

I am unable to approve the item designated as Section 6, subsection 9, paragraph d, in its entirety. This item calls for a pilot project to study revocation rates to prison. I recognize that recidivism is a problem however, fiscal constraints do not allow the beginning of this new program. I have asked the Department of Corrections and the Board of Parole to make recommendations for reducing the revocation rate without the need for this \$200,000 study. And, I have approved greatly increased funding for treatment and educational programs within our correctional system which will work to reduce revocation.

I am unable to approve the item designated as Section 8, subsections 2 and 3, in their entirety. These items call for \$536,000 to be appropriated only if House File 2533 was enacted by the 73rd General Assembly, 1990 Session. House File 2533, which dealt with a pilot program of mandatory mediation of contested issues of child custody and visitation and a pilot program establishing a family court, did not pass, hence there is no need for these appropriations.

I am unable to approve the items designated as Sections 12 and 13, in their entirety. These sections would have directed the Department of Human Services to enter into a cooperative agreement with the Judicial Department by May 1, 1990, for reimbursement and incentive payments to the Judicial Department for activities eligible for federal financial participation. Federal regulations mandate that the federal government review all cooperative agreements and expenditures pertaining to incentive payments. Further, the state must justify and demonstrate the benefits to the child support enforcement program resulting from a cooperative agreement. If the cooperative agreement is not cost effective, it may result in a decrease in incentives paid to the state thereby creating a negative fiscal impact on Iowa. It is premature to authorize such an agreement between the Department of Human Services and the Judicial Department because Senate File 2408, Section 12, does not provide adequate time to meet these federal mandates and determine the costs and benefits of such a cooperative agreement. Further, it is impossible to meet the May 1, 1990, effective date since that date has already passed.

I am unable to approve the items designated as Sections 15 and 16, in their entirety, for they are immediate enactment clauses for items in Senate File 2408 which I have item vetoed.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2408 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, *Governor*

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## CHAPTER 1269

### IOWA PLAN FUND APPROPRIATIONS AND PROVISIONS

*S.F. 2433*

**AN ACT** relating to the appropriations from and the reallocation of the moneys in the surplus account of the Iowa plan fund, to certain corporations appropriated moneys from the Iowa plan fund, and authorizing the creation of a disaster recovery program to provide low-interest and guaranteed loans to public and private entities for which an appropriation is made from the Iowa plan fund, and providing an effective date.

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

Section 1. Section 15.284, subsection 4, Code Supplement 1989, is amended to read as follows:

4. The finance division of the department shall rank the applicants according to financial need, cost-benefit of the project, percent of match, impact, including an increase in fire or public safety because of completion of the project, and ability to administer project.

Sec. 2. Section 18B.4, Code Supplement 1989, is amended to read as follows:

**18B.4 AUTHORIZED CORPORATION — STAFF.**

The international network on trade shall be incorporated under chapter 504A. INTERNET shall not be regarded as a state agency, except for purposes of chapter 17A. A member of the board of directors is not considered a state employee, except for purposes of chapter 25A. If the executive director is a natural person acting as a salaried employee of the board, the executive director is a state employee ~~except~~ for purposes of the ~~merit system provisions of chapter 19A and chapter 20 Iowa public employees' retirement system, state health and dental plans, and other state employee benefits and chapter 25A.~~ A natural person hired by the executive director who is a salaried employee of the board is a state employee for purposes of the Iowa public employees' retirement system, state health and dental plans, and other state employee benefits and chapter 25A. However, if a person, including a staff member of INTERNET, is an independent contractor or an employee of an independent contractor, the person is not a state employee except for purposes of chapter 25A. Chapters 8, 18, 19A, and 20, and other provisions of law that relate to requirements or restrictions dealing with state personnel or state funds do not apply to the INTERNET corporation, the executive director, and any employees of the board or the corporation, except to the extent provided in this chapter.

Sec. 3. Section 18B.11, unnumbered paragraphs 1, 3, and 4, Code Supplement 1989, are amended to read as follows:

~~There is created within the state treasury,~~ shall be created by the board of directors of INTERNET an international network on trade fund. The fund is composed of money appropriated by the general assembly for that purpose, and moneys available to and obtained or accepted by the board under this chapter, including money from the United States, other states in the union, foreign nations, state agencies, political subdivisions, and private sources, and moneys from fees charged under this chapter.

~~The auditor of state shall conduct regular corporation shall arrange, at least annually, for regular independent audits of the fund and shall make submit a certified report relating to the condition of the fund to the treasurer of state and to the executive director governor and general assembly.~~

~~The board and executive director shall administer the fund in accordance with procedures of the treasurer of state.~~ In administering the fund, the board may do all of the following:

Sec. 4. Section 28.153, Code Supplement 1989, is amended to read as follows:

**28.153 AUTHORIZED CORPORATION.**

A Wallace technology transfer foundation of Iowa shall be incorporated under chapter 504A. The foundation shall not be regarded as a state agency, except for purposes of chapter 17A. A member of the board of directors is not considered a state employee, except for purposes of chapter 25A. The executive director is a state employee ~~except~~ for purposes of the ~~merit system provisions of chapter 19A and chapter 20 Iowa public employees' retirement system, state health and dental plans, and other state employee benefits and chapter 25A.~~ A natural person employed by the executive director is a state employee for purposes of the Iowa public employees' retirement system, state health and dental plans, and other state employee benefits plans and chapter 25A. Chapters 8, 18, 19A, and 20, and other provisions of law that relate to requirements or restrictions dealing with state personnel or state funds do not apply to the foundation, the executive director, and any employees of the board or the foundation, except to the extent provided in this chapter.

Sec. 5. Section 28.156, subsection 3, paragraph g, Code Supplement 1989, is amended by striking the paragraph.

Sec. 6. NEW SECTION. 28.161 WALLACE TECHNOLOGY TRANSFER FOUNDATION FUND.

1. There shall be created by the board of directors a Wallace technology transfer foundation fund. The fund is composed of money appropriated by the general assembly for that

purpose, and moneys available to and obtained or accepted by the board under this chapter, including money from the United States, other states in the union, foreign nations, state agencies, political subdivisions, and private sources, and moneys from fees charged under this chapter.

2. The fund shall be a revolving fund from which moneys may be used for purposes described in this chapter, including loans, grants, matching financing, and administrative costs. All interest earned on proceeds in the fund shall remain in the fund.

3. The foundation shall arrange, at least annually, for regular independent audits of the fund and shall submit a certified report relating to the condition of the fund to the governor and general assembly.

4. In administering the fund, the board may do all of the following:

a. Contract, sue and be sued, and adopt rules necessary to carry out the provisions of this section, but the board shall not in any manner, directly or indirectly pledge the credit of the state.

b. Authorize payment from the fund, from fees and from any income received by investment of money in the fund, for costs, commissions, attorney fees, and other reasonable expenses related to and necessary for making and protecting direct loans under this section, and for the recovery of moneys loaned or the management of property acquired in connection with the loans.

5. Section 8.33 shall not apply to moneys in the fund.

*\*Sec. 7. NEW SECTION. 29C.100 DISASTER RECOVERY PROGRAM — FINANCING — DEFINITIONS — FUNDING — BONDS AND NOTES.*

1. *As used in this subchapter, unless the context otherwise requires, "authority" means the Iowa finance authority.*

2. *The authority shall cooperate with the department of public defense in the creation, administration, and funding of the disaster recovery program established in this subchapter.*

3. *The authority may issue its bonds and notes for the purpose of funding guaranteed loans to eligible persons and projects as part of a disaster recovery action authorized pursuant to this subchapter.*

4. *The authority may issue its bonds and notes for the purposes of this subchapter and may enter into one or more lending agreements or purchase agreements with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. The authority and the bondholders or noteholders or a trustee agent designated by the authority may enter into agreements to provide for any of the following:*

a. *That the proceeds of the bonds and notes and the investments of the proceeds may be received, held, and disbursed by the authority or by a trustee or agent designated by the authority.*

b. *That the bondholders or noteholders or a trustee or agent designated by the authority may collect, invest, and apply the amount payable under the loan agreements or any other instruments securing the debt obligations under the loan agreements.*

c. *That the bondholders or noteholders may enforce the remedies provided in the loan agreements or other instruments on their own behalf without the appointment or designation of a trustee. If there is a default in the principal of or interest on the bonds or notes or in the performance of any agreement contained in the loan agreements or other instruments, the payment or performance may be enforced in accordance with the loan agreement or other instrument.*

d. *Other terms and conditions as deemed necessary or appropriate by the authority.*

5. *The powers granted the authority under this section are in addition to other powers contained in chapter 220. All other provisions of chapter 220, except section 220.28, subsection 4, apply to bonds or notes issued and powers granted to the authority under this section, except to the extent they are inconsistent with this section.*

6. *All bonds or notes issued by the authority in connection with the program are exempt from taxation by this state and the interest on the bonds or notes is exempt from state income tax, both personal and corporate.\**

\*Item veto; see message at end of the Act

**\*Sec. 8. NEW SECTION. 29C.101 SECURITY — RESERVE FUNDS — PLEDGES — NONLIABILITY — IRREVOCABLE CONTRACTS.**

1. The authority may provide in the resolution, trust agreement, or other instrument authorizing the issuance of its bonds or notes pursuant to section 29C.100 that the principal of, premium, and interest on the bonds or notes are payable from any of the following and may pledge the same to its bonds and notes:

a. The income and receipts or other moneys derived from the projects financed with the proceeds of the bonds or notes.

b. The income and receipts or other money derived from designated projects whether or not the projects are financed in whole or in part with the proceeds of the bonds or notes.

c. The amounts on deposit in the disaster recovery fund created in section 29C.100.

d. The amounts payable to the authority by jurisdictions or persons eligible for disaster recovery program assistance.

e. Any other funds or accounts established by the authority in connection with the program or the sale and issuance of its bonds or notes.

2. The authority may establish reserve funds to secure one or more issues of its bonds or notes. The authority may deposit in a reserve fund established under this subsection, the proceeds of the sale of its bonds or notes and other money which is made available from any other source. The authority shall establish a disaster recovery fund for the deposit of moneys appropriated for this program, and section 8.33 notwithstanding, such moneys remaining in the disaster recovery fund, including interest and investment income, shall not revert to the general fund, but shall remain in the disaster recovery fund, and shall be a continuing appropriation for the purposes of this program. These moneys may be used to leverage additional private or public funds, including, by way of example, but not limitation, reducing the rate of interest or cost of money loaned to beneficiaries of the program.

3. A pledge made in respect of bonds or notes is valid and binding from the time the pledge is made. The money or property so pledged and received after the pledge by the authority is immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge is valid and binding as against all persons having claims of any kind in tort, contract, or otherwise against the authority whether or not the parties have notice of the lien. Neither the resolution, trust agreement, or any other instrument by which a pledge is created needs to be recorded, filed, or perfected under chapter 554, to be valid, binding, or effective against all persons.

4. The members of the authority or persons executing the bonds or notes are not personally liable on the bonds or notes and are not subject to personal liability or accountability by reason of the issuance of the bonds or notes.

5. The state pledges to and agrees with the holders of bonds or notes issued under this subchapter that the state will not limit or alter the rights and powers vested in the authority to fulfill the terms of a contract made by the authority with respect to the bonds or notes, or in any way impair the rights and remedies of the holders until the bonds or notes, together with the interest on them including interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, as it refers to holders of bonds or notes of the authority, in a contract with the holders.\*

**\*Sec. 9. NEW SECTION. 29C.102 RULES.**

The authority shall adopt rules pursuant to chapter 17A to implement sections 29C.100 and 29C.101.\*

**\*Sec. 10. NEW SECTION. 29C.103 DISASTER ASSISTANCE RECOVERY ACTION.**

1. Upon the recommendation of the administrator, the governor may issue an order approving a disaster recovery action for persons affected by a disaster which meets all of the following criteria:

\*Item veto; see message at end of the Act

a. A major disaster has not been declared by the president of the United States.

b. Persons eligible for assistance pursuant to the order shall be limited to those who are not beneficiaries of state assistance approved pursuant to section 29C.6.

2. Subject to the terms and conditions of the disaster recovery action order, a political subdivision may obtain guaranteed financial assistance through the authority acting pursuant to sections 29C.100 through 29C.102 and this section. The authority may issue bonds or notes secured as provided by this subchapter including such moneys as may be pledged by the political subdivision and income from facilities or projects which are the subject of the financial assistance.

3. Subject to the terms and conditions of the disaster recovery action order, a private person who satisfies all of the following criteria may obtain guaranteed financial assistance through the authority action pursuant to sections 29C.100 through 29C.102 and this section:

a. A person must have suffered a property casualty from a disaster.

b. The casualty must have been uninsured or underinsured.

Assistance to a private person is limited to the amount of the damages which were uninsured or underinsured. Assistance shall be in the form of a low-interest guaranteed loan, issued on such terms and conditions as may be required by the authority. The authority may issue such bonds or notes to finance these loans, secured as provided by this subchapter, including by the repayment of the loans and such other security as may be pledged by the private beneficiaries and income from facilities or projects which are the subject of the financial assistance.

4. The disaster recovery program authorized by this subchapter shall be for the public purpose of restoring political subdivisions and private persons adversely impacted by an uninsured or underinsured property casualty caused by a disaster which exceeds current economic resources. Through long-term financial assistance, beneficiaries of the program are to be restored in their life, property, and security, permitting continued operation of the affected instruments of government and civic and economic contributions by affected private persons.\*

Sec. 11. Section 99E.32, subsection 3, paragraph y, Code Supplement 1989, is amended to read as follows:

y. For the fiscal year beginning July 1, 1989, to the department of economic development for the sister state program the sum of eighty thousand dollars. Funds appropriated for the sister state program shall be matched ~~on a dollar-for-dollar basis~~ to the extent possible by private sources. ~~In-kind expenditures from the private sector may be considered as a portion of the dollar-for-dollar match.~~ The department shall secure the necessary private participation from groups and organizations most appropriate for this program.

Sec. 12. Section 99E.32, subsection 4, paragraph b, subparagraph (4), Code Supplement 1989, is amended to read as follows:

(4) (a) For the fiscal year beginning July 1, 1989, the amount appropriated is six million four hundred thousand dollars. Of the amount appropriated for the fiscal year beginning July 1, 1989, forty thousand dollars shall be allocated to the state library within the department of cultural affairs for purposes of the patent depository library and three hundred thousand dollars shall be allocated and used to operate the university and private industry research and development consortium at each of the state board of regents universities established under chapter 262B. Of the three hundred thousand dollars, one hundred thousand dollars is allocated to each of the consortiums. The department of economic development and the consortiums shall coordinate activities relating to purposes of chapter 262B. Of the amount appropriated in this subparagraph, five hundred thousand dollars is allocated to the University of Northern Iowa for the decision-making science institute; ~~one~~ two hundred thousand dollars is allocated to the department of economic development for an economic development training program at the school of business at the University of Northern Iowa which shall use these funds in consultation with the department, the university, and the professional developers of Iowa and which shall use one hundred thousand dollars of the funds for the development, with

\*Item veto; see message at end of the Act

the involvement of the public and private sector, of a curriculum on international trade; one hundred thousand dollars is allocated to the decision-making science institute for the emerging business opportunities analysis; six hundred fifty thousand dollars is allocated to the international network on trade fund of the INTERNET foundation, established in chapter 18B, which shall transfer four hundred thousand dollars of its allocation to the Wallace technology transfer foundation of Iowa established in section 28.152; sixty thousand dollars for grants under subparagraph subdivision (c); and three hundred thousand dollars, to be allocated equally, for support of the Iowa technology innovation centers at the University of Iowa and the Iowa State University of science and technology and the applied technology program at the University of Northern Iowa.

(b) Notwithstanding section 99E.31, subsection 4, paragraph "a", for the fiscal year beginning July 1, 1989, the department of economic development shall waive the matching funds requirement for programs under this subparagraph except for the Iowa State University of science and technology biotechnology research and development program, the technology innovation centers, and the applied technology program.

(c) For the fiscal year beginning July 1, 1989, the department of economic development shall provide a grant of thirty thousand dollars to each agricultural marketing resources cooperative that has qualified for a loan from the community economic betterment account under subsection 2 to insure the adequate capitalization of each cooperative.

Sec. 13. Section 99E.32, subsection 5, paragraph p, Code Supplement 1989, is amended to read as follows:

p. There is appropriated from the allotment to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1989, to the Iowa state fair board the sum of four five hundred thousand dollars to provide facilities to house booths, displays, and other promotional activities for local tourism groups and organizations.

Sec. 14. Section 99E.32, Code Supplement 1989, is amended by adding the following new subsection:

**NEW SUBSECTION. 10.** There is appropriated from the surplus account to the designated agency or office for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

*\*a. To the department of public defense, the sum of one million five hundred thousand dollars for purposes of the disaster recovery program created in sections 29C.100 through 29C.103.*

*b. To the Iowa civil rights commission, an amount up to thirty-five thousand dollars as a one-for-one match with private contributions for the purpose of conducting a week-long program of public education throughout the state to call attention to the mission and accomplishments of the commission over the past twenty-five years.*

*c. To the prosecuting attorneys training coordinator in the department of justice, the sum of fifty thousand dollars. This appropriation is conditional upon receiving a grant from the national institute of dispute resolution for the purpose of conducting a statewide survey of alternate dispute resolution services to evaluate their effectiveness, level of training, and success rates, and to make recommendations to the governor and general assembly concerning the development of a state mediation service.*

*d. To the department of agriculture and land stewardship, the sum of fifty thousand dollars for the establishment and operation of a foreign trade office in Taipei, Taiwan.*

*e. To the Iowa department of public health, the sum of one hundred thousand dollars for the rural health office for the purpose of rural health planning.\**

*f. To the Terrace Hill commission, the sum of thirty thousand dollars for maintenance and repair at Terrace Hill and for .5 FTEs.*

*g. To the Terrace Hill commission, the sum of five thousand dollars for landscaping at Terrace Hill.*

*\*h. To Iowa state university of science and technology for the Iowa cooperative extension service in agriculture and home economics, the sum of one hundred thousand dollars to hire up to four horticultural specialists.\**

\*Item veto; see message at end of the Act

i. To the department of public defense, the sum of five hundred thousand dollars for construction of a STARC armory at Camp Dodge to house national guard units and to use the basement area to continue state government activities which include the state alternate emergency operations center, the Iowa communications network primary "HUB", and associated disaster service divisions required to maintain continuity of state government.

**\*Sec. 15. NEW SECTION. 220.163 AUTHORITY TO ISSUE STATE DISASTER RECOVERY PROGRAM BONDS AND NOTES.**

*The authority shall assist the department of public defense as provided in chapter 29C, subchapter II, and the authority shall have all of the powers delegated to it by the department of public defense or a public or private beneficiary of the program in a chapter 28E agreement with respect to the issuance and securing of bonds or notes and the carrying out of the purposes of chapter 29C, subchapter II.\**

**Sec. 16.**

*1. All moneys in the surplus account of the Iowa plan fund on the effective date of this Act in excess of the amount needed to fund the appropriations made in section 99E.32, subsections 9 and 10, and the amount needed under subsection 2, shall be reallocated to the community economic betterment account, jobs now account, and education and agriculture research and development account for the fiscal year beginning July 1, 1989, and ending June 30, 1990. From the amount allotted to the community economic betterment account, two hundred fifty thousand dollars shall be appropriated for the construction of a short term nonprofit rehabilitation facility for head-injured patients located in Ankeny, Iowa. The reallocation shall be made as provided in section 99E.32 for the fiscal year beginning July 1, 1989. The reallocation made under this section shall not increase the amounts allotted to the various accounts of the Iowa plan fund under section 99E.32, subsection 1, paragraphs "a" and "b" for the fiscal year beginning July 1, 1989.\**

*2. After the appropriations made in section 99E.32, subsection 9, have been met and an amount equal to the appropriations made in section 99E.32, subsection 10, has been set aside for those purposes, the treasurer of state shall make available from the surplus account to the education and agriculture research and development account the sum of one million six hundred twenty thousand dollars to be used as a prepayment of up to seventy-five percent of the appropriations made for the fiscal year beginning July 1, 1989, to the programs under section 99E.32, subsection 4, paragraph "b", subparagraph (4), except to the Iowa state university of science and technology research and development program. Prepayments made under this subsection shall be repaid as the fiscal year beginning July 1, 1989, allocations to these programs become available. \*The repayments shall be reallocated as provided in subsection 1.\**

**Sec. 17.**

Moneys in the international network on trade fund created within the state treasury are appropriated and shall be transferred to the international network on trade fund created by the board of directors of INTERNET.

**Sec. 18.**

This Act, being deemed of immediate importance, is effective upon enactment.

*Approved May 7, 1990, except the items which I hereby disapprove and which are designated as sections 7, 8, 9, and 10 in their entirety; those portions of section 14 which are herein bracketed in ink and initialed by me; section 15 in its entirety; section 16, subsection 1 in its entirety; and that portion of section 16, subsection 2 which is herein 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

\*Item veto; see message at end of the Act

Dear Madam Secretary:

I hereby transmit Senate File 2433, an Act relating to the appropriations from and the reallocation of the moneys in the surplus account of the Iowa plan fund, to certain corporations appropriated moneys from the Iowa plan fund, and authorizing the creation of a disaster recovery program to provide low-interest and guaranteed loans to public and private entities for which an appropriation is made from the Iowa plan fund, and providing an effective date.

Senate File 2433 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as Sections 7, 8, 9, and 10, in their entirety, Section 14, new subsection 10, paragraph a, in its entirety, and Section 15, in its entirety. These sections relate to the creation, administration and \$1.5 million appropriation for a new disaster recovery program. Particularly in light of our difficult fiscal situation, it would be unwise to embark on a new program with potentially unlimited exposure for the state as an insurer for non-insured or underinsured individuals. Moreover, creation of such a program could jeopardize our ability to receive federal disaster assistance in the future.

I am unable to approve the item designated as Section 14, new subsection 10, paragraph b, in its entirety. This provision appropriates \$35,000 to the Iowa Civil Rights Commission for a program to recognize twenty-five years of achievement. Certainly the commission has reason to be proud of its record of accomplishments, and I personally pledge to work with the Commission in garnering private sector support for the project. However, the use of tax dollars for this purpose cannot be justified at this time.

I am unable to approve the item designated as Section 14, new subsection 10, paragraph c, in its entirety. This provision appropriates \$50,000 to the Department of Justice for a study of dispute resolution services. Earlier this year I vetoed Senate File 2296, which would have created a council for dispute resolution, substantially changing the informal dispute resolution program currently administered in the Office of the Prosecuting Attorneys Training Coordinator of the Department of Justice. This office should be able to provide recommendations without the necessity of a formal study.

I am unable to approve the item designated as Section 14, new subsection 10, paragraph d, in its entirety. This provision appropriates \$50,000 to the Department of Agriculture and Land Stewardship for the establishment and operation of a foreign trade office in Taipei, Taiwan. This action by the legislature is contrary to the marketing plan developed at the legislature's direction by the Agricultural Products Advisory Council. The plan calls for foreign offices to be attached to the Department of Economic Development whose Hong Kong office serves the Pacific Rim including Taiwan.

I am unable to approve the item designated as Section 14, new subsection 10, paragraph e, in its entirety. This provision appropriates \$100,000 to the Department of Public Health for rural health planning. Improving rural health care is one of my priorities. However, an additional appropriation is unnecessary since the Department received a \$100,000 increase in House File 2371 for rural health planning and may also access the Department of Economic Development's rural enterprise fund for this purpose. Rural health safety will be further augmented as a result of a \$250,000 appropriation for this purpose contained in House File 2569.

I am unable to approve the item designated as Section 14, new subsection 10, paragraph h, in its entirety. This provision appropriates \$100,000 to the Iowa State University Cooperative Extension Service for four horticultural specialists. This item was not included in the university's budget request nor in the Board of Regents' budget recommendation to me.

I am unable to approve the item designated as Section 16, subsection 1, in its entirety. This subsection would appropriate all remaining funds in the Iowa Plan surplus account to the items



receiving Iowa Plan funds for fiscal year 1990 as specified in House File 785, 1989 Acts of the 73rd General Assembly. This provision cannot be approved in view of the state's difficult fiscal situation.

Section 16, subsection 1 also appropriates \$250,000 from the Community Economic Betterment account for construction of a rehabilitation center for head-injured patients located in Ankeny, Iowa. This project should stand on its own merits within the rules of the Community Economic Betterment program.

I am unable to approve the item designated as Section 16, subsection 2. This language would reallocate repayments made in the subsection according to the provisions in subsection 1, which I have vetoed. The result of this veto will be to send the repayments back to the surplus account.

Because economic development is one of my most important priorities, the decision to exercise my veto authority in this bill is a very difficult one to make. However, it is clear that in order to provide a responsible budget, even my priority areas must be considered. As a result of the item vetoes in this message, it is estimated the balance in the lottery surplus account will be essentially "frozen" at \$6.8 million. This action will significantly enhance the ability of both the executive and legislative branches to construct a balanced budget for fiscal year 1992.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2433 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, *Governor*

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## CHAPTER 1270

### HUMAN SERVICES APPROPRIATIONS AND OTHER PROVISIONS

*S.F. 2435*

**AN ACT** relating to human services and making appropriations to the department of human services and other properly related matters, providing for retroactive applicability of certain provisions, and providing an effective date.

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

#### DIVISION I

##### Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For aid to families with dependent children:

..... \$ 42,050,000  
1. The department may fund the cash bonus program from unspent funds under this appropriation and shall continue to evaluate the program.

2. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue to contract for services in developing and monitoring a waiver program with a consortium of other states to facilitate providing assistance in self-employment to aid to dependent children families. The waiver program services shall be provided for the entire fiscal year beginning July 1, 1990, and ending June 30, 1991. Of the funds appropriated