

CHAPTER 171

**APPROPRIATIONS — SUPPLEMENTAL FUNDING
FOR LOW-INCOME HOME ENERGY ASSISTANCE**

S.F. 65

AN ACT providing supplemental funding for the low-income home energy assistance program for the fiscal year beginning July 1, 2000, and providing an effective date.

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

Section 1. **INNOVATIONS FUND.** There is appropriated from the innovations fund created in section 8.63 to the department of human rights for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount from moneys in the fund that are otherwise unencumbered or unobligated on the effective date of this Act, or so much thereof as is necessary, to be used for the purpose designated:

For supplementation of the low-income home energy assistance appropriation made in 2000 Iowa Acts, chapter 1220, section 11, to be used to help eligible households meet home energy costs in accordance with 2000 Iowa Acts, chapter 1220, section 11, subsection 4, and none of the following amount shall be used for administrative expenses:

..... \$ 2,343,051

*Sec. 2. **HOUSING PROGRAM FUND.** There is appropriated from the housing program fund created in section 16.40 to the department of human rights for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount from moneys in the fund that are otherwise unencumbered or unobligated on the effective date of this Act, or so much thereof as is necessary, to be used for the purpose designated:

For supplementation of the low-income home energy assistance appropriation made in 2000 Iowa Acts, chapter 1220, section 11, to be used to help eligible households meet home energy costs in accordance with 2000 Iowa Acts, chapter 1220, section 11, subsection 4, and none of the following amount shall be used for administrative expenses:

..... \$ 2,446,260*

Sec. 3. **GROUNDWATER PROTECTION FUND.** There is appropriated from the groundwater protection fund created in section 455E.11 to the department of human rights for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount from moneys in the fund that are otherwise unencumbered or unobligated on the effective date of this Act, or so much thereof as is necessary, to be used for the purpose designated:

For supplementation of the low-income home energy assistance appropriation made in 2000 Iowa Acts, chapter 1220, section 11, to be used to help eligible households meet home energy costs in accordance with 2000 Iowa Acts, chapter 1220, section 11, subsection 4, and none of the following amount shall be used for administrative expenses:

..... \$ 6,553,024

Sec. 4. 2000 Iowa Acts, chapter 1220, section 11, subsection 2, is amended by striking the subsection and inserting in lieu thereof the following:

2. Not more than \$3,305,016 of the amounts of federal and state moneys appropriated for purposes of the low-income home energy assistance program for the federal fiscal year beginning October 1, 2000, and ending September 30, 2001, and for the state fiscal year beginning July 1, 2000, and ending June 30, 2001, that are actually received, shall be used for residential weatherization or other related home repairs for low-income households. Of this allocation amount, not more than 10 percent may be used for administrative expenses.

Sec. 5. 2000 Iowa Acts, chapter 1220, section 11, subsection 3, is amended to read as follows:

3. After subtracting the allocation in subsection 2, ~~\$1,695,854, or 10 percent of the re-~~

* Item veto; see message at end of the Act

~~remainder of the appropriation in this section actually received, whichever is less, \$2,663,921 is allocated for administrative expenses of the low-income home energy assistance program. Not more than \$290,000 of the amount allocated in this subsection shall be used for administrative expenses of the division. Funding for administrative expenses of any type from the amounts appropriated for the program in this Act and from state funding sources for the state fiscal year beginning July 1, 2000, shall be limited to the amounts authorized in this subsection.~~ The costs of auditing the use and administration of the portion of the appropriation in this section that is retained by the state shall be paid from the amount allocated in this subsection to the division. The auditor of state shall bill the division for the audit costs.

Sec. 6. 2000 Iowa Acts, chapter 1220, section 11, subsection 6, is amended to read as follows:

6. Expenditures for assessment and resolution of energy problems shall be limited to ~~5 percent of the amount appropriated in this section~~ \$715,000 from the amounts appropriated in this Act and any other Act providing funding for purposes of the low-income home energy assistance program for all or a portion of the federal fiscal year beginning October 1, 2000, and ending September 30, 2001, that is actually received.

Sec. 7. 2000 Iowa Acts, chapter 1220, section 17, subsection 2, is amended to read as follows:

2. If actual funds received from the federal government from block grants exceed the amount appropriated in section 11 of this Act for the low-income home energy assistance program, ~~15 100 percent of the excess shall be allocated to the low-income residential weatherization program~~ help eligible households meet home energy costs in accordance with section 11, subsection 4.

Sec. 8. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved February 6, 2001, with exception noted.

THOMAS J. VILSACK, Governor

Dear President Kramer:

I hereby transmit Senate File 65, an Act providing supplemental funding for the Low-Income Home Energy Assistance Program (LIHEAP) for the current fiscal year.

As energy prices nationwide began to skyrocket this past winter and the weather conditions continued to become more severe, I called on the federal government to provide adequate funding for the LIHEAP program to assist Iowa's most vulnerable citizens. Following an allocation of over \$16 million in federal Emergency Contingency Awards, the Iowa Division of Community Action Agencies projected the need for an additional \$20 million to maintain the same proportionate level of energy assistance from LIHEAP as the previous year based on an estimated 20 percent increase in eligible households applying for assistance. I responded to this need with a \$20 million solution generated from the extension of the energy efficiency charge from natural gas customers amounting to approximately \$1.94 per customer. Unfortunately, the Republican Legislators rejected this solution, a solution that would have met the needs of low-income Iowans.

Republican Leaders in the Legislature devised a plan that they claimed would provide \$15 million to LIHEAP. However, Senate File 65 approved by the Legislature authorizes only

\$13,006,346 in state funding to meet the \$20 million need. While the attempt is less than adequate, I am approving relief totaling \$10.5 million for Iowans who now, more than ever, need relief from their high energy bills.

The following sections of Senate File 65 are, therefore, approved on this date with the noted exception, which I hereby disapprove.

I approve Section 1 appropriating \$2,343,051 from the Innovations Fund. This action will leave a balance of \$16,772 in the fund resulting in no new projects being funded until it can be sufficiently replenished. Adequate funding must be ensured for the Innovations Fund in future years to continue to maximize efficiencies in state government and realize significant cost savings.

I am unable to approve Section 2 appropriating \$2,446,260 from the Housing Program Fund. This section impacts the Down Payment/Closing Cost Grant Program, the First Home/First Home Plus Program, and the Housing Assistance Fund through a significant reduction in funding. These programs play an essential role in providing decent, safe, and affordable housing to low-income individuals and families in Iowa. The reduction passed by the Legislature will adversely impact the housing opportunities for the very people targeted to receive heating assistance. To accept this section would be taking from the very Iowans we are attempting to help, and I cannot approve this appropriation.

It is with great reluctance that I approve Section 3 appropriating \$4,127,270 of currently unencumbered and unobligated funding from the Groundwater Protection Fund. This fund was created for the specific purpose of protecting Iowa's valuable water resources, and there is an ongoing need for incentives to meet this purpose. However, the transfer of \$4,127,270 from the Solid Waste Account within the Groundwater Protection Fund will not impact current projects and will be used to meet a more immediate need in Iowa today. While Senate File 65 appropriates up to \$6,553,024 from the Groundwater Protection Fund, only \$4,127,270 is currently unencumbered and unobligated and therefore available for transfer.

I approve Section 4 placing a cap on LIHEAP funding for residential weatherization at \$3,305,016. This action results in an additional \$3,040,451 being made available for direct assistance to low-income Iowans. Because weatherization provides a long-term fix for high heating bills by improving the energy efficiency of low-income Iowans' homes, it is penny wise and pound foolish to reduce funding available for permanent prevention. However, I am directing the Division of Community Action Agencies to take the existing carryover from the weatherization fund and apply it to the next program year beginning April 1, 2001. Together with additional federal funding the Division will receive for the next program year, the weatherization program will have approximately \$11 million available as compared to \$9.5 million in estimated actual expenditures for the current year. Therefore, local weatherization programs will maintain an equivalent level and range of services.

I approve Section 5 providing Community Action Agencies the ability to deliver assistance from LIHEAP to low-income Iowans. By placing a cap of \$2,663,921 on the administration of the program, Section 5 provides an additional \$1,049,314 in LIHEAP payments.

I approve Section 6 establishing a limit of \$715,000 on expenditures for assessment and resolution of energy problems.

I approve Section 7 dedicating all federal emergency funding in excess of the original core funding for LIHEAP to assist eligible households meet their home energy costs. Any future appropriations shall be used as direct assistance to those Iowans most in need.

While unfortunately this is not enough funding to meet the need that currently exists, this Act provides a significant amount of funding that will ease the pressure on some working families, senior citizens, and people with disabilities forced to decide between buying food, buying prescription drugs, or paying their heating bill.

For the above reasons, I hereby respectfully approve Senate File 65 with the exception noted above. While approval of this Act will provide immediate relief, the long-term answer to this problem is the development of a comprehensive energy policy for the state to ensure a reliable supply and stable price.

Sincerely,
THOMAS J. VILSACK, Governor

CHAPTER 172
SUPPLEMENTAL APPROPRIATIONS AND REDUCTIONS
S.F. 267

AN ACT relating to state budgetary matters by providing for reductions and supplementation of appropriations made for the fiscal year beginning July 1, 2000, and transferring, crediting, and appropriating certain moneys, and providing an effective date.

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

DIVISION I
SUPPLEMENTAL APPROPRIATIONS

Section 1. DEPARTMENT OF REVENUE AND FINANCE. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount, or so much thereof as is necessary, to be used for the purposes designated, in addition to the appropriations made for those purposes in 2000 Iowa Acts, chapter 1231, section 28:

For compliance, including salaries, support, maintenance, and miscellaneous purposes:
..... \$ 142,236

DIVISION II
OTHER FUNDS

Sec. 2. ENHANCED COURT COLLECTIONS FUND. Notwithstanding section 602.1304, subsection 2, for the fiscal year beginning July 1, 2000, the director of revenue and finance shall not deposit revenues into the enhanced court collections fund. On the effective date of this section, any revenues deposited during the fiscal year into the enhanced court collections fund before the effective date of this section shall be transferred and credited to the general fund of the state.

DIVISION III
APPROPRIATIONS REDUCTIONS

*Sec. 3. GENERAL REDUCTIONS.

1. Except as otherwise provided in this section, the amounts appropriated from the general fund of the state in enactments made for the fiscal year beginning July 1, 2000, and ending

* Item veto; see message at end of the Act