

Standing Appropriations Bill

Senate File 533

House Appropriations Committee Amendment (H-1720)
(Strike everything after the enacting clause)

Last Action:
**House Appropriations
Committee**
May 10, 2011

Senate/House Difference Comparison

Executive Summary Only

An Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by making and adjusting appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, providing for legal responsibilities, and providing for properly related matters, and including effective date and retroactive and other applicability provisions.

Fiscal Services Division
Legislative Services Agency

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www.legis.iowa.gov/LSAReports/noba.aspx>
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STANDING APPROPRIATIONS BILL
House/Senate Difference Comparison

SENATE FILE 533
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Funding Summary:

The total fiscal impact of the House Appropriations Committee amendment (H-1720) to SF 533 is a net reduction of \$295.8 million to FY 2012 standing appropriations. This reduction is \$268.6 million more than the net reduction of \$27.2 million as passed by the Senate. In addition to the FY 2012 appropriation adjustments, the House Appropriations Committee amendment includes a \$3.0 million supplemental appropriation for FY 2011. The Bill as passed by the Senate includes supplemental appropriations that total \$3.1 million.

Adjustments to General Fund Standing Appropriations:

	Senate Standings Bill			House Approps. Amendment		House vs Senate
	Current Law	SF 533	Total Senate	Amendment	Total House	
	FY 2012	FY 2012	FY 2012	FY 2012	FY 2012	
	(1)	(2)	(3)	(4)	(5)	(6)
Administrative Services, Dept. of						
Medication Therapy Mgmt	\$ 0	\$ 510,000	\$ 510,000	\$ 0	\$ 0	\$ -510,000
Agriculture and Land Stewardship						
Farmers with Disabilities	\$ 0	\$ 97,000	\$ 97,000	\$ 0	\$ 0	\$ -97,000
Cultural Affairs, Dept. of						
County Endowment Funding	\$ 520,000	\$ -103,298	\$ 416,702	\$ -103,298	\$ 416,702	\$ 0
Economic Development, Dept. of						
Tourism Marketing	\$ 1,104,000	\$ -293,694	\$ 810,306	\$ -793,694	\$ 310,306	\$ -500,000
Grow Iowa Values Fund	50,000,000	0	50,000,000	-50,000,000	0	-50,000,000
Total Economic Development, Dept. of	\$ 51,104,000	\$ -293,694	\$ 50,810,306	\$ -50,793,694	\$ 310,306	\$ -50,500,000
Education, Dept. of						
Child Development	\$ 12,606,196	\$ -1,112,305	\$ 11,493,891	\$ -6,401,938	\$ 6,204,258	\$ -5,289,633
Instructional Support	14,800,000	-14,800,000	0	-14,800,000	0	0
School Foundation Aid	2,662,000,000	64,500,000	2,726,500,000	0	2,662,000,000	-64,500,000
AEA Reduction	0	-10,000,000	-10,000,000	-20,000,000	-20,000,000	-10,000,000
Total School Aid	2,662,000,000	54,500,000	2,716,500,000	-20,000,000	2,642,000,000	-74,500,000
Nonpublic School Trans	9,660,931	-2,600,000	7,060,931	-2,600,000	7,060,931	0
Sac and Fox Education	0	100,000	100,000	0	0	-100,000
Total Education, Dept. of	\$ 2,699,067,127	\$ 36,087,695	\$ 2,735,154,822	\$ -43,801,938	\$ 2,655,265,189	\$ -79,889,633
Executive Council						
Performance Of Duty	\$ 38,712,105	\$ -8,000,000	\$ 30,712,105	\$ -35,712,105	\$ 3,000,000	\$ -27,712,105

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	Current Law	SF 533	Total Senate	Amendment		Total House
	FY 2012	FY 2012	FY 2012	FY 2012		FY 2012
	(1)	(2)	(3)	(4)	(5)	(6)
Legislative Branch						
General Assembly	\$ 35,750,000	\$ 0	\$ 35,750,000	\$ -3,750,000	\$ 32,000,000	\$ -3,750,000
Public Health, Dept. of						
Congenital Disorders Registry	\$ 232,500	\$ -61,379	\$ 171,121	\$ -61,379	\$ 171,121	\$ 0
Vision Screening	0	100,000	100,000	0	0	-100,000
Total Public Health, Dept. of	\$ 232,500	\$ 38,621	\$ 271,121	\$ -61,379	\$ 171,121	\$ -100,000
Human Services, Dept. of						
Child Abuse Prevention	\$ 232,500	\$ -14,728	\$ 217,772	\$ -14,728	\$ 217,772	\$ 0
Revenue, Dept. of						
Ag Land Tax Credit - GF	\$ 39,100,000	\$ -6,704,869	\$ 32,395,131	\$ -6,704,869	\$ 32,395,131	\$ 0
Homestead Tax Credit Aid - GF	135,000,000	-48,811,613	86,188,387	-48,811,613	86,188,387	0
Tobacco Reporting	25,000	-6,584	18,416	-6,584	18,416	0
Total Revenue, Dept. of	\$ 174,125,000	\$ -55,523,066	\$ 118,601,934	\$ -55,523,066	\$ 118,601,934	\$ 0
Treasurer of State						
Health Care Trust Fund Transfer	\$ 106,016,400	\$ 0	\$ 106,016,400	\$ -106,016,400	\$ 0	\$ -106,016,400
TOTAL	\$ 3,105,759,632	\$ -27,201,470	\$ 3,078,558,162	\$ -295,776,608	\$ 2,809,983,024	\$ -268,575,138

NOTE: The appropriations listed on this table represent only those affected by SF 533.

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FY 2011 Supplemental Appropriations:

	Senate Supplemental FY 2011 <u>(1)</u>	House Supplemental FY 2011 <u>(2)</u>	House vs Senate <u>(3)</u>
<u>Cultural Affairs, Dept. of</u>			
Cultural Affairs, Dept. of U.S.S. Iowa Battleship	\$ 3,000,000	\$ 3,000,000	\$ 0
Total Cultural Affairs, Dept. of	\$ 3,000,000	\$ 3,000,000	\$ 0
<u>Iowa Finance Authority</u>			
Iowa Finance Authority Hills and Dales	\$ 100,000	\$ 0	\$ -100,000
Total Iowa Finance Authority	\$ 100,000	\$ 0	\$ -100,000
Total Economic Development	\$ 3,100,000	\$ 3,000,000	\$ -100,000

Language Differences

House Changes to Senate Provisions:

- **Performance of Duty.** Limits the FY 2012 standing appropriation to the Executive Council for Performance of Duty expenditures to \$3.0 million. The Senate version limits the standing appropriation to \$30.7 million.
- **Regional Tourism Marketing.** Limits the FY 2012 standing appropriation to the Department of Economic Development for regional tourism marketing to \$310,306. This is a decrease of \$552,000 compared to estimated FY 2011 and a decrease of \$794,000 compared to the statutory funding level. This is \$500,000 less than the funding provided in the Senate version.
- **Programs for At-Risk Children.** Limits the FY 2012 standing appropriation to the Department of Education for programs for at-risk children to \$6.2 million. The Senate version limits the standing appropriation to \$11.5 million.
- **State Aid to AEs.** Reduces State school aid to the Area Education Agencies (AEAs) in FY 2012 by \$20.0 million in addition to the current statutory reduction of \$7.5 million implemented annually. The Senate version makes a reduction of \$10.0 million in addition to the \$7.5 million statutory reduction.
- **Bonus Pay.** Specifies that the prohibition on bonus pay in FY 2012 does not apply to employees of the Board of Regents when the bonus is paid from nonpublic funds.
- **State Trooper Meal Allowances.** Applies the limitation on the state trooper meal allowance to FY 2013, as well as FY 2012.

New House Provisions Not Included in the Bill as Passed by the Senate:

- **Legislative Branch Appropriation Reduction.** Reduces the FY 2012 standing appropriation for the Legislative Branch by \$3.8 million and permits the General Assembly to adjust the FY 2012 budget to reflect any unexpended funds from the FY 2011 budget.
- **Health Care Trust Fund Deposit.** Deposits the first \$106.0 million of cigarette and tobacco taxes collected by the State to the Health Care Trust Fund. Under current law, the cigarette and tobacco taxes are deposited in the General Fund, and a General Fund standing appropriation of \$106.0 million is provided to the Health Care Trust Fund.
- **Salary Adjustment for Gaming Enforcement.** Appropriates additional funds for FY 2012 and FY 2013 from the Gaming Enforcement Revolving Fund to be used for salary adjustments for agents and officers of the Division of Criminal Investigation's racetrack, excursion boat, or gambling structure, enforcement activities.
- **Salary Adjustment for Gaming Regulation.** Appropriates additional funds for FY 2012 and FY 2013 from the Gaming Regulatory Revolving Fund, if enacted by HF 646 (FY 2012 Administration and Regulation Appropriations Bill) to be used for salary adjustments for personnel of the Racing and Gaming Commission of the Department of Inspections and Appeals for regulatory activities of the gaming industry.
- **Intent Language – State Employee Health Insurance.** Adds intent language that requires the Executive and Judicial Branches to engage State employee organizations in discussions to renegotiate current bargained contracts to achieve cost savings for the State related to health insurance coverage for State employees and requires legislators and staff to pay at least an additional \$100 per month for health insurance coverage.
FISCAL IMPACT: If all collective bargaining agreements are negotiated or renegotiated and effective July 1, 2011, without any required increase to State costs, expenditures from the General Fund will be reduced by an estimated \$23.6 million, and expenditures from other funds will be reduced by an estimated \$40.1 million annually, beginning with FY 2012. If agreement is not reached on renegotiating contracts, expenditures from the General Fund will be decreased by an estimated \$349,200 annually beginning with FY 2012 due to the additional payments by legislators and legislative staff.
- **Statutory Language – State Employee Health Insurance.** Adds statutory language that requires collective bargaining agreements to include a provision requiring each State employee to contribute at least an additional \$100 per month for State provided health coverage. Requires noncontract employees to pay the same amount as paid by the employees covered by the agreement pertaining to the greatest number of State employees.
- **Corrective Provisions.** Adds several new corrective provisions related to E-15 fuel.
- **Withdrawal from Midwest Interstate Passenger Rail Compact.** Repeals the Code Chapter relating to the enactment of the Midwest Interstate Passenger Rail Compact. The statute stipulates that withdrawal from the Compact will take effect one year after the effective date of any statute that repeals the enactment of the Compact. The statute also stipulates that the withdrawing state will be liable for any obligations that it may have incurred prior to the effective date of the withdrawal.
- **Repeal of Grow Iowa Values Fund (GIVF) and Program.** Repeals and eliminates the Grow Iowa Values Fund and Program. Requires reversion of any unobligated and unencumbered funds from the FY 2011 Rebuild Iowa Infrastructure Fund (RIIF) appropriation of \$38.0 million. Requires the recipients of the FY 2011 RIIF appropriation, with the exception of the Board of Regents and Workforce Training and Economic Development Funds for the community colleges, to cease obligating or encumbering the funds. Directs repayments from loans made through the GIVF to the General Fund. A portion of these loans to businesses are forgivable if conditions of their projects are met. The low and high estimates of loan repayments are unknown at this time.
- **Repeal of Standing Appropriation for the GIVF.** Repeals the standing limited General Fund appropriation of \$50.0 million to the GIVF. For FY 2009 through FY 2011, the GIVF has been funded from the RIIF, rather than the General Fund, at a reduced amount. The changes are effective on enactment. As of March 2011, the unobligated amount of the \$38.0 million was approximately \$11.0 million. The amount excluded from the reduction is \$3.8 million to the Board of Regents and \$5.3 million to community colleges.

Senate Provisions Not Included in House Appropriations Committee Amendment:

- **Sac and Fox Indian Settlement Appropriation.** Makes a new General Fund standing appropriation of \$100,000 to the Department of Education for expenses of educating American Indian children residing in the Sac and Fox Indian Settlement.
- **Salary Range for Appointed Nonelected State Employees.** Requires the Governor to determine the salary of most appointed nonelected persons in the Executive Branch within the FY 2009 salary range.
- **Funding for Bargaining Agreements.** Requires State agencies to fully fund collective bargaining agreements from available resources.
- **Noncontract Pay Plans.** Specifies that pay plans for noncontract employees, excluding the Board of Regents, will not be increased in FY 2012.
- **Board of Regents Salary Adjustment.** Requires the Board of Regents to use existing funds for salary adjustment increases for FY 2012.
- **Vision Screening Program.** Appropriates \$100,000 from the General Fund to the Department of Public Health for a vision screening program grant.
- **Farmers with Disabilities Program.** Appropriates \$97,000 from the General Fund to the Department of Agriculture and Land Stewardship for the Farmers with Disabilities Program operated by the Easter Seals Rural Solutions Programs.
- **Hills and Dales Child Development Center.** Makes an FY 2011 supplemental General Fund appropriation to the Iowa Finance Authority for the Hills and Dales Child Development Center in Dubuque for the remodeling costs of a four-bed group home.
- **Additional FTE Positions for DIA.** Authorizes the Investigations Division of the Department of Inspections and Appeals (DIA) to add no more than 2.0 FTE positions to the extent funded by the Department of Human Services for provisions specified in SF 313 (IowaCare Revisions Bill).
- **Recalculation of Teacher Salary and Professional Development Supplements.** Requires the Department of Management to recalculate teacher salary supplement and professional development supplement per pupil amounts for area education agencies and school districts that are ending teacher contractual agreements for instruction provided by AEAs to school districts for a special education instructional program where the teachers were employed by the AEAs on behalf of the school districts.
- **Child Abuse Iowa Task Force.** Requires Prevent Child Abuse Iowa to convene a task force to provide recommendations to the Governor and the General Assembly by January 16, 2012, for the prevention of sexual abuse of children.
- **Liability Limits for Certain Railroad Companies.** Requires a railroad company that alters its facilities pursuant to a written agreement with Iowa City to construct a flood mitigation project to receive certain limitations on liability.
- **Effective Date Change for SF 205.** Changes the effective dates for specified sections in SF 205 (Department of Transportation Motor Vehicle Changes Act – enacted April 12, 2011) by making them effective when the FY 2012 Standing Appropriations Bill is enacted rather than on July 1, 2011.
- **Membership Changes for the Iowa Law Enforcement Academy.** Increases the voting members of the Iowa Law Enforcement Academy by two members, taking the total membership from 13 voting members to 15, with the addition of a member of a county conservation board and a Department of Natural Resources conservation peace officer.
- **Child Development Grant Provisions.** Permits grantees receiving funds from the Child Development appropriation to the Department of Education to direct the use of funds to any qualifying child ranging in age from three to five years old, regardless of the age range to be served in the grantee's initial application.
- **Membership Changes for the Watershed Planning Advisory Council.** Adds three additional members to the Watershed Planning Advisory Council; one member from the Agribusiness Association of Iowa, one from the Iowa Floodplain and Stormwater Management Association, and one from the Iowa Rivers Revival.
- **Construction Contract Definition Changes.** Removes highways, roads, bridges, tunnels, transportation facilities, and airports from the definition of construction contract as specified in SF 396 (Construction Indemnity Agreements Act).

- **Extension of Mortgage Foreclosure Counseling and Mediation.** Extends the requirement that a notice of the availability of mortgage foreclosure counseling and mediation services be provided to individuals facing foreclosure proceedings to July 1, 2012.
- **Contract Services.** Codifies a provision in SF 2088 (Government Reorganization and Efficiency Act) relating to contract services and training.
- **Government Purchasing.** Codifies a provision in SF 2088 relating to State government purchasing efforts by the Department of Administrative Services (DAS).
- **Election Software Provisions.** Specifies that election activity software developed by a county is the property of the county unless the county sells the rights to that software.
- **Municipal Utility Archeological Survey.** Specifies that the State Historic Preservation Officer may only recommend that a municipal utility conduct an archeological site survey of a proposed route for the construction of electric distribution and transmission facilities when the Officer has determined that a historic property is likely to exist within the proposed route.
- **School Tuition Organization Tax Credit Cap.** Increases the cap for the school tuition organization tax credit from \$7.5 million to \$10.0 million beginning with tax year 2012. Specifies that the increase is only applicable if the school aid allowable growth rate and the State categorical allowable growth rate are established at 2.0% for FY 2012.
- **Government Technology Services.** Continues a requirement in SF 2088 that the Department of Administrative Services consult with and explore technology services to the Judicial and Legislative Branches of government.
- **Electronic Renewal Provisions.** Continues a requirement in SF 2088 that State agencies utilize electronic means for renewal notices for licenses and permits.
- **LEAN Provisions.** Continues a requirement in SF 2088 that State agencies budget and plan to conduct LEAN events and share resources for staff and training.
- **Review of Fees.** Continues a requirement in SF 2088 that the Joint Appropriations Subcommittees of the General Assembly examine and review fees charged by State agencies.
- **Hiring Process.** Continues a requirement in SF 2088 that the DAS streamline the hiring process for State agencies.
- **Tobacco Retail Compliance Checks.** Limits the number of tobacco retail compliance checks that the Alcoholic Beverages Division can perform in FY 2012 to one check per retail outlet and one follow-up check for those that are not compliant during the first check.
- **Payroll System.** Continues a requirement in SF 2088 that the DAS examine the possibility of merging payroll systems.
- **Medication Therapy Management.** Codifies the existing Medication Therapy Management pilot program for certain State employees conducted by the DAS. Requires the University of Iowa to validate reported drug cost savings.
- **Medication Therapy Management Appropriation.** Appropriates \$510,000 from the General Fund to DAS for the Medication Therapy Management Program.
- **Earned Income Tax Credit.** Increases Iowa's Earned Income Tax Credit from 7.0% to 10.0% of the federal credit.
- **School Aid Allowable Growth.** Establishes a 2.0% allowable growth rate for regular school aid and the State categorical supplements for FY 2012.
- **Targeted Jobs Withholding Tax Credits.** Clarifies current law and specifies that Targeted Jobs Withholding Tax Credits may be awarded for qualified retained jobs, as well as qualified created jobs.
- **Board of Educational Examiners Annual Training.** Requires the Board of Educational Examiners to provide licensees with annual training relating to the Board's Code of Professional Conduct and Ethics.
- **Board of Educational Examiners License Revocation.** Authorizes the Board of Educational Examiners to deny a license or revoke the license of an administrator that fails to report the termination or resignation of a licensed employee for reasons of alleged or actual misconduct.

- **Administrative Leave for School Employees.** Requires local school boards and nonpublic school authorities to place an employee being investigated for alleged student abuse on administrative leave. Requires the board or authorities to notify the Board of Educational Examiners if the investigation results in a finding of criminal conduct by a licensed employee.
- **Immunity for School Employee Reporting.** Extends immunity from civil and criminal liability to school and area education agency employees that make a report regarding physical or sexual abuse of a student.