

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

June 30, 2001, and standing limited and unlimited appropriations from the general fund of the state for the fiscal year beginning July 1, 2000, and ending June 30, 2001, are reduced by 1.00 percent. For an appropriation that is reduced to a specific amount in divisions IV through IX of this Act, the appropriation reduction required pursuant to this section shall be applied to the final appropriation amount in divisions IV through IX. However, an appropriation made from the general fund of the state for the fiscal year beginning July 1, 2000, shall not be reduced if the appropriation is any of the following:

- a. An appropriation described or specified in subsection 4.
- b. An appropriation made in section 2.12.
- c. An appropriation to the judicial branch.

2. The reduction in appropriations made pursuant to subsection 1 shall be carried out by the governor in the manner specified in section 8.31, except as provided in subsection 4. However, provided that the total amount of the reductions required by this section remains unchanged, the governor may approve the exercise of transfer authority under section 8.39 as necessary to prudently adjust the reductions made to individual appropriations and the report required under this subsection shall constitute the notice otherwise required under section 8.39, subsection 3. Upon implementation of the appropriations reductions specified in subsection 1, the department of management shall submit a report to the chairpersons and ranking members of the appropriations committees of each chamber of the general assembly specifying how the reductions were applied and if any transfers were authorized.

3. Moneys which become available as a result of the appropriations reductions made pursuant to this section shall be considered to have reverted to the general fund of the state on the effective date of this section.

4. The appropriations reductions made in subsection 1 shall not be applied to the appropriations made from the general fund of the state for the fiscal year beginning July 1, 2000, for any of the following:

a. To the state board of regents for the state school for the deaf and the Iowa braille and sight saving school in 2000 Iowa Acts, chapter 1223, section 11, and other enactments making appropriations from the general fund of the state for the schools for that fiscal year.

b. To the department of human services in 2000 Iowa Acts, chapter 1228, and other enactments making appropriations from the general fund of the state to the department for that fiscal year for the following purposes: medical assistance, pharmaceutical case management study, health insurance premium payment program, children's health insurance program, medical contracts, and state supplementary assistance.

c. To the department of corrections in 2000 Iowa Acts, chapter 1229, and other enactments making appropriations from the general fund of the state to the department for that fiscal year for the following purposes: for correctional facilities under 2000 Iowa Acts, chapter 1229, section 4, and for annual payment relating to the financial arrangement for the construction or expansion of prison capacity, under 2000 Iowa Acts, chapter 1229, section 5, subsection 3.

d. To appropriations made from the general fund of the state for the following purposes: state unemployment compensation in section 96.13, personal property tax replacement in section 405A.8, franchise tax revenue allocation in section 405A.10, statewide fire and police retirement system in section 411.20, federal Cash Management and Improvement Act interest costs in section 421.31, livestock production credit refund in section 422.121, homestead tax credit in section 425.1, extraordinary property tax credit and reimbursement in section 425.39, agricultural land tax credit in section 426.1, military service tax credit in section 426A.1A, property tax relief fund in section 426B.1, industrial machinery, equipment and computers property tax replacement fund in section 427B.19A, and cigarette and little cigar tax stamps in section 453A.8.

e. To the commission of veterans affairs in 2000 Iowa Acts, chapter 1222, section 7, subsection 3, and other enactments making appropriations from the general fund of the state to the commission for that fiscal year for the following purpose: for the Iowa veterans home.

f. To the treasurer of state for Iowa communications network debt service in 2000 Iowa Acts, chapter 1226, section 1.

g. For the Iowa early intervention block grant program in section 256D.5, for instructional support and state aid to school corporations in section 257.16, for child development grants and other programs for at-risk children in section 279.51, for nonpublic school pupil transportation in section 285.2, for educational excellence in section 294A.25, and for school improvement technology in section 295.2.

h. To the state board of regents for tuition replacement in 2000 Iowa Acts, chapter 1223, section 11, subsection 1, paragraph "b".\*

DIVISION IV  
ADMINISTRATION AND REGULATION  
DEPARTMENT OF GENERAL SERVICES

Sec. 4. 2000 Iowa Acts, chapter 1231, section 8, subsection 3, is amended to read as follows:

3. CAPITOL PLANNING COMMISSION

For expenses of the members in carrying out their duties under chapter 18A:

.....	\$	2,000
.....		<u>1,284</u>

DIVISION V  
AGRICULTURE AND NATURAL RESOURCES  
SOIL CONSERVATION DIVISION

Sec. 5. 2000 Iowa Acts, chapter 1224, section 1, subsection 4, paragraph a, is amended to read as follows:

a. For salaries, support, maintenance, assistance to soil conservation districts, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,985,526
.....		<u>6,435,526</u>
.....	FTEs	195.11

ENVIRONMENT FIRST FUND — AGRICULTURE

Sec. 6. 2000 Iowa Acts, chapter 1225, section 25, subsections 3 and 4, are amended to read as follows:

3. To initiate a statewide voluntary farm management demonstration program to demonstrate the effectiveness and adaptability of emerging practices in agronomy that protect water resources and provide other environmental benefits:

.....	\$	850,000
.....		<u>350,000</u>

4. For assisting farm operators in applying for project grants associated with the statewide voluntary farm management demonstration program:

.....	\$	50,000
.....		<u>0</u>

Sec. 7. ENVIRONMENT FIRST FUND — SOIL CONSERVATION DIVISION. There is appropriated from the environment first fund to the department of agriculture and land stewardship 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 purpose designated:

For the soil conservation division:

.....	\$	550,000
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\* Item veto; see message at end of the Act

DIVISION VI  
ECONOMIC DEVELOPMENT

Sec. 8. 2000 Iowa Acts, chapter 1230, section 1, subsection 2, paragraph a, unnumbered paragraphs 1 and 2, are amended to read as follows:

Business development operations

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	<u>4,810,534</u>
.....		<u>4,760,534</u>
.....	FTEs	27.75

Sec. 9. 2000 Iowa Acts, chapter 1230, section 1, subsection 3, paragraph a, is amended to read as follows:

a. Community assistance

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for administration of the community economic preparedness program, the Iowa community betterment program, and the city development board:

.....	\$	<u>855,031</u>
.....		<u>805,031</u>
.....	FTEs	10.50

Sec. 10. 2000 Iowa Acts, chapter 1230, section 1, subsection 3, paragraph c, unnumbered paragraphs 1 and 2, are amended to read as follows:

Community development program

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions, for rural resource coordination, rural community leadership, rural innovations grant program, and the rural enterprise fund:

.....	\$	<u>958,440</u>
.....		<u>908,440</u>
.....	FTEs	7.50

Sec. 11. 2000 Iowa Acts, chapter 1230, section 1, subsection 5, unnumbered paragraphs 1 and 2, are amended to read as follows:

Tourism operations and advertising

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	<u>4,040,413</u>
.....		<u>4,890,413</u>
.....	FTEs	18.52

DEPARTMENT OF WORKFORCE DEVELOPMENT

Sec. 12. 2000 Iowa Acts, chapter 1230, section 10, subsection 1, is amended to read as follows:

1. DIVISION OF LABOR SERVICES

For the division of labor services, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	<u>3,429,686</u>
.....		<u>3,425,686</u>
.....	FTEs	92.00

From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

SCHOOL-TO-CAREER PROGRAM

Sec. 13. 2000 Iowa Acts, chapter 1230, section 34, is amended to read as follows:

SEC. 34. In lieu of the appropriation made in section 15.365, subsection 3, there is appropriated for the fiscal year beginning July 1, 2000, and ending June 30, 2001, ~~\$100,000, or so much thereof as is necessary,~~ \$0 from the general fund of the state to the department of economic development to pay refunds as provided under section 15.365.

DIVISION VII
HUMAN SERVICES
HAWK-I PROGRAM

Sec. 14. 2000 Iowa Acts, chapter 1228, section 11, unnumbered paragraph 2, is amended to read as follows:

For maintenance of the healthy and well kids in Iowa (HAWK-I) program pursuant to chapter 514I for receipt of federal financial participation under Title XXI of the federal Social Security Act, which creates the state children's health insurance program:

Table with 2 columns: Description and Amount. Row 1: \$ 4,984,508. Row 2: 3,684,508

STATE CASES

Sec. 15. 2000 Iowa Acts, chapter 1228, section 24, subsection 1, unnumbered paragraph 1, is amended to read as follows:

For purchase of local services for persons with mental illness, mental retardation, and developmental disabilities where the client has no established county of legal settlement:

Table with 2 columns: Description and Amount. Row 1: \$ 13,308,845. Row 2: 12,608,845

MH/MR/DD ALLOWED GROWTH
RISK POOL

Sec. 16. 1999 Iowa Acts, chapter 208, section 1, unnumbered paragraphs 2 and 3, and subsection 4, as amended by 2000 Iowa Acts, chapter 1228, section 38, are amended to read as follows:

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, in accordance with section 331.438, subsection 2, and section 331.439, subsection 3, and chapter 426B:

Table with 2 columns: Description and Amount. Row 1: \$ 20,982,446. Row 2: 19,868,987

The funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2000-2001, and is allocated as follows:

4. For deposit in the risk pool created in the property tax relief fund pursuant to section 426B.5, subsection 3:

Table with 2 columns: Description and Amount. Row 1: \$ 1,208,844. Row 2: 95,385

DIVISION VIII
JUDICIAL BRANCH

\*Sec. 17. 2000 Iowa Acts, chapter 1227, section 2, is amended to read as follows:

SEC. 2. JUDICIAL RETIREMENT FUND. There is appropriated from the general fund of the state to the judicial retirement fund 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 purpose designated:

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

For the state's contribution to the judicial retirement fund established in section 602.9104, in the amount of ~~23.7~~ 16.6 percent of the basic salaries of the judges covered under chapter 602, article 9:

.....	\$	4,499,350
		<u>4,077,350*</u>

JUDICIAL RETIREMENT STATUTORY PROVISION

\*Sec. 18. Section 602.9104, subsection 4, paragraph b, Code 2001, is amended to read as follows:

b. Effective with the fiscal year commencing July 1, 1994, and for each subsequent fiscal year until the system attains fully funded status, based upon the benefits provided for judges through the judicial retirement system as of July 1, 2001, the state shall contribute annually to the judicial retirement fund an amount equal to at least ~~twenty-three and seven-tenths~~ sixteen and six-tenths percent of the basic salary of all judges covered under this article. Commencing with the first fiscal year in which the system attains fully funded status, based upon the benefits provided for judges through the judicial retirement system as of July 1, 2001, and for each subsequent fiscal year, the state shall contribute to the judicial retirement fund the required contribution rate. The state's contribution shall be appropriated directly to the judicial retirement fund.\*

DIVISION IX  
TRANSPORTATION

Sec. 19. 2000 Iowa Acts, chapter 1216, section 1, subsections 1 and 2, are amended to read as follows:

1. For airport engineering studies and improvement projects as provided in chapter 328:

.....	\$	2,475,000
		<u>2,435,000</u>

Of the amount appropriated in this subsection, \$25,000 shall be allocated to the Iowa civil air patrol.

2. For the rail assistance program and to provide economic development project funding:

.....	\$	662,000
		<u>602,000</u>

DIVISION X  
EFFECTIVE DATE

Sec. 20. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 13, 2001, with exceptions noted.

THOMAS J. VILSACK, Governor

Dear President Kramer:

I hereby transmit Senate File 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.

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

We have some very difficult choices ahead of us as we determine next year's state budget. Rather than create chaos with the state's budget during the last months of this fiscal year, we need to get down to the serious business of focusing on next year's budget. With revenues down, we will need to aggressively address next year's budget in a thoughtful, planned, and bipartisan manner.

Senate File 267 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve Division III, Section 3 in its entirety. This provision requires a one percent reduction for most general fund appropriations. Under this Section, education and human services programs would bear the brunt of the cuts. I made it very clear to Republicans that if they chose to move forward with budget cuts, they would assume the responsibility for determining which programs and services should be eliminated. Instead of thoughtfully studying how these cuts would effect Iowans, they chose to make an across the board cut mandating a reduction in services without specifying which services to reduce or eliminate.

I am unable to approve the language contained in Division VIII, Sections 17 and 18. These provisions would reduce the state's contribution to the judicial retirement system during the current fiscal year and future fiscal years. At this time, the judicial retirement system is not actuarially sound. Reducing the contributions to the fund, delays achievement of our long held goal of fully funding the judicial retirement system.

In my continued effort to work in a bipartisan manner, I am approving a number of cuts to the FY 2001 budget. The Republican controlled legislature rejected bipartisanship by passing rash and not well thought out cuts that were not agreed to and would have unnecessarily disrupted services to Iowans.

I made it very clear to Republican legislative leaders that if they chose to move forward with budget cuts, they would need to identify which programs and services should be eliminated. Instead of thoughtfully studying how these cuts would affect Iowans, they chose a rash approach that would create chaos in the services on which Iowans rely.

The State of Iowa has experienced a serious decline in revenues, a decline that is unprecedented in twenty years. However, the current fiscal year is not the problem as the state will have adequate resources available to meet the needs of Iowans. This bill would have disrupted services to Iowans.

The decisions of the past limit our flexibility in responding to the FY 2002 budget. We will be fiscally responsible and we will deal with the challenge presented to us. In this challenge, we have an opportunity to find efficient and effective ways for delivering services to Iowans.

For the above reasons, I hereby approve Senate File 267 with the exceptions noted above.

Sincerely,  
THOMAS J. VILSACK, *Governor*