbursement to federal agencies for cooperative contracts \$ 185,558

5. Notwithstanding section 8.33 funds appropriated for the state's contribution to the AIDEX superfund by 1984 Iowa Acts, chapter 1303, section 18, subsection 3, and by 1985 Iowa Acts, chapter 260, section 12, subsection 3, which are unexpended or unencumbered shall carry forward into the 1986-1987 fiscal year for the same purpose as originally appropriated.

6. During the fiscal year for which funds are appropriated by this section, the department of natural resources shall not require the installation or use of equipment to control the emission of dust or other particulate matter on facilities for the storage of grain which are located within the ambient air quality attainment areas for suspended particulates.

7. For payments to the governing bodies responsible for publicly owned sewage treatment facilities which are eligible for grants under section 202 of the federal Water Pollution Control Act, 33 U.S.C. 466 et seq., as amended by the federal Clean Water Act of 1977, Pub. L. 95-217, in an amount equal to five percent of the amount approved as the eligible cost of the project by the environmental protection commission \$ 1,865,695

Notwithstanding the provisions of unnumbered paragraph 1, of this subsection, not more than ten thousand (10,000) dollars of the funds appropriated by this subsection may be used for payments to governing bodies of local governments to reimburse up to fifty percent of expenses incurred since January 1, 1985 for alternative solid waste disposal projects.

The department is authorized to utilize from funds appropriated for payments to governing bodies responsible for publicly owned sewage treatment facilities but which are unexpended an amount not to exceed four hundred ninety-three thousand (493,000) dollars for the state share of the AIDEX superfund cleanup. Any funds remaining in the AIDEX superfund account once the final site cleanup work, excluding the ongoing monitoring of the site, has been completed shall revert to the general fund of the state. The moneys used for the state share of the AIDEX superfund cleanup shall be repaid not later than June 30, 1989. It is the intent of the general assembly that the withdrawal of funds from moneys available for publicly owned sewage treatment facilities shall not be used for any other purpose in future years and the department of natural resources shall report to the general assembly not later than January 1, 1987 on methods to increase funds for the state superfund to meet future needs in this state.

*Section 504 probably intended

The provisions of section 8.33 shall 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, 1986, shall revert to the general fund on September 30, 1990.

Sec. 506. MARINE FUEL TAX FUND. There is appropriated from the marine fuel tax fund to the department of natural resources and its divisions for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amounts, or so much thereof as is necessary, to be used for the following purposes:

	1986-1987 <u>Fiscal Year</u>
1. For maintenance and development of boating facilities and access to public waters	\$ 374,100
2. For deposit in the state fish and game protection fund for the administration and enforcement of navigation laws and boat safety	\$ 100,000

The balance of the amount computed as provided in section 324.84 for the fiscal year beginning July 1, 1986 and ending June 30, 1987 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, 1987, shall revert to the fund from which appropriated June 30, 1989.

Sec. 507. There is appropriated from the general fund of the state to the Iowa state water resources research institute for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of one hundred thousand (100,000) dollars, or so much thereof as is necessary, for research approved by the panel created in 1984 Iowa Acts, chapter 1303, section 20.

Sec. 508. If House File 2488 is enacted by the Seventy-first General Assembly, 1986 Session, and becomes law, there is appropriated from the general fund of the state to the interstate agricultural grain marketing commission for the fiscal period beginning July 1, 1986 and ending June 30, 1988, the sum of fifty thousand (50,000) dollars for the state's initial contribution to the commission for expenses incurred by the commission.

Sec. 509. Section 99D.13, subsection 2, Code 1985, is amended to read as follows:

2. Winnings forfeited under subsection 1 shall escheat to the state and be paid over to the director of revenue and finance and to the extent appropriated by the general assembly shall be used for the benefit of the department of agriculture and land stewardship to the extent necessary to administer section 99D.22 and the remainder shall be deposited as per provided in chapter 556.

Sec. 510. All federal grants to and the federal receipts, not otherwise appropriated, 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.

DIVISION VII
REGULATORY AND LICENSING

Sec. 601. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1986-1987 <u>Fiscal Year</u>
1. PROFESSIONAL LICENSING AND REGULATION DIVISION	
a. BOARD OF ARCHITECTURAL EXAMINERS	
For salaries, support, maintenance, and other operational purposes	\$ 42,000

b. BOARD OF LANDSCAPE ARCHITECTURAL EXAMINERS	
For salaries, support, maintenance, and other operational purposes	\$ 11,000
c. BOARD OF ACCOUNTANCY	
For salaries, support, maintenance, and other operational purposes	\$ 213,000
d. STATE BOARD OF ENGINEERING AND LAND SURVEYING EXAMINERS	
For salaries, support, maintenance, and other operational purposes	\$ 138,000
e. IOWA REAL ESTATE COMMISSION	
For salaries, support, maintenance, and other operational purposes	\$ 146,000
<p>The licensing boards for which general fund appropriations have been provided for in paragraphs "a", "b", and "d" 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 paragraphs "a", "b", and "d" expends or encumbers an amount in excess of the funds budgeted for examinations, 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.</p>	
2. BANKING DIVISION	
For salaries, support, maintenance, and other operational purposes to be used as startup funding for the banking revolving fund	\$ 295,000
3. CREDIT UNION DIVISION	
For salaries, support, maintenance, and other operational purposes to be used as startup funding for the credit union revolving fund	\$ 50,000
4. INSURANCE DIVISION	
For salaries, support, maintenance, and other operational purposes	\$ 1,650,000
Of the amount appropriated in this subsection, three hundred fifty thousand (350,000) dollars is to be used as startup funding for the insurance examination revolving fund.	
5. GAMING DIVISION	
For salaries, support, maintenance, and other operational purposes	\$ 49,000
<p>Notwithstanding section 99D.5, subsection 4, members of the racing commission shall receive an annual salary of six thousand (6,000) dollars for the fiscal year beginning July 1, 1986 and ending June 30, 1987 and the fiscal year beginning July 1, 1987 and ending June 30, 1988. This section shall prevail over any inconsistent provisions of 1986 Iowa Acts, Senate File 2175 and any provision of 1986 Iowa Acts, Senate File 2175 relating to compensation for members of the racing commission shall not be applicable for the fiscal year beginning July 1, 1986 and ending June 30, 1987 or the fiscal year beginning July 1, 1987 and ending June 30, 1988.</p>	
6. UTILITIES DIVISION	
For salaries, support, maintenance, and other operational purposes including the consumer advocate to be used as startup funding for the utilities division revolving fund	\$ 725,000

Sec. 602. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987 to the following named agencies, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1986-1987 Fiscal Year
1. AUDITOR OF STATE	
For salaries, support, maintenance, and other operational purposes	\$ 1,868,000
2. CAMPAIGN FINANCE DISCLOSURE COMMISSION	
For salaries, support, maintenance, and other operational purposes	\$ 155,000
3. DEPARTMENT OF INSPECTIONS AND APPEALS	
For salaries, support, maintenance, and other operational purposes	\$ 2,614,790
The department may charge state departments, agencies, and commissions for services rendered and the payments received shall be considered repayment receipts as defined in section 8.2, subsection 5.	
4. FOSTER CARE REVIEW BOARD	
For salaries, support, maintenance, and other operational purposes	\$ 129,000
5. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION	
For salaries, support, maintenance, and other operational purposes	\$ 24,523
6. SECRETARY OF STATE	
a. For salaries, support, maintenance, and other operational purposes	\$ 1,044,000
b. For editing and printing the Iowa official register	\$ 62,000

The secretary of state is responsible for the printing of the Iowa official register and the centralized printing department of the department of general services is responsible for the distribution of the Iowa official register.

The secretary of state shall not collect a fee for providing persons with the Iowa official register. If additional copies of the Iowa official register are required for distribution, the secretary of state shall not reprint the most expensive version of the Iowa official register but shall reprint the version that is less expensive for distribution.

Sec. 603. Notwithstanding section 123.53, there is appropriated from the beer and liquor control fund to the alcoholic beverages control division of the department of commerce for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of nine million two hundred thirty-five thousand (9,235,000) dollars for salaries, support, maintenance and other operational purposes, including funds to maintain existing warehouse distribution positions for the fiscal year beginning July 1, 1986 and ending June 30, 1987 or additional funds as necessary for the orderly and efficient operation of the liquor system, subject to the approval of the department of management. Funds appropriated by this section may also be expended for the transition expenses.

The state liquor inventory shall be placed on a bailment system.

Sec. 604. There is appropriated from the general fund of the state to the department of employment services for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following sums, or so much thereof as is necessary, to be used for the purposes designated:

1. DIVISION OF LABOR SERVICES	
For salaries, support, maintenance, and other operational purposes	\$ 1,563,000

2. DIVISION OF INDUSTRIAL SERVICES

For salaries, support, maintenance, and other operational purposes \$ 946,199

It is the intent of the general assembly that the discount table for commutations in 500 Iowa Admin. Code §6.3, which was in effect immediately prior to March 20, 1985 and which was based on a simple rather than compound interest factor, shall be uniformly applied to all commutations approved by the industrial commissioner prior to March 20, 1985 as a valid interpretation of the general assembly's intent to commute future workers' compensation payments to a present worth lump-sum payment pursuant to sections 85.45 and 85.47. It is further the intent of the general assembly that the supreme court's reinterpretation of the general assembly's intent, concerning the commutation of future workers' compensation payments to a present worth lump-sum payment under sections 85.45 and 85.47, shall be uniformly applied to all commutations approved by the industrial commissioner on or after March 20, 1985.

Sec. 605. There is appropriated from the road use tax fund to the state department of transportation for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of three hundred twenty-six thousand (326,000) dollars, or so much thereof as is necessary, to reimburse the department of inspections and appeals for inspection and appeals services provided to the state department of transportation.

Sec. 606. There is appropriated from the banking revolving fund to the banking division of the department of commerce for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of three million nine hundred five thousand (3,905,000) dollars, or so much thereof as is necessary, for salaries, support, maintenance, and other operational purposes of the banking division. Of the funds deposited in the banking revolving fund, the treasurer of state shall transfer from the fund and credit to the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of two hundred ninety-five thousand (295,000) dollars to reimburse the general fund of the state for startup funding provided for the banking revolving fund from the general fund of the state.

Sec. 607. 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, 1986 and ending June 30, 1987 the sum of five hundred forty-one thousand (541,000) dollars, or so much thereof as is necessary, for salaries, support, maintenance, and other operational purposes of the credit union division. Of the funds deposited in the credit union revolving fund, the treasurer of state shall transfer from the fund and credit to the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of fifty thousand (50,000) dollars to reimburse the general fund of the state for startup funding provided for the credit union revolving fund from the general fund of the state.

Sec. 608. There is appropriated from the insurance examination revolving fund to the insurance division of the department of commerce for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of one million one hundred fifty thousand (1,150,000) dollars, or so much thereof as is necessary, for salaries, support, maintenance, and other operational purposes of the insurance division. Of the funds deposited in the insurance examination revolving fund, the treasurer of state shall transfer from the fund and credit to the general fund of the state the sum of three hundred fifty thousand (350,000) dollars for the fiscal year beginning July 1, 1986 and ending June 30, 1987 to reimburse the general fund of the state for startup funding provided for the insurance examination revolving fund from the general fund of the state.

Sec. 609. 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, 1986 and ending June 30, 1987 the sum of three hundred forty-five thousand (345,000) dollars, or so much thereof as is necessary, for salaries, support, maintenance, and other operational purposes of the savings and loan division.

Sec. 610. There is appropriated from the utilities trust fund to the utilities division of the department of commerce for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of three million seven hundred eighty-nine thousand four hundred (3,789,400) dollars, or so much thereof as is necessary, for salaries, support, maintenance, and other operational purposes of the utilities division. There is appropriated from the utilities trust fund to the consumer advocate office of the department of justice for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the sum of eight hundred ninety-two thousand (892,000) dollars, or so much thereof as may be necessary, for salaries, support, maintenance, and operational purposes of the office. Of the funds deposited in the utilities trust fund, the treasurer of state shall transfer from the fund and credit to the general fund of the state the sum of seven hundred twenty-five thousand (725,000) dollars for the fiscal year beginning July 1, 1986 and ending June 30, 1987 to reimburse the general fund of the state for startup funding provided for the utilities trust fund from the general fund of the state.

Sec. 611. Section 19A.3, Code Supplement 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 25. The administrator and the deputy administrator of the credit union division of the department of commerce, all members of the credit union review board, and all employees of the credit union division.

NEW SUBSECTION. 26. The superintendent and the deputy superintendent of the banking division of the department of commerce, all members of the state banking board, and all employees of the banking division.

NEW SUBSECTION. 27. The superintendent of savings and loan associations and all employees of the savings and loan division of the department of commerce.

Sec. 612. Section 20.4, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 11. Persons employed by the credit union division of the department of commerce.

NEW SUBSECTION. 12. Persons employed by the banking division of the department of commerce.

NEW SUBSECTION. 13. Persons employed by the savings and loan division of the department of commerce.

Sec. 613. Section 476.10, unnumbered paragraph 2, Code 1985, is amended to read as follows:

The commission shall ascertain the total of its expenditures during each year which are reasonably attributable to the performance of its duties under this chapter. The commission shall add to this total the certified expenses of the consumer advocate as provided under section 475A.6 and shall deduct all amounts chargeable directly to any specific utility under any law. The remainder shall be assessed by the commission to the public utilities in proportion to their respective gross operating revenues during the last calendar year derived from intrastate public utility operations and shall be assessed within ninety days of the close of the calendar year based upon an estimate of the commission expenditures for the first half of the commission's fiscal year and again within ninety days of the close of the fiscal year as necessary to conform the amount of the assessment to the requirements of this section may be assessed by the commission on a quarterly basis. Assessments may be made quarterly based upon estimates of the utility division's and the consumer advocate's expenditures for the fiscal year. Beginning with the fiscal year beginning July 1, 1987, the first assessment for any fiscal year may be made by the utility division by May 15 of the preceding fiscal year and shall be paid by the utility on or before the following July 1. Not more than ninety days following the close of the fiscal year, the utilities division shall conform the amount of the prior fiscal year's assessments to the requirements of this section. Public utilities exempt from rate regulation under this chapter shall not be assessed for remainder expenses incurred during review of

rate-regulated public utilities under section 476.31 or 476.32, but such remainder expenses shall be assessed proportionally as provided in this section among only the rate-regulated public utilities. The total amount which may be assessed to the public utilities under authority of this paragraph shall not exceed two-tenths of one percent of the total gross operating revenues of the public utilities during the calendar year derived from intrastate public utility operations. However, the total amount which may be assessed in any one calendar year to a public utility under this section shall not exceed three-tenths of one percent of the utility's total gross operating revenues derived from intrastate public utility operation in the last preceding year. For public utilities exempted from rate regulation under this chapter, the assessments under this paragraph shall be computed at one-half the rate used in computing the assessment for other utilities.

Sec. 614. Section 476.10, Code 1985, is amended by adding the following new unlettered paragraph:

NEW UNLETTERED PARAGRAPH. Fees paid to the utilities division shall be deposited in a utilities trust fund. The treasurer of state shall hold these funds in an account that shall be established in the names of the administrator of the utilities division and the consumer advocate for the payment, upon appropriation by the general assembly, of the expenses of the utility division and the consumer advocate division of the department of justice. This fund is subject at all times to the warrant of the department of revenue and finance, drawn upon written requisition of the administrator of the utilities division, the administrator's designated representative, the consumer advocate, or the consumer advocate's designated representative for the payment of all salaries and other expenses necessary to carry out the duties of the utilities division or the consumer advocate division. Subject to section 476.10, the utilities division or the consumer advocate division may keep on hand with the treasurer of state funds in excess of the current needs of the utilities division or the consumer advocate division. Transfers shall not be made from the general fund of the state or any other fund for the payment of the expenses of the divisions. No part of the funds held by the treasurer of state for the account shall be transferred to the general fund of the state or any other fund. The funds held by the treasurer of state for the account shall be invested by the treasurer of state and the income derived from these investments shall be credited to the general fund of the state. The authority to modify allotments provided in section 8.31 shall not apply to funds appropriated from the fund created in this section.

The administrator and consumer advocate shall account for receipts and disbursements according to the separate duties imposed upon the utilities and consumer advocate divisions by the laws of this state and each separate duty shall be fiscally self-sustaining.

Sec. 615. Section 505.7, Code 1985, is amended to read as follows:
505.7 FEES.

All fees and charges of every character whatsoever which are required by law to be paid by insurance companies and associations shall be payable to the commissioner of the insurance division of the department of commerce or department of revenue and finance, as provided by law, whose duty it shall be to account for and pay over the same to the treasurer of state at the time and in the manner provided by law. However, fees paid for the inspection or examination of an insurer or other entity subject to regulation by the department shall be deposited in a special trust fund. The treasurer of state shall hold these funds in an account that shall be established in the name of the commissioner for the payment of the inspection and examination expenses of the department upon appropriation by the general assembly. This fund is subject at all times to the warrant of the department of revenue, drawn upon written requisition of the commissioner or the commissioner's designated representative, for the payment of all salaries and other expenses necessary to carry out the inspection or examination duties of the insurance department. The commissioner may keep on hand with the treasurer of state funds in excess of the current needs of the department. Transfers shall not be made from the

general fund of the state or any other fund for the payment of the inspection and examination expenses of the department. No part of the funds held by the treasurer of state for the account of the commissioner shall be transferred to the general fund of the state or any other fund. The funds held by the treasurer of state for the account of the commissioner shall be invested by the treasurer of state and the income derived from these investments shall be credited to the general fund of the state.

The commissioner shall account for receipts and disbursements according to the separate inspection and examination duties imposed upon the commissioner by the laws of this state and each separate inspection and examination duty shall be fiscally self-sustaining.

Sec. 616. Section 524.207, Code 1985, is amended by striking the section and inserting in lieu thereof the following:

524.207 EXPENSES OF THE DEPARTMENT OF BANKING DIVISION – FEES.

All expenses required in the discharge of the duties and responsibilities imposed upon the department of banking division of the department of commerce, the superintendent, and the state banking board by the laws of this state shall be paid from fees provided by the laws of this state and appropriated by the general assembly from the fund established in this section. All of these fees are payable to the superintendent. The superintendent shall pay all the fees and other money received by the superintendent to the treasurer of state within the time required by section 12.10. The treasurer of state shall hold these funds in an account that shall be established in the name of the superintendent for the payment of the expenses of the department. This fund is subject at all times to the warrant of the department of revenue and finance, drawn upon written requisition of the superintendent or the superintendent's designated representative, for the payment of all salaries and other expenses necessary to carry out the duties of the banking division of the department of commerce. The superintendent may keep on hand with the treasurer of state funds in excess of the current needs of the department to the extent approved by the state banking board. Transfers shall not be made from the general fund of the state or any other fund for the payment of the expenses of the department. No part of the funds held by the treasurer of state for the account of the superintendent shall be transferred to the general fund of the state or any other fund, except as follows: One hundred thousand dollars each fiscal year shall be transferred to the general fund of the state. That amount shall be considered as one of the costs of the department. The funds held by the treasurer of state for the account of the superintendent shall be invested by the treasurer of state and the income derived from these investments shall be credited to the general fund of the state.

The authority to modify allotments provided in section 8.31 shall not apply to funds appropriated from the fund created in this section and held for the superintendent.

The superintendent shall account for receipts and disbursements according to the separate duties imposed upon the superintendent by the laws of this state and each separate duty shall be fiscally self-sustaining.

Sec. 617. Section 524.219, unnumbered paragraph 1, Code 1985, is amended to read as follows:

524.219 FEES FOR EXAMINATIONS.

A state bank, and any private bank subject to examination, supervision, and regulation by the superintendent, shall pay to the superintendent a fee, established by the state banking board, based on the time required for the examination and the administrative costs and expenses incurred in the discharge of the duties imposed upon the superintendent by this chapter. The fee shall include, but not be limited to costs and expenses for salaries, expenses and travel for employees, office facilities, supplies, and equipment. Such fee shall apply equally to all state banks and private banks subject to examination, and may not be changed more frequently than annually and when changed, shall be effective on January 1 of the year following the year in which the change was approved.

Sec. 618. NEW SECTION. 533.67 EXPENSES OF THE CREDIT UNION DIVISION – FEES.

All expenses required in the discharge of the duties and responsibilities imposed upon the credit union division, the administrator, and the credit union review board by the laws of this state shall be paid from fees provided by the laws of this state and appropriated by the general assembly from the fund established in this section. All of these fees are payable to the administrator. The administrator shall pay all the fees and other money received by the superintendent to the treasurer of state within the time required by section 12.10. The treasurer of state shall hold these funds in an account that shall be established in the name of the administrator for the payment of the expenses of the department. This fund is subject at all times to the warrant of the department of revenue and finance, drawn upon written requisition of the administrator or the administrator's designated representative, for the payment of all salaries and other expenses necessary to carry out the duties of the department. The administration may keep on hand with the treasurer of state funds in excess of the current needs of the department to the extent approved by the credit union review board. No transfers shall be made from the general fund of the state or any other fund for the payment of the expenses of the division. No part of the funds held by the treasurer of state for the account of the administrator shall be transferred to the general fund of the state or any other fund, except as follows: Forty thousand dollars each fiscal year shall be transferred to the general fund of the state. The amount shall be considered as one of the costs of the division. The funds held by the treasurer of state for the account of the administrator shall be invested by the treasurer of state and the income derived from these investments shall be credited to the general fund of the state.

The authority to modify allotments provided in section 8.31 shall not apply to funds appropriated from the fund created in this section and held for the administrator.

The administrator shall account for receipts and disbursements according to the separate duties imposed upon the administrator by the laws of this state and each separate duty shall be fiscally self-sustaining.

Sec. 619. Section 534.408, subsection 1, Code 1985, is amended to read as follows:

1. PAYABLE TO STATE AUDITOR OF STATE. Associations shall pay fees by delivering to the supervisor a check payable to the state auditor of state. All fees collected under the provisions of this chapter shall be deposited with the treasurer of state in a separate fund to be known as the savings and loan revolving fund, except fifteen thousand dollars each fiscal year shall be transferred to the general fund of the state. The amount shall be considered as one of the costs of the savings and loan division. All expenses necessary to carry out the provisions of this chapter shall be paid from the savings and loan revolving fund and appropriated by the general assembly from the fund.

The authority to modify allotments provided in section 8.31 shall not apply to funds appropriated from the savings and loan fund.

Sec. 620. 1986 Iowa Acts, Senate File 540, section 11, is amended to read as follows:

SEC. 11. NEW SECTION. 56.14 POLITICAL ADVERTISEMENTS.

A person who causes the publication or distribution of published material after July 1, 1984 designed to promote or defeat the nomination or election of a candidate for public office or the passage of a constitutional amendment or public measure shall include conspicuously on the published material the identity and address of the person responsible for the material. If the person responsible is an organization, the name of one officer of the organization shall appear on the material. However, if the organization is a committee which has filed a statement of organization under this chapter, only the name of the committee is required to be included on the published material. This section does not apply to the editorials or news articles of a newspaper or magazine which are not political advertisements. For the purpose of this section, "published material" means any newspaper, magazine, shopper, outdoor advertising facility, poster, yard sign including hand lettered signs, direct mailing, brochure, or any other form of printed general public political advertising, however, the identification need not be

conspicuous on posters and yard signs including hand lettered signs. This section does not apply to bumper stickers, pins, buttons, pens, matchbooks and similar small items upon which the inclusion of the disclaimer would be impracticable or to published material which is subject to federal regulations regarding a disclaimer requirement.

Sec. 621. There is appropriated out of the funds made available to this state pursuant to section 903 of the federal Social Security Act, as amended, one million sixty-eight thousand nine hundred forty-two (1,068,942) dollars, to the job services division of the department of employment services for the prepayment of the principal balance of a lease-purchase agreement for data processing equipment used by the department in the performance of departmental functions under chapter 96.

The moneys appropriated in this section shall not be obligated after June 30, 1988. The amount obligated pursuant to this section during any twelve-month period beginning on July 1 and ending on the following June 30 shall not exceed the amount available for obligation pursuant to section 903 of the federal Social Security Act, as amended, and as reflected in the accounts of the department of job service and the United States department of labor.

Sec. 622. Section 96.9, subsection 4, paragraphs a and b, Code 1985, are amended to read as follows:

a. Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act may not be requisitioned from this state's account or used except for the payment of benefits and for the payment of expenses incurred for the administration of this chapter. Such money may be requisitioned pursuant to subsection 3 of this section for the payment of benefits. Such money may also be requisitioned and used for the payment of expenses incurred for the administration of this chapter but only pursuant to a specific appropriation by the legislature and only if the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which (1) specifies the purposes for which such money is appropriated and the amounts appropriated therefor, (2) limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law, and (3) limits the amount which may be obligated during a twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this state pursuant to section 903 of the Social Security Act during the same twelve-month period and the ~~twenty-four~~ thirty-four preceding twelve-month periods, exceeds (ii) the aggregate of the amounts obligated for administration and paid out for benefits and charged against the amounts credited to the account of this state during such ~~twenty-five~~ thirty-five twelve-month periods.

b. Amounts credited to this state's account in the unemployment trust fund under section 903 of the Social Security Act which are obligated for administration or paid out for benefits shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during a twelve-month period specified herein may be charged against any amount credited during such a twelve-month period earlier than the ~~twenty-fourth~~ thirty-fourth preceding such period.

Sec. 623. SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND EXPENDITURES.

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, 1986, shall not be transferred by the treasurer of state to either the temporary emergency surcharge fund or to the unemployment compensation fund, but shall be available to the department of job service, for the fiscal year beginning July 1, 1986, and ending June 30, 1987, for expenditure under subsection 2.

2. The department of job service shall only expend moneys, which are credited to the special employment security contingency fund during the fiscal year beginning July 1, 1986, and ending June 30, 1987, including moneys which are available to the department of job service under subsection 1, in accordance with the following restrictions:

a. The department may expend up to fifty thousand (50,000) dollars from the fund for the purchase and installation of an electrical transformer for its state administrative office building.

b. The department may expend up to two hundred thousand (200,000) dollars from the fund for the support of county labor survey economic development teams.

c. Any balance of moneys in the special employment security contingency fund shall be deposited in a separate account in the state treasury to be known as the department approved training fund. Notwithstanding section 453.7, interest and earnings from moneys deposited in the department approved training fund shall be credited to the fund. The department shall use moneys from the fund only to pay the instructional costs of training, relating to tuition and course fees, approved by the department pursuant to section 96.4 and 370 I.A.C. §4.39, §4.40, for individuals who demonstrate, to the department's satisfaction, that they are financially incapable of paying the instructional costs of the approved training. However, the department may expend up to thirty thousand (30,000) dollars from the fund for administrative costs related to payments for department approved training.

The payments 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 department shall distribute information on the qualification requirements for and availability of payment for department approved training to individuals filing claims for benefits or receiving benefits under chapter 96.

Sec. 624. Notwithstanding the provisions of 1986 Iowa Acts, House File 2181, sections 11 and 13, health insurance coverage provided under House File 2181 needs not be effective until July 1, 1987, and notices required by section 11 need not be given until January 1, 1987.

Sec. 625. 1986 Iowa Acts, House File 2181, section 12, is repealed.

Sec. 626. All federal grants to and the federal receipts of the agencies appropriated funds under this division of this Act are appropriated for the purposes set forth in such federal grants or receipts unless otherwise provided by the general assembly.

DIVISION VIII
STATE GOVERNMENT

Sec. 701. There is appropriated from the general fund of the state to the office of the governor for the fiscal year commencing July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	<u>1986-1987</u> <u>Fiscal Year</u>
1. For salaries, support, maintenance, and miscellaneous purposes of the general office of the governor	\$ 643,650
2. For the governor's expenses connected with office	\$ 5,439
3. For salaries, support, and miscellaneous purposes of the governor's quarters at Terrace Hill	\$ 56,728
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	\$ 15,706

5. For salaries, support, maintenance, and miscellaneous purposes of the office of administrative rules coordinator \$ 58,053

Sec. 702. There is appropriated from the general fund of the state to the office of the lieutenant governor for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

For salaries, support, 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 \$ 102,339

Sec. 703. There is appropriated from the general fund of the state to the executive council for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

For salaries, support, maintenance, and miscellaneous purposes \$ 39,605

Sec. 704. Section 8.20, Code 1985, is amended to read as follows:

8.20 CANCELLATION OF STATE WARRANTS.

The ~~state comptroller~~ director of revenue and finance as of March 31, June 30, September 30, and December 31 of each year shall cancel and request the treasurer of state to stop payment on all state warrants which have been outstanding and unredeemed by the state treasurer for ~~one year~~ six months or longer.

Sec. 705. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1986 and ending June 30, 1987 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1986-1987
Fiscal Year

1. GENERAL OPERATIONS

For salaries, support, maintenance, and miscellaneous purposes \$ 4,590,964
Savings achieved in providing telecommunications services shall be used by the department of general services to increase efficiencies in the provision of those services.

2. DIVISION OF DATA PROCESSING

For salaries, support, maintenance, and miscellaneous purposes of the division of data processing \$ 6,217,905

3. CAPITOL PLANNING COMMISSION

For expenses of the members in carrying out their duties under chapter 18A \$ 1,255

4. UTILITY COSTS

For payment of utility costs \$ 1,804,755

5. 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 \$ 890,311

6. To implement a risk management program \$ 184,666

Sec. 706. There is appropriated from the revolving funds designated to the department of general services for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	<u>1986-1987</u> <u>Fiscal Year</u>
DEPARTMENT OF GENERAL SERVICES — REVOLVING FUNDS	
1. From the centralized printing permanent revolving fund established by section 18.57 for salaries, support, maintenance, and miscellaneous purposes	\$ 717,161
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, 1986 which are legally payable from this fund.	
3. From the general service revolving fund established by section 18.9 for salaries, support, maintenance, and miscellaneous purposes	\$ 452,915
4. The remainder of the general service 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, 1986 which are legally payable from this fund.	
5. From the vehicle dispatcher revolving fund established by section 18.119 for salaries, support, maintenance, and miscellaneous purposes	\$ 434,540
6. The remainder of the vehicle dispatcher revolving fund is appropriated for the purchase of gasoline, 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, 1986 which are legally payable from this fund.	

Sec. 707. There is appropriated from the general fund of the state to the following named agencies for the fiscal year commencing July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	<u>1986-1987</u> <u>Fiscal Year</u>
1. NATIONAL CONFERENCE OF STATE LEGISLATURES	
For support of the membership assessment	\$ 51,002
2. COMMISSION ON UNIFORM STATE LAWS	
For support of the commission and expenses of the members	\$ 8,538
3. PIONEER LAWMAKERS	
For expenses of the biennial meeting	\$ 707

Sec. 708. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987 to the department of management, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	<u>1986-1987</u> <u>Fiscal Year</u>
1. DEPARTMENT OF MANAGEMENT	
a. For salaries, support, maintenance, and miscellaneous purposes	\$ 1,344,812
b. Juvenile victim restitution program	\$ 115,178
2. COUNCIL OF STATE GOVERNMENTS	
For support of the membership assessment	\$ 44,806
3. For the payment of per diems	\$ 299,915

Sec. 709. 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, 1986 and ending June 30, 1987, the following amount, or so much thereof as necessary, to be used for state assistance to municipalities, with distribution in accordance with section 405.1.

1986-1987
Fiscal Year
 \$ 14,502,280

Sec. 710. There is appropriated from the general fund of the state to the county government assistance fund, established in section 334A.1, for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amount or so much thereof as is necessary, to be used for state assistance to counties, with the distribution in accordance with section 334A.2.

1986-1987
Fiscal Year
 \$ 3,195,236

Sec. 711. The treasurer of state shall apportion all moneys in the county indemnification fund to the county treasurers of the respective counties. The moneys in the fund, including interest income received by the fund, shall be allocated to each county in the same proportion that the county contributed to the fund. The treasurer of state shall apportion and remit the funds on or before July 15, 1986.

Sec. 712. Section 331.660, Code 1985, is amended to read as follows:

331.660 APPROPRIATION — INDIAN SETTLEMENT OFFICER.

There is appropriated annually from the general fund of the state to the county of Tama the sum of three thousand ~~five~~ three hundred ~~sixty-five~~ sixty-five dollars to be used by the county only for the payment of the salary and expenses of an additional deputy sheriff for the county. The principal duty of the deputy sheriff is to provide law enforcement on the Sac and Fox Indian settlement in the county of Tama. If possible, the deputy sheriff shall reside on the settlement. Additional funds necessary to pay the salary and expenses of the deputy sheriff shall be paid by the county of Tama.

Sec. 713. 1985 Iowa Acts, chapter 254, section 1, subsection 1, paragraph b, is amended to read as follows:

b. For the fiscal year beginning July 1, 1986 \$ 48,004,900
44,000,000

Sec. 714. 1985 Iowa Acts, chapter 258, section 9, is amended to read as follows:

SEC. 9. COMPARABLE WORTH PAY ADJUSTMENTS. There is appropriated from the general fund of the state to the salary adjustment fund established in section 8.43 for the fiscal year beginning July 1, 1985 and ending June 30, 1986, the sum of ~~nineteen eighteen~~ million ~~eighty-five~~ thousand ~~eight~~ hundred ~~fifteen~~ (~~19,000,000~~ 18,085,815) dollars, or so much thereof as is necessary, to be distributed to the various departments to supplement other general fund moneys appropriated by the general assembly to provide salary adjustments resulting from implementing actions taken under 1984 Iowa Acts, chapter 1314, including plans developed for agencies with positions which are exempt or partially exempt from the state merit system pursuant to 1984 Iowa Acts, chapter 1314, section 8.

Sec. 715. COMPARABLE WORTH PAY ADJUSTMENTS. There is appropriated from the general fund of the state to the salary adjustment fund established in section 8.43 for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of sixteen million six hundred seventeen thousand nine hundred forty (16,617,940) dollars, or so much thereof as necessary, to be distributed to the various departments to supplement other general fund moneys appropriated by the general assembly to provide salary adjustments resulting from implementing actions taken under 1984 Iowa Acts, chapter 1314, including plans developed for agencies with positions which are exempt or partially exempt from the state merit system pursuant to 1984 Iowa Acts, chapter 1314, section 8.

Sec. 716. There is appropriated from the general fund of the state, to the department of personnel for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	1986-1987 Fiscal Year
1. For salaries, support, maintenance, and miscellaneous purposes	\$ 2,928,227
2. To be transferred to the department of corrections for salary, support, maintenance, and miscellaneous purposes of the core personnel staff	\$ 222,206
3. To be transferred to the department of human services for salary, support, maintenance, and miscellaneous purposes of the core personnel staff	\$ 787,714
4. To be transferred to the department of transportation for salary, support, maintenance, and miscellaneous purposes of the core personnel staff	\$ 12,074
5. For salaries, support, maintenance, and other operational purposes for the administration of chapter 97 and chapter 97C and section 294.15	\$ 145,785

Sec. 717. There is appropriated from the general fund of the state, to the public employment relations board for the fiscal year beginning July 1, 1986, and ending June 30, 1987, the sum of four hundred ninety-seven thousand six hundred eighty-seven (497,687) dollars, or so much thereof as necessary, for salaries, support, maintenance, and miscellaneous purposes related to the operation of the public employment relations board.

A person who desires to be reimbursed for legitimate costs incurred while performing service to the state must submit a receipt documenting such cost prior to receiving remuneration from the state.

Sec. 718. There is appropriated from the Iowa public employees' retirement system fund to the department of personnel for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the following amount, or so much thereof as is necessary, to be used for the following purposes:

	1986-1987 Fiscal Year
For salaries, support, maintenance, and other operational purposes to pay the costs of administration of the Iowa public employees' retirement system	\$ 1,773,465

Sec. 719. NEW SECTION. 28.110 IOWA WINE AND BEER PROMOTION BOARD.

An Iowa wine and beer promotion board is created. The board consists of three members appointed by the commission. Each member shall serve a term of two years on the board. One member shall represent the commission, one member shall represent the Iowa wine makers, and one member shall represent the Iowa beer makers. The board shall advise the commission on the best means to promote wine and beer made in Iowa.

Sec. 720. NEW SECTION. 28.111 PROMOTION OF IOWA WINE AND BEER.

The commission shall consult with the Iowa wine and beer promotion board on the best means to promote wine and beer made in Iowa. The commission has the authority to contract with private persons for the promotion of beer and wine made in Iowa. At the direction of the commission, the state comptroller shall issue warrants to the commission on the barrel tax fund created in section 123.143 and the gallonage tax fund created in section 123.183, which moneys may be used by the commission for the purpose of this section, including administrative expenses incurred under this section.

Sec. 721. Section 97B.49, subsection 3, Code Supplement 1985, is amended to read as follows:

3. For each member employed before January 1, 1976, who has qualified for prior service credit in accordance with the first paragraph of section 97B.43, there shall be determined a benefit of eight-tenths of one percent per year of prior service credit multiplied by the monthly rate of the member's total remuneration not in excess of three thousand dollars annually during the twelve consecutive months of the member's prior service for which ~~such that~~ total remuneration was the highest. An additional three-tenths of one percent of ~~such the~~ remuneration not in excess of three thousand dollars annually shall be payable for prior service during each year in which the accrued liability for benefit payments created by the abolished system is funded by appropriation from the general fund of the state of Iowa as provided under section 97B.56.

Sec. 722. Section 97B.49, subsection 7, Code Supplement 1985, is amended to read as follows:

7. Notwithstanding other provisions of this chapter, a member who is or has been employed as a conservation peace officer under section 107.13 and who retires between July 1, 1978 and June 30, 1982 and at the time of retirement is at least sixty years of age and has completed at least twenty-five years of membership service as a conservation peace officer, may elect to receive, in lieu of the receipt of any benefits under subsection 5 of this section, a monthly retirement allowance equal to one-twelfth of forty-seven percent of the member's five-year average covered wage as a conservation peace officer, with benefits payable during the member's lifetime. For each conservation peace officer eligible for benefits under this subsection who retires on or after July 1, 1982, the percent used in computing the monthly retirement allowance is fifty. There is appropriated from the ~~general fund of the state to the Iowa department of job service from funds not otherwise appropriated state fish and game protection fund to the department of personnel~~ an amount determined by the Iowa public employees' retirement system sufficient to pay ~~eight and forty-three hundredths percent for the additional benefits to conservation peace officers provided by this section, as a percentage of the covered wages of each conservation peace officer, in addition to the contribution paid by the employer under section 97B.11; to finance increased benefits to conservation peace officers under this subsection.~~

Sec. 723. Section 97B.56, unnumbered paragraph 2, Code 1985, is amended to read as follows:

Commencing July 1, 1967, and each year thereafter, the contributions required to fund the actuarial liabilities from the abolished system shall be determined in accordance with section 97B.54. ~~There is hereby appropriated from the general fund of the state of Iowa the amount of contribution required under said section but not to exceed one million dollars per biennium. The amount of such contribution shall be deposited in the retirement fund in two annual installments not later than June 30 of each fiscal year.~~

Sec. 724. Section 123.3, subsection 21, Code Supplement 1985, is amended by striking the subsection.

Sec. 725. Section 123.3, subsection 27, Code Supplement 1985, is amended to read as follows:

27. "Retailer" means any person who shall sell, barter, exchange, offer for sale, or have in possession with intent to sell any alcoholic liquor ~~for consumption on the premises where sold, wine, or beer or wine for consumption either on or off the premises where sold.~~

Sec. 726. Section 123.16, subsection 2, paragraphs a and c, Code Supplement 1985, as amended by 1986 Iowa Acts, House File 2372, section 5, are amended to read as follows:

a. Purchases of alcoholic liquor and wine for resale by the department.

c. The establishment of retail wholesale prices of alcoholic liquor and wine sold by the department.

Sec. 727. Section 123.16, subsection 2, paragraph d, Code Supplement 1985, is amended by striking the paragraph.

Sec. 728. Section 123.20, subsection 5, Code Supplement 1985, is amended to read as follows:

5. To appoint ~~vendors~~, clerks, agents, or other employees required for carrying out the provisions of this chapter; to dismiss employees for cause; to assign employees to divisions as created by the director within the ~~department~~ division; and to designate their title, duties, and powers. All employees of the department are subject to chapter 19A unless exempt under section 19A.3.

Sec. 729. Section 123.20, subsection 8, Code Supplement 1985, as amended by 1986 Iowa Acts, House File 2372, section 6, is amended to read as follows:

8. To accept intoxicating liquors ordered delivered to the Iowa alcoholic beverage control department pursuant to section 127.8, subsection 1, and offer for sale and deliver such intoxicating liquors and wine for sale through the state liquor stores to class "E" liquor control licensees, unless the director determines that such intoxicating liquors and wine may be adulterated or contaminated. If the director determines that such intoxicating liquors and wine may be adulterated or contaminated the director shall order their destruction.

Sec. 730. Section 123.20, subsections 2 and 9, Code Supplement 1985, are amended by striking the subsections.

Sec. 731. Section 123.21, subsections 1 and 6, Code Supplement 1985, are amended to read as follows:

1. Prescribing the duties of officers, ~~vendors~~, clerks, agents, or other employees of the ~~department~~ division and regulating their conduct while in the discharge of their duties.

6. Providing for the issuance and distribution of price lists which show the price to be paid by purchasers class "E" liquor control licensees for each brand, class, or variety of liquor kept for sale under this chapter by the division, providing for the filing or posting of prices charged in sales between class "A" beer and class "A" wine permit holders and retailers, as provided in this chapter, and establishing or controlling the prices based on minimum standards of fill, quantity, or alcoholic content for each individual sale of intoxicating liquor or beer as deemed necessary for retail or consumer protection. However, the department division does shall not have the authority to regulate markups, prices, discounts, allowances, or other terms of sale at which alcoholic liquor may be purchased by the retail public or liquor control licensees from class "E" liquor control licensees or at which wine may be purchased and sold by class "A" and retail wine permittees, or change, nullify, or vary the terms of any an agreement between a holder of a vintner certificate of compliance and a class "A" wine permittee.

Sec. 732. Section 123.21, subsections 2, 3, and 8, Code Supplement 1985, as amended by 1986 Iowa Acts, House File 2372, section 7, are amended to read as follows:

2. Regulating the management, equipment, and merchandise of state liquor stores and warehouses in and from which alcoholic liquors and wine are transported, kept, or sold and prescribing the books and records to be kept therein.

3. Regulating the purchase of alcoholic liquor generally and the furnishing of the liquor and wine to state liquor stores established class "E" liquor control licensees under this chapter, and determining the classes, varieties, and brands of alcoholic liquors and wine to be kept in state warehouses or for sale at any state liquor store.

8. Prescribing, subject to this chapter, the days and hours during which state liquor stores warehouses shall be kept open for the purpose of the sale and delivery of alcoholic liquors and wine.

Sec. 733. Section 123.22, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

The ~~department~~ division has the exclusive right of importation into the state of all forms of alcoholic liquor, except as otherwise provided in this chapter, and a person shall not import

alcoholic liquor, except that an individual of legal age may import and have in the individual's possession an amount of alcoholic liquor not exceeding one quart or, in the case of alcoholic liquor personally obtained outside the United States, one gallon for personal consumption only in a private home or other private accommodation. No distillery shall sell any alcoholic liquor within the state to any person but only to the department, except as otherwise provided in this chapter. It is the intent of this This section to vest vests in the department division exclusive control within the state both as purchaser and vendor of all alcoholic liquor sold by distilleries within the state or imported, except beer and wine, and except as otherwise provided in this chapter. The department may continue to purchase wine from persons holding a vintner's certificate of compliance or a class "A" wine permit for resale in state liquor stores. The division shall act as the sole wholesaler of alcoholic liquor to class "E" liquor control licensees.

Sec. 734. Section 123.24, Code 1985, is amended to read as follows:

123.24 VENDORS - CASH SALES ALCOHOLIC LIQUOR SALES BY THE DIVISION - DISHONORED CHECKS - LIQUOR PRICES.

1. In the conduct and management of state liquor stores, the director is empowered to employ a person who shall be known as a "vendor" who shall, subject to the directions of the director, observe all provisions of this chapter and the rules and regulations of the department. No vendor of any state liquor store shall sell alcoholic liquor to any person except for cash or traveler's check. The division shall sell alcoholic liquor at wholesale only. The division shall sell alcoholic liquor to class "E" liquor control licensees only. The division shall offer the same price on alcoholic liquor to all class "E" liquor control licensees without regard for the quantity of purchase or the distance for delivery.

2. a. Notwithstanding the preceding paragraph, a vendor may accept from a class "A", "B", "C" or "D" The division may accept from a class "E" liquor control licensee, a cashier's check which shows the licensee is the remitter or a check issued by the licensee, in payment of alcoholic liquor purchased for resale. In the event If a check is subsequently dishonored, the vendor division shall cause a notice of nonpayment and penalty to be served upon the class "E" liquor control licensee or upon any person in charge of the licensed premises. The notice shall state that if payment or satisfaction for the dishonored check is not made within ten days of the service of notice, the licensee's liquor control license shall be suspended by the procedures of under section 123.39. The notice of nonpayment and penalty shall be in a form prescribed by the director, and shall be served by a peace officer.

b. If upon notice and hearing under the procedures specified in section 123.39 and pursuant to the provisions of chapter 17A concerning a contested case hearing, the director determines that the class "E" liquor control licensee failed to satisfy the obligation for which the check was issued within ten days after the notice of nonpayment and penalty was served on the licensee as provided in paragraph "a" of this subsection, the director shall suspend the licensee's class "E" liquor control license for not less than three days but not more than thirty days.

c. Paragraphs "a" and "b" do not apply if a class "E" liquor control licensee tenders the department division three or more checks during a twelve-month period which are dishonored. Following notification to the department of dishonor of any a check after the second check so dishonored from the same licensee, the director shall suspend a licensee's class "E" liquor control license for not less than three nor more than thirty days, after notice and an opportunity for hearing. Payment of any a check whose dishonor subjects the licensee to suspension does not affect the liability of the licensee to suspension.

3. The price of alcoholic liquor sold by the division shall include a markup of up to sixty percent of the wholesale price paid by the division for the alcoholic liquor. The markup shall apply to all alcoholic liquor sold by the division; however, the division may increase the markup on selected kinds of alcoholic liquor sold by the division if the average return to the division on all sales of alcoholic liquor does not exceed the wholesale price paid by the division and the sixty percent markup.

Sec. 735. Section 123.25, Code 1985, as amended by 1986 Iowa Acts, House File 2372, section 8, is amended to read as follows:

123.25 CONSUMPTION ON PREMISES.

A vendor, An officer, clerk, agent, or employee of the department employed in any state liquor store or a state-owned warehouse shall not allow any alcoholic liquor or wine to be consumed on the premises, nor shall any a person consume any liquor on the premises except for testing or sampling purposes only.

Sec. 736. Section 123.26, Code 1985, is amended to read as follows:

123.26 RESTRICTIONS ON SALES — SEALS — LABELING.

Alcoholic liquor shall not be sold by the department division to a purchaser a class "E" liquor control licensee except in a sealed container with identifying markers as prescribed by the director and affixed on the premises of a state warehouse or store and no such container shall be opened upon the premises of a state warehouse or store. Possession of alcoholic liquors which do not carry the prescribed identifying markers is a violation of this chapter except as provided in section 123.22; and except as authorized by the council pursuant to section 123.56, subsection 4.

Sec. 737. Section 123.27, Code Supplement 1985, as amended by 1986 Iowa Acts, House File 2372, section 9, is amended to read as follows:

It is unlawful to transact the sale or delivery of alcoholic liquor or wine in, on, or from the premises of a state liquor store or warehouse:

1. After the closing hour as established by the director.
2. On any legal holiday except those designated by the director and approved by the executive council.
3. On any Sunday.
4. During other periods or days as designated by the director.

Sec. 738. Section 123.28, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

It is lawful to transport, carry, or convey alcoholic liquors from the place of purchase by the department division to a state warehouse, store, or depot established by the department division or from one such place to another and, when so permitted by this chapter, it is lawful for the division, a common carrier, or other person to transport, carry, or convey alcoholic liquor sold by a vendor from a state warehouse, store, depot, or point of purchase by the state to any place to which the liquor may be lawfully delivered under this chapter. The department shall deliver alcoholic liquor purchased by class "E" liquor control licensees. Class "E" liquor control licensees may deliver alcoholic liquor purchased by class "A", "B", or "C" liquor control licensees, and class "A", "B", or "C" liquor control licensees may transport alcoholic liquor purchased from class "E" liquor control licensees. Notwithstanding section 321.230, sections 321.225 and 321.226 do not apply to department division employees in the regular course of their employment. A common carrier or other person shall not break or open or allow to be broken or opened a container or package containing alcoholic liquor or use or drink or allow to be used or drunk any alcoholic liquor while it is being transported or conveyed, but this section does not prohibit a private person from transporting individual bottles or containers of alcoholic liquor exempted pursuant to section 123.22 and individual bottles or containers bearing the identifying mark prescribed in section 123.26 which have been opened previous to the commencement of the transportation. This section does not affect the right of a special permit or liquor control license holder to purchase, possess, or transport alcoholic liquors subject to the provisions of this chapter.

Sec. 739. Section 123.29, subsections 1 and 2, Code Supplement 1985, are amended to read as follows:

1. To a physician, pharmacist, dentist, or veterinarian, entitling the holder to purchase and import alcohol from distillers and wholesalers or from the ~~state liquor stores department~~ or a class "E" liquor control licensee for use medicinally and in compounding prescriptions and to sell the same alcohol for use medicinally in the compounded prescription only upon the prescription of a licensed physician or surgeon, or to use ~~such~~ the alcohol in manufacturing or compounding lotions, compounds, and like commodities not susceptible for beverage purposes, and to sell the same commodities for public use.

2. To a veterans home, sanitarium, hospital, college, or home for the aged which will entitle the holder to purchase and import alcohol from distillers and wholesalers or from the ~~state liquor stores division~~ or a class "E" liquor control licensee for use for medicinal, laboratory, and scientific purposes only.

Sec. 740. Section 123.29, unnumbered paragraph 5, Code Supplement 1985, is amended to read as follows:

Every person holding a special liquor permit under this chapter shall fill out in duplicate, on forms furnished by the department, the amount and kinds of liquors purchased, and shall retain one copy in the person's establishment for a period of two years. The ~~vender~~ of the state liquor store at which class "E" liquor control licensee from whom the purchase was made shall monthly forward the other copy to the department.

Sec. 741. Section 123.30, subsection 3, paragraphs a, b, and c, Code Supplement 1985, are amended to read as follows:

a. CLASS "A". A class "A" liquor control license may be issued to a club and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only the department, wine from the department or class "A" wine permittees only, and native wines from native wine manufacturers, and to sell liquors, wine, and beer, to bona fide members and their guests by the individual drink for consumption on the premises only.

b. CLASS "B". A class "B" liquor control license may be issued to a hotel or motel and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only the department, wine from the department or class "A" wine permittees only, and native wines from native wine manufacturers, and to sell liquors, wine, and beer, to patrons by the individual drink for consumption on the premises only; ~~however.~~ However, beer may also be sold for consumption off the premises. Each license shall be effective throughout the premises described in the application.

c. CLASS "C". A class "C" liquor control license may be issued to a commercial establishment but must be issued in the name of the individuals who actually own the entire business and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only the department, wine from the department or class "A" wine permittees only, and native wines from native wine manufacturers, and to sell liquors, wine, and beer, to patrons by the individual drink for consumption on the premises only; ~~however.~~ However, beer may also be sold for consumption off the premises.

A special class "C" liquor control license may be issued and shall authorize the holder to purchase wine from the department or class "A" wine permittees only, and to sell wine and beer to patrons by the individual drink for consumption on the premises only; ~~however.~~ However, beer may also be sold for consumption off the premises. The license issued to holders of a special class "C" license shall clearly state on its face that the license is limited.

Sec. 742. Section 123.30, subsection 3, Code Supplement 1985, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. e. CLASS "E". A class "E" liquor control license may be issued and shall authorize the holder to purchase alcoholic liquor from the division only and

to sell the alcoholic liquor to patrons for consumption off the licensed premise and to other liquor control licensees. A class "E" license shall not be issued to premises at which gasoline is sold. A holder of a class "E" liquor control license may hold other liquor control licenses or wine or beer permits, but the premises licensed under a class "E" liquor control license shall be separate from other licensed premises. However, the holder of a class "E" liquor control license may also hold a class "B" wine or class "C" beer permit or both for the premises licensed under a class "E" liquor control license.

Sec. 743. Section 123.32, subsection 1, Code Supplement 1985, is amended to read as follows:

1. Filing of application. An application for a class "A", class "B", or class "C", or class "E" liquor control license, for a retail beer permit as provided in sections 123.128 and 123.129, or for a class "B" retail wine permit as provided in section 123.176, accompanied by the required fee and bond, shall be filed with the appropriate city council if the premises for which the license or permit is sought are located within the corporate limits of a city, or with the board of supervisors if the premises for which the license or permit is sought are located outside the corporate limits of a city. An application for a class "D" liquor control license and for a class "A" beer or class "A" wine permit, accompanied by the required fee and bond, shall be filed with the department, which shall proceed in the same manner as in the case of an application approved by local authorities.

Sec. 744. Section 123.36, Code Supplement 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 9. Class "E" liquor control license, a sum of not less than seven hundred and fifty dollars, and not more than seven thousand five hundred dollars as determined on a sliding scale as established by the division taking into account the factors of square footage of the licensed premises, the location of the licensed premises, and the population of the area of the location of the licensed premises. Notwithstanding subsection 6, the holder of a class "E" liquor control license may sell alcoholic liquor for consumption off the licensed premises on Sunday subject to section 123.49, subsection 2, paragraph "b".

NEW SUBSECTION. 10. There is imposed a surcharge on the fee for each class "A", "B", or "C" liquor control license equal to thirty percent of the scheduled license fee. The surcharges collected under this section shall be deposited in the beer and liquor control fund, and notwithstanding subsection 8, no portion of the surcharges collected under this section shall be remitted to the local authority.

Sec. 745. Section 123.50, subsection 5, Code Supplement 1985, is amended by striking the subsection.

Sec. 746. Section 123.51, Code Supplement 1985, is amended to read as follows:

123.51 ADVERTISEMENTS FOR ALCOHOLIC LIQUOR, WINE, OR BEER.

1. Except as permitted by federal statute and regulations, there shall be no public advertisement or advertising of alcoholic liquors in any manner or form within the state.

2. No person shall publish, exhibit, or display or permit to be displayed any other advertisement or form of advertisement, or announcement, publication, or price list of, or concerning any alcoholic liquors, or where, or from whom the same may be purchased or obtained, unless permitted so to do by the regulations adopted by the department and then only in strict accordance with such regulations. This subsection shall not apply, however:

a. To the department.

b. To the correspondence, or telegrams, or general communications of the department, or its agents, servants, and employees.

e. To the receipt or transmission of a telegram or telegraphic copy in the ordinary course of the business of agents, servants, or employees of any telegraph company.

3 1. No signs or other matter advertising any brand of alcoholic liquor, beer, or wine shall be erected or placed upon the outside of any premises occupied by a licensee or permittee authorized to sell alcoholic liquor, beer, or wine at retail. This subsection does not prohibit the use of signs or other matter inside a fence or similar enclosure which wholly or partially surrounds the licensed premises.

2. A person shall not advertise the price or selection of alcoholic liquor for sale at retail other than within premises operated under a liquor control license.

4 3. Violation of this section shall be is a simple misdemeanor.

Sec. 747. Section 123.53, subsections 3, 7, and 8, Code Supplement 1985, are amended to read as follows:

3. The treasurer of state shall semiannually distribute a sum of money equal to at least ten percent of the gross sales made by the state liquor stores division but not less than six million four hundred thousand dollars to the cities of the state. ~~Such~~ The amount shall be distributed to the cities of the state in proportion to the population that each incorporated city bears to the total population of all incorporated cities of the state as computed by the latest federal census. A city may have one special federal census taken each decade, and the population figure thus obtained shall be used in apportioning amounts under this subsection beginning the calendar year following the year in which the special census is certified by the secretary of state. ~~Such~~ The apportionment shall be made semiannually as of July 1 and January 1 of each year. Warrants for the same apportionment shall be issued by the ~~state comptroller~~ director of revenue and finance upon certification of the treasurer of state and mailed to the city clerk of each incorporated city of the state and shall be made payable to ~~such~~ the incorporated city and shall be are subject to expenditure under the direction of the city council or other governing bodies of ~~such~~ the incorporated city for any lawful municipal purpose. It shall be is a lawful municipal purpose for cities to allocate a portion of the ~~above funds~~ moneys received for the purpose of financing the activities of a city commission or committee on alcoholism, ~~such~~ ~~commission or committee~~ to be appointed by the mayor or by the council or both. The commission or committee may use any funds so allocated for the treatment, rehabilitation, and education of alcoholics in Iowa.

7. The treasurer of state shall credit to the military service tax fund described in chapter 426A, a sum of money equal to at least five percent of the gross amount of sales made by the state liquor stores in the cities of the state division but not less than six million four hundred thousand dollars. Any amount thus credited shall be allocated to the various taxing districts of the state as reimbursement for losses of revenue due to exemption or remission of property taxes which would be imposed upon property upon which soldiers' exemptions or soldiers' tax credits are provided under ~~such terms as the general assembly may provide~~ provides.

8. The treasurer of state shall transfer into a special revenue account in the general fund of the state, a sum of money at least equal to seven percent of the gross amount of sales made by the state liquor stores in the cities of the state division from the beer and liquor control fund on a monthly basis but not less than nine million dollars annually, and any amounts so transferred shall be used by the department of substance abuse division of the department of public health for substance abuse treatment and prevention programs in an amount determined by the general assembly and any amounts received in excess of the amounts appropriated to the department of substance abuse division of the department of public health shall be considered part of the general fund balance. ~~This subsection is repealed June 30, 1987.~~

Sec. 748. Section 123.55, Code Supplement 1985, is amended to read as follows:

123.55 ANNUAL REPORT.

The council shall cause to be prepared an annual report to the governor of the state, ending with June 30 of each year, showing fully the results of the operations of the department covering the period since the last previous report. Such report shall show:

1. Amount of profit or loss from state liquor store division operations.
2. Number of state liquor stores opened, the number closed, and the number operating on last day included in report.
3. Amount of fees received from such stores, separately and in gross.
4. The current balance of the beer and liquor control fund, and the amount transferred from such the fund to the treasurer of state during the period covered by the report.
5. All other funds on hand and the source from which derived.
6. The total quantity and particular kind of alcoholic liquor sold.
7. The increase or decrease of liquor sales from the previous reporting period.
8. The number of liquor control licenses, wine permits, and beer permits issued, by class, the number in effect on the last day included in the report, and the number which have been suspended or revoked during the period covered by the report.
9. Amount of fees paid to the department division from liquor control licenses, wine permits, and beer permits, in gross, and the amount of liquor control license fees returned to local subdivisions of government as provided under this chapter.

Sec. 749. Section 123.57, Code 1985, is amended to read as follows:

123.57 EXAMINATION OF ACCOUNTS.

The financial condition and transactions of all offices, departments, ~~stores~~, warehouses, and depots of the department division shall be examined at least once each year by the state auditor and at shorter periods if requested by the director, governor, or executive council.

Sec. 750. Section 123.58, Code 1985, is amended to read as follows:

123.58 AUDITING.

All provisions of sections 11.6, 11.7, 11.10, 11.11, 11.14, 11.18, 11.21, and 11.23, relating to auditing of financial records of governmental subdivisions which are not inconsistent ~~herewith~~ with this chapter are ~~hereby made~~ applicable to the department division and its offices, ~~stores~~, warehouses, and depots.

Sec. 751. Section 123.136, unnumbered paragraph 1, Code 1985, is amended to read as follows:

In addition to the annual permit fee to be paid by all class "A" permittees under the provisions of this chapter there shall be levied and collected from such permittees on all beer manufactured for sale or sold in this state at wholesale and on all beer imported into this state for sale at wholesale and sold in this state at wholesale, a tax of ~~four five and thirty-four~~ eighty-nine hundredths dollars for every barrel containing thirty-one gallons, and at a like rate for any other quantity or for the fractional part of a barrel. However, no tax shall be levied or collected on beer shipped outside this state by a class "A" permittee or sold by one class "A" permittee to another class "A" permittee.

Sec. 752. Section 123.178, subsection 3, Code Supplement 1985, is amended to read as follows:

3. A person holding a class "B" wine permit may purchase wine for resale only ~~from the department or~~ from a person holding a class "A" wine permit.

Sec. 753. Section 123.183, Code Supplement 1985, is amended to read as follows:

123.183 WINE GALLONAGE TAX.

In addition to the annual permit fee to be paid by each class "A" wine permittee, there shall be levied and collected from each class "A" wine permittee on all wine manufactured for sale

and sold in this state at wholesale and on all wine imported into this state for sale at wholesale and sold in this state at wholesale, a tax of one dollar and fifty seventy-five cents for every wine gallon and a like rate for the fractional parts of a wine gallon. A tax shall not be levied or collected on wine sold by one class "A" wine permittee to another class "A" wine permittee. Revenue derived from the wine tax collected on wine manufactured for sale and sold in this state shall be deposited in the gallonage tax fund hereby created in the office of the treasurer of state. All other revenue derived from the wine tax shall be deposited in the liquor control fund established by section 123.53 and shall be transferred by the state comptroller to the general fund of the state. ~~The price of wine sold or offered for sale in state liquor stores which was not purchased by the department from a class "A" wine permittee shall include a markup over the wholesale price at least equal to the tax levied under this section.~~

Sec. 754. Section 123.48, Code 1985, and sections 123.23 and 123.96, Code Supplement 1985, are repealed.

Sec. 755. The alcoholic beverages control division of the department of commerce shall establish a program for employees of the division whose positions are terminated as a result of this Act and who do not qualify for or who choose not to accept early retirement. The program shall provide retraining for other positions within the division or otherwise within state government. The division shall give a preference to qualified persons previously employed by the division whose jobs were terminated as a result of this Act when hiring to fill vacant positions within the division. If after exhausting the requirements of collective bargaining agreements a vacancy still exists in any other state department, the other state department shall give preference to qualified persons previously employed by the alcoholic beverage control division whose jobs were terminated as a result of this Act.

Sec. 756. The alcoholic beverages control division of the department of commerce shall adopt reasonable procedures to expedite the release of lease obligations and to otherwise minimize expenses incurred as a result of this Act. The division shall continue to operate one or more state liquor stores after June 30, 1986 for the purpose of ensuring an efficient and orderly transition to a system of private retailers. The division shall not close a state liquor store before June 30, 1987 unless a class "E" liquor control licensee begins operations within the particular store's market area. *However, the division shall not operate a liquor store after June 30, 1987. *However, the division shall not operate a state liquor store after June 30, 1987. The provisions of the Code concerning the operation of state liquor stores shall remain in effect to the extent applicable in the form as they existed prior to the effective date of this Act and they shall so remain in effect until the division ceases operation of any liquor stores. The division shall maintain the existing warehouse distribution personnel for the transition period of July 1, 1986 through June 30, 1987.

Sec. 757. Effective July 1, 1986 the division shall cease offering for sale and selling wine at wholesale to liquor control licensees and class "B" wine permittees. The state shall continue to sell wine at retail to purchasers at state liquor stores as provided by this Act.

Sec. 758. Notwithstanding section 742 of this Act which creates a new lettered paragraph "e" to section 123.30, subsection 3, Code Supplement 1985, a person operating an agency store may obtain a class "E" liquor control license for the premises designated as an agency store despite the fact that gasoline is also sold on the premises.

Sec. 759. The division shall not contract for any other agency stores nor allow the operation of any other agency stores other than those agency stores operating on May 1, 1986.

*According to enrolled Act

Sec. 760. No state liquor store shall be discontinued before March 1, 1987 and no class "E" liquor control licensee shall be allowed to begin doing business before March 1, 1987. However, the division shall not operate a liquor store after June 30, 1987.

Sec. 761. The division shall adopt rules prior to October 1, 1986 for the approval of applications for class "E" liquor control licenses.

Sec. 762. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987 to the department of public defense, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	1986-1987 Fiscal Year
1. For salaries, support, maintenance, and miscellaneous purposes	\$ 3,191,828
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, 1986 and ending June 30, 1987. 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	\$ 14,278

Sec. 763. NEW SECTION. 477A.1 DEFINITIONS.

As used in this chapter unless the context otherwise requires:

1. "911 service" 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 9-1-1.
2. "Public agency" means the state government and any unit of local government or special purpose district located in whole or in part within the state that provides or has authority to provide fire fighting, law enforcement, ambulance, medical, or other emergency services.
3. "Public safety agency" means a functional unit of a public agency that provides fire fighting, law enforcement, ambulance, medical, or other emergency services.
4. "Private safety entity" means a private entity which provides emergency fire, ambulance, or medical services whether by full or part-time employees or on a volunteer basis.
5. "Public safety answering point" means a communications facility operated on a twenty-four hour basis and serving participating jurisdictions, that initially receives 911 calls and either directly dispatches emergency response services, or relays the calls to the appropriate public safety agency.
6. "Commission" means the state emergency telephone number commission established by section 477A.3.

Sec. 764. NEW SECTION. 477A.2 911 SERVICE.

1. After the effective date of this Act, when 911 service is established in a service area each public agency, public safety agency, and private safety entity serving territory within the service area shall participate in providing the 911 service. The 911 service shall be established according to a written plan which has the written approval of the governing bodies of each public agency, public safety agency, and private safety entity serving territory within the 911 service area.
2. This chapter does not prohibit or discourage participation in or the provision of 911 service covering the territory of more than one public agency, public safety agency, or private safety entity. A system established pursuant to this section may serve the territory of more than one public agency, public safety agency, or private safety entity or may include a part of their respective territories. Public agencies, public safety agencies, and private safety entities may enter into agreements under chapter 28E to provide 911 service.
3. The digits "911" shall be the primary emergency telephone number within the 911 service areas established under this section. A public safety agency or a private safety entity

whose services are available through a 911 system may maintain a separate secondary backup number for emergencies, and shall maintain a separate number for nonemergency telephone calls.

4. A 911 system shall be capable of transmitting requests for law enforcement, fire fighting, and emergency medical and ambulance services to a public safety agency or agencies that provide the requested service at the place where the call originates. A 911 system may also provide for transmitting requests for disaster services, poison control, suicide prevention, and other emergency services. The public safety answering point shall be capable of receiving calls from hearing impaired persons through a telecommunications device for the deaf. Conferencing capability with counseling, aid to handicapped, and other services as deemed necessary for identifying appropriate emergency response services may be provided by the 911 service.

A public safety answering point may transmit emergency response requests to private safety entities.

Sec. 765. NEW SECTION. 477A.3 STATE EMERGENCY TELEPHONE NUMBER COMMISSION CREATED.

The state emergency telephone number commission is created in the office of disaster services of the department of public defense. The director of the office of disaster services shall serve as chairperson of the commission. The office of disaster services shall provide the meeting facilities for the commission. The division of communications, department of general services, shall provide administrative and technical support for the commission with the support of the staff of the respective members of the commission. The members of the commission are as follows:

1. One person appointed by the commissioner of public safety.
2. One person appointed by the league of Iowa municipalities.
3. One person appointed by the Iowa state association of counties.
4. One person appointed by the legislative communications review committee.
5. One person from the Iowa commerce commission.
6. Twelve persons appointed by the governor as follows:
 - a. Two persons representing fire departments, one representing a paid fire department and the other representing a volunteer fire department.
 - b. Two persons representing city police departments, one representing a city with a population of fifty thousand or more, and the other from a smaller city.
 - c. Two persons representing county sheriff departments, one representing a county with a population of twenty-five thousand or more, and the other representing a smaller county.
 - d. Two persons representing emergency ambulance and medical service departments, one representing a public ambulance and medical service, and the other representing a private ambulance and medical service.
 - e. Two persons representing exchange carriers providing public telephone service in Iowa, one representing a telephone company subject to rate regulation under section 476.1 and one representing a telephone company that is not subject to rate regulation under section 476.1.
 - f. Two persons who are qualified by education or employment experience to evaluate alternative financing methods.

Vacancies shall be filled in the same manner as the original appointments are made. Terms shall commence upon appointment and shall run until the commission is abolished by repeal.

Sec. 766. NEW SECTION. 477A.4 MEETINGS.

1. The chairperson shall call the first meeting of the commission within thirty days of the appointment of the members. A majority of the members of the commission constitute a

quorum and the concurrence of a quorum is required on any question relating to the commission's official duties. Commission members shall serve without compensation. Members who are not government employees shall be reimbursed from funds appropriated in section 7 of this Act for actual expenses incurred in the performance of duties. The commission shall meet as necessary, but at least once each month until the report required by section 477A.5 is completed.

2. Public agencies and exchange carriers providing public telephone service in Iowa shall cooperate, within time, personnel, and budgetary limitations, in providing information, data, surveys, and studies as requested by the commission.

3. The commission may apply for, receive, and expend any private or public funds to implement this chapter.

4. The commission shall hold public hearings, prior to making its recommendations to the general assembly, and shall provide Iowans with information on 911 service to stimulate public interest and comment.

Sec. 767. NEW SECTION. 477A.5 RECOMMENDATIONS TO GENERAL ASSEMBLY.

The commission shall submit a written report and recommendations for an overall plan to implement 911 service to the general assembly not later than January 10, 1987. The recommendations shall include, but are not limited to:

1. The responsibilities that should be assumed by state and local public agencies and public safety agencies and by exchange carriers providing public telephone service in implementing statewide 911 service.

2. The size of 911 service areas necessary to operate effectively and to achieve economies of scale and the local government coordination necessary to establish 911 service.

3. Whether it is necessary or desirable for an existing or new state agency to be given the responsibility for monitoring, reviewing, supervising, or coordinating the implementation of statewide 911 service.

4. The equipment, capability and operational standards that should be established for 911 service, including procedures for transmitting calls, that will result in the shortest response time in emergencies and the best service to the public.

5. An estimate of the cost to state and local public agencies to plan, implement, and operate 911 systems throughout the state. The cost reported should indicate the current costs of telephone and related services as well as the incremental costs of 911 implementation.

6. Whether it is necessary or desirable for the general assembly to establish a deadline by which every public agency and public or private safety agency must establish or participate in 911 service.

7. Whether it is necessary or desirable for the general assembly to allow a public agency or utility to seek a waiver of all or some of the time limits for implementing 911 service.

8. Identification and listing of all existing federal, state, local, and private funding sources available for implementation of 911 service. The report shall discuss the merits of alternative methods of collecting the necessary revenues including an increase in taxes, an imposition of a surcharge on the amounts paid by every person in the state for intrastate telephone service, and combinations of these methods.

9. How public agency costs for the planning, installation, and continued operation of the 911 system should be met and from which sources.

10. Legislation needed to implement statewide 911 services.

Sec. 768. NEW SECTION. 477A.6 REPEAL.

Sections 477A.3 through 477A.6 are repealed effective six years from the effective date of this Act.

Sec. 769. There is appropriated to the office of disaster services from the general fund the sum of five thousand (5,000) dollars for the purposes of sections 477A.1 to 477A.5.

Sec. 770. Section 8.33, unnumbered paragraph 2, Code 1985, is amended to read as follows:

No payment of an obligation for goods and services shall be charged to an appropriation subsequent to the last day of the fiscal term for which the appropriation is made unless such goods or services are received on or before September 15 the last day of the following fiscal year, except that repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures for the purchase of land or the erection of buildings or new construction or remodeling, which were committed and in progress prior to the end of the fiscal term are excluded from this provision.

Sec. 771. Section 29A.9, unnumbered paragraph 2, Code 1985, is amended to read as follows:

The governor shall also provide for the participation of the national guard, or any part of it, in training at such times and places as designated by the secretary of defense necessary to insure readiness for public defense or federal service.

Sec. 772. Section 18.117, Code 1985, is amended to read as follows:

18.117 PRIVATE USE – RATE FOR STATE BUSINESS.

A state officer or employee shall not use a state-owned motor vehicle for personal private use, nor shall the officer or employee be compensated for driving a privately owned motor vehicle unless it is done on state business with the approval of the state vehicle dispatcher, and in that case the officer or employee shall receive ~~twenty-two cents per mile effective July 1, 1981, and twenty-four~~ twenty-one cents per mile effective July 1, 1982. A statutory provision stipulating necessary mileage, travel, or actual expenses reimbursement to a state officer falls under the mileage reimbursement limitation provided in this section unless specifically provided otherwise. Any peace officer employed by the state as defined in section 801.4 who is required to use a private vehicle in the performance of official duties shall receive reimbursement for mileage expense at the rate specified in this section. However, the state vehicle dispatcher may delegate authority to officials of the state, and department heads, for the use of private vehicles on state business up to a yearly mileage figure established by the director of general services and approved by the executive council. If a state motor vehicle has been assigned to a state officer or employee, the officer or employee shall not collect mileage for the use of a privately owned vehicle unless the state vehicle assigned is not usable.

This section does not apply to officials and employees of the state whose mileage is paid by other than state agencies and this section does not apply to elected officers of the state, judicial officers, or court employees.

Sec. 773. Section 79.9, Code 1985, is amended to read as follows:

79.9 CHARGE FOR USE OF AUTOMOBILE BY OTHER THAN STATE OFFICER OR EMPLOYEE.

When a public officer or employee, other than a state officer or employee, is entitled to be paid for expenses in performing a public duty, a charge shall be made, allowed and paid for the use of an automobile, as determined by the local governing body, in an amount not exceeding ~~twenty-two cents per mile for actual and necessary travel effective July 1, 1981, and in an amount not exceeding twenty-four~~ twenty-one cents per mile effective July 1, 1982. A statutory provision stipulating necessary mileage, travel, or actual reimbursement to a local public officer or employee falls within the mileage reimbursement limitation specified in this section unless specifically provided otherwise. A political subdivision may authorize the use of private vehicles for the conduct of official business of the political subdivision at an annual amount in lieu of actual and necessary travel expense reimbursement provided in this section. A peace officer, other than a state officer or employee, as defined in section 801.4 who is required to use a private vehicle in the performance of official duties shall receive

reimbursement for mileage expense at the rate specified in this section.

Sec. 774. If after exhausting the requirements of collective bargaining agreements a vacancy still exists in any other state department or agency, the other state department or agency shall give preference to qualified persons previously employed by the executive branch of state government whose jobs are terminated as a result of reorganization.

Sec. 775. Section 331.404, Code 1985, is repealed.

Sec. 776. All federal grants to and the federal receipts of the agencies appropriated funds under this division of this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 777. Section 770 of this Act is retroactive to March 1, 1986.

Sec. 778. Section 144 of this Act takes effect retroactive to April 30, 1986.

Approved May 31, 1986, except the items which I hereby disapprove and which are designated as paragraphs 2, 3 and 4 of section 1, subsection 2; section 15; paragraph 2 of section 110, subsection 1.a.; and section 138; each of these four items are bracketed in ink and initialed by me. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

Dear Madam Secretary:

I hereby transmit House File 2484, an act relating to and making appropriations to agencies, boards, commissions, departments, and programs of state government and making certain provisions retroactive.

House File 2484 is approved May 31, 1986 with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as paragraphs 2, 3 and 4, of Section 1, Subsection 2, which reads as follows:

Of the funds appropriated by this subsection, one hundred thousand (100,000) dollars, or so much thereof as is necessary, shall be expended to develop a state tourism marketing plan. The plan shall be provided to the legislative council upon completion. Of the funds appropriated by this subsection, one million (1,000,000) dollars shall not be expended prior to the completion of the state tourism marketing plan and presentation of the plan to the legislative council.

There is created a tourism marketing plan task force. The director of the department of economic development or the director's designee shall serve as chairperson of the tourism marketing plan task force. The task force shall consist of five members. The director shall appoint a representative of the state conservation commission, a representative of the recreation, tourism, and leisure study committee, a representative of the department of cultural affairs, and a representative of the tourism industry from the private sector.

The task force shall develop guidelines for the preparation of a comprehensive statewide tourism marketing plan and tourism information delivery system plan, recommendations from which shall be submitted by the task force to the legislative council for the release of withheld funds.

Section 1, Subsection 2, of House File 2484 appropriates \$1.4 million for tourism promotion programs to the Iowa Department of Economic Development. I am disappointed that the legislature did not adopt my recommendation to provide \$2.6 million in tourism promotion money. These additional funds could be used to promote tourism attractions in the state of Iowa.

Nevertheless, the increased appropriation by the General Assembly is welcomed and will provide an immediate economic stimulus to the state of Iowa.

I cannot approve, however, language which is included in this appropriation which would hamstring the department and the expenditure of the tourism funds. The department already has a successful plan in place for tourism marketing promotion. Last year that plan resulted in a 20% increase in tourism spending. Tourism requests are already up almost 10% in Iowa. What is needed now is funding to provide the tools to implement that existing marketing plan. In order to avoid an unnecessary and unwise delay in the expenditure of tourism marketing funds, I am disapproving language which would prevent the immediate implementation of our tourism marketing efforts.

I am unable to approve Section 15 in its entirety.

Section 15 directs the Department of Transportation to establish an additional permit center at the junction of Iowa highways 151, 61 and 52. However, there is no convenience to the industry or efficiency in government to be gained by opening another center. For over 10 years, truckers have been able to pick up a telephone, make one call to the existing 24-hour center and have all necessary permits transmitted by wire anywhere they wish in the country. A consensus of the Department of Transportation's Motor Carrier Advisory Committee (composed of members of the industry and related businesses) is that the section should be vetoed. Moreover, many truck stop operators use permit transmittals as a business enhancement and could view this as more government intrusion.

The restructuring bill appropriately maintains the authority of the Department of Transportation Commission to make the decisions affecting these matters. This section would inappropriately involve the legislature in those decisions. For those reasons I hereby disapprove Section 15 of House File 2484.

I disapprove a portion of Section 110, Subsection 1.a, which reads as follows:

The state board of regents shall not assess charges to the three institutions of higher education under the control of the state board for fiscal year beginning July 1, 1986, in excess of the charges to the three institutions assessed and approved by the state board as of April 1, 1986 for the fiscal year ending June 30, 1986.

Section 110 of House File 2484 includes a provision which limits the ability of the State Board of Regents to secure funding. The state board serves a critical role coordinating the efforts of the three public institutions of higher education and applying appropriate public policy input into the decision-making process. In order to discharge their governance responsibilities appropriately, the Board of Regents' office needs the flexibility. This language could prevent the office from providing the services and the management that we expect from a governing board and is therefore disapproved.

I hereby disapprove Section 138 in its entirety.

Section 138 of House File 2484 includes a substantial change in the method to reimburse parents for non-public transportation. I am a strong supporter of such a reimbursement. And, I am concerned that this change will limit the availability of this reimbursement for some families. The present reimbursement system is working appropriately and has been funded adequately. With the disapproval of this section, we will be able to maintain the current system and ensure funds for the reimbursement of non-public school parents.

For the above reasons, I hereby respectfully disapprove of these 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 2484 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD, *Governor*