

includes program services for employees of a confinement feeding operation as defined in section 455B.161.

Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved June 1, 1995

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## CHAPTER 202

### SUPPLEMENTAL APPROPRIATIONS, FUNDING OF MENTAL RETARDATION SERVICES, AND RELATED MATTERS

H.F. 132

AN ACT relating to and making appropriations for the fiscal years beginning July 1, 1994, and July 1, 1995, and providing an effective date.

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

*\*Section 1. DEPARTMENT OF HUMAN SERVICES – ADOPTION SERVICES. The department of human services shall as expeditiously as possible increase the quantity of services provided for the permanent placement of children for whom parental rights have been terminated and who are under the guardianship of the department. The department shall utilize \$306,082 of the moneys appropriated to the department for child and family services in 1994 Iowa Acts, chapter 1186, section 10, for the services increase and for other actions to address the permanent placement of children under the department's guardianship, including adoption activities and implementation of related recommendations made by the committee on foster care chaired by the lieutenant governor. The efforts to increase services shall result in the employment of 8.5 FTEs for adoption services. The department's authorized number of full-time equivalent positions is increased by the number of additional full-time equivalent positions authorized by this section. The department of human services, department of personnel, and the department of management shall take all necessary actions to expedite the employment of persons in full-time equivalent positions authorized by this section. Moneys allocated by this section which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available to be used in addition to other funding provided for the same purposes in the succeeding fiscal year. The performance measure for implementing the provisions of this section is a reduction of 205 children in the backlog of children waiting for permanent placement.\**

*\*Sec. 2. DEPARTMENT OF HUMAN SERVICES – REHABILITATIVE TREATMENT PROGRAM FOR CHILDREN.*

*1. The department of human services shall adopt rules applicable to agencies providing services under the department's rehabilitative treatment program for children and their families. The rules shall modify the service utilization reimbursement rates under the program to include the time a child is away from the agency for good cause, to eliminate reimbursement rate limits on service components which are within a category of cost which itself has a reimbursement rate limit, and to adjust rates prospectively for inflation. Notwithstanding section 8.33, up to \$1,700,000 of moneys appropriated pursuant to 1994 Iowa Acts, chapter 1186, section 10, which remain unobligated or unencumbered at the close of the fiscal year ending June 30, 1995, shall not revert to the general fund of the state but shall*

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

remain available in the succeeding fiscal year and used to adjust rates in accordance with the rules required by this section.

2. The department of human services shall adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this section on or before July 1, 1995, and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.\*

Sec. 3. STATE PUBLIC DEFENDER. There is appropriated from the general fund of the state to the office of the state public defender for the fiscal year beginning July 1, 1994, and ending June 30, 1995, to supplement the appropriation made in 1994 Iowa Acts, chapter 1187, section 9, subsection 2, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For court-appointed attorney fees for indigent adults and juveniles:  
..... \$ 3,800,000

Sec. 4. CAPITOL BUILDING. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

\*1. For capitol building restoration, including installation of stone on the state capitol building:  
..... \$ 250,000\*

2. For costs associated with installation of a sprinkler system in the state capitol building:  
..... \$ 200,000

Notwithstanding section 8.33, moneys appropriated in this section which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the designated purposes in the succeeding fiscal year.

Sec. 5. DEPARTMENT OF PUBLIC SAFETY. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1994, and ending June 30, 1995, to supplement the appropriation made in 1994 Iowa Acts, chapter 1189, section 3, subsection 2, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the division of criminal investigation and bureau of identification:  
..... \$ 674,809

\*Sec. 6. JUDICIAL DEPARTMENT - IOWA COURT INFORMATION SYSTEM. There is appropriated from the general fund of the state to the judicial department for the fiscal year beginning July 1, 1994, and ending June 30, 1995, to supplement the appropriation made in 1994 Iowa Acts, chapter 1196, section 7, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For completion of the Iowa court information system:  
..... \$ 4,000,000

Notwithstanding section 8.33, moneys appropriated in this section which remain unencumbered or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for the purpose designated in the succeeding fiscal year.\*

Sec. 7. DEPARTMENT OF GENERAL SERVICES - TERRACE HILL. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

For installation of fire safety equipment and devices at Terrace Hill:

..... \$ 36,451

Notwithstanding section 8.33, moneys appropriated in this section which remain unencumbered or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for the purpose designated in the succeeding fiscal year.

Sec. 8. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1994, and ending June 30, 1995, to supplement the appropriation made in 1994 Iowa Acts, chapter 1201, section 1, subsection 2, paragraph "d", the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For deposit in the Iowa strategic investment fund:

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

The director of the department of economic development shall develop a proposed decision-making process for managing the community economic betterment program so that moneys available to the program for a fiscal year are sufficient for the entire fiscal year and a supplemental appropriation for the program is not requested. The director shall submit the proposed decision-making process to the general assembly and the economic development board on or before January 15, 1996.

Sec. 9. DEPARTMENT OF CORRECTIONS - CORRECTIONAL FACILITY. The department of corrections shall construct a 750-bed medium security correctional facility for men. In reviewing the merits of proposals to construct the facility, the department of corrections shall consider the speed and cost-effectiveness of project completion as its top criteria in selecting the site of the facility. Bonds shall be issued under the provisions of sections 16.177 and 602.8108A to finance the construction of the facility. The cost of constructing the facility, exclusive of financing costs, shall not exceed \$36,000,000.

\*Sec. 10. SUBSTANCE ABUSE MANAGED CARE SYSTEM. For the fiscal year beginning July 1, 1994, and succeeding fiscal years, if the Iowa department of public health, division of substance abuse, implements an integrated managed care system for substance abuse, the system shall use outcome measures and shall be developed to promote competition among providers. The managed care system shall allow substance abuse providers to participate in regional provider networks and the division shall encourage providers to develop creative approaches to substance abuse services.\*

Sec. 11. Section 16.177, subsection 10, Code 1995, is amended by striking the subsection.

Sec. 12. Section 602.8108A, subsection 1, is amended to read as follows:

1. The Iowa prison infrastructure fund is created and established as a separate and distinct fund in the state treasury. Notwithstanding any other provision of this chapter to the contrary, the first ~~four~~ eight million dollars of moneys remitted to the treasurer of state from fines, fees, costs, and forfeited bail collected by the clerks of the district court in criminal cases, including those collected for both scheduled and nonscheduled violations, collected in each fiscal year commencing with the fiscal year beginning July 1, 1995, shall be deposited in the fund. Interest and other income earned by the fund shall be deposited in the fund. If the treasurer of state determines pursuant to 1994 Iowa Acts, chapter 1196, that bonds can be issued pursuant to this section and section 16.177, then the moneys in the fund are appropriated to and for the purpose of paying the principal of, premium, if any, and interest on bonds issued by the Iowa finance authority under section 16.177. Except as otherwise provided in subsection 2, amounts in the funds shall not be subject to appropriation for any purpose by the general assembly, but shall be used only for the purposes set forth in this section. The treasurer of state shall act as custodian of the fund

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

and disburse amounts contained in it as directed by the department of corrections including the automatic disbursement of funds pursuant to the terms of bond indentures and documents and security provisions to trustees and custodians. The treasurer of state is authorized to invest the funds deposited in the fund subject to any limitations contained in any applicable bond proceedings. Any amounts remaining in the fund at the end of each fiscal year shall be transferred to the general fund.

Sec. 13. MEDICAL ASSISTANCE COSTS FOR SERVICES TO MINORS WITH MENTAL RETARDATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1995, and ending June 30, 1996, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the nonfederal share of the costs of services provided to minors with mental retardation under medical assistance to meet the requirements of the provisions of section 249A.12, subsection 4:

..... \$ 6,600,000

Sec. 14. FUNDING OF SESSION LAW REQUIREMENTS. If section 13 of this Act is enacted on or before March 31, 1995, the requirements of 1994 Iowa Acts, chapter 1163, section 8, subsection 1, to enact an appropriation to fully fund the provisions of section 249A.12, subsection 4, shall be considered to be met and the repeals contained in 1994 Iowa Acts, chapter 1163, section 8, subsection 1, shall be void.

Sec. 15. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

*Approved March 31, 1995, except the items which I hereby disapprove and which are designated as Sections 1 and 2 in their entirety; Section 4, subsection 1 in its entirety; Section 6 in its entirety; and Section 10 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Speaker of the House this same date, a copy of which is attached hereto.*

TERRY E. BRANSTAD, Governor

Dear Mr. Speaker:

I hereby transmit House File 132, an Act relating to and making appropriations for the fiscal years beginning July 1, 1994, and July 1, 1995, and providing an effective date.

I am disappointed the General Assembly has fallen back into the irresponsible budgeting practices of the past. These same practices, which are inconsistent with sound accounting principles, led the state into massive financial difficulties which took years to correct. The bill contains numerous expenditures that are charged to the wrong fiscal year. Such practices are inappropriate because they do not fairly represent the expenditures for the given fiscal year (in this case, fiscal year 1996 expenses are budgeted in fiscal year 1995), and to the extent that ongoing expenses are funded from a prior year's budget, create "built-in" increases for the subsequent year. These practices are unacceptable and cannot be tolerated.

Furthermore, I am also disappointed by the General Assembly's failure to provide critical supplemental funding for the Iowa Communications Network (ICN) which I recommended in January. This inaction by the General Assembly represents a grave neglect of pressing

financial needs that could jeopardize the operation of a statewide communications system that benefits thousands of Iowa school children every day. The Iowa Communications Network is such a vital and visionary component of Iowa's educational future that the absence of this much needed supplemental is both indefensible and shortsighted.

House File 132 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as Sections 1 and 2, in their entirety. These items appropriate approximately \$2 million to the Department of Human Services to fund program expansions and provider reimbursement increases. A current year appropriation for these purposes is inappropriate in that the actual spending will occur almost entirely in the next fiscal year. It not only masks the true base spending level in fiscal year 1996, but also creates an automatic increase in fiscal year 1997.

I am unable to approve the item designated as Section 4, subsection 1, in its entirety. This item appropriates additional funds in fiscal year 1995 for restoration of the Capitol. My budget recommendations include funding to implement an aggressive plan for Capitol restoration over the next three years, starting in fiscal year 1996. This funding should be considered a part of the fiscal year 1996 budget.

I am unable to approve the item designated as Section 6, in its entirety. This item appropriates \$4 million for the Iowa Court Information System (ICIS). This is an expense that will be incurred in fiscal year 1996, where it is more appropriately budgeted. My budget recommendations for fiscal year 1996 fully fund the Court's request, including the funding requested for ICIS.

I am unable to approve the item designated as Section 10, in its entirety. This item would require that regional networks be a part of the state's managed care contract for substance abuse services. Such a requirement would inhibit the state's flexibility to achieve the most cost-effective contracting arrangement for substance abuse services.

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 House File 132 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, *Governor*

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## CHAPTER 203

### APPROPRIATIONS - ENERGY CONSERVATION - PETROLEUM OVERCHARGE FUNDS

*H.F. 186*

**AN ACT** relating to energy conservation including making appropriations of petroleum overcharge funds.

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

Section 1. There is appropriated from those funds designated within the energy conservation trust created in section 473.11, for disbursement pursuant to section 473.11, to the following named agencies for the fiscal year beginning July 1, 1995, and ending