

CHAPTER 233**APPROPRIATIONS AND PROGRAMS RELATING TO
VARIOUS PUBLIC AGENCIES***S.F. 511*

AN ACT relating to the financing of public agencies and programs and making appropriations to agencies, boards, commissions, departments, and programs of state government relating to elected officials, the executive council, management, revenue and finance, personnel, general services, economic development, agriculture, natural resources, and education, providing a property tax exemption for certain educational facilities, establishing an office of state-federal relations, providing for the education of American Indian children, establishing an occupational therapist loan program, providing for the sale of certain property and the purchase of certain property, providing tax exemption for certain property of a public television station, establishing a targeted small business linked deposit program and Iowa satisfaction and performance bond program, establishing a state fair authority, establishing an obstetrical and newborn indigent patient care program, accretion to bargaining units of certain teachers, providing for a loan of moneys in the permanent school fund, providing a tax deduction and a tax credit for certain purposes, making provisions retroactive, and providing effective dates.

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

**DIVISION I
ADMINISTRATION**

Section 101. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1987 and ending June 30, 1988 to the office of the secretary of state, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

	<u>1987-1988</u> <u>Fiscal Year</u>
For salaries and support for not more than forty-five full-time equivalent positions, maintenance, and other operational purposes	\$ 1,295,192

Sec. 102. There is appropriated from the general fund of the state to the office of the governor for the fiscal year commencing July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	<u>1987-1988</u> <u>Fiscal Year</u>
1. For salaries and support for not more than fifteen full-time equivalent positions, maintenance, and miscellaneous purposes of the general office of the governor	\$ 763,711
2. For the governor's expenses connected with office	\$ 5,439
3. For salaries and support for not more than three full-time equivalent positions, and miscellaneous purposes of the governor's quarters at Terrace Hill	\$ 79,554
4. For the payment of expenses of ad hoc committees, councils, and task forces appointed by the governor to research and analyze a particular subject area relevant to the problems and responsibilities of state and local government, including the employment of professional, technical, and administrative staff and the payment of per diem, not exceeding forty dollars, and actual expenses of committee, council, or task force members	\$ 15,706
5. For salaries and support for not more than two full-time equivalent positions, maintenance, and miscellaneous purposes of the office of administrative rules coordinator	\$ 76,466

Sec. 103. There is appropriated from the general fund of the state to the office of the lieutenant governor for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

For salaries and support for not more than two point five full-time equivalent positions, maintenance, and miscellaneous purposes including the lieutenant governor's compensation and expenses as provided in subsection 2 of section 2.10 including service as a member of the legislative council and for per diem and expenses incurred while performing duties of the lieutenant governor when the general assembly is not in session

\$ 122,518

Sec. 104. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

For salaries and support for not more than twenty-five full-time equivalent positions, maintenance and other operational purposes

\$ 569,188

Sec. 105. There is appropriated from the general fund of the state to the executive council for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

For salaries and support for not more than one point four full-time equivalent positions, maintenance, and miscellaneous purposes

\$ 39,605

Sec. 106. There is appropriated from the general fund of the state to the following named agencies for the fiscal year commencing July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

1. NATIONAL CONFERENCE OF STATE LEGISLATURES

For support of the membership assessment

\$ 60,844

2. COMMISSION ON UNIFORM STATE LAWS

For support of the commission and expenses of the members

\$ 18,273

Sec. 107. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

1. GENERAL OPERATIONS

For salaries and support for not more than two hundred thirty-three point six full-time equivalent positions, maintenance, and miscellaneous purposes

\$ 4,963,985

It is the intent of the general assembly that the department of general services shall continue the forms management program with the funds appropriated in this subsection.

Savings achieved in providing telecommunications services shall be used by the department of general services to increase efficiencies in the provision of those services.

2. DIVISION OF INFORMATION SERVICES

For salaries and support for not more than one hundred sixty-three full-time equivalent positions, maintenance, and miscellaneous purposes

\$ 5,379,627

*Item veto, see message at end of the Act

It is the intent of the general assembly that funds appropriated in this subsection not be used for the replacement of computer equipment with newer technological devices to replace the current processing capacity or replace the currently installed magnetic tape units.

It is the intent of the general assembly that ninety thousand (90,000) dollars of the funds appropriated in this subsection be used for the installation of computer terminals to improve county auditor access to the state voter registration system.

3. CAPITOL PLANNING COMMISSION

For expenses of the members in carrying out their duties under chapter 18A \$ 1,571

4. UTILITY COSTS

For payment of utility costs \$ 1,583,067

The department of general services may use funds appropriated in this subsection for utility costs to fund energy conservation projects in the state capitol complex which will have a one hundred percent payback within a twelve-month period.

5. RENTAL SPACE

For payment of lease or rental costs of buildings and office space at the seat of government as provided in section 18.12, subsection 9, notwithstanding section 18.16 \$ 667,773

6. RISK MANAGEMENT

To fund risk reduction projects for uninsured state-owned property pursuant to section 18.164, subsection 1 \$ 18,500

It is the intent of the administration appropriations subcommittee that an additional two million (2,000,000) dollars should be appropriated from the lottery funds to the department of general services for continuation of the capitol restoration project which is an important project which should be continued on schedule.

Sec. 108. There is appropriated from the revolving funds designated to the department of general services for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

DEPARTMENT OF GENERAL SERVICES – REVOLVING FUNDS

1. From the centralized printing permanent revolving fund established by section 18.57 for salaries and support for not more than twenty-nine full-time equivalent positions, maintenance, and miscellaneous purposes \$ 743,986

2. The remainder of the centralized printing permanent revolving fund is appropriated for the expense incurred in supplying paper stock, offset printing, copy preparation, binding, distribution costs, original payment of printing and binding claims and contingencies arising during the fiscal year beginning July 1, 1987 which are legally payable from this fund.

3. From the general service revolving fund established by section 18.9 for salaries and support for not more than fourteen full-time equivalent positions, maintenance, and miscellaneous purposes \$ 470,850

The remainder of the general services revolving fund is appropriated for the payment of expenses incurred through purchases by various state departments and for contingencies arising during the fiscal year beginning July 1, 1987 and ending June 30, 1988 which are legally payable from this fund.

4. From the vehicle dispatcher revolving fund established by section 18.119 for salaries and support for not more than fifteen full-time equivalent positions, maintenance, and miscellaneous purposes \$ 439,926

5. The remainder of the vehicle dispatcher revolving fund is appropriated for the purchase of gasoline, oil, tires, repairs and all other maintenance expenses incurred in the operation of state-owned motor vehicles and for contingencies arising during the fiscal year beginning July 1, 1987 which are legally payable from this fund.

Sec. 109. There is appropriated from the general fund of the state to the department of general services for each fiscal year in the fiscal period beginning July 1, 1988 and ending June 30, 1990, the sum of three million (\$3,000,000) dollars, or so much thereof as is necessary, to be used for capitol complex construction and renovation.

Sec. 110. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

1. For salaries and support for not more than ninety-four point twenty-five full-time equivalent positions, maintenance, and miscellaneous purposes . . . \$ 3,045,213

a. The department may expend up to sixty-nine thousand five hundred thirty-eight (69,538) dollars of the funds appropriated in this subsection for the purpose of investigating worker's compensation claims and expediting the claims process. The department may not employ more than two additional full-time equivalent positions annually for this purpose.

b. The department may expend up to thirty-four thousand four hundred forty-two (34,442) dollars of the funds appropriated in this subsection for the purpose of monitoring trends in unemployment compensation claims and to provide training to department administrative and supervisory staff in unemployment cost avoidance. The department may not employ more than one additional full-time equivalent position annually for this purpose.

2. For salaries and support for not more than four point seventy-five full-time equivalent positions, maintenance, and other operational purposes to pay the costs of administration of federal old age benefit and Iowa old age survivors insurance programs \$ 152,272

Sec. 111. There is appropriated from the Iowa public employees' retirement system fund to the department of personnel for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amount, or so much thereof as is necessary, to be used for the following purposes designated:

1987-1988
Fiscal Year

For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system \$ 2,124,435

It is the intent of the general assembly that the Iowa public employees' retirement system employ sufficient staff within the appropriation provided in this section to meet the developing requirements of the investment program.

Sec. 112. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as may be necessary, to be used for the funding of the following programs for the purposes designated:

1987-1988
Fiscal Year

For salaries and support for not more than six hundred thirteen point twenty-eight full-time equivalent positions, maintenance, and miscellaneous purposes \$ 17,316,998

Sec. 113. There is appropriated from the motor vehicle fuel tax fund to the department of revenue and finance for the fiscal year beginning July 1, 1987 and ending June 30, 1988,

*Item veto; see message at end of the Act

the following amounts, or so much thereof as may be necessary, for salaries, support, maintenance, and other operational purposes for administration and enforcement of the provisions of chapter 324 and the motor vehicle use tax program:

1987-1988
Fiscal Year
\$ 977,676

It is the intent of the general assembly that one hundred twenty-five thousand (125,000) dollars of the funds appropriated in this section be used for increased monitoring of special fuel tax accounts and the collection of delinquent fuel taxes. The department shall report quarterly beginning July 1, 1987 to the legislative fiscal bureau the estimates of additional revenue collected as a result of any increase in auditing and enforcement provided under this appropriation.

Sec. 114. There is appropriated from the lottery fund to the department of revenue and finance for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

For salaries and support for not more than one hundred forty-one point thirty-five full-time equivalent positions, maintenance, and miscellaneous purposes \$ 7,458,628

After exhausting its lottery fund appropriation, the lottery division of the department of revenue and finance may, upon approval of the department of management *and the fiscal committee of the legislative council*,* expend additional funds.

Sec. 115. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1987 and ending June 30, 1988 to the department of management, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

1. DEPARTMENT OF MANAGEMENT

For salaries and support for not more than thirty-two full-time equivalent positions, maintenance, and miscellaneous purposes and for program administration of justice assistance funds, the statistical analysis center, and highway safety grant funds, provided that the office of state-federal relations is no longer funded through the department of management under a chapter 28E agreement or funded by the department of management through its budget \$ 1,354,464

2. COUNCIL OF STATE GOVERNMENTS

For support of the membership assessment \$ 52,500

Sec. 116. There is appropriated from the general fund of the state to the office of state-federal relations for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amount, or so much thereof as is necessary, to be used for the following purposes designated:

1987-1988
Fiscal Year

For salaries and support for not more than three full-time equivalent positions, maintenance, and miscellaneous purposes \$ 190,034

*Item veto; see message at end of the Act

Sec. 117. There is appropriated from the general fund of the state to the moneys and credits replacement fund established in section 422.100 for the fiscal year beginning July 1, 1987 and ending June 30, 1988 the sum of one million four hundred seventy-five thousand (1,475,000) dollars, or so much thereof as may be necessary, to be used for payments to counties as provided in section 422.100. Notwithstanding section 422.100, all of the funds allocated to the counties from the moneys and credits replacement fund during the fiscal year beginning July 1, 1987 and ending June 30, 1988, shall be allocated to cities as required by law by the county treasurer.

If Senate File 279 is enacted by the Seventy-second General Assembly, 1987 Session, and becomes law, this section is void.

Sec. 118. There is appropriated from the general fund of the state to the municipal assistance fund, established in section 405.1, for the fiscal year beginning July 1, 1987 and ending June 30, 1988 the following amount, or so much thereof as is necessary, to be used for state assistance to municipalities, with distribution in accordance with section 405.1.

1987-1988
<u>Fiscal Year</u>
\$ 14,503,500

If Senate File 279 is enacted by the Seventy-second General Assembly, 1987 Session, and becomes law, this section is void.

Sec. 119. There is appropriated from the general fund of the state to the county assistance fund, established in section 334A.1, for the fiscal year beginning July 1, 1987 and ending June 30, 1988 the following amount, or so much thereof as is necessary, to be used for state assistance to counties, with distribution in accordance with section 334A.2.

1987-1988
<u>Fiscal Year</u>
\$ 5,296,500

If Senate File 279 is enacted by the Seventy-second General Assembly, 1987 Session, and becomes law, this section is void.

Sec. 120.

1. There is appropriated from the general fund of the state to the salary adjustment fund provided for in section 8.43, for the fiscal year beginning July 1, 1987, the sum of thirty-four million seven hundred sixty-three thousand six hundred fifty-seven (34,763,657) dollars, or so much thereof as may be necessary, to be distributed to the various departments to supplement other funds appropriated by the general assembly.

2. There is appropriated from the road use tax fund of the state to the state department of transportation, for the fiscal year beginning July 1, 1987, the sum of two hundred ninety-six thousand forty-five (296,045) dollars, or so much thereof as may be necessary, to supplement other funds appropriated by the general assembly.

3. There is appropriated from the road use tax fund of the state to the department of public safety, for the fiscal year beginning July 1, 1987, the sum of five hundred sixty-five thousand nine hundred eighteen (565,918) dollars, or so much thereof as may be necessary, to supplement other funds appropriated by the general assembly.

4. There is appropriated from the primary road fund to the state department of transportation, for the fiscal year beginning July 1, 1987, the sum of two million one hundred fifty-nine thousand seven hundred thirteen (2,159,713) dollars, or so much thereof as may be necessary, to supplement other funds appropriated by the general assembly.

5. Except as otherwise provided in this Act, the amounts appropriated in subsections 1, 2, 3, and 4 shall be used to fund the annual pay adjustments, expense reimbursements, and related benefits not in conflict with the Code for public officials and employees as authorized in Senate File 504, enacted by the Seventy-second General Assembly, 1987 Session.

6. The funds allocated to the state board of regents for faculty salary adjustments at the three state universities shall be distributed based on an amount necessary to fund an eleven

percent increase in the faculty salaries after funds received from increased tuition, less the amount committed to student aid, have been allocated for that purpose.

Sec. 121.

1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1987, the following amounts to the designated political subdivisions or public agencies:

	1987-1988 <u>Fiscal Year</u>
a. To the seven regional libraries of the regional library system as defined in section 303B.2	\$ 15,400
b. To the substance abuse treatment facilities receiving substance abuse program grants as provided in section 125.25	\$ 97,000
c. To local boards of health receiving in-home health care grants	\$ 30,100
d. Local homemaker/chore service programs	\$ 100,600

2. The director of the department of management shall allocate and distribute each of the amounts specified in this section to the programs indicated. Moneys received by local programs under this section shall be used to pay the state's share of the authorized salary increases for the local program employees.

**Sec. 122. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987 to the department of general services the sum of four million two hundred fifty thousand (4,250,000) dollars, or so much thereof as is necessary, of which seven hundred fifty thousand (750,000) dollars shall be allocated to the historical division of the department of cultural affairs to equip the new historical building with the remainder to be used for capitol complex construction and renovation.*

*Notwithstanding section 8.33, funds appropriated by this section which are unexpended or unencumbered shall carry forward to the fiscal year beginning July 1, 1987 for the same purpose as originally appropriated.**

Sec. 123. Funds appropriated from the general fund of the state in sections 120 and 121 of this Act relate only to salaries supported from general fund appropriations of the state.

Sec. 124. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental authorization is provided for those funds, unless otherwise provided, in an amount necessary to fund salary adjustments provided in Senate File 504, enacted by the Seventy-second General Assembly, 1987 Session.

Sec. 125. **CRIMINAL AND JUVENILE JUSTICE PLANNING AGENCY — STUDY.**

The legislative fiscal bureau shall conduct a study and evaluation of the criminal and juvenile justice planning agency within the department of management and shall report its findings to the general assembly. The study and evaluation shall include a review of the following:

1. The appropriate organization and location of the agency.
2. The agency's progress in meeting the requirements of chapter 80C.
3. The coordination and expenditure of federal justice-related grant moneys.
4. The activity of the criminal and juvenile justice advisory council.
5. The staffing pattern and needs of the agency.
6. Assistance provided by the agency to state and local units of government.
7. Other relevant issues identified by the legislative council or the legislative fiscal bureau.

*Item veto see message at end of the Act

Sec. 126. **NEW SECTION. 7F.1 OFFICE FOR STATE-FEDERAL RELATIONS.**

1. **PURPOSE.** The purpose of this section is to establish, as an independent agency, an office for state-federal relations which will develop a nonpartisan state-federal relations program accessible to all three branches of state government.

2. **DEFINITIONS.** As used in this section, unless the context otherwise requires:

a. "Office" means the office for state-federal relations established pursuant to this section.

b. "Commission" means the state-federal relations commission established pursuant to this section.

*3. **COMMISSION ESTABLISHED.** A state-federal relations commission is established composed of the director of the department of management or the director's designee, the director of the legislative fiscal bureau or the director's designee, and the state court administrator or the administrator's designee. A different member of the commission shall serve as the commission's chairperson each year. The commission shall:

a. Establish general policies for the operation and funding of the office.

b. Promote cooperation and information sharing among the agencies of the three branches of government in the development of an effective state-federal relations program.

c. Annually review the operation and activities of the office and by February 15 report its findings and any recommendations to the governor, the general assembly, and the supreme court.*

4. **OFFICE ESTABLISHED.** A state-federal relations office is established as an independent agency *with oversight of the office to be provided by the state-federal relations commission*. The office shall be located in Washington D.C. and shall be administered by the director of the office who is appointed by the governor, subject to confirmation by the senate, and who serves at the pleasure of the governor. The office and its personnel are exempt from the merit system provisions of chapter 19A.

5. **OFFICE DUTIES.** The office shall:

a. Coordinate the development of Iowa's state-federal relations efforts which shall include an annual state-federal program to be presented to Iowa's congressional delegation, the sponsorship of training sessions for state government officials, and the maintenance of a management information system.

b. Provide state government officials with greater access to current information on federal legislative and executive actions affecting state government.

c. Advocate federal policies and positions which benefit the state or are important to state government.

d. Monitor federal budget policies and assistance programs and assess their impact on the state.

e. Strengthen the working relationships between state government officials and Iowa's congressional delegation.

f. Improve the state's ability to establish key contacts with federal officials, officials from other states, organizations, business groups, and professional associations in order to share information and form cooperative agreements.

*6. **SUPPORT SERVICES AND COOPERATION.** The department of management, the legislative fiscal bureau, and the state court administrator's office shall provide administrative support services to the office. All agencies of state government shall cooperate fully with the office on matters pertaining to its federal-state relations responsibilities. Agencies may enter into agreements with the office to provide or receive special services of benefit to or from the federal-state relations program.*

*Sec. 127. Section 8.21, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The governor shall transmit to the general assembly not later than seven days following delivery of the budget message to the general

*Item veto; see message at end of the Act

*assembly the final bill drafts of the governor's proposed budget expenditures. The bill drafts shall be written in the bill drafting form adopted by the legislative council.**

Sec. 128. NEW SECTION. 12.40 TARGETED SMALL BUSINESS LINKED DEPOSIT PROGRAM.

The treasurer of state shall adopt rules to implement a targeted small business linked deposit program to increase the availability of lower cost funds to inject needed capital into small businesses owned and operated by women or minorities, which is the public policy of the state. The rules shall be in accordance with the following:

1. "Targeted small business" means a business as defined in section 220.111, subsection 1.
2. A linked deposit shall only be approved in connection with a loan application for a targeted small business which has been certified pursuant to section 15.108, subsection 7, paragraph "c", subparagraph (4).
3. Loan applications for a targeted small business shall be for the purchase of land, machinery, equipment, or licenses, or patent, trademark, or copyright fees and expenses, but not inventory.
4. The maximum size of a targeted small business loan is one hundred thousand dollars per borrower for intangible property and two hundred fifty thousand dollars per borrower for tangible personal or real property.

Sec. 129. NEW SECTION. 12.41 IOWA SATISFACTION AND PERFORMANCE BOND PROGRAM.

Agencies of state government shall be required to waive the requirement of satisfaction or performance bonds for targeted small businesses which are able to demonstrate the inability of securing such a bond because of a lack of experience. This waiver shall not apply to businesses with a record of repeated failure of substantial performance or material breach of contract in prior circumstances. The waiver shall be applied only to a project or individual transaction amounting to fifty thousand dollars or less, notwithstanding section 573.2. In order to qualify, the targeted small business shall provide written evidence to the department of economic development that the bond would otherwise be denied the business. The granting of the waiver shall in no way relieve the business from its contractual obligations and shall not preclude the state agency from pursuing any remedies under law upon default or breach of contract.

The department of economic development shall certify targeted small businesses for eligibility and participation in this program and shall make this information available to other state agencies.

Subdivisions of state government may also grant such a waiver under similar circumstances.

Sec. 130. Section 18.12, subsection 7, Code 1987, is amended to read as follows:

7. Contract, with the approval of the executive council, for the repair, remodeling or, if the condition warrants, demolition of all buildings and grounds of the state at the seat of government and the institutions of the department of human services and the department of corrections for which no specific appropriation has been made, if the cost of repair, remodeling or demolition will not exceed one hundred thousand dollars when completed. The cost of repair projects for which no specific appropriation has been made shall be paid from the fund provided in section 19.29.

Sec. 131. Section 18.134, Code 1987, is amended to read as follows:

18.134 LIMITATION OF COMMUNICATIONS.

The department of general services shall not provide or resell communications services to entities other than state agencies. A political subdivision receiving communications services from the state as of April 1, 1986 may continue to do so until January 1, 1988 but communications services shall not be provided or resold to additional political subdivisions. The rates charged to the political subdivision shall be the same as the rates charged to state agencies.

*Item veto, see message at end of the Act

Sec. 132. Section 324.66, unnumbered paragraph 1, Code 1987, is amended to read as follows:

The appropriate state agency shall administer the taxes imposed by this chapter in the same manner as and subject to section 422.25, subsection 4 and section 422.52, subsection 3. ~~Notwithstanding section 422.52, subsection 3, all special fuel licensees are required to file a bond with the director in an amount as established by the director.~~

***Sec. 133. NEW SECTION. 421.45 AUDIT EXPENSE FUND.**

There is created in the office of the treasurer of state an "audit expense fund" for the use of the department to fund audit expenses as authorized in this section. The department may employ up to twenty-five full-time equivalent positions in its tax audit staff to increase tax audits. Positions filled under authority of this section shall be paid from funds in the audit expense fund.

Of the funds appropriated to the department under section 112 of this Act, one million dollars shall be credited to the audit expense fund on July 1, 1987.

*The moneys in the fund shall be used for salaries, support, maintenance, and miscellaneous purposes for the additional audit staff authorized by this section. Moneys received by the department of revenue and finance from audits conducted by audit staff employed with moneys available under this section shall be credited to the general fund of the state and this fund. Of the moneys received, three-fourths of the moneys shall be credited to the general fund of the state and the remaining moneys shall be credited to the audit expense fund.**

Sec. 134. Section 422.45, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. The gross receipts from the sale of tangible personal property which will be given as prizes to players in games of skill, games of chance, raffles, and bingo games as defined in chapter 99B.

Sec. 135. All federal grants to and the federal receipts of agencies appropriated funds under this division of this Act are appropriated for the purposes set forth in such federal grants or receipts.

**DIVISION II
AGRICULTURE AND NATURAL RESOURCES**

Sec. 201. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP. There is appropriated from the general fund of the state and the trust funds indicated to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1987 and ending June 30, 1988 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

		<u>1987-1988</u> <u>Fiscal Year</u>
1. ADMINISTRATIVE DIVISION		
a. From the general fund for salaries, support, maintenance, and miscellaneous purposes	\$	944,285
b. From the fertilizer fund to be transferred to the administration division	\$	45,417
c. From the dairy trade practice fund to be transferred to the administration division	\$	86,321
d. From the commercial feed fund to be transferred to the administration division	\$	45,417
e. The department of agriculture and land stewardship shall establish annual subscription fees for the regular and periodic publications of the department. Fees collected from subscribers shall be deposited in the general fund of the state.		

*Item veto; see message at end of the Act

f. Funds appropriated by this subsection are for the salaries and support of not more than forty-one point seventy-four full-time equivalent positions.

2. FARM COMMODITY DIVISION

a. From the general fund for salaries and support for not more than twenty-three point five full-time equivalent positions, maintenance, and miscellaneous purposes

\$ 705,842

b. Of the amount appropriated from the general fund under paragraph "a" of this subsection, three hundred forty-six thousand three hundred seventy-nine (346,379) dollars shall be allocated to the horticultural division for the continuation of the agricultural diversification program as enacted by 1986 Iowa Acts, chapter 1246, section 501, subsection 1, paragraph "e".

3. REGULATORY DIVISION

From the general fund for salaries and support for not more than one hundred forty-seven full-time equivalent positions, maintenance, and miscellaneous purposes

\$ 3,519,884

4. LABORATORY DIVISION

a. From the general fund for salaries, support, maintenance, and miscellaneous purposes

\$ 593,578

b. From the commercial feed fund to be transferred to the laboratory division

\$ 756,329

c. From the pesticide fund to be transferred to the laboratory division

\$ 464,835

d. From the fertilizer fund to be transferred to the laboratory division

\$ 801,609

e. Funds appropriated by this subsection are for salaries and support of not more than ninety-two full-time equivalent positions.

5. SOIL CONSERVATION DIVISION

a. From the general fund for salaries and support for not more than one hundred eighty-eight point zero five full-time equivalent positions, maintenance, assistance to soil conservation districts, and for miscellaneous purposes

\$ 4,269,334

The full-time equivalent positions authorized in this paragraph include four full-time equivalent positions for projects authorized in House File 631 regarding agricultural drainage wells and sinkholes.

b. Of the amount appropriated from the general fund of the state under paragraph "a" of this subsection, three hundred three thousand four hundred thirty-six (303,436) dollars shall be used to conduct soil surveys in conjunction with federal, state, and local agencies in Iowa.

c. To provide financial incentives for soil conservation practices in accordance with the provisions of paragraph "d" of this subsection

\$ 6,546,519

d. The following requirements apply to the funds appropriated by paragraph "c":

(1) Not more than five percent may be allocated for cost sharing to abate complaints filed under section 467A.47 and 467A.48.

(2) Not more than ten percent may be allocated for financial incentives not exceeding seventy-five percent of the approved cost of permanent soil conservation practices under chapter 467A on watersheds above publicly owned lakes in accordance with the priority list required in section 214 of this Act.

(3) The soil conservation district commissioners may allocate financial incentives not exceeding sixty percent of the cost of permanent soil conservation practices for special watershed practices or summer construction incentives under section 467A.7, subsections 17 and 19.

(4) Except for the allocations subject to subparagraphs 1, 2, and 3, these funds shall not be used alone or in combination with other public funds to provide a financial incentive payment greater than fifty percent of the approved cost for voluntary permanent soil conservation practices and priority shall be given to family-operated farms.

(5) The soil conservation committee may allocate funds to conduct research and demonstration projects to promote conservation tillage and nonpoint sources pollution control practices.

(6) Not more than thirty percent of a district's allocation may be allocated by the soil conservation district commissioners for the establishment of management practices to control soil erosion on land that is now row cropped.

(7) The financial incentive payments may be used in combination with department of natural resources funds.

e. The provisions of section 8.33 shall not apply to the funds appropriated by paragraph "c". Unencumbered or unobligated funds remaining on June 30, 1991 from funds appropriated for the fiscal year beginning July 1, 1987 shall revert to the general fund on September 30, 1991.

**6. It is the intent of the general assembly that the department of agriculture and land stewardship, in its operation of the agricultural marketing program, shall conform its activities to the mission, goals, and objectives provided in this subsection and collect information pertaining to performance measures developed by the legislative fiscal bureau. The department shall provide a report at least quarterly to the legislative fiscal bureau and the co-chairpersons and ranking members of the agriculture and natural resources appropriations subcommittee on the performance measures. The department shall be notified by the legislative fiscal bureau by July 1, 1987 of the specific performance measures for which data shall be collected and reported.*

The department shall operate an agricultural marketing program designed to lead to more advantageous marketing of Iowa agricultural products to accomplish the following objectives:

a. Investigate the subject of marketing agricultural products and recommend efficient and economical methods of marketing.

b. Promote the sales, distribution, and merchandising of agricultural products to be indicated by the number of trade or sales leads originated through the agricultural marketing programs, by the number of Iowa companies represented at trade shows, and by the number of out-of-state buyers contacted through trade shows and other promotional events.

c. Furnish information and assistance to the public concerning the marketing of agricultural products to be indicated by the number of Iowa companies that receive counseling or assistance.

d. Cooperate with the college of agriculture of Iowa State University of science and technology in farm marketing education and research and avoid unnecessary duplications to be indicated by the number of meetings with the university staff to discuss marketing research and education and number and type of recommendations generated from these meetings.

e. Gather and diffuse useful information concerning all phases of the marketing of Iowa farm products in cooperation with other public and private agencies.

f. Ascertain sources of supply of Iowa agricultural products and prepare and publish from time to time lists of names and addresses of producers and consignors and furnish lists to persons applying for them to be indicated by the number of potential out-of-state buyers that receive the list of Iowa suppliers.

*g. Aid in the promotion and development of the agricultural processing industry in the state to be indicated by the number of trade or sales leads originated through the agricultural marketing programs, the number of Iowa companies represented at trade shows, the number of out-of-state buyers contacted through trade shows and other promotional events, and the number of Iowa companies meeting with out-of-state buyers brought to Iowa as part of the agricultural marketing programs.**

Sec. 202. There is appropriated to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1987 and ending June 30, 1988 from the funds available under

*Item veto; see message at end of the Act

section 99D.13 the sum of one hundred twelve thousand (112,000) dollars, or as much thereof as necessary, for volunteer assistance and not more than three full-time equivalent positions for the administration of section 99D.22.

Sec. 203. MULTIFLORA ROSE ERADICATION COST REIMBURSEMENT.

1. There is appropriated from the general fund of the state to the state department of agriculture and land stewardship for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the sum of sixty thousand (60,000) dollars, or as much thereof as may be necessary, to be used for the purpose of partially reimbursing agricultural landowners or tenants for the cost of herbicide for controlling or eradicating the multiflora rose which has severely infested their agricultural land. Not more than five percent of the funds appropriated under this subsection shall be used for administrative expenses.

2. A county board of supervisors desiring a share of the appropriation shall, in conjunction with the county weed commissioner and the county soil conservation district commissioners, develop a plan to combat severe infestations of multiflora rose on privately owned land within the county. The plan shall be based upon partial reimbursement of individual landowner's costs for the purchase of herbicide from both state and county appropriations; however, the share of costs reimbursed by state funds shall not exceed one-fourth. The plan shall be submitted to the secretary of agriculture for approval or recommendations for modification.

3. A landowner or tenant whose agricultural land is severely infested by multiflora roses may apply to the soil conservation district commissioners of the county for partial reimbursement, according to the approved plan, of the cost of herbicide for controlling or eradicating the multiflora rose on the agricultural land. The county weed commissioner shall assist the soil conservation district commissioners in investigating the application and determining if the infestation is severe. The soil conservation district commissioners shall review and approve each application for partial cost reimbursement if the infestation is severe on the applicant's agricultural land. If the soil conservation district commissioners find the amount of reimbursement claimed to be excessive, the district commissioners may approve a lesser amount. The reasons for disapproval of an application or reduction of the amount of reimbursement shall be sent in writing to the applicant. The amount of reimbursement certified by the secretary shall be paid by warrant issued by the director of revenue and finance.

4. Federal lands and federal land tenants are not eligible for reimbursement under this section.

Sec. 204. DEPARTMENT OF NATURAL RESOURCES. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1987 and ending June 30, 1988 the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	<u>1987-1988</u>
	<u>Fiscal Year</u>
1. For salaries, support, maintenance, and miscellaneous purposes	\$ 10,149,123
Of the amounts appropriated from the general fund under this subsection, thirty-three thousand (33,000) dollars shall be used for studies of preserves. It is a condition of the funds appropriated by this subsection that the department fund the position of state ecologist. It is a condition of the funds appropriated by this subsection that the department cease motor fuel price forecasting and reporting during fiscal year 1988, section 93.7 notwithstanding.	
2. For reimbursement to federal agencies for cooperative contracts	\$ 186,169
3. For the green thumb program for the employment of the elderly in conservation and outdoor recreation related fields in coordination with other agencies as provided by law	\$ 200,000
4. For payments to the governing bodies responsible for publicly owned sewage treatment facilities which are eligible for grants under section 202 of the federal Water Pollution Control Act, 33 U.S.C. § 466 et seq., as	

amended by the federal Clean Water Act of 1977, Pub. L. No. 95-217, in an amount equal to five percent of the amount approved as the eligible cost of the project by the environmental protection commission \$ 1,278,008

The provisions of section 8.33 shall not apply to the funds appropriated by this subsection. Unencumbered or unobligated funds remaining on June 30, 1991 from funds appropriated for the fiscal year beginning July 1, 1987, shall revert to the general fund on September 30, 1991.

5. It is the intention of the general assembly in adopting the appropriation under subsection 1 and this subsection to cease funding for the department's implementation of the federal Resource Conservation and Recovery Act permit program for hazardous waste facilities in this state. Section 455B.411, subsections 6, 9, and 10, section 455B.412, subsections 2 through 4, and sections 455B.413 through 455B.421 are suspended and do not apply as they pertain to that permit program, but are not suspended and do apply as they pertain to abandoned and uncontrolled sites, used oil, and site licensing under chapter 455B, division IV, part 6. The suspension provided by this subsection begins July 1, 1987 and ends June 30, 1989.

Sec. 205. There is appropriated from the state fish and game protection fund to the department of natural resources for the fiscal year beginning July 1, 1987 and ending June 30, 1988 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1987-1988
Fiscal Year

DIVISION OF FISH AND WILDLIFE

1. From the state fish and game protection fund for salaries, support, maintenance, equipment, and miscellaneous purposes including not more than two million one hundred ten thousand six hundred fourteen (2,110,614) dollars during the fiscal year beginning on July 1, 1987 which shall be available from the state fish and game protection fund for administrative support \$ 13,769,023

2. From the fees deposited under section 321G.7 to the fish and game protection fund for enforcement of snowmobile laws as part of the state snowmobile program \$ 145,000

3. From the fees deposited under section 106.52 to the fish and game protection fund for administration and enforcement of navigation laws and water safety \$ 950,000

4. Funds remaining in the fish and game protection fund during fiscal year 1987-1988 which are not specifically appropriated by this section are appropriated and may be used for capital projects and contingencies arising during the fiscal year beginning July 1, 1987. A contingency shall not include any purpose or project which was presented to the general assembly by way of a bill or a proposed bill and which failed to be enacted into law. For the purpose of this subsection, a necessity of additional operating funds may be construed as a contingency. Before any of the funds authorized to be expended by this subsection are allocated for contingencies, it shall be determined by the executive council that a contingency exists and that the contingency was not existent while the general assembly was in session and that the proposed allocation shall be in the best interests of the state. If a contingency arises or could reasonably be foreseen during the time the general assembly is in session, expenditures for the contingency must be authorized by the general assembly.

*5. *It is the intent of the general assembly that the law enforcement bureau of the fish and wildlife division of the department of natural resources, in its operations to protect the state's fish and wildlife natural resources, shall conform its operation to the mission, goals, and objectives provided in this subsection and collect information pertaining to the performance*

measures developed by the legislative fiscal bureau. The division shall provide a report at least quarterly to the legislative fiscal bureau and the co-chairpersons and ranking members of the agriculture and natural resources appropriations subcommittee on the performance measures. The division shall be notified by July 1, 1987 of the specific performance measures for which data shall be collected and reported.

The fish and wildlife division of the department of natural resources exists to protect, propagate, increase, and preserve the wild mammals, fish, birds, reptiles, and amphibians of the state and enforce by proper actions and proceedings the laws and rules relating to them and to collect, classify, and preserve all statistics, data, and information as in its opinion tend to promote the objects of the law, to conduct research in improved conservation methods, and disseminate information to residents and nonresidents in conservation matters. The bureau must ensure adequate protection and wise use of Iowa's fish and wildlife natural resources to accomplish the following objectives:

a. To enforce conservation laws and rules relating to fishing, hunting, trapping, boating, dock permits, snowmobiling, and public land management to be indicated by not less than one hundred thousand hours per year devoted to law enforcement.

b. To assist with fish and wildlife population surveys and nuisance animal complaints to be indicated by not less than five thousand hours per year devoted to these surveys and nuisance animal investigations.

c. To provide conservation information to the public by writing newspaper and magazine articles, speaking before organized groups, contacting radio and television media, and person-to-person contacts, to be indicated by not less than twenty thousand hours per year devoted to providing public information and not less than four thousand hours per year devoted to public programs and meetings.

d. To provide assistance to the public, other public agencies, and other divisions of the department as needed to be indicated by not less than ten thousand hours per year devoted to providing assistance to the public and other agencies.

e. To provide conservation-recreation safety and ethics training through hunter safety and ethics training, snowmobile safety training, boating safety training, and fur harvester education and ethics training to be indicated by offering not less than nine hundred safety-recreation courses, three thousand two hundred hours per year devoted to safety-recreation training, and training not less than ten thousand persons.*

Sec. 206. MARINE FUEL TAX FUND. There is appropriated from the marine fuel tax fund to the department of natural resources for the fiscal year beginning July 1, 1987 and ending June 30, 1988 the following amounts, or so much thereof as is necessary, to be used for the following purposes:

	1987-1988 Fiscal Year
1. For maintenance and development of boating facilities and access to public waters	\$ 397,179
2. For deposit in the state fish and game protection fund for the administration and enforcement of navigation laws and boat safety	\$ 100,000

The balance of the amount computed as provided in section 324.84 for the fiscal year beginning July 1, 1987 and ending June 30, 1988 is appropriated for the purposes provided in section 324.79, subsections 1, 2, 3 and 5. The unencumbered or unobligated balances of funds specifically allocated for such projects for the fiscal year ending June 30, 1988, shall revert to the fund from which appropriated June 30, 1990.

*Item veto, see message at end of the Act

Sec. 207. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1986 and ending June 30, 1987, for the payment of assessments to the midwest interstate low-level radioactive waste compact the following amounts, or so much thereof as is necessary, for the fiscal periods indicated:

1. Assessment for the fiscal year beginning July 1, 1986 and ending June 30, 1987	\$ 45,000
*2. Assessment for the fiscal year beginning July 1, 1987 and ending June 30, 1988	\$ 60,000

*Notwithstanding section 8.33, funds appropriated by this section which remain unexpended or unencumbered on June 30, 1987 shall not revert to the general fund of the state.**

Sec. 208. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the sum of forty thousand (40,000) dollars, or so much thereof as is necessary, to conduct a feasibility study of constructing a dam at Pine Lake state park.

Sec. 209. Notwithstanding section 8.33, of the funds appropriated to the horticultural division of the department of agriculture and land stewardship by 1986 Iowa Acts, chapter 1246, section 501, subsection 1, paragraph "e", which would otherwise revert to the general fund, fifteen thousand (15,000) dollars, or so much thereof as necessary, shall carry over and be used by the department to conduct a pilot project providing federal special supplemental food program recipients with coupons redeemable at farmers markets. The department shall adopt rules governing the project.

**Sec. 210. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of two hundred fifty thousand (250,000) dollars, or so much thereof as may be necessary, for the farm commodity division to be used to pay initial costs of establishing the Iowa agricultural export trading company. Moneys appropriated under this section may be used for salaries and support for not more than four full-time equivalent positions. These full-time equivalent positions are included in the farm commodity division total in section 201, subsection 2, paragraph "a", of this Act.*

Notwithstanding section 8.33, moneys which remain unobligated or unencumbered for the purposes provided in this section for the fiscal year beginning July 1, 1986 and ending June 30, 1987 shall remain available for expenditure by the department of agriculture and land stewardship for the purposes specified for the fiscal year beginning July 1, 1987 and ending June 30, 1988.

*The moneys appropriated in this section shall revert to the general fund of the state upon successful completion of the public stock offering of the Iowa agricultural export trading company as required by Senate File 274.**

Sec. 211. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1986 and ending June 30, 1987, to the department of agriculture and land stewardship the sum of one hundred twenty-five thousand (125,000) dollars for startup funding for the Iowa grain quality program. Moneys appropriated in this section may be used for salaries and support for one full-time equivalent position.

Notwithstanding section 8.33, the funds which remain unobligated or unencumbered for the purposes provided in this section for the fiscal year beginning July 1, 1986 and ending June 30, 1987 shall remain available for expenditure by the department of agriculture and land stewardship for the purposes specified in the fiscal year beginning July 1, 1987 and ending June 30, 1988.

*Item veto, see message at end of the Act

Sec. 212. Funds appropriated by section 204, except subsection 3 of that section, and sections 205 and 206 of this Act are for salaries and support for not more than nine hundred twelve point thirty-six full-time equivalent positions.

Sec. 213. The natural resource commission shall give priority to the acquisition of private property along the Cedar Valley nature trail in Black Hawk, Buchanan, Benton, and Linn counties and its extension into Johnson and Cedar Counties; the Heritage trail in Dubuque county; the Comet trail in Grundy county; and the trail from Des Moines to Arispe in Polk, Warren, Madison and Union counties. The department of transportation shall provide technical assistance to the natural resources commission with regard to acquisition proceedings. State funds shall not be used unless appropriated by the general assembly.

Sec. 214. During the fiscal year for which funds are appropriated by section 204 of this Act, the department of natural resources shall not require the installation or use of equipment to control the emission of dust or other particulate matter on facilities for the storage of grain which are located within the ambient air quality attainment areas for suspended particulates.

Sec. 215. The natural resources commission shall establish a priority list of watersheds above publicly owned lakes and areas within those watersheds which are of highest importance based on soil loss to be used for the allocation of funds set aside in the appropriations to the department of agriculture and land stewardship for permanent soil conservation practices.

Sec. 216. An employee of the department of natural resources who retires after the effective date of this Act is eligible for payment of life or health insurance premiums as provided for in the collective bargaining agreement covering the public safety bargaining unit at the time of retirement if that employee previously served in a position which would have been covered by that agreement. The employee shall be given credit for the service in that prior position as though it were covered by that agreement. This section shall not operate to reduce any retirement benefits an employee may have earned under other collective bargaining agreements or retirement programs.

Sec. 217. Effective July 1, 1987, the department of natural resources shall establish prices of plant material grown at the state forest nurseries to cover half of all expenses directly related to the growing of the plants.

Effective July 1, 1988, the department shall establish prices of plant material grown at the state forest nurseries to cover eighty percent of all expenses directly related to the growing of plants.

Effective July 1, 1989, the department shall establish prices of plant material grown at the state forest nurseries to cover all expenses directly related to the growing of the plants.

The department shall develop additional programs to encourage the wise management and preservation of existing woodlands and shall increase its efforts to encourage forestation and reforestation on private and public lands in the state.

The department shall encourage a cooperative relationship between the state forest nurseries and private nurseries in the state in order to achieve these goals.

Sec. 218. The natural resources commission shall not authorize the reconstruction of the bridge over the canal at Black Hawk state park.

Sec. 219. Of the appropriations made from the jobs now account of the Iowa plan fund, under section 99E.32, subsection 3, paragraph "a", to the department of natural resources for the fiscal year beginning July 1, 1987, at least two hundred fifty thousand dollars shall be used for grants-in-aid to county conservation boards; two hundred fifty thousand dollars shall be

used, only if federal funds are available, for acquisition and development of facilities under the western trails historical project; two hundred fifty thousand dollars for the Union Grove lake restoration development project; forty thousand dollars for the A. A. Call state park restoration project; fifteen thousand dollars for bike and recreational trail development projects in the greenbelt area located in or near the Iowa river corridor; one hundred sixty-five thousand dollars to Marshall county conservation board for restoration work including dam repair at Green Castle lake; one hundred thousand dollars for the civilian conservation corps museum and memorial at Backbone state park; and thirty-five thousand dollars for additional acquisition at Maquoketa caves park.

**Sec. 220. There is appropriated from the general fund of the state to the Iowa agricultural development authority for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the amount of five million (5,000,000) dollars, or so much thereof as is necessary, to be used for providing assistance to Iowa farmers under and through the agricultural loan assistance programs. Not more than one hundred fifty thousand (150,000) dollars, or so much thereof as is necessary, shall be used for general administration, including salaries, support, maintenance, and miscellaneous purposes.*

Not more than one-half of the funds appropriated shall be committed for grants pursuant to agreements under section 175.35 entered into on or after April 1, 1987 but before October 1, 1987. Notwithstanding section 8.33, moneys appropriated by this section which are committed for grants pursuant to agreements under section 175.35 entered into on or after April 1, 1987 but before October 1, 1987, shall not revert to the general fund of the state.

Not more than one-half of the funds appropriated shall be committed for assistance, training, and management programs for agricultural producers under the program established in House File 626, enacted by the Seventy-second General Assembly, 1987 Session. Notwithstanding section 8.33, the moneys appropriated for assistance, training, and management programs for agricultural producers under this section which are committed pursuant to agreements under House File 626 and entered into between April 1, 1987 and June 30, 1989 shall not revert to the general fund of the state.

*If House File 626 does not become law, the moneys allocated for that program under this section shall be used for grants pursuant to agreements under section 175.35.**

Sec. 221. Unless otherwise appropriated or provided by the general assembly, the agencies appropriated funds by this division of the Act are also appropriated their federal grants and federal receipts, for the purposes set forth in those federal grants or receipts.

Sec. 222. Section 15.227, subsection 1, paragraph c, Code 1987, is amended to read as follows:

c. A person participating in the "green thumb program" shall be sixty years of age or older to be eligible for employment. A lower income person shall be preferred for employment. "Lower income" means a person who meets the requirements for "lower income families" described in section 8f, of the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, Pub. L. No. 93-383, 201a.

Sec. 223. Section 97B.49, subsection 7, paragraph c, Code 1987, is amended to read as follows:

c. There is appropriated from the state fish and game protection fund to the department of personnel an actuarially-determined amount determined by the Iowa public employees' retirement system sufficient to pay for the additional benefits to conservation peace officers provided by this section, as a percentage, in paragraph "a" and for the employer portion of the benefits provided in paragraph "b". The amount is in addition to the contribution paid by the employer under section 97B.11. The cost of the benefits relating to conservation peace officers within

*Item veto; see message at end of the Act

the fish and game division of the department of natural resources shall be paid from the state fish and game protection fund and the cost of the benefits relating to the other conservation peace officers of the department shall be paid from the general fund.

Sec. 224. Chapter 109, Code 1987, is amended by adding the following new section:

NEW SECTION. 109.10A FARMER ADVISORY COMMITTEE.

The director shall establish a farmer advisory committee for the purpose of providing information to the department regarding crop and tree damage caused by deer, wild turkey, and other predators. The committee shall serve without compensation or reimbursement for expenses.

Sec. 225. Section 173.1, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

173.1 STATE FAIR AUTHORITY.

The Iowa state fair authority is established as a public instrumentality of the state. The authority is not an agency of state government. However, the authority is considered a state agency and its employees state employees for the purposes of chapter 17A, the merit system provisions of chapter 19A, and chapters 20, 25A, 91B, 97B, and 509A. The authority is established to conduct an annual state fair and exposition on the Iowa state fairgrounds and to conduct other interim events consistent with its rules. The powers of the authority are vested in the Iowa state fair board. The Iowa state fair board consists of the following:

1. The governor of the state, the secretary of agriculture, and the president of the Iowa State University of science and technology or their qualified representatives.
2. One director from each congressional district and three directors at large, to be elected at a convention as provided in section 173.2.
3. A president and vice president to be elected by the state fair board from the nine elected directors.
4. A secretary and a treasurer to be elected by the board, and who shall be nonvoting members.

Sec. 226. Section 173.9, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

173.9 SECRETARY.

The board shall appoint a secretary who shall hold office for one year. The secretary shall:

1. Administer the policies set by the board.
2. Employ other employees and agents as the secretary deems necessary for carrying out the policies of the board and to conduct the affairs of the state fair. The secretary may fix the duties and compensation of any employees or agents with the approval of the board.
3. Keep a complete record of the annual convention and of all meetings of the board.
4. Draw all warrants on the treasurer of the board and keep a correct account of them.
5. Perform other duties as the board directs.

Sec. 227. Section 173.10, Code 1987, is amended to read as follows:

173.10 SALARY OF SECRETARY.

The secretary shall receive ~~such~~ the salary as fixed by the ~~general assembly~~ board.

Sec. 228. Section 173.14, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

173.14 FUNCTIONS OF THE BOARD.

The state fair board has the custody and control of the state fairgrounds, including the buildings and equipment on it belonging to the state, and may:

1. Hold an annual fair and exposition on those grounds. All revenue generated by the fair and any interim uses shall be retained solely by the board.

2. Prepare premium lists and establish rules of exhibitors for the fair which shall be published by the board not later than sixty days prior to the opening of the fair.
3. Grant a written permit to persons as it deems proper to sell fruit, provisions, and other lawful articles under rules the board prescribes.
4. Appoint security personnel as the president deems necessary.
5. Take and hold property by gift, devise, or bequest for fair purposes. The president, secretary, and treasurer of the board shall have custody and control of the property, subject to the action of the board. Those officers shall give bonds as required in the case of executors, to be approved by the board and filed with the secretary of state.
6. Erect and repair buildings on the grounds and make other necessary improvements.
7. Grant written permission to persons to use the fairgrounds when the fair is not in progress.
8. Take, acquire, hold, and dispose of property by deed, gift, devise, bequest, lease, or eminent domain. The title to real estate acquired under this subsection and improvements erected on the real estate shall be taken and held in the name of the state of Iowa and shall be under the custody and control of the board. In the exercise of the power of eminent domain the board shall proceed in the manner provided in chapters 471 and 472.
9. Solicit and accept contributions from private sources for the purpose of financing and supporting the fair.
10. Make an agreement with the Iowa highway safety patrol to provide for security during the annual fair and exposition and interim events.

Sec. 229. NEW SECTION. 173.14A GENERAL CORPORATE POWERS OF THE AUTHORITY.

The authority has all of the general corporate powers needed to carry out its purposes and duties, and to exercise its specific powers including, but not limited to, the power to:

1. Issue its negotiable bonds and notes as provided in this chapter.
2. Sue and be sued in its own name.
3. Have and alter a corporate seal.
4. Make and alter bylaws for its management consistent with this chapter.
5. Make and execute agreements, contracts, and other instruments, with any public or private entity.
6. Accept appropriations, gifts, grants, loans, or other aid from public or private entities.
7. Make, alter, and repeal rules consistent with this chapter, subject to chapter 17A.

Sec. 230. NEW SECTION. 173.14B BONDS AND NOTES.

1. The board may issue and sell negotiable revenue bonds of the authority in denominations and amounts as the board deems for the best interests of the fair, for any of the following purposes after authorization by a constitutional majority of each house of the general assembly and approval by the governor:

- a. To acquire real estate to be devoted to uses for the fair.
- b. To pay any expenses or costs incidental to a building or repair project.
- c. To provide sufficient funds for the advancement of any of its corporate purposes.

2. The board may issue negotiable bonds and notes of the authority in principal amounts which are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes, and all other expenditures of the board incident to and necessary or convenient to carry out its purposes and powers, subject to authorization and approval required under subsection 1. However, the total principal amount of bonds and notes outstanding at any time shall not exceed one hundred fifty million dollars. The bonds and notes are deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code.

3. Bonds and notes are payable solely out of the moneys, assets, or revenues of the authority and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets, or revenues. Bonds or notes are not an obligation of this state or its political subdivisions other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely from sources provided in this chapter, and the authority shall not pledge the credit or taxing power of this state or its political subdivisions other than the authority or make its debts payable out of any moneys except those of the authority.

4. Bonds shall:

a. State the date and series of the issue, be consecutively numbered, and state on their face that they are payable both as to principal and interest solely out of the assets of the authority and do not constitute an indebtedness of this state or its political subdivisions other than the authority within the meaning of any constitutional or statutory debt limit.

b. Be either registered, registered as to principal only, or in coupon form, issued in denominations as the board prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority with the manual or facsimile signature of the president or vice president, attested by the manual or facsimile signature of the secretary, have impressed or imprinted on it the seal of the authority or facsimile of it, and coupons attached shall be signed with the facsimile signature of the president or vice president, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance, at places and with reserved rights of prior redemption, as the board prescribes, be sold at prices, at public or private sale, and in a manner as the board prescribes, and the board may pay all expenses, premiums, and commissions which it deems necessary or advantageous in connection with the issuance and sale; and be issued subject to the terms, conditions, and covenant providing for the payment of the principal, redemption premiums, if any, interest, and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter, as are found to be necessary by the board for the most advantageous sale, which may include, but are not limited to, covenants with the holders of the bonds as to those matters set forth in section 220.26, subsection 4, paragraph "b".

5. The board may issue bonds of the authority for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premiums and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of the bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with this chapter. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and subject to this chapter in the same manner and to the same extent as other bonds.

6. The board may issue negotiable bond anticipation notes of the authority and may renew them from time to time but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable from any available moneys of the authority not otherwise pledged or from the proceeds of the sale of bonds in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the authority. Notes shall be issued in the same manner as bonds and notes and the resolution of the board may contain any provisions, conditions, or limitations, not inconsistent with this subsection, which the bonds or a bond resolution of the board may contain. Notes

may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders have all the remedies provided in this chapter for bondholders. Notes shall be as fully negotiable as bonds of the authority.

7. A copy of each pledge agreement by or to the authority, including without limitation each bond resolution, indenture of trust, or similar agreement, or any revisions or supplements to it shall be filed with the secretary of state and no further filing or other action under article 9 of the uniform commercial code or any other law of the state is required to perfect the security interest in the collateral or any additions to it or substitutions for it, and the lien and trust so created is binding from and after the time it is made against all parties having claims of any kind in tort, contract, or otherwise against the pledgor.

8. Members of the board and any person executing the authority's bonds, notes, or other obligations are not liable personally on the bonds, notes, or other obligations or subject to personal liability or accountability by reason of the issuance of the authority's bonds or notes.

9. The board shall publish a notice of intention to issue bonds or notes in a newspaper published and of general circulation in the state. The notice shall include a statement of the maximum amount of bonds or notes proposed to be issued, and in general, what net revenues will be pledged to pay the bonds or notes and interest on them. An action shall not be brought questioning the legality of the bonds or notes, the power of the board to issue the bonds or notes, or the legality of any proceedings in connection with the authorization or issuance of the bonds or notes after sixty days from the date of publication of the notice.

Sec. 231. Section 173.16, Code 1987, is amended to read as follows:

173.16 MAINTENANCE OF STATE FAIR.

All expenses incurred in maintaining the state fairgrounds and in conducting the annual fair ~~thereon on it~~, including the compensation and expenses of the officers, members, and employees of the board, shall be recorded by the secretary and paid from the state fair receipts, unless a specific appropriation has been provided for such that purpose. ~~An individual member of the state fair board shall not be personally liable because of any act performed or debt created by action of the board in carrying out the purposes and provisions of this chapter. The board may request special capital improvement appropriations from the state and may request emergency funding from the executive council for natural disasters. The board may request that the department of transportation provide maintenance in accordance with section 307A.2, subsection 11.~~

Sec. 232. Section 173.21, unnumbered paragraph 1, Code 1987, is amended to read as follows:

The state fair board shall file with the governor each year at the time provided by law make by February 15 a report to the governor containing the following information relative to the state fair and exposition and the district and county fairs:

Sec. 233. **NEW SECTION. 173.23 LIEN ON PROPERTY.**

The board has a prior lien upon the property of any concessionaire, exhibitor, or person, immediately upon the property being brought onto the grounds, to secure existing or future indebtedness.

Sec. 234. **NEW SECTION. 173.24 EXEMPTION OF STATE FAIR BY THE STATE'S PURCHASING PROCEDURES.**

The state fair is exempt from the state system of uniform purchasing procedures. However, the board may contract with the department of general services to purchase any items through the state system. The board shall adopt its own system of uniform standards and specifications for purchasing.

Sec. 235. **STATE FAIR BOARD — BONDS AND NOTES.** The Iowa state fair board shall conduct a study and file its recommendations with the general assembly by January 15, 1988. The study shall examine whether the cultural and exposition objectives of the state fair would,

in the long term, be better served by a relocation of the state fairgrounds and by the development of more multipurpose buildings on a new or the present fairgrounds.

Only fifteen million dollars of the bonds and notes authorized by section 173.14B, as enacted in this Act, may be issued before and by January 15, 1988.

DIVISION III ECONOMIC DEVELOPMENT

Sec. 301. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1987 and ending June 30, 1988 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	<u>1987-1988</u> <u>Fiscal Year</u>
1. For salaries and support for not more than thirty-five point zero eight full-time equivalent positions, maintenance, and other operational purposes	\$ 1,691,788
As a condition of the appropriation made in this subsection, the department shall enter into a 28E agreement with the state board of regents for purposes of insuring, to the greatest extent possible, that research conducted at institutions under the control of the state board of regents may be developed and marketed by Iowa businesses.	
The department and the cooperative extension service in agriculture and home economics of the Iowa State University of science and technology shall enter into an agreement under chapter 28E that provides a procedure for coordinating the economic development activities of the department with the economic development activities of the cooperative extension service in agriculture and home economics of the Iowa State University of science and technology.	
2. For domestic marketing programs, including salaries and support for not more than eight point six full-time equivalent positions	\$ 665,900
3. For small business programs, including salaries and support for not more than six full-time equivalent positions	\$ 319,533
The department shall develop and administer a small business information center with a portion of the funds appropriated by this subsection.	
4. For community progress programs, including salaries and support for not more than nine point five full-time equivalent positions	\$ 411,054
5. For tourism and promotion programs, including salaries and support for not more than sixteen point four full-time equivalent positions	\$ 1,490,000

Of the funds appropriated by this subsection, fifty thousand (50,000) dollars, or so much thereof as is necessary, may be used to purchase or support the Grant Wood gothic house in Eldon, Iowa. The department shall cooperate with the historical division of the department of cultural affairs to acquire and maintain the Grant Wood gothic house and to promote the property as a tourist attraction. Of the funds allocated for the purchase of the house, unexpended funds shall be credited to the Grant Wood gothic house trust fund which is created in the office of the treasurer of state. The moneys in this fund shall be administered by the historical division of the department of cultural affairs and shall be used to provide for the maintenance of the house and to receive local public and private contributions for the promotion and maintenance of the house as a tourist site.

As a condition of funds appropriated under this subsection, fifteen thousand (15,000) dollars, or so much thereof as is necessary, shall be used for the construction of a storage and multi-use facility in Stone City, Iowa for the storage of replicas of Grant Wood ice wagons in which artists lived in Stone City, Iowa. The funds available under this unnumbered paragraph shall be matched on a dollar-for-dollar basis with moneys or in-kind contributions from other sources.

As a condition of funds appropriated under this subsection, twenty-five thousand (25,000) dollars, or so much thereof as is necessary, shall be used for providing a permanent Grant

Wood information center and art gallery in Anamosa, Iowa. The funds available under this unnumbered paragraph shall be matched on a dollar-for-dollar basis with moneys or in-kind contributions from other sources.

As a condition of funds appropriated under this subsection, one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, shall be used by the historical division of the department of cultural affairs to acquire by negotiated sale part of the land encompassing the Blood Run national historic landmark in Lyon county, Iowa.

As a condition of funds appropriated by this subsection, one hundred thousand (100,000) dollars, or so much thereof as is necessary, shall be used by the department of economic development for professional preparation of a statewide tourism development, marketing, and information delivery plan covering needs and opportunities for the period 1988 through 1992 and for implementation of the initial phases of the plan.

As a condition of funds appropriated by this subsection, seventy-five thousand (75,000) dollars, or so much thereof as is necessary, shall be used for state aid, distributed equally to three tourism regions for planning and operations of regional and local tourism development programs.

6. For advertising and marketing	\$ 89,563
7. For operation and maintenance of an Asian trade office, including salaries and support for not more than two full-time equivalent positions	\$ 291,000
8. Community development block grant administration and related federal housing and urban development grant administration	
For salaries and support for not more than fourteen full-time equivalent positions, maintenance, and miscellaneous purposes	\$ 54,285
9. Job training partnership Act: dislocated workers	
For salaries and support for not more than twenty-eight point seven full-time equivalent positions, maintenance, and miscellaneous purposes	\$ 960,151
10. Mississippi river parkway commission	
For support, maintenance, and miscellaneous purposes	\$ 14,550
11. Youth services administration	
For salaries and support for not more than two full-time equivalent positions, maintenance, and miscellaneous purposes to develop and administer employment opportunities for youth	\$ 76,516
12. Iowa conservation corps	
For program purposes	\$ 291,000
13. For additional and supplemental funding for the child care services programs including employer sponsored child day care services and child day care services for ill children, and the displaced homemakers program, including salaries and support for not more than zero point eight full-time equivalent positions	\$ 728,000

14. The division of financial assistance of the department of economic development shall maintain a list of all state programs, grants, and other assistance available to the political subdivisions of the state. The division shall work with other state agencies in developing the list, including but not limited to, the department of management, the department of natural resources, the Iowa department of public health, and the department of human services.

**15. It is the intent of the general assembly that the department of economic development, in its operation of the agricultural marketing program, shall conform its activities to the mission, goals, and objectives provided in this subsection and collect information pertaining to performance measures developed by the legislative fiscal bureau. The department shall provide a report at least quarterly to the legislative fiscal bureau and the co-chairpersons and ranking members of the economic development appropriations subcommittee on the performance measures. The department shall be notified by the legislative fiscal bureau by July 1, 1987 of the specific performance measures for which data shall be collected and reported.*

The department exists for the purpose of enhancing economic development in the state and to provide for job creation and increased prosperity and opportunities for the citizens of the state by providing direct financial and technical assistance and training to businesses and individuals and by coordinating other state, local, and federal economic development programs.

The department shall operate an agricultural marketing program designed to lead to more advantageous marketing of Iowa agricultural products to accomplish the following objectives:

a. Investigate the subject of marketing agricultural products and recommend efficient and economical methods of marketing.

b. Promote the sales, distribution, and merchandising of agricultural products to be indicated by the number of trade or sales leads originated through the agricultural marketing programs, by the number of Iowa companies represented at trade shows, and by the number of out-of-state buyers contacted through trade shows and other promotional events.

c. Furnish information and assistance to the public concerning the marketing of agricultural products to be indicated by the number of Iowa companies that receive counseling or assistance.

d. Cooperate with the college of agriculture of Iowa State University of science and technology in farm marketing education and research and avoid unnecessary duplications to be indicated by the number of meetings with the university staff to discuss marketing research and education and number and type of recommendations generated from these meetings.

e. Gather and diffuse useful information concerning all phases of the marketing of Iowa farm products in cooperation with other public and private agencies.

f. Ascertain sources of supply of Iowa agricultural products and prepare and publish from time to time lists of names and addresses of producers and consignors and furnish lists to persons applying for them to be indicated by the number of potential out-of-state buyers that receive the list of Iowa suppliers.

*g. Aid in the promotion and development of the agricultural processing industry in the state to be indicated by the number of trade or sales leads originated through the agricultural marketing programs, the number of Iowa companies represented at trade shows, the number of out-of-state buyers contacted through trade shows and other promotional events, and the number of Iowa companies meeting with out-of-state buyers brought to Iowa as part of the agricultural marketing programs.**

**Sec. 302. State departments or agencies handling or in charge of the community economic betterment account of the Iowa plan fund, the RISE fund, the jobs training programs under chapters 7B, 280B, and 280C, and other funds or programs for providing assistance to business in furtherance of economic development shall not provide assistance from those funds or under those programs until the department or agency has studied the effect of such assistance on the competitiveness of the business compared with existing businesses and the potential for the displacement of jobs from other businesses in the state.*

In determining which businesses are to receive the assistance from these funds or programs, consideration should be given to the quality of jobs to be provided. Jobs that have a higher wage scale, have a lower turnover rate, are full-time, or are career-type positions are considered higher in quality. When the assistance is in the form of grants, businesses that have

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*wage scales substantially below that of existing Iowa businesses should be rated as providing the lowest quality of jobs and should therefore be given the lowest ranking for providing such assistance.**

Sec. 303. 1986 Iowa Acts, chapter 1246, section 1, subsection 4, is amended to read as follows:

4. For establishment and maintenance of an ambassador's program \$ 1,000,000

The funds appropriated by this subsection shall be matched on a dollar for dollar basis with capital provided by private sources and be expended to attract private capital to be used by the department to develop a comprehensive national and international marketing program. These funds shall be utilized to implement a statewide initiative that includes, but is not limited to, the development of a trade network, national and international marketing research, business recruitment, utilization of national advertising features, a toll-free number, billboards, displays in key business locations, a direct marketing program, a "trade and marketing institute", and an "invest in Iowa" program. The department shall secure the necessary private participation from groups and organizations most appropriate for any particular function. In-kind expenditures from the private sector may be considered as a portion of the dollar for dollar match. The department shall give attention to using a portion of these funds to contract and coordinate with international programs at Iowa colleges and universities to develop a network of trade contacts overseas through the use of alumni from Iowa colleges and universities.

Notwithstanding section 8.33, funds appropriated under this subsection for the fiscal year beginning July 1, 1986 and ending June 30, 1987 shall not revert to the general fund of the state but shall remain available for expenditure in the fiscal year beginning July 1, 1987 and ending June 30, 1988.

**Sec. 304. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of two hundred eighty-five thousand (285,000) dollars, or so much thereof as may be necessary, to be used for tourism and marketing purposes.*

*Notwithstanding section 8.33, moneys which remain unobligated or unencumbered for the purposes provided in this section on June 30, 1987 shall remain available for expenditure by the department of economic development during the fiscal year beginning July 1, 1987 for the purposes specified.**

Sec. 305. Notwithstanding section 8.33, moneys appropriated pursuant to 1986 Iowa Acts, chapter 1246, section 1, subsection 6, to the department of economic development for the establishment and maintenance of an export finance program for the fiscal year beginning July 1, 1986 and ending June 30, 1987, which remain unexpended or unencumbered shall carry forward to the fiscal year beginning July 1, 1987 and ending June 30, 1988, to be used for the same purpose as originally appropriated.

**Sec. 306. Section 15.108, subsection 7, Code 1987, is amended by adding the following new lettered paragraph:*

NEW LETTERED PARAGRAPH. i. Organizing and coordinating quarterly meetings of all state agencies which administer programs and activities developed to encourage and assist the development of small businesses in Iowa. The quarterly meetings shall be attended by, but not limited to: representatives of the State University of Iowa, representatives of the University of Northern Iowa, representatives from Iowa State University of science and technology concerning programs administered by the small business development centers, representatives from Iowa State University of science and technology concerning programs administered by the cooperative extension service, and representatives from the merged area schools. The

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department and the respective agency representatives shall meet, discuss, and make recommendations, including but not limited to, the following areas:

- (1) Coordination of existing small business programs to avoid duplication of service delivery.*
- (2) Cataloging of all statewide small business programs and the respective locations and names of the service providers.*
- (3) Identification of the current and future economic, financial, marketing, and research issues and needs involving small business growth in the state.*
- (4) Development of coordinated technical and financial assistance programs which maximize accessibility to small businesses.*
- (5) Evaluation of existing small business programs to identify the effectiveness of the programs.*

*The department shall submit quarterly reports to the legislative fiscal bureau. Each report shall contain recommendations derived from the quarterly meetings.**

Sec. 307. NEW SECTION. 15.110 TARGETED SMALL BUSINESS LOAN AND EQUITY GRANT PROGRAM.

A targeted small business loan and equity grant program is established within the Iowa department of economic development. The director shall adopt rules establishing the standards and procedures for distributing grants, providing loans, buying down the interest on loans, or buying down the principal on loans for newly created small businesses. The total amount of assistance to any one business shall not exceed five thousand dollars. Standards shall give top priority to applicants who establish targeted small businesses in industries or fields for which no targeted small business has been certified pursuant to section 15.108, subsection 7, paragraph "c", subparagraph (4).

Sec. 308. Section 15.241, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The department may provide grants of not more than five thousand dollars under the program, if the grants are used to secure additional financing from private sources. The department may provide a service fee to financial institutions for administering loans provided under this section.

Sec. 309. Notwithstanding section 28.120, subsection 6, twenty percent of the loan repayments received by the department of economic development under that section shall be deposited in the revolving loan fund to operate the self-employment loan program as established in section 15.241. Not more than twenty-five percent of the funds may be used to administer the program, and not less than fifty percent of the grants or loans provided under the program shall go to targeted small businesses as defined in section 15.102. It is the intent of the general assembly that the department of economic development coordinate the activity of the self-employment loan program with the small business development centers, satellite centers, area community colleges, and other technical assistance providers, and with the self-sufficiency programs established in 1987 Iowa Acts, House File 671, under the department of human rights and the department of human services.

Sec. 310. All federal grants to and the federal receipts of the agencies appropriated funds under this division of this Act are appropriated for the purposes set forth in such federal grants and receipts unless otherwise provided by the general assembly.

*Item veto, see message at end of the Act

DIVISION IV
EDUCATION

Sec. 401. There is appropriated from the general fund of the state, to the department of cultural affairs for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as is necessary, for the purposes designated:

	<u>1987-1988</u> <u>Fiscal Year</u>
1. For the administration division for salaries and support for not more than eight full-time equivalent positions, maintenance, and miscellaneous purposes	\$ 259,214
2. For the arts division for salaries and support for not more than ten full-time equivalent positions, maintenance, and miscellaneous purposes including funds to match federal grants	\$ 467,586
3. For the historical division for salaries and support for not more than forty-eight full-time equivalent positions, maintenance, and miscellaneous purposes	\$ 1,442,685
4. For the library division for salaries and support for not more than forty point five full-time equivalent positions, maintenance, and miscellaneous purposes	\$ 1,054,145
5. For the public broadcasting division for salaries and support for not more than one hundred full-time equivalent positions, maintenance, and miscellaneous purposes	\$ 5,837,775
6. For the Terrace Hill commission for salaries and support for not more than five point twenty-five full-time equivalent positions, maintenance, and miscellaneous purposes for the operation of Terrace Hill and for conducting tours	\$ 151,367
7. For the regional library system for state aid	\$ 1,450,230
*8. For the library division for increasing library accessibility, library usage, and the availability of library and media materials	\$ 60,000

*From moneys appropriated in this subsection, the library division shall provide grants to regional libraries and area education agencies for the implementation of cooperative programs. In addition, moneys appropriated in this subsection shall be used by the library division to conduct a study of methods to provide that public libraries, regional libraries, libraries administered by the state library division, libraries of institutions of higher education under the state board of regents, libraries and media centers of the area education agencies, and libraries of merged area schools are accessible to the citizens of this state, to provide additional library and media resources, and to increase the utilization of libraries and media centers as lifelong learning centers. Notwithstanding limitations on the activities of area education agencies under chapter 273, area education agencies may cooperate with regional libraries for the purposes of implementation of cooperative programs funded under this section. Reimbursement to area education agencies shall be only for marginal costs incurred.**

Sec. 402. There is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as may be necessary, to be used for the funding of the following programs for the purposes designated:

	<u>1987-1988</u> <u>Fiscal Year</u>
1. COLLEGE AID COMMISSION	
For salaries and support for not more than five point two full-time equivalent positions, maintenance, and miscellaneous purposes	\$ 264,309

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***2. OCCUPATIONAL THERAPIST LOAN PROGRAM**

For the occupational therapist loan program under section 261.46 \$ 30,000*

Sec. 403. There is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the sum of seven hundred twenty-five thousand four hundred ten (725,410) dollars, or so much thereof as may be necessary, to be paid to the college of osteopathic medicine and surgery for the subvention program created pursuant to sections 261.18 and 261.19. Notwithstanding section 261.19, for the fiscal year beginning July 1, 1987, the subvention shall be used for the admission and education of students enrolled in each of the four years of classes in the college of osteopathic medicine and surgery.

Sec. 404. There is appropriated from the guaranteed student loan reserve fund to the college aid commission for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as may be necessary, to be used for the funding of the following programs for the guaranteed student loan program:

1. OPERATING COSTS

For operating costs \$ 2,126,304

2. LOAN CONSOLIDATION SERVICES

For loan consolidation services \$ 375,000

Sec. 405. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1987 and ending June 30, 1988, to the department of education the following amounts, or so much thereof as may be necessary, to be used in the manner designated:

1987-1988

Fiscal Year

1. GENERAL ADMINISTRATION

For salaries and support for not more than one hundred twenty-one full-time equivalent positions, maintenance, and miscellaneous purposes \$ 5,150,708

It is the intent of the general assembly that the department of education expend, from funds appropriated in this subsection, at least two hundred fifty thousand (250,000) dollars for the administration of the educational excellence program established by law, four hundred thousand (400,000) dollars to be used by the department to provide technical assistance and monetary grants to school districts for developing elementary and secondary school foreign language programs, and one hundred thousand (100,000) dollars to be used to contract with institutions of higher education to provide a summer residence program for gifted and talented elementary and secondary school students. Of the moneys appropriated for the summer residence program under this subsection, an amount not exceeding twenty-five thousand (25,000) dollars shall be used to support existing law-related education centers for training seminars and workshops in law-related education, summer institutes relating to law-related education methodology and substance, and mock trial competitions for junior and senior high school students.

As a condition of the appropriation made in this subsection, the department of education shall expend at least one hundred fifty thousand (150,000) dollars of the moneys appropriated in this subsection to increase the salaries of individuals employed by the department in consultant positions in order to bring their compensation up to a level that is more competitive with compensation received by individuals employed in other professional positions that have comparable educational requirements.

It is the intent of the general assembly that the department provide assistance to area education agencies and school districts in administering programs for autistic children.

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2. VOCATIONAL EDUCATION ADMINISTRATION

For salaries and support for not more than forty-two full-time equivalent positions, maintenance, and miscellaneous purposes \$ 891,399

It is the intent of the general assembly that an amount up to forty thousand (40,000) dollars, or so much thereof as is necessary, be used for salaries and support for two additional full-time equivalent consultant positions to assist in the implementation and improvement of secondary school vocational agriculture programs.

3. VOCATIONAL EDUCATION AID

For vocational education aid to secondary schools \$ 3,683,061

Funds appropriated by this subsection are to be used for aid to school districts for development and the conduct of both continuing and new vocational programs, services and activities of vocational education through secondary schools, and for aid to existing jointly administered secondary vocational education programs, in accordance with chapter 258 and chapter 280A, and to purchase instructional equipment for vocational and technical courses of instruction in such schools.

4. VOCATIONAL YOUTH ORGANIZATION FUND

To carry out section 258.14 \$ 9,252

5. SCHOOL FOOD SERVICE

For the purpose of providing assistance to students enrolled in public school districts and approved nonpublic schools of the state for breakfasts, lunches and minimal equipment programs with the funds being used as state matching funds for federal programs and which shall be disbursed according to federal regulations, including salaries and support for not more than sixteen full-time equivalent positions \$ 3,173,131

6. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide funds for costs of providing textbooks to each resident pupil who attends an approved nonpublic school or authorized by section 301.1. Such funding is limited to ten dollars per pupil and shall not exceed the comparable services offered to resident public school pupils \$ 350,000

7. PROFESSIONAL TEACHING PRACTICES COMMISSION

For the use of the commission to carry out chapter 272A, including salaries and support for not more than one point forty-six full-time equivalent positions \$ 57,591

8. NON-ENGLISH SPEAKING

To provide funding to public schools and for nonpublic school students attending approved nonpublic schools for special instruction for non-English speaking students as provided in section 280.4 \$ 150,000

9. IOWA ACADEMY OF SCIENCE

For support and maintenance \$ 57,494

10. VOCATIONAL REHABILITATION DIVISION

For salaries and support for not more than three hundred eight point five full-time equivalent positions, maintenance, and miscellaneous purposes \$ 2,696,461

11. EDUCATIONAL AID TO AMERICAN INDIANS

For educational aid to American Indians under section 256.30 \$ 100,000

*12. MERGED AREA XI

For meeting educational needs of the Carroll service area \$ 250,000*

13. MERGED AREA SCHOOLS

For general state financial aid to merged areas as defined in section 280A.2 and for vocational education programs in accordance with chapters 258 and 280A, and to purchase instructional equipment for vocational and technical courses of instruction in such schools, the amount of fifty-two million seven hundred seventy-seven thousand three hundred nine (52,777,309) dollars to be allocated as follows:

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a. Merged Area I	\$ 2,436,434
b. Merged Area II	\$ 2,952,226
c. Merged Area III	\$ 2,831,298
d. Merged Area IV	\$ 1,362,535
e. Merged Area V	\$ 3,241,957
f. Merged Area VI	\$ 3,142,360
g. Merged Area VII	\$ 4,214,363
h. Merged Area IX	\$ 4,345,039
i. Merged Area X	\$ 7,057,496
j. Merged Area XI	\$ 6,854,784
k. Merged Area XII	\$ 3,099,604
l. Merged Area XIII	\$ 3,342,548
m. Merged Area XIV	\$ 1,367,270
n. Merged Area XV	\$ 4,018,116
o. Merged Area XVI	\$ 2,511,279

Sec. 406. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1988 and ending June 30, 1989, for general state financial aid to merged areas the amount of twenty-two million six hundred eighteen thousand eight hundred forty-five (22,618,845) dollars, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1987 and ending June 30, 1988, to be allocated to each area school as follows:

1. Merged Area I	\$ 1,044,186
2. Merged Area II	\$ 1,265,240
3. Merged Area III	\$ 1,213,414
4. Merged Area IV	\$ 583,943
5. Merged Area V	\$ 1,389,410
6. Merged Area VI	\$ 1,346,726
7. Merged Area VII	\$ 1,806,155
8. Merged Area IX	\$ 1,862,159
9. Merged Area X	\$ 3,024,641
10. Merged Area XI	\$ 2,937,764
11. Merged Area XII	\$ 1,328,402
12. Merged Area XIII	\$ 1,432,520
13. Merged Area XIV	\$ 585,973
14. Merged Area XV	\$ 1,722,050
15. Merged Area XVI	\$ 1,076,262

Funds appropriated by this section shall be allocated pursuant to this section and paid on or about August 15, 1988.

Sec. 407. General state aid paid to area schools under section 405, subsection 13, of this Act, for expenditures incurred during the fiscal year beginning July 1, 1987 and ending June 30, 1988, shall be paid by the department of revenue and finance in installments due on or about November 15, February 15, and May 15 of that fiscal year. The payment received by area schools on or about August 15, 1988 under section 406 of this Act is an account receivable for the previous fiscal year. The installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state resources.

Sec. 408. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the following amounts, or so much thereof as may be necessary, for use for the following designated purposes:

1987-1988
Fiscal Year

1. OFFICE OF STATE BOARD OF REGENTS

a. For salaries and support for not more than eighteen point sixty-three full-time equivalent positions, maintenance, equipment, and miscellaneous purposes and for the establishment of a consortium consisting of representatives of Iowa State University, the University of Iowa, and the University of Northern Iowa as equal participants to establish and use a process for the exchange and integration of knowledge among the universities in the fields including but not limited to food production, food processing, food preservation, nutrition, medicine, pharmacy, chemical-free water, clean air, and environmental safety. The consortium shall also establish a means for the integration of knowledge across disciplines in each of the universities. In the establishment of the process for integration and exchange of knowledge for these purposes, the consortium shall also develop a process for disseminating this knowledge to the public for personal and business use by Iowans

\$ 483,370

As a condition of the appropriation made in this paragraph, the office of the state board of regents shall direct that copies of the student newspapers of each of the three institutions of higher education be transmitted to the chairpersons and ranking members of the education appropriations subcommittees, to the legislative fiscal bureau, and to the department of management.

b. For allocation by the state board of regents to the State University of Iowa, the Iowa State University of science and technology, and the University of Northern Iowa in amounts as may be necessary to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions

\$ 16,220,946

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory

(1) For salaries and support for not more than four thousand two hundred twenty-one point sixty-eight full-time equivalent positions, maintenance, equipment, and miscellaneous purposes

\$130,619,205

It is a condition of the appropriation in this subparagraph that from the moneys appropriated, three hundred seventy-eight thousand (378,000) dollars be expended for salary increases for professional and scientific employees of the institution, one hundred forty-five thousand (145,000) dollars be expended for an emergency supplement for graduate students adversely affected by the federal Tax Reform Act of 1986, and one million seven hundred eighty thousand (1,780,000) dollars be expended for educational quality projects approved by the state board of regents. For the purpose of implementing educational quality projects, the State University of Iowa may exceed the limitation on full-time equivalent positions included in this subparagraph.

(2) Agriculture health and safety service pilot programs

\$ 60,000

The state board of regents shall establish an agricultural health and safety service as part of the college of medicine of the University of Iowa. In order to establish the effectiveness of the service, the state board of regents shall undertake an agricultural health and safety service pilot program for two years. The pilot program will consist of a service to be located at the Oakdale campus at the University of Iowa. The pilot program shall provide medical

and engineering services to any person engaged in farming, as defined in section 89B.4, in cooperation with the Iowa department of public health, the department of agriculture and land stewardship, and the Iowa State University of science and technology.

By January 1, 1989, the dean of the college of medicine of the University of Iowa shall report to the Iowa general assembly, the secretary of agriculture, and the director of public health on the effectiveness of the service and shall make recommendations regarding continuation, termination, or expansion of the agricultural health and safety service program. Moneys appropriated in this subparagraph shall be used to establish the pilot program.

b. University hospitals

(1) For salaries and support for not more than four thousand seven hundred eighteen point eighty-three full-time equivalent positions, maintenance, equipment, and miscellaneous purposes; for medical and surgical treatment of indigent patients as provided in chapter 255 \$ 25,529,058

(2) For allocation by the dean of the college of medicine, with approval of the advisory board, to qualified participants, to carry out chapter 148C for the family practice program, including salaries and support for not more than one hundred seventy-six point eighty-four full-time equivalent positions \$ 1,449,437

(3) For specialized child health care services, including childhood cancer diagnostic and treatment network programs; rural comprehensive care for hemophilia patients; and Iowa high risk infant follow-up program, including salaries and support for not more than twelve point thirty-nine full-time equivalent positions \$ 316,038

c. As a condition of the appropriation made in paragraph "b", subparagraph (1), the county quotas for indigent patients for the fiscal year commencing July 1, 1987 shall not be lower than the county quotas for the fiscal year commencing July 1, 1986. Before a patient is eligible for the indigent patient program, the county general relief director shall first ascertain from the local office of human services if the applicant would qualify for medical assistance or the medically needy program without the spend-down provision under chapter 249A. If the applicant qualifies, then the patient shall be certified for medical assistance and shall not be counted under chapter 255. It is the intent of the general assembly that university hospitals shall not perform heart, liver, pancreas, artificial heart, or heart/lung transplantations on indigent patients referred under chapter 255 unless the patient meets criteria developed by the national heart, lung and blood institute's special advisory group for heart recipients, or the 1983 national institute of health's consensus conference on liver transplants for liver recipients, or unless the patient meets nationally recognized criteria for pancreas transplantations. The total amount of state funds expended for heart, liver, pancreas, artificial heart, or heart/lung transplantations shall not exceed nine-tenths of one percent of the total state indigent funds received by the university hospitals for the fiscal year beginning July 1, 1987 and ending June 30, 1988.

d. As a condition of the appropriation made in paragraph "b", subparagraph (1), funds appropriated in that subparagraph shall not be allocated to the university hospitals until the superintendent has filed with the department of management and the legislative fiscal bureau a quarterly report containing the account required in section 255.24. The report shall include the information required in section 255.24 for patients by the type of service provided.

e. As a condition of the appropriation made in paragraph "b", funds appropriated in this section shall not be used to perform abortions except medically necessary abortions, and shall not be used to operate the early termination of pregnancy clinic except for the performance of medically necessary abortions. For the purpose of this paragraph, an abortion is the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus, and a medically necessary abortion is one performed under one of the following conditions:

(1) The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

(2) The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

(3) The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(4) The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(5) The abortion is a spontaneous abortion, commonly known as a miscarriage, wherein not all of the products of conception are expelled.

f. Psychiatric hospital

For salaries and support for not more than two hundred eighty-seven point twenty-six full-time equivalent positions, maintenance, equipment, and miscellaneous purposes and for the care, treatment and maintenance of committed and voluntary public patients \$ 5,770,862

g. State hygienic laboratory

For salaries and support for not more than one hundred ten point zero four full-time equivalent positions, maintenance, equipment, and miscellaneous purposes \$ 2,375,932

h. Hospital school

For salaries and support for not more than one hundred eighty-five point seventy-three full-time equivalent positions, maintenance, equipment, and miscellaneous purposes \$ 4,317,764

i. Oakdale campus

For salaries and support for not more than eighty-two full-time equivalent positions, maintenance, equipment, and miscellaneous purposes \$ 2,422,797

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university

For salaries and support for not more than three thousand seven hundred seventy-five full-time equivalent positions, maintenance, equipment, and miscellaneous purposes \$107,873,792

It is a condition of the appropriation in this subparagraph that from the moneys appropriated, two hundred fifty-nine thousand (259,000) dollars be expended for salary increases for professional and scientific employees of the institution, eighty-five thousand (85,000) dollars be expended for an emergency supplement for graduate students adversely affected by the federal Tax Reform Act of 1986, and one million seven hundred eighty thousand (1,780,000) dollars be expended for educational quality projects approved by the state board of regents for the general university, agricultural experiment station or the cooperative extension service in agriculture and home economics. For the purpose of implementing educational quality projects, Iowa State University may exceed the limitation on full-time equivalent positions included in this paragraph.

b. Agricultural experiment station

For salaries and support for not more than four hundred thirteen point five full-time equivalent positions, maintenance, equipment, and miscellaneous purposes \$ 12,111,042

c. Cooperative extension service in agriculture and home economics

For salaries and support for not more than four hundred ninety-six point ninety-eight full-time equivalent positions, maintenance, and miscellaneous purposes \$ 12,253,345

d. For continuation of the rural concern hotline, including salaries and support for not more than four point five full-time equivalent positions \$ 90,000

e. Fire service education, including salaries and support for not more than eleven full time equivalent positions \$ 389,846

f. Iowa state water resources research institute

For research approved by the panel created in 1984 Iowa Acts, chapter 1303, section 20, including salaries and support for not more than two full-time equivalent positions \$ 100,000

4. UNIVERSITY OF NORTHERN IOWA

For salaries and support for not more than one thousand three hundred twenty-four full time equivalent positions, maintenance, equipment, and miscellaneous purposes \$ 42,418,679

For the purpose of implementing educational quality projects, the University of Northern Iowa may exceed the limitation on full-time equivalent positions included in this subsection.

As a further condition of the appropriation made in this subsection, the state board of regents shall ensure that students at each institution of higher education shall not be discriminated against in having access to a year-round on-campus self-supporting student operated book exchange.

5. STATE SCHOOL FOR THE DEAF

For salaries and support for not more than one hundred thirty-five point three full-time equivalent positions, maintenance, and miscellaneous purposes \$ 4,669,620

6. IOWA BRAILLE AND SIGHT-SAVING SCHOOL

For salaries and support for not more than ninety-five point thirty-three full-time equivalent positions, maintenance, and miscellaneous purposes \$ 2,632,055

7. The provisions of section 8.33, unnumbered paragraph 2, shall not apply to the funds appropriated in this section. No later than September 15, 1988, the state board of regents shall submit to the department of management and the legislative fiscal bureau a list of all obligations of appropriations made for the fiscal year beginning July 1, 1987 which have been incurred for goods and services that have not been received or rendered as of September 1, 1988.

**Sec. 409. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1986 and ending June 30, 1987, the sum of two million (2,000,000) dollars, or so much thereof as is necessary, to be used by Iowa State University of science and technology for research for amorphous silicon. As a condition of this appropriation, Iowa State University of science and technology shall negotiate for the first production facility or pilot plant to be located in Iowa resulting from the research and an equitable arrangement for the sharing of the rights to copyrights, patents, licenses or other intellectual property.*

*Notwithstanding section 8.33, moneys appropriated in this section which remain unobligated and unencumbered on June 30, 1987 shall remain available to Iowa State University for the purposes specified during the fiscal year beginning July 1, 1987 and ending June 30, 1988.**

Sec. 410. Of the appropriations made from the jobs now account of the Iowa plan fund, under section 99E.32, subsection 3, paragraph "c", to the department of cultural affairs for the fiscal year beginning July 1, 1987, fifty thousand dollars shall be provided as a grant to greater Des Moines grand prix, inc. for the 1988 greater Des Moines metropolitan grand prix auto race. If the grand prix auto race is not held in Des Moines during the 1988 calendar year, all moneys provided under this section for the grand prix shall revert to the Iowa plan fund.

Sec. 411. 1986 Iowa Acts, chapter 1246, section 111, subsection 7, is amended to read as follows:

7. There is appropriated from the general fund of the state to a special account in the state treasury to be known as the obstetrical patient care fund, for the fiscal year beginning July 1, 1986, and ending June 30, 1987, one million one hundred thousand (1,100,000) dollars, or so

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much thereof as is necessary, for the development and operation, commencing October 1, 1986, of a statewide obstetrical patient care program as provided in this section. The department of public health shall be the administrator of the fund.

If moneys appropriated to the obstetrical patient care fund by this section remain unobligated and unencumbered on June 30, 1987, the moneys shall not revert to the general fund of the state ~~but shall be transferred to the indigent patient care fund established pursuant to chapter 255~~ but shall be available for expenditure by the Iowa department of public health for the purposes specified in this section during the fiscal year beginning July 1, 1987. Of the funds available under this section during the fiscal year beginning July 1, 1987 and ending June 30, 1988, three hundred thousand dollars shall be used to supplement moneys appropriated to the Iowa department of public health for salaries and support for the family and community health division and seventy-seven thousand five hundred sixty dollars shall be used to supplement moneys appropriated to the Iowa department of public health for the mobile and regional child health specialty clinics.

Sec. 412. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated in 1986 Iowa Acts, chapter 1246, section 110, subsection 1, paragraph "b", shall not revert to the general fund of the state on June 30, 1987, but shall be available for expenditure for the purposes listed in section 408, subsection 1, paragraph "b", of this Act during the fiscal year beginning July 1, 1987 and ending June 30, 1988.

Sec. 413. Notwithstanding the appropriation provided in section 261.53, there is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the sum of fifty thousand (50,000) dollars, or so much thereof as is necessary, for science and mathematics loans.

Sec. 414. Notwithstanding section 302.1A, the department of revenue and finance shall transfer the interest earned on the permanent school fund to the first in the nation in education foundation in the manner provided in this section. Prior to July 1, 1987, October 1, 1987, January 1, 1988, and March 1, 1988, the governing board of the first in the nation in education foundation established in section 257A.2 shall certify to the department of management the total amount of the endowment in the first in the nation in education foundation fund. The portion of the permanent school fund that is equal to the total amount of the endowment is dedicated to the first in the nation in education foundation for that quarter. The interest from this dedicated amount shall be transferred to the credit of the first in the nation in education foundation. The remaining portion of the interest earned on the permanent school fund shall become a part of the permanent school fund.

Sec. 415. Notwithstanding the appropriation provided in section 261.25, subsection 3, there is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1987 and ending June 30, 1988, the sum of six hundred forty-six thousand five hundred eighty-two (646,582) dollars, or so much thereof as is necessary, for vocational-technical grants.

Sec. 416. Notwithstanding the appropriation of moneys for state school foundation aid made in section 442.26, payments to a school district for the fiscal year beginning July 1, 1987 will begin when the school district has met the requirements of 1986 Iowa Acts, chapter 1226, section 15.

Sec. 417. The director of the department of education shall review the number and type of consultant positions that can be funded with moneys appropriated under section 405,

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subsections 1 and 2, of this Act, and report to the general assembly by January 15, 1988 if additional consultant positions are needed and the costs associated with their employment.

Sec. 418. The department of education shall review the actions of the college aid commission and the council for postsecondary education as they relate to the establishment and operation of the summer institute program established in section 99E.31, subsection 4, paragraph "b" and shall recommend to the college aid commission and the council for postsecondary education programs to be funded. A summer institute program shall consist of an intensive immersion of at least eight weeks duration in the subject area of the program. In determining programs to be funded, preference shall be given to programs that will allow teachers to gain endorsements in other subject areas, or to add to their endorsements in subject areas, that the department of education has determined are areas in which a shortage of teachers currently exists or is predicted to occur. From the moneys appropriated for the fiscal year beginning July 1, 1987 and ending June 30, 1988, under section 99E.32, thirty-five thousand (35,000) dollars shall be expended for a program to assist teachers both as instructors of classes that are offered by means of telecommunications and as monitors of classes offered by means of telecommunications.

Sec. 419. The department of cultural affairs, in cooperation with the department of economic development, shall develop a tourism program that provides for promotion of Iowa cultural, artistic, and humanitarian activities and the locations where these activities take place. A report on the implementation of the program shall be transmitted to the chairpersons and ranking members of the joint education appropriations subcommittee not later than January 1, 1988.

Sec. 420. The state historical society, historical division of the department of cultural affairs, may sell all or a portion of lot 6, in block 45, in Iowa City, Iowa, and the proceeds from the sale are appropriated to the historical division of the department of cultural affairs.

**Sec. 421. It is the intent of the general assembly that the seven regional library boards, in performing their respective duties required by law, shall conform their activities to the mission, goals, and objectives and collect information pertaining to performance measures developed by the legislative fiscal bureau. The seven regional library boards shall provide a report at least quarterly to the legislative fiscal bureau and the co-chairpersons and ranking members of the education appropriations subcommittee on the performance measures. The seven regional library boards shall be notified by the legislative fiscal bureau by July 1, 1987 of the specific performance measures for which data shall be collected and reported.*

The regional library system exists for the purpose of providing supporting services to libraries and to encourage local financial support for library services to accomplish the following objectives:

1. Provide consultation and educational programs for library staff and trustees concerning facets of library management and operation to be indicated by the number of phone contacts, the number of individual contacts at meetings, the number of libraries visited, the number of visits made, the number of local library, county library, and other meetings attended, the number and type of workshops, continuing education, and special presentations made, and the percentage of work time spent consulting with libraries and trustees on the topics of library administration, public services, technical services, computer automation, facilities, and intellectual freedom.

2. Provide interlibrary loan and information services intraregionally, but which are capable of being linked interregionally, according to the standards developed by the state library commission to be indicated by the total number of intraregional books loaned, the total number of interregional books loaned, the total number of requests, filled and unfilled, the total

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number of photocopies provided, the total number of audio-visual items loaned, the total number of photocopies received, the total number of bulk loans, and the total number of reference questions received.

3. Require, as a condition to receiving services, that a governmental subdivision assure maintenance of local effort to support the operating expenses of a local library.

*4. Require, as a condition for receiving services under section 303B.6, that a governmental subdivision maintain any tax levy for library maintenance purposes that is in effect on July 1, 1973.**

Sec. 422. It is the intent of the general assembly that the college aid commission shall study the feasibility of implementing a program that combines the state scholarship program and the supplemental grant program and provides for both need-based and nonneed-based awards. A report of the commission's conclusions and recommendations for the fiscal year beginning July 1, 1988 shall be transmitted to the joint education appropriations subcommittee not later than November 1, 1987.

Sec. 423. If any school district has utilized funds available under section 281.9 for services authorized under section 273.5, that district is eligible to apply to the department of education for an amount not to exceed fifty thousand dollars in order to continue to provide those services for the fiscal year beginning July 1, 1987 and ending June 30, 1988.

Sec. 424. The legislative fiscal bureau shall study options for providing guaranteed student loan services to eligible borrowers and make recommendations to the education appropriations subcommittee chairpersons and ranking members not later than November 1, 1987.

Sec. 425. Nothing in this Act is intended by the general assembly to be the provision of a fair and equitable funding formula specified in 1985 Iowa Acts, chapter 249, section 9. Nothing in this Act shall be construed, is intended, or shall imply a claim of entitlement to any programs or services specified in section 225C.28.

Sec. 426. 1986 Iowa Acts, chapter 1246, section 2, unnumbered paragraph 1, is amended to read as follows:

There is appropriated from the general fund of the state to the department of cultural affairs for the historical division for the fiscal period beginning July 1, 1986 and ending June 30, 1988 the sum of one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, to acquire by negotiated sale part of the land encompassing the Blood Run national historic landmark in Lyon county, Iowa. ~~This appropriation shall be matched by revenue from other sources.~~

Sec. 427. Section 135B.31, Code 1987, is amended to read as follows:

135B.31 EXCEPTIONS.

Nothing in this division is intended or should affect in any way that obligation of public hospitals under chapter 347 or municipal hospitals, as well as the state hospital at Iowa City, to provide medical ~~treatment~~ or obstetrical and newborn care for indigent persons under chapter 255 or 255A, wherein medical treatment is provided by hospitals of that category to patients of certain entitlement, nor to the operation by the state of mental or other hospitals authorized by law. Nothing herein shall in any way affect or limit the practice of dentistry or the practice of oral surgery by a dentist.

Sec. 428. Section 144.13A, Code 1987, is amended to read as follows:

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144.13A REGISTRATION FEE.

The local registrar and state registrar shall charge the parent a ten dollar fee for the registration of a certificate of birth. If the person responsible for the filing of the certificate of birth under section 144.13 is not the parent, the person shall collect the fee from the parent. The fee shall be remitted to the appropriate registrar. If the expenses of the birth are reimbursed under the medical assistance program established by chapter 249A or paid for under the statewide indigent patient care program established by chapter 255, or paid for under the obstetrical and newborn indigent patient care program established by chapter 255A, or if the parent is indigent and unable to pay the expenses of the birth and no other means of payment is available to the parent, the registration fee is waived. If the person responsible for the filing of the certificate is not the parent, the person is discharged from the duty to collect and remit the fee under this section if the person has made a good faith effort to collect the fee from the parent. The fees collected by the local registrar and state registrar shall be remitted to the treasurer of state for deposit in the general fund of the state. It is the intent of the general assembly that the funds generated from the registration fees be appropriated and used for primary and secondary child abuse prevention programs.

Sec. 429. Section 155.37, subsection 1, paragraph b, Code 1987, is amended to read as follows:

b. If the cost of the prescription or any part of it will be paid by expenditure of public funds authorized under chapter 239, 249, 249A, 252, 253, ~~or 255~~, or 255A, the pharmacist shall exercise professional judgment by selecting a drug product of the same generic name and demonstrated bioavailability but of a lesser cost than the one prescribed for dispensing and sale to the person unless the physician, dentist, or podiatrist specifically states that only that designated brand or trade name drug product is to be dispensed. However, a pharmacy to which the prescription is presented or communicated is not required to substitute a drug product of the same generic name and demonstrated bioavailability but of lesser cost unless the pharmacy has in stock one or more such drug products.

**Sec. 430. NEW SECTION. 234A.1 ADOLESCENT TASK FORCE.*

1. A task force on adolescents is established. The task force is composed of the following voting members:

- a. The lieutenant governor or the lieutenant governor's designee.*
- b. One member of the senate appointed by the majority leader of the senate and one member of the senate appointed by the minority leader of the senate.*
- c. One member of the house of representatives appointed by the speaker of the house and one member of the house of representatives appointed by the minority leader of the house.*
- d. Four state government employees, appointed by the legislative council, one from each of the following departments: the department of education, the department of human rights, the department of human services, and the Iowa department of public health.*
- e. Two public members appointed by the governor.*
- f. Six to twelve public members, with one or two from each of the following seven categories, appointed by the legislative council, with expertise in the area of adolescent pregnancy prevention or the provision of services to pregnant adolescents or adolescent parents:*
 - (1) Health care professionals.*
 - (2) Psychologists or social workers.*
 - (3) Family planning service workers.*
 - (4) Appropriate public school professional staff.*
 - (5) Service providers for adolescents.*
 - (6) Job training and counseling workers.*
 - (7) Adolescent parents or adolescent peer counselors.*

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2. *The legislative council shall designate a chairperson or co-chairpersons. The task force shall meet at the call of the chairperson or co-chairpersons or ten task force members. The public members appointed by the legislative council and the governor shall be paid their actual and necessary expenses pursuant to section 2.12. The lieutenant governor shall be reimbursed and compensated as provided in section 2.10, and the legislative members shall be reimbursed and compensated as provided in section 2.44.*

3. *The task force shall:*

a. *Analyze problems confronting adolescents in this state and assess the symptoms of those problems, including but not limited to a review of problems relating to adolescent pregnancy, substance abuse, and suicide prevention.*

b. *Investigate and promote the development of viable family units and adolescent self-worth and self-esteem.*

c. *Assess the need for adolescent pregnancy prevention and services programs in Iowa.*

d. *Inventory existing programs and services relating to adolescent pregnancy prevention and services.*

e. *Investigate alternative funding sources relating to adolescent pregnancy prevention and services.*

f. *Investigate existing and needed maternity care health benefit coverages for pregnant adolescents.*

g. *Make legislative recommendations to the legislative council and issue a final report to the general assembly by January 1, 1988 regarding adolescent pregnancy prevention and services.*

4. *The legislative council shall authorize the legislative service bureau and the legislative fiscal bureau to provide assistance to the task force, and may authorize the use of funds available to the legislative council to pay the expenses of the task force.*

5. *As used in this section, "adolescent" means a person under eighteen years of age or a person in attendance at an accredited school pursuing a course of study leading to a high school diploma, or its equivalent.**

Sec. 431. PREGNANCY PREVENTION AND SERVICES GRANTS.

The commissioner of human services, the director of the department of education, the director of the department of human rights, and the director of public health, or their designees, shall jointly designate and award, and the department of human services shall administer grants, which may be awarded to public school corporations, adolescent service providers, and non-profit organizations involved in adolescent issues for two-year pilot projects targeted toward those areas of the state with the highest incidence of adolescent pregnancy, from one or more of the following programmatic areas:

1. **Pregnancy prevention programs for adolescents and workshops for parents of adolescents to improve parent-child communications regarding human sexuality.**

2. **Communications media campaigns to discourage adolescent sexual activity and to encourage the assumption of responsibility by adolescents, both male and female, for their sexual activity and for parenting.**

3. **Residential facilities for pregnant adolescents and adolescent parents in need of shelter.**

4. **Early pregnancy detection for adolescents and prenatal services and adoption counseling for pregnant adolescents.**

5. **Child care and case management services provided to adolescent parents, both male and female, for a predetermined fee under purchase-of-service contracts, which include child care services, instruction in child development and parenting skills, support services for completion of school and for job training and placement, and other personal services.**

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6. Teacher training, including transportation costs and workshop, conference, and course work expenses, designed to improve the teaching of components of the human growth and development curricula in grades kindergarten through twelve. A preference shall be given for the funding of teacher training grant projects which would qualify participating teachers for continuing education unit credits.

7. Pregnancy prevention programs which teach and encourage teen sexual abstinence.

As used in this section, "adolescent" means a person under eighteen years of age or a person in attendance at an accredited school pursuing a course of study leading to a high school diploma, or its equivalent. Pilot projects providing services to an adolescent under eighteen years of age may continue to provide the services beyond the adolescent's eighteenth birthday in accordance with guidelines adopted by the four state administrators authorized to award grants under this section. Pilot projects shall not use funds appropriated from the general fund of this state for the purpose of providing abortion services which are not medically necessary as defined under the medical assistance program administered pursuant to chapter 249A or for the purpose of dispensing or providing birth control items on property owned or controlled by a public school corporation.

Sec. 432. Section 255.16, Code 1987, is amended to read as follows:

255.16 COUNTY QUOTAS.

Subject to subsequent qualifications in this section, there shall be treated at the university hospital during each fiscal year a number of committed indigent patients from each county which shall bear the same relation to the total number of committed indigent patients admitted during the year as the population of such county shall bear to the total population of the state according to the last preceding official census. This standard shall apply to indigent patients, the expenses of whose commitment, transportation, care and treatment shall be borne by appropriated funds and shall not govern the admission of either obstetrical patients under chapter 255A or obstetrical or orthopedic patients under this chapter in accordance with eligibility standards pursuant to section 255A.5. If the number of patients admitted from any county shall exceed by more than ten percent the county quota as fixed and ascertained under the first sentence of this section, the charges and expenses of the care and treatment of such patients in excess of ten percent of the quota shall be paid from the funds of such county at actual cost; but if the number of excess patients from any county shall not exceed ten percent, all costs, expenses, and charges incurred in their behalf shall be paid from the appropriation for the support of the hospital.

Sec. 433. Section 255.19, unnumbered paragraph 2, Code 1987, is amended to read as follows:

All of the provisions of this chapter except as to commitment of patients shall apply to such patients. The university hospital authorities shall collect from the person or persons liable for the support of such patients reasonable charges for hospital care and service and deposit the same with the treasurer of the university for the use and benefit of the university hospital except as specified for obstetrical patients pursuant to section 255A.9. Earnings of the hospital whether from private patients, cost patients, or indigents shall be administered so as to increase as much as possible, the service available for indigents, including the acquisition, construction, reconstruction, completion, equipment, improvement, repair, and remodeling of medical buildings and facilities and additions thereto and the payment of principal and interest on bonds issued to finance the cost thereof as authorized by the provisions of chapter 263A. The physicians and surgeons on the hospital staff who care for patients provided for in this section may charge for their medical services under such rules, regulations and plan therefor as approved by the state board of regents.

Sec. 434. Section 255.26, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Warrants issued under section 255.25 shall be promptly drawn on the treasurer of state and forwarded by the director of revenue and finance to the treasurer of the state university, and the same shall be by the treasurer of the state university placed to the credit of the funds

which are set aside for the support of said hospital. However, warrants shall not be paid unless the UB-82 claim required pursuant to section 255A.13 has been filed with the Iowa health data commission. The superintendent of the said university hospital shall certify to the auditor of state on the first day of January, April, July and October of each year, the amount as herein provided not previously certified by the superintendent due the state from the several counties having patients chargeable thereto, and the auditor of state shall thereupon charge the same to the county so owing. A duplicate certificate shall also be mailed to the auditor of each county having patients chargeable thereto. Expenses for obstetrical patients served under section 255A.9 shall be reimbursed as specified in section 255A.9.

Sec. 435. NEW SECTION. 255A.1 STATE POLICY.

It is the policy of the state to provide obstetrical and newborn care to medically indigent individuals in this state, at the appropriate and necessary level, at a licensed hospital or health care facility closest and most available to the residence of the indigent individual.

Sec. 436. NEW SECTION. 255A.2 OBSTETRICAL AND NEWBORN INDIGENT PATIENT CARE PROGRAM.

A statewide obstetrical and newborn indigent patient care program is established for the purpose of providing obstetrical and newborn care to medically indigent residents of this state. Appropriations by the general assembly for this chapter shall be allocated for the obstetrical and newborn patient care fund within the Iowa department of public health and shall be utilized for the obstetrical and newborn indigent patient care program as specified in this chapter. Indigent patients in need of such care residing in the counties of Cedar, Clinton, Iowa, Johnson, Keokuk, Louisa, Muscatine, Scott, and Washington shall be provided the care at the university hospitals under the nonquota obstetrical program under chapter 255.

Sec. 437. NEW SECTION. 255A.3 ADMINISTRATION OF PROGRAM.

The Iowa department of public health shall administer the statewide obstetrical and newborn indigent patient care program. The department shall adopt administrative rules to implement the program pursuant to chapter 17A. Administrative costs of the department shall not exceed three percent of the annual funds appropriated for the obstetrical and newborn patient care fund.

Sec. 438. NEW SECTION. 255A.4 PATIENT QUOTA FORMULA.

The Iowa department of public health shall establish a patient quota formula for determining the maximum number of obstetrical and newborn patients eligible for the program from each county. The formula shall be based upon the annual appropriation for the program, the average number of live births in each county during the most recent three-year period for which statistics are available, and the per capita income for each county during the most recent one-year period for which statistics are available. In accordance with this formula the department shall allocate a patient quota to each county at the beginning of each fiscal year. The department shall provide for the reassignment of an unused county quota allotment on April 1 of each year. The reassignment shall be taken only from a county which has an unused quota allotment for the portion of the fiscal year ending March 31. A county may utilize its quota allotment for a patient determined to be eligible before the end of the fiscal year but scheduled to need care after the end of the fiscal year. The reassignment of an unused county allotment shall be made to other counties on the basis of rules adopted by the department pursuant to chapter 17A.

A woman who resides in a county which exceeds the patient quota allocated for the county, and who has been deemed eligible under section 255A.5, shall be served at the University of Iowa hospitals and clinics pursuant to section 255.16.

Sec. 439. NEW SECTION. 255A.5 MINIMUM ELIGIBILITY STANDARDS.

The Iowa department of public health, in collaboration with the department of human services and in consultation with the Iowa state association of counties, shall adopt rules, pursuant to chapter 17A, establishing minimum standards for eligibility for obstetrical and newborn care, including physician examination, medical testing, ambulance services, and inpatient transportation costs, for indigent obstetrical and newborn care provided by the University of Iowa hospitals and clinics and by other licensed hospitals and physicians. The minimum standards for eligibility shall provide eligibility for persons with incomes at or below one hundred fifty percent of the annual revision of the poverty income guidelines published by the United States department of health and human services, and shall provide, but shall not be limited to providing, eligibility for uninsured and underinsured persons financially unable to pay for necessary obstetrical and newborn care and orthopedic care. The minimum standards may include a spend-down provision. The resource standards shall be set at or above the resource standards under the federal supplemental security income program. The resource exclusions allowed under the federal supplemental security income program shall be allowed and shall include resources necessary for self-employment.

Sec. 440. NEW SECTION. 255A.6 APPLICATION AND CERTIFICATION FOR CARE.

A person desiring obstetrical and newborn care, the cost of which is payable from the obstetrical and newborn patient care fund, or the parent or guardian of a minor desiring or in need of such care, may apply to the director of a maternal health center, operated by the Iowa department of public health, to have the cost of such care paid from the fund. In counties not served by such a center, the department shall contract with another agency, institution or organization to receive and process applications for care. The director of the center shall first ascertain from the local office of the department of human services if the applicant would be eligible for medical assistance or for assistance under the medically needy program without any spend-down requirement, pursuant to chapter 249A. If the applicant is eligible for assistance pursuant to chapter 249A, or if the applicant is eligible for maternal and child health care services covered by a maternal and child health program, the obstetrical patient care program shall not provide such assistance, care, or covered services provided under other programs. The Iowa department of public health, with the department of human services, shall jointly develop a standardized application form and shall coordinate the determination of eligibility for medical assistance and the obstetrical patient care program. In counties in which the maternal and child health clinic processes the application, the clinic shall notify the county relief office of the application process.

Sec. 441. NEW SECTION. 255A.7 FREEDOM OF CHOICE OF PROVIDER.

A person certified for obstetrical and newborn care under this chapter may choose to receive the appropriate level of care at the University of Iowa hospitals and clinics or any other licensed hospital or health care facility.

Sec. 442. NEW SECTION. 255A.8 REIMBURSABLE COSTS OF CARE.

The obstetrical and newborn care costs of a person certified for such care under this chapter at a licensed hospital or health care facility or from licensed physicians shall be paid by the Iowa department of public health from the obstetrical and newborn patient care fund. However, a physician who provides obstetrical or newborn care at the University of Iowa hospitals and clinics to a person certified for care under this chapter is not entitled to receive any compensation for the provision of such care in accordance with section 255.23.

Sec. 443. NEW SECTION. 255A.9 ALLOWABLE REIMBURSEMENTS.

All providers of services to obstetrical and newborn patients under this chapter shall agree to accept as full payment the reimbursements allowable under the medical assistance program established pursuant to chapter 249A, adjusted for intensity of care. However, the total reimbursement from the obstetrical and newborn patient care fund to providers of services for

residents of a county is limited to that county's obstetrical and newborn patient quota multiplied by the medical assistance program's average reimbursement for obstetrical and newborn care for the most recent fiscal year except as otherwise provided in this section. The Iowa department of public health shall reserve ten percent of the fund annually for payment of the costs of care of a patient certified for care under this chapter in excess of the medical assistance program's average reimbursements if the nature and extent of the care justifies such additional reimbursement. The department shall adopt rules pursuant to chapter 17A, establishing the requirements for such additional reimbursement.

Sec. 444. NEW SECTION. 255A.10 PROCEDURES FOR PAYMENT.

The Iowa department of public health shall establish procedures for payment for providers of services to obstetrical and newborn patients under this chapter from the obstetrical and newborn patient care fund. All billings from such providers shall be submitted directly to the department. However, payment shall not be made unless the application and certification for care pursuant to section 255A.6 is performed.

Sec. 445. NEW SECTION. 255A.11 COUNTY RESPONSIBILITY FOR COSTS OF CARE.

A county shall not be held responsible for the costs of providing obstetrical and newborn care, including physician examination, medical testing, ambulance services, and transportation costs, to pregnant women and their newborn infants who meet the eligibility requirements adopted by the Iowa department of public health.

Sec. 446. NEW SECTION. 255A.12 REVERSION OR TRANSFER OF MONEYS IN THE OBSTETRICAL AND NEWBORN PATIENT CARE FUND.

Moneys encumbered prior to June 30 of a fiscal year for a certified eligible pregnant woman scheduled to deliver in the next fiscal year shall not revert from the obstetrical and newborn patient care fund to the general fund of the state. Moneys allocated to the obstetrical and newborn patient care fund shall not be transferred nor voluntarily reverted from the fund within a given fiscal year.

Sec. 447. NEW SECTION. 255A.13 DATA COLLECTION.

Beginning July 1, 1987, the University of Iowa hospitals and clinics shall submit, on a quarterly basis, UB-82 claims for all patients discharged after being served under the indigent patient program under chapter 255. The UB-82 claim shall include all data elements which are required by the Iowa health data commission.

*Sec. 448. NEW SECTION. 279.50 HUMAN GROWTH AND DEVELOPMENT INSTRUCTION.

1. *Each board of directors of a public school corporation shall appoint an advisory committee composed of at least one person from each of the following groups: parents, teachers, school administrators, school board directors, pupils, health care professionals, members of the clergy, and other residents of the school district. The advisory committee shall study the provision of instruction to pupils in grades kindergarten through twelve appropriate to the pupils' grade level, age, and level of maturity, in topics related to human growth and development in order to promote accurate and comprehensive knowledge in this area, to foster responsible decision making, based on cause and effect, and to support and enhance the efforts of parents to provide moral guidance to their children. The advisory committee in its study shall address and make recommendations on the inclusion or exclusion of each of the following topics of instruction:*

- a. *Self-esteem, responsible decision making, and personal responsibility and goal setting.*
- b. *Interpersonal relationships.*

- c. Discouragement of adolescent sexual activity.*
- d. Family life and parenting skills.*
- e. Human sexuality, reproduction, contraception and family planning, prenatal development, childbirth, adoption, available prenatal and postnatal support, and male and female responsibility.*
- f. Sex stereotypes.*
- g. Protective behaviors to prevent sexual abuse or sexual harassment.*
- h. Sexually transmitted diseases, including acquired immune deficiency syndrome, and their causes and prevention.*

2. *The advisory committee shall make its recommendations regarding the implementation of human growth and development instruction for pupils in the school district, including the inclusion or exclusion of the instructional topics in subsection 1, paragraphs "a" through "h", to the school board at least every three years and shall file a written report with the state department of education indicating the date and contents of the advisory committee's recommendations to the school board.*

3. *The school board may designate the advisory committee appointed pursuant to section 280.12, subsection 2, as the advisory committee to perform the duties required by this section, provided the advisory committee appointed under section 280.12, subsection 2 meets the advisory committee composition requirements in subsection 1.*

4. *Each school board shall provide an instructional program in human growth and development in grades kindergarten through twelve. Each school board shall annually provide to a parent or guardian of any pupil enrolled in the school district, an outline of the human growth and development curriculum used in the pupil's grade level and information regarding the procedure for inspection of the complete curriculum and instructional materials, including inspection prior to their use in the classroom. A pupil shall not be required to take instruction in human growth and development or in the specific topics under subsection 1, paragraphs "a" through "h", if the pupil's parent or guardian files with the pupil's teacher or principal a written request that the pupil be excused from the instruction.*

Each school board or merged area school which offers general adult education classes or courses shall periodically offer an evening instructional program in human growth and development for parents, guardians, prospective biological and adoptive parents, and foster parents.

5. *The state department of education shall make available model human growth and development curricula for grades kindergarten through twelve which shall include the instructional topics in subsection 1, paragraphs "a" through "h". The department of education shall distribute the model curricula to each school board and to each advisory committee appointed pursuant to subsection 1, and shall provide technical assistance to school boards and advisory committees in the use or adaptation of the curricula.**

Sec. 449. Section 256.7, Code 1987, is amended by adding the following new subsection:
NEW SUBSECTION. 8. Adopt rules pursuant to chapter 17A relating to educational programs and budget limitations for educational programs pursuant to sections 282.28, 282.29, 282.30, and 282.31. The rules adopted pursuant to this subsection shall be written by June 30, 1987.

Sec. 450. **NEW SECTION.** 256.10A DUTIES OF CONSULTANTS.

Consultants employed by the director and paid from the fund created by section 8.41 from moneys received from Pub. L. No. 97-35, Title V, subtitle D, chapter 2, shall assist those employees designated by the department as school improvement specialists in helping school districts to participate in school improvement activities identified as a result of the accreditation process conducted pursuant to section 256.11. The department shall assign consultants to assist school districts that the department determines are most in need of participation in school improvement activities.

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For the purpose of this section, "school improvement specialist" means a consultant employed by the department who is responsible for the accreditation of school districts under section 256.11.

Sec. 451. Section 256.11, subsections 10, 11, and 12, Code 1987, are amended by striking the subsections and inserting in lieu thereof the following:

10. The state board shall establish an accreditation process for school districts and nonpublic schools seeking accreditation pursuant to this subsection and subsections 11 and 12. As required in section 256.17, by July 1, 1989, all school districts shall meet standards for accreditation. For the school year commencing July 1, 1989 and school years thereafter, the department of education shall use a two-phase process for the continued accreditation of schools and school districts.

Phase I consists of annual monitoring by the department of education of all accredited schools and school districts for compliance with accreditation standards adopted by the state board of education as provided by section 256.17. The phase I monitoring requires that accredited school districts and schools annually complete accreditation compliance forms adopted by the state board and file them with the department of education. In addition, employees of the department of education shall complete at least one onsite visit each year to each accredited school and school district to review the educational programs and the information included in the compliance forms.

Phase II requires the use of an accreditation committee, appointed by the director of the department of education, to conduct an onsite visit to an accredited school or school district if any of the following conditions exist:

- a. When the annual monitoring of phase I indicates that a school or school district may be deficient or fails to be in compliance with accreditation standards.
- b. In response to a petition filed with the director requesting such a committee visitation that is signed by twenty percent or more of the registered voters of a school district.
- c. In response to a petition filed with the director requesting such a committee visitation that is signed by twenty percent or more of the parents or guardians who have children enrolled in the school or school district.
- d. At the direction of the state board of education.

The number and composition of the membership of an accreditation committee shall be determined by the director and may vary due to the specific nature or reason for the visit. In all situations, however, the chairperson and a majority of the committee membership shall be from the instructional and administrative program specialty staff of the department of education. Other members may include instructional and administrative staff from school districts, area education agencies, institutions of higher education, local board members and the general public. An accreditation committee visit to a nonpublic school requires membership on the committee from nonpublic school instructional or administrative staff or board members. A member of a committee shall not have a direct interest in the nonpublic school or school district being visited.

Rules adopted by the state board may include provisions for coordination of the accreditation process under this section with activities of accreditation associations.

Prior to a visit to a school district or nonpublic school, members of the accreditation committee shall have access to all annual accreditation report information filed with the department by that nonpublic school or school district.

After visiting the school district or nonpublic school, the accreditation committee shall determine whether the accreditation standards have been met and shall make a report to the director, together with a recommendation whether the school district or nonpublic school shall remain accredited. The accreditation committee shall report strengths and weaknesses, if any, for each standard and shall advise the school or school district of available resources and technical assistance to further enhance strengths and improve areas of weakness. A school district or nonpublic school may respond to the accreditation committee's report.

11. The director shall review the accreditation committee's report, and the response of the school district or nonpublic school, and provide a report and recommendation to the state board along with copies of the accreditation committee's report, the response to the report, and other pertinent information. The state board shall determine whether the school district or nonpublic school shall remain accredited. If the state board determines that a school district or nonpublic school should not remain accredited, the director, in cooperation with the board of directors of the school district, or authorities in charge of the nonpublic school, shall establish a plan prescribing the procedures that must be taken to correct deficiencies in meeting the standards, and shall establish a deadline date for completion of the procedures. The plan is subject to approval of the state board.

12. During the period of time specified in the plan for its implementation by a school district or nonpublic school, the school or school district remains accredited. The accreditation committee shall revisit the school district or nonpublic school and shall determine whether the deficiencies in the standards have been corrected and shall make a report and recommendation to the director and the state board. The state board shall review the report and recommendation, may request additional information, and shall determine whether the deficiencies have been corrected. If the deficiencies have not been corrected, the state board shall merge the territory of the school district with one or more contiguous school districts. Division of assets and liabilities of the school district shall be as provided in sections 275.29 through 275.31. Until the merger is completed, the school district shall pay tuition for its resident students to an accredited school district under section 282.24.

**Sec. 452. NEW SECTION. 256.20 APPROPRIATION FOR SALARIES FOR AREA SCHOOL EMPLOYEES.*

1. There is appropriated from the general fund of the state to the department for each fiscal year the sum of three million two hundred fifty thousand (3,250,000) dollars to be allocated to the merged area schools for pay adjustments for full-time nonadministrative employees in addition to any agreement negotiated under chapter 20 or other salary adjustments or agreements. The allocation shall be distributed to merged area schools as follows:

<i>a. Merged Area I</i>	<i>\$ 124,850</i>
<i>b. Merged Area II</i>	<i>\$ 159,548</i>
<i>c. Merged Area III</i>	<i>\$ 118,658</i>
<i>d. Merged Area IV</i>	<i>\$ 44,496</i>
<i>e. Merged Area V</i>	<i>\$ 372,808</i>
<i>f. Merged Area VI</i>	<i>\$ 131,372</i>
<i>g. Merged Area VII</i>	<i>\$ 152,560</i>
<i>h. Merged Area IX</i>	<i>\$ 171,630</i>
<i>i. Merged Area X</i>	<i>\$ 258,505</i>
<i>j. Merged Area XI</i>	<i>\$ 897,675</i>
<i>k. Merged Area XII</i>	<i>\$ 105,944</i>
<i>l. Merged Area XIII</i>	<i>\$ 436,499</i>
<i>m. Merged Area XIV</i>	<i>\$ 50,853</i>
<i>n. Merged Area XV</i>	<i>\$ 125,015</i>
<i>o. Merged Area XVI</i>	<i>\$ 99,587</i>

2. Moneys appropriated in subsection 1 for a pay adjustment shall be added to the salary of a full-time nonadministrative employee and shall supplement, not supplant, the results of a collective bargaining agreement negotiated under chapter 20, if any. The amount of a pay adjustment is for the adjustment of base pay only.

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*In addition, this subsection applies to pay adjustments funded by moneys appropriated in 1985 Iowa Acts, chapter 254, section 2, subsection 1, for the fiscal year beginning July 1, 1986.**

Sec. 453. NEW SECTION. 256.30 EDUCATIONAL EXPENSES FOR AMERICAN INDIANS.

The department of education shall provide moneys to pay the expense of educating American Indian children residing in the Sac and Fox Indian settlement on land held in trust by the secretary of the interior of the United States in excess of federal moneys paid to the tribal council for educating the American Indian children when moneys are appropriated for that purpose. The tribal council shall administer the moneys distributed to it by the department and shall submit an annual report and other reports as required by the department to the department on the expenditure of the moneys.

The tribal council shall first use moneys distributed to it by the department of education for the purposes of this section to pay the additional costs of salaries for certificated instructional staff for educational attainment and full-time equivalent years of experience to equal the salaries listed on the proposed salary schedule for the school at the Sac and Fox Indian settlement for the school year beginning July 1, 1987 as that salary schedule existed on May 1, 1987, but the salary for a certificated instructional staff member employed on a full-time basis shall not be less than eighteen thousand dollars. The department of management shall approve allotments of moneys appropriated in this section when the department of education certifies to the department of management that the requirements of this section have been met.

**Sec. 454. Section 261.2, Code 1987, is amended by adding the following new subsection:
NEW SUBSECTION. 10. Prepare and administer the occupational therapists loan program under this chapter.**

Sec. 455. Section 261.9, subsection 5, Code 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Which was eligible to participate in the tuition grant program during the school year beginning July 1, 1986 under section 261.9, subsection 5, paragraph "c", Code 1987, and will continue to be eligible during the school year beginning July 1, 1987, and which is making satisfactory progress to achieve accreditation from the North Central Association of Colleges and Secondary Schools accrediting agency, and the institution meets the thirteen general institutional requirements of the North Central Association of Colleges and Secondary Schools accrediting agency by July 1, 1988 and meets the requirements for candidacy status of the North Central Association of Colleges and Secondary Schools accrediting agency by July 1, 1989, and attains full accreditation under a time period established by the North Central Association.

Sec. 456. Section 261.17, subsections 1 and 4, Code 1987, are amended to read as follows:

1. A vocational-technical tuition grant may be awarded to any resident of Iowa who is admitted and in attendance as a full-time student in a vocational-technical or career option program at an area school in the state, and who establishes financial need.

4. A vocational-technical tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the institution that the student is in full-time attendance in a vocational-technical or career option program, as defined under rules of the department of education. If the student discontinues attendance before the end of any term after receiving payment of the grant, the entire amount of any refund due

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that student, up to the amount of any payments made under the annual grant, shall be paid by the institution to the state.

Sec. 457. Section 261.18, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Of the funds appropriated for the subvention program, the commission shall provide three thousand dollars of subvention to the college of osteopathic medicine and surgery for each Iowa student, to be credited against the tuition charged for the Iowa student by the college of osteopathic medicine and surgery, and the remaining funds shall be allocated to the college of osteopathic medicine and surgery.

Sec. 458. Section 261.25, subsections 1 and 2, Code 1987, are amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of twenty twenty-four million six three hundred nineteen thousand eighty-four dollars for tuition grants.

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of three four hundred fifty thousand dollars for scholarships.

Sec. 459. Section 261.37, subsection 8, Code 1987, is amended to read as follows:

8. To develop and disseminate informational and educational materials to lenders, postsecondary institutions and borrowers. The commission shall provide applicants, as deemed necessary by the commission, with information about the past default rate of borrowers by post-secondary institutions.

Sec. 460. Section 261.45, unnumbered paragraph 3, Code 1987, is amended to read as follows:

There is appropriated from the general fund of the state to the Iowa college aid commission, the sum of thirty eighty-five thousand dollars, or as much thereof as is necessary, ~~for the fiscal years beginning July 1, 1983 and July 1, 1984, and the sum of sixty thousand dollars, or as much thereof as is necessary, for the fiscal year beginning July 1, 1985~~ 1987 and each succeeding fiscal year, to make the reimbursement payments required under this section.

**Sec. 461. NEW SECTION. 261.46 OCCUPATIONAL THERAPIST LOAN PAYMENTS.*

An occupational therapist loan repayment program is established to be administered by the commission.

An occupational therapist is eligible for reimbursement payments under this section if the individual:

1. Has entered into a payment agreement with the commission on or after July 1, 1987.

2. Is a licensed occupational therapist under chapter 148B.

3. Is an Iowa resident employed in Iowa as an occupational therapist as certified by the board of physical and occupational therapy examiners.

4. Has an outstanding debt with an eligible lender under the Iowa guaranteed student loan program or has parents with an outstanding debt with an eligible lender under the Iowa PLUS loan program for the third and fourth years of an occupational therapist program.

The commission shall adopt rules under chapter 17A to provide for the administration of the program. The maximum annual reimbursement to an eligible occupational therapist for loan payments made during a year for loans qualifying under subsection 4 shall be equal to four thousand dollars or the remainder of a loan, whichever is less. Total payments for an eligible occupational therapist are limited to a two-year period and shall not exceed a total of eight thousand dollars.

*If an occupational therapist fails to complete a year of employment as provided in subsection 3, the individual shall not be reimbursed for payments made during that year.**

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Sec. 462. Section 261.63, Code 1987, is amended to read as follows:

261.63 APPROPRIATION.

Commencing July 1, ~~1984~~ 1987, there is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~one million~~ eight hundred thousand dollars for supplemental grants.

Sec. 463. NEW SECTION. 261.85 APPROPRIATION.

There is appropriated from the general fund of the state to the commission for each fiscal year the sum of two million one hundred fifty thousand dollars for the work-study program.

From moneys appropriated in this section, one million one hundred fifty thousand dollars shall be allocated to institutions of higher education under the state board of regents and merged area schools and the remaining one million dollars shall be allocated by the commission on the basis of need as determined by the portion of the federal formula for distribution of work study funds that relates to the current need of institutions.

Sec. 464. Section 262.9, subsection 15, Code 1987, is amended by striking the subsection and inserting in lieu thereof the following:

15. In its discretion, adopt rules relating to the classification of students enrolled in institutions of higher education under the board who are residents of Iowa's sister states as residents or nonresidents for fee purposes.

Sec. 465. Section 262.9, Code 1987, is amended by adding the following new subsection: **NEW SUBSECTION. 17.** Not less than thirty days prior to action by the board on any proposal to increase tuition, fees, or charges at one or more of the institutions of higher education under its control, send written notification of the amount of the proposed increase including a copy of the proposed tuition increase docket memorandum prepared for its consideration to the presiding officers of the student government organization of the affected institutions. The final decision on the increase in tuition for a fiscal year shall be made no later than the regular meeting held in November of the preceding fiscal year. The regular meeting held in November shall be held in Ames, Cedar Falls, or Iowa City and shall not be held during the period in which classes have been suspended for Thanksgiving vacation.

Sec. 466. Section 262.44, subsection 1, unnumbered paragraph 1, Code 1987, is amended to read as follows:

Set aside and use portions of the respective campuses of the institutions of higher education under its control, namely, the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa, as the board determines are suitable for the acquisition or construction of the following self-liquidating and revenue producing buildings and facilities which the board deems necessary for the students and suitable for the purposes for which the institutions were established including without limitation: Student unions, recreational buildings, auditoriums, stadiums, field houses, athletic buildings and areas, parking structures and areas, electric, heating, sewage treatment and communication utilities, research equipment if the debt incurred in its acquisition will be retired by federal, private, or other lawfully available nonappropriated funds, and additions to or alterations of existing buildings or structures.

Sec. 467. Section 262.44, subsection 1, unnumbered paragraph 2, Code 1987, is amended by striking the unnumbered paragraph.

Sec. 468. Section 262.61, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the amount of bonds or notes issued under this chapter exceeds the actual costs of the projects for which the bonds or notes were issued, the amount of the difference shall be used to pay the principal and interest due on bonds or notes issued under this chapter.

Sec. 469. Section 262A.9, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the amount of bonds issued under this chapter exceeds the actual costs of the projects for which bonds were issued, the amount of the difference shall be used to pay the principal and interest due on bonds issued under this chapter.

Sec. 470. Section 263A.7, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the amount of bonds or notes issued under this chapter exceeds the actual costs of the projects for which the bonds or notes were issued, the amount of the difference shall be used to pay the principal and interest due on bonds or notes issued under this chapter.

Sec. 471. **NEW SECTION. 269.3 CLASSROOM TEACHERS.*

*For purposes of chapter 20, classroom teachers employed by the Iowa braille and sight-saving school may be accreted to the faculty employee organization at the University of Northern Iowa or any other approved employee organization.**

Sec. 472. **NEW SECTION. 270.11 CLASSROOM TEACHERS.*

*For purposes of chapter 20, classroom teachers employed by the school for the deaf may be accreted to the faculty employee organization at the University of Northern Iowa or any other approved employee organization.**

Sec. 473. Section 271.6, Code 1987, is amended to read as follows:

271.6 INTEGRATED TREATMENT OF UNIVERSITY HOSPITAL PATIENTS.

The authorities of the Oakdale campus may authorize patients for admission to the hospital on the Oakdale campus who are referred from the university hospitals and who shall retain the same status, classification, and authorization for care which they had at the university hospitals. Patients referred from the university hospitals to the Oakdale campus shall be deemed to be patients of the university hospitals. The provisions of chapter Chapters 255 and 255A and operating policies of the university hospitals shall apply to the patients and to the payment for their care the same as the provisions apply to patients who are treated on the premises of the university hospitals.

Sec. 474. Section 273.3, subsection 6, Code 1987, is amended to read as follows:

6. Area education agencies may co-operate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas. Area education agencies may provide print and nonprint materials to public and private colleges and universities that have teacher education programs approved by the state board of education.

Sec. 475. Section 273.3, subsection 10, Code 1987, is amended by striking the subsection.

Sec. 476. Section 280A.22, subsection 1, paragraph a, Code 1987, is amended to read as follows:

a. In addition to the tax authorized under section 280A.17, the voters in any merged area may at the annual school election vote a tax not exceeding twenty and one-fourth cents per thousand dollars of assessed value in any one year for a period not to exceed ten years for the purchase of grounds, construction of buildings, payment of debts contracted for the construction of buildings, purchase of buildings and equipment for buildings, and the acquisition of libraries, for the purpose of paying costs of utilities, and for the purpose of maintaining, remodeling, improving, or expanding the area vocational school or area community college of

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the merged area. If the tax levy is approved under this section, the costs of utilities shall be paid from the proceeds of the levy. The tax shall be collected by the county treasurers and remitted to the treasurer of the merged area as provided in section 331.552, subsection 29. The proceeds of the tax shall be deposited in a separate and distinct fund to be known as the voted tax fund, to be paid out upon warrants drawn by the president and secretary of the board of directors of the merged area district for the payment of costs incurred in providing the school facilities for which the tax was voted.

Sec. 477. Section 280A.22, Code 1987, is amended by adding the following new subsection: NEW SUBSECTION. 1A. The proceeds of the tax voted under subsection 1, paragraph "a", prior to July 1, 1987 shall be used for the purposes for which it was approved by the voters and may be used for the purpose of paying the costs of utilities.

Sec. 478. Section 280A.23, subsection 2, Code 1987, is amended to read as follows:

2. Have authority to determine tuition rates for instruction. Tuition for residents of Iowa shall not exceed the lowest tuition rate per semester, or the equivalent, charged by an institution of higher education under the state board of regents for a full-time resident student. However, if a local school district pays tuition for a resident pupil of high school age, the limitation on tuition for residents of Iowa shall not apply, the amount of tuition shall be determined by the board of directors of the area school with the consent of the local school board, and the pupil shall not be included in the full-time equivalent enrollment of the area school for the purpose of computing general aid to the area school. Tuition for nonresidents of Iowa shall be not less than one hundred fifty percent and not more than two hundred percent of the tuition established for residents of Iowa. Tuition for resident or nonresident students may be set at a higher figure with the approval of the state board. A lower tuition for nonresidents may be permitted under a reciprocal tuition agreement between a merged area and an educational institution in another state, if the agreement is approved by the state board. The board may designate that portion of the tuition moneys collected from students be used for student aid purposes.

Sec. 479. Section 280A.42, Code 1987, is amended to read as follows:

280A.42 PAYMENT OF EXPENSES.

The board of directors of a merged area shall audit and allow all just claims against the area school and an order shall not be drawn upon the treasury until the claim has been audited and allowed. However, the board of directors, by resolution, may authorize the secretary of the board, when the board is not in session, to issue payments for salaries pursuant to the terms of a written contract and to issue payments upon the receipt of verification filed with the secretary for ~~expenses for freight; drayage; express; postage; printing; utilities including electricity, water, waste collection, heating, air conditioning, telephone, and telegraph charges~~ all other general fund and plant fund expenses within limits established by resolution of the board; expenses involving auxiliary, agency, and scholarship and loan accounts; and refunds to students for tuition and fees. The secretary shall either deliver in person or mail the payments to the payees. A payment shall be made payable only to the person performing the service or furnishing the supplies for which the payment is issued. Payments issued prior to audit and allowance by the board shall be allowed by the board at the first meeting held after the issuance and shall be entered in the minutes of the meeting.

Sec. 480. Section 282.19, Code 1987, is amended to read as follows:

282.19 CHILD LIVING IN FOSTER CARE FACILITY.

A child who is living in a licensed child foster care facility as defined in section 237.1 in this state which is located in a school district other than the school district in which the child resided before receiving foster care may enroll in and attend an accredited school in the school district in which the child is living. If a child does not require special education and was not counted in the basic enrollment of a school district for a budget year under section 442.4, the tuition

and transportation, when required by law, shall be paid by the treasurer of state from funds in the state treasury not otherwise appropriated, and upon warrants drawn by the director of revenue and finance upon requisition of the director of the department of education. The instructional costs for students who do not require special education shall be paid as provided in section 282.31, subsection 1, paragraph "b" or for students who require special education shall be paid as provided in section 282.31, subsections 2 or 3.

Sec. 481. NEW SECTION. 282.28 CHILDREN AT ELDORA AND TOLEDO.

Annually, the area education agency in which the state training school and the Iowa juvenile home are located and the department of human services on behalf of the training school and juvenile home shall submit an annual joint application by January 1 for the next succeeding school year to the department of education describing the proposed special education instructional and support programs and service improvements for the training school and juvenile home. The department of education shall review and approve or modify the program and proposed budget by February 1 and shall notify the area education agency and the department of human services of the approved budget. The moneys for the approved budget shall supplement and not supplant moneys equal to the moneys expended for education for the fiscal year beginning July 1, 1986 by the department of human services. The moneys for the approved budget shall be used to ensure that the training school and juvenile home comply with appropriate administrative rules relating to special education adopted by the department of education.

The area education agency shall submit a claim to the department of education by August 1 following the school year for the actual costs of the special education programs and services provided at the training school and juvenile home. The department shall review and approve or modify the claims by September 1 and shall notify the department of revenue and finance of the approved claim amount. The total amount of the approved claim shall be paid by the department of revenue and finance to the area education agency by October 1. The total amount paid by the department of revenue and finance shall be deducted monthly from the state foundation aid paid under section 442.26 during the remainder of that fiscal year to all school districts in the state. The portion of the total amount of the approved claim that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year. The department of revenue and finance shall transfer the total amount of the approved claim from the moneys appropriated under section 442.26 for payment to the area education agency.

Sec. 482. NEW SECTION. 282.29 CHILDREN PLACED BY DISTRICT COURT.

Notwithstanding section 282.31, subsection 1, a child who has been identified as requiring special education, who has been placed in a facility or home by the district court, and for whom parental rights have been terminated by the district court, shall be provided special education programs and services on the same basis as the programs and services are provided for children requiring special education who are residents of the school district in which the child has been placed. The special education instructional costs shall be paid as provided in section 282.31, subsections 2 or 3.

Sec. 483. NEW SECTION. 282.30 SPECIAL PROGRAMS.

1. a. An area education agency shall provide or make provision for an appropriate educational program for each child living in the following types of facilities located within its boundaries:

- (1) An approved or licensed shelter care home, as defined in section 232.2, subsection 31.
- (2) An approved juvenile detention home, as defined in section 232.2, subsection 28.

b. The area education agency shall provide the educational program by any one of, but not limited to, the following:

- (1) Providing for the enrollment of the child in the district of residence of the child, subject to the approval of the district in which the child is living.

(2) Cooperating with the district of residence of the child and obtaining the course of study and textbooks of the child for use in the special facility into which the child has been placed.

(3) Providing for the enrollment of the child in the district in which the child is living, subject to the approval of the district in which the child is living.

An area education agency shall not provide educational services to a facility specified in paragraph "a" unless the facility makes a request for educational services to the area education agency by December 1 of the school year prior to the beginning of the school year for which the services are being requested.

2. The area education agency where the child is living, the school district of residence, the other appropriate area education agency or agencies, and other appropriate agencies involved with the care or placement of the child shall cooperate with the school district where the child is living in sharing educational information, textbooks, curriculum, assignments, and materials in order to plan and to provide for the appropriate education of the child living in such facility specified in subsection 1.

Sec. 484. NEW SECTION. 282.31 FUNDING FOR SPECIAL PROGRAMS.

1. a. A child who lives in a facility pursuant to section 282.30, subsection 1, paragraph "a", and who is not enrolled in the educational program of the district of residence of the child, shall receive appropriate educational services. The area education agency shall submit a proposed program and budget to the department of education by January 1 for the next succeeding school year. The department of education shall review and approve or modify the program and proposed budget and shall notify the area education agency by February 1. The area education agency shall submit a claim to the department of education by August 1 following the school year for the actual cost of the program. The department shall review and approve or modify all expenditures incurred in compliance with the guidelines pursuant to section 256.7, subsection 8, and shall notify the department of revenue and finance of the approved claim amount by September 1. The total amount of the approved claim shall be paid by the department of revenue and finance to the area education agency by October 1. The total amount paid by the department of revenue and finance shall be deducted monthly from the state foundation aid paid under section 442.26 during the remainder of that fiscal year to all school districts in the state. The portion of the total amount of the approved claims that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year. The department of revenue and finance shall transfer the total amount of the approved claims from the moneys appropriated under section 442.26 for payment to the area education agencies.

b. A child who lives in a facility or home pursuant to section 282.19, and who does not require special education and who is not enrolled in the educational program of the district of residence of the child, shall be included in the basic enrollment of the school district in which the facility or home is located.

2. a. The actual special education instructional costs incurred for a child who lives in a facility pursuant to section 282.19 or for a child who is placed in a facility or home pursuant to section 282.29, who requires special education and who is not enrolled in the educational program of the district of residence of the child but who receives an educational program from the district in which the facility or home is located, shall be paid by the district of residence of the child to the district in which the facility or home is located, and the costs shall include the cost of transportation.

b. A child shall not be denied special education programs and services because of a dispute over the determination of district of residence of the child. The director of the department of education shall determine the district of residence when a dispute arises regarding the determination of the district of residence for a child who requires special education pursuant to this subsection.

3. The actual special education instructional costs, including transportation, for a child who requires special education shall be paid by the department of revenue and finance to the school district in which the facility or home is located, only when a district of residence cannot be determined, and the child was not included in the weighted enrollment of any district pursuant to section 281.9, and the payment pursuant to paragraph "a" was not made by any district. The district shall submit a proposed program and budget to the department of education by January 1 for the next succeeding school year. The department of education shall review and approve or modify the program and proposed budget and shall notify the district by February 1. The district shall submit a claim by August 1 following the school year for the actual cost of the program. The department shall review and approve or modify the claim and shall notify the department of revenue and finance of the approved claim amount by September 1. The total amount of the approved claim shall be paid by the department of revenue and finance to the school district by October 1. The total amount paid by the department of revenue and finance shall be deducted monthly from the state foundation aid paid under section 442.26 during the remainder of that fiscal year to all school districts in the state. The portion of the total amount of the approved claims that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for the budget year. The department of revenue and finance shall transfer the total amount of the approved claims from moneys appropriated under section 442.26 for payment to the school district.

4. For purposes of this section, "district of residence" means the school district in which the parent or legal guardian of the child resides or the district in which the district court is located if the district court is the guardian of the child.

5. Programs may be provided during the summer and funded under this section if the school district or area education agency determines a valid educational reason to do so.

Sec. 485. NEW SECTION. 282.32 APPEAL.

An area education agency or local school district may appeal a decision made pursuant to section 282.28 or 282.31 to the state board of education. The decision of the state board is final.

Sec. 486. Sections 273.11, 281.12, and 282.27, Code 1987, are repealed.

Sec. 487. TRANSITION.

1. The expenditures submitted to the department of education and approved by the department for providing programs for students residing in a shelter care home or juvenile detention home by an area education agency for the school year beginning July 1, 1986 and ending June 30, 1987 shall be paid during the fiscal year beginning July 1, 1987 and ending June 30, 1988 within sixty days after July 1, 1987. These payments shall be made to area education agencies pursuant to the payment method within section 282.31.

2. Notwithstanding section 282.28, the area education agency in which the state training school and the Iowa juvenile home are located and the department of human services shall submit the joint application for the special education program to the department of education by August 15, 1987 for the school year beginning July 1, 1987.

3. Notwithstanding section 282.30, a facility specified in section 282.30, subsection 1, paragraph "a" shall make a request to be served by an area education agency for the school year beginning July 1, 1987 by July 10, 1987. Notwithstanding section 282.31, an area education agency or local school district shall submit a proposed program and budget for a program under section 282.31 by July 20, 1987 for the school year beginning July 1, 1987 and ending June 30, 1988.

Sec. 488. Section 285.1, Code 1987, is amended by adding the following new subsection: NEW SUBSECTION. 22. Notwithstanding subsection 1, paragraph "a", a parent or guardian of an elementary pupil entitled to transportation pursuant to subsection 1, may request

that a child day care facility be designated for purposes of subsection 9 rather than the residence of the pupil. The request shall be submitted for a period of time of at least one semester and may not be submitted more than twice during a school year.

Sec. 489. Section 286A.8, Code 1987, is amended to read as follows:

286A.8 LIBRARY FUNCTION COST.

The library function cost for a base budget year for an area school is determined by the department of education by multiplying the total of the area school's support for the five instructional cost centers, for the general institutional support function, for the student services function, and for the physical plant function for that year by three and thirty-three hundredths percent, which is the average percent of the area schools' support expended for the library function cost. The department shall notify the department of management.

The foundation support level for the library services function for an area school for a base year is sixty-five percent of the area school's library function cost for that year.

For the budget year beginning July 1, 1986 and each succeeding budget year, the foundation support level for the library function for an area school is the foundation support level for the base year plus a library allowable growth amount. The allowable growth amount is determined by the department of education by multiplying the state percent of growth for the budget year by the state average library function cost for the base year for each area school. The department shall notify the department of management.

Sec. 490. NEW SECTION. 303.18 LOAN FOR EXHIBITS.

Notwithstanding sections 302.1 and 302.1A, and after moneys appropriated under section 99E.32, subsection 5, for the fiscal year beginning July 1, 1987 and ending June 30, 1988 have been expended or obligated, the administrator of the historical division of the department of cultural affairs may obtain a loan of not exceeding three million fifty thousand dollars from moneys designated as the permanent school fund of the state in section 302.1, to be used to pay for equipment, planning, and construction costs of educational exhibits for the state historical museum. The exhibits will teach common school children of Iowa about Iowa's history, culture, and heritage. The department of revenue and finance shall make the payment upon receipt of a written request from the administrator of the historical division. Moneys received under this section as a loan that are not expended are available for expenditure during the fiscal year beginning July 1, 1988.

The historical division shall repay a portion of the amount of the loan together with annual interest payments due on the balance of the loan over a ten-year period commencing with the fiscal year beginning July 1, 1987. Payments shall be made from gross receipts and other moneys available to the historical division. Annual payments shall not be less than the amount of interest on the permanent school fund required to be transferred to the first in the nation in education foundation under section 302.1A or seventy-five percent of the gross receipts, whichever is greater. Payments of both principal and interest made by the state historical division under this section shall be paid quarterly and shall be considered interest earned on the permanent school fund to the extent necessary for payment of interest to the first in the nation in education foundation under section 302.1A.

The treasurer of state shall determine the rate of interest that the historical division shall pay on the loan.

Sec. 491. NEW SECTION. 294A.25 APPROPRIATION.

1. For each fiscal year commencing with the fiscal year beginning July 1, 1987, there is appropriated from the general fund of the state to the department of education the amount of ninety-two million one hundred thousand eighty-five dollars to be used to improve teacher salaries. The moneys shall be distributed as provided in this section.

2. The amount of one hundred fifteen thousand five hundred dollars to be paid to the department of human services for distribution to its certificated classroom teachers at institutions under the control of the department of human services for payments for phase II based upon

the average student yearly enrollment at each institution as determined by the department of human services.

3. The amount of ninety-four thousand six hundred dollars to be paid to the state board of regents for distribution to certificated classroom teachers at the Iowa braille and sight-saving school and the Iowa school for the deaf for payments of minimum salary supplements for phase I and payments for phase II based upon the average yearly enrollment at each school as determined by the state board of regents.

**4. For the fiscal year beginning July 1, 1987 only, the amount of two hundred thousand dollars for pilot projects for sabbaticals for teachers.*

*Notwithstanding section 256.21, if House File 499 is enacted by the Seventy-second General Assembly, 1987 Session, and becomes law, the department shall establish pilot projects for sabbatical programs for the school year beginning July 1, 1987. Notwithstanding section 8.33, moneys appropriated in this subsection and not expended for pilot projects by June 30, 1987 shall not revert on June 30, 1987, but shall carry over and may be expended during the fiscal year beginning July 1, 1988. It is the intent of the general assembly that projects authorized by this subsection shall meet requirements which are similar to the requirements specified in section 256.21 if House File 499 is enacted by the Seventy-second General Assembly, 1987 Session, and becomes law. Procedures for making applications for projects authorized by this subsection shall be established by the state board of education by rule under chapter 17A. The department shall send notification to school districts as soon as practicable concerning the requirements for applications for sabbaticals and shall encourage school districts to develop their own sabbatical programs using moneys available to them under phase III if House File 499 is enacted by the Seventy-second General Assembly, 1987 Session, and becomes law.**

5. For each fiscal year, the remainder of moneys appropriated in subsection 1 to the department of education shall be deposited in the educational excellence fund to be allocated in an amount to meet the minimum salary requirements of this chapter for phase I, in an amount of thirty-eight million five hundred thousand dollars for phase II, and the remainder of the appropriation for phase III.

As a condition of the appropriation in this section, and notwithstanding section 8.31, if at any time between July 1, 1987 and February 1, 1988, the governor determines that the estimated budget resources of the state will be insufficient to pay all appropriations in full for the fiscal year beginning July 1, 1987 and ending June 30, 1988, in lieu of using section 8.31 to modify allotments on a uniform basis, the governor shall certify to the department of education the amount by which budget resources are insufficient. The department of education shall notify the governor of the amount of moneys allocated for phase III under this chapter and pursuant to the appropriation made in this section. The governor shall order that the allocation for phase III be reduced by an amount equal to the amount that the budget resources are insufficient or by the amount contained in the department of education's notification to the governor under this section, whichever is less and shall certify to the department of education the amount of money available for phase III.

Sec. 492. Section 303.83, Code 1987, is amended to read as follows:
303.83 REVENUE FROM CONTRACTS.

The board shall retain for its use revenues generated through contracts with nonprofit organizations or their affiliated organizations from the use of the educational radio and television facility and other educational communications services, and interest earned on all funds credited to the division except funds appropriated to the division from the general fund of the state. The administrator may receive services from other divisions and state agencies.

*Item veto; see message at end of the Act

Sec. 493. Section 422.9, subsection 2, Code 1987, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. Add the amount the taxpayer has paid to others, not to exceed one thousand dollars for each dependent in grades kindergarten through twelve, for tuition and textbooks of each dependent in attending an elementary or secondary school situated in Iowa, which school is accredited or approved under section 256.11, which is not operated for profit, and which adheres to the provisions of the United States Civil Rights Act of 1964 and chapter 601A. As used in this paragraph, "textbooks" means books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state and does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship, and does not include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature. The deduction in this paragraph does not apply to a taxpayer whose adjusted gross income, as properly computed for federal tax purposes, is forty-five thousand dollars or more. In the case where the taxpayer is married, whether filing jointly or separately, the deduction does not apply if the combined adjusted gross income of the taxpayer and spouse is forty-five thousand dollars or more.

As used in this paragraph, "tuition" means any charges for the expenses of personnel, buildings, equipment and materials other than textbooks, and other expenses of elementary or secondary schools which relate to the teaching only of those subjects legally and commonly taught in public elementary and secondary schools in this state and which do not relate to the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship, and which do not relate to extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature.

Sec. 494. Section 422.12, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. For those who do not itemize their deduction, a tuition credit equal to five percent of the first one thousand dollars which the taxpayer has paid to others for each dependent in grades kindergarten through twelve, for tuition and textbooks of each dependent in attending an elementary or secondary school situated in Iowa, which school is accredited or approved under section 256.11, which is not operated for profit, and which adheres to the provisions of the United States Civil Rights Act of 1964 and chapter 601A. As used in this paragraph, "textbooks" means books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state and does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets, doctrines, or worship, and does not include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature. Notwithstanding any other provision, all other credits allowed under section 422.10 through 422.12 shall be deducted before the tuition credit under this subsection. The credit in this subsection does not apply to a taxpayer whose adjusted gross income, as properly computed for federal tax purposes, is forty-five thousand dollars or more. In the case where the taxpayer is married, whether filing jointly or separately, the credit does not apply if the combined adjusted gross income of the taxpayer and spouse is forty-five thousand dollars or more.

As used in this subsection, "tuition" means any charges for the expenses of personnel, buildings, equipment and materials other than textbooks, and other expenses of elementary or secondary schools which relate to the teaching only of those subjects legally and commonly taught in public elementary and secondary schools in this state and which do not relate to the teaching of religious tenets, doctrines, or worship, the purpose of which is to inculcate those tenets,

doctrines, or worship, and which do not relate to extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or programs of a similar nature.

Sec. 495. Section 427.1, Code 1987, is amended by adding the following new subsection:
NEW SUBSECTION. 40. PUBLIC TELEVISION STATION. All grounds and buildings used or under construction for a public television station and not leased or otherwise used or under construction for pecuniary profit.

Sec. 496. All federal grants to and the federal receipts of agencies appropriated funds under this division of this Act are appropriated for the purposes set forth in such federal grants or receipts.

Sec. 497. Moneys appropriated by this division of this Act shall not be used for capital improvements.

Sec. 498. Sections 122, 207, 209, 210, 211, 220, 304, 305, 409, 411, 412, and 449 of this Act, being deemed of immediate importance, take effect upon their enactment. Sections 493 and 494 of this Act are retroactive to January 1, 1987 and apply to tax years beginning on or after that date.

Approved June 9, 1987, except the items which I hereby disapprove and which are designated as that portion of section 107, subsection 1, which is herein bracketed in ink and initialed by me; section 109; that portion of section 114, which is herein bracketed in ink and initialed by me; section 122; section 126, subsection 2(b); section 126, subsection 3; that portion of section 126, subsection 4, which is herein bracketed in ink and initialed by me; section 126, subsection 6; section 127; section 133; section 201, subsection 6; section 205, subsection 5; section 207, subsection 2; section 210; section 211; section 220; section 301, subsection 15; section 302; section 304; section 306; section 401, subsection 8; section 402, subsection 2; that portion of section 405, subsection 1, which is herein bracketed in ink and initialed by me; section 405, subsection 12; that portion of section 408, subsection 1(a), which is herein bracketed in ink and initialed by me; section 409; section 416; section 421; section 430; section 448; section 452; section 454; section 461; section 471; section 472; section 491, subsection 4; that portion of section 491, subsection 5, 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*

Dear Madam Secretary:

I hereby transmit Senate File 511, an Act relating to the financing of public agencies and programs and making appropriations to agencies, boards, commissions, departments, and programs of state government relating to elected officials, the executive council, management, revenue and finance, personnel, general services, economic development, agriculture, natural resources, and education, providing a property tax exemption for certain educational facilities, establishing an office of state-federal relations, providing for the education of American Indian children, establishing an occupational therapist loan program, providing for the sale of certain property and the purchase of certain property, providing tax exemption for certain property of a public television station, establishing a targeted small business linked deposit program and Iowa satisfaction and performance bond program, establishing a state fair authority, establishing an obstetrical and newborn indigent patient care program, accretion to bargaining units of certain teachers, providing for a loan of moneys in the permanent school fund, providing a tax deduction and a tax credit for certain purposes, making provisions retroactive, and providing effective dates.

Senate File 511 provides for appropriations and substantial statutory changes for agencies ranging from executive council to the Department of Education. This bill, in short, spends more than the state's taxpayers can afford. Senate File 511 authorizes a score of new programs; it attempts to hide the real level of spending in FY 88 by over \$12 million by appropriating funds in the wrong fiscal year; and it contains substantial statutory language which encroaches upon executive branch discretion in the administration of programs.

As a result, action must be taken to clean up this bill and to substantially cut the level of spending.

With the recent action by the extraordinary session of the 72nd General Assembly, the Department of Management estimates that the state will face a revenue shortfall of up to \$30 million in FY 88. This shortfall occurs despite the use of the additional one-time revenue achieved in FY 87 as a result of federal tax changes. Clearly, spending must be cut substantially in FY 88 if we are to have a balanced budget as required by the Iowa Constitution.

Therefore, I am taking action to remove \$15.95 million of excessive spending from Senate File 511. I also am removing \$19.203 million from House File 671 in order to provide the state with a balanced budget. Programs for which spending is cut or eliminated in this bill include those which have been recommended for elimination in the past, those new programs which impose upon the state's taxpayers new liabilities and additional spending for existing programs beyond that called for in my initial recommendations to the General Assembly.

Senate File 511 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 107, Subsection 1, unnumbered paragraph 1 in its entirety. This unnumbered paragraph requires the Department of General Services to continue the forms management program. This program was recommended for elimination by the recent restructuring and downsizing report for state government and I had recommended that we cut this program. The legislature provided an additional \$40,000 in the lump sum appropriation to the department. With this veto, that \$40,000 will revert to the state's general fund. The department can provide for appropriate controls on the use of forms by state agencies without the expenditure of these additional funds.

I am unable to approve the item designated as Section 109 in its entirety. Section 109 of Senate File 511 provides \$3 million to the Department of General Services in FY 89 and FY 90 to be used for capitol complex construction. This program is designed to supplement funds appropriated in the lottery bill to construct an underground office building for the General Assembly.

I question the legislature's ability to obligate a future General Assembly for these funds. In addition, I believe it is inappropriate for the General Assembly to be spending millions of dollars to construct a new office building for the members.

I am unable to approve the item designated as that portion of Section 114 which reads as follows: "and the fiscal committee of the legislative council,".

This provision in Section 114 gives the fiscal committee of the legislative council the authority to, in effect, appropriate funds to the lottery division of the Department of Revenue and Finance. I believe this is an inappropriate delegation of responsibility to the fiscal committee of the legislature. The Department of Management will review the need for additional funds by the lottery division and will provide appropriate reports on those needs to the legislature.

I am unable to approve that item designated as Section 122 in its entirety. Section 122 of Senate File 511 appropriates \$4.25 million in FY 87 for various projects to the Department of General Services. These include capitol renovation projects and moving the historical division into the new historical building.

I had recommended a number of these funds for appropriation in FY 88. However, the legislature is attempting to use budget gimmickery to mask the actual level of spending in Fiscal Year 1988. This "appropriate-now and spend-later" budgetary practice is dangerous and will result in excessive spending in FY 88 and FY 89. Iowa taxpayers cannot afford these double expenditures and therefore I cannot allow this budget gimmickery to be passed into law. The historical division move and the capitol renovation projects can be accomplished by use of lottery funds.

I am unable to approve that item designated as Section 126, Subsection 2, paragraph b; Section 126, Subsection 3 in its entirety; that portion of Section 126, Subsection 4 which reads as follows: "with oversight of the office to be provided by the state-federal relations commission."

And Section 126, Subsection 6 in its entirety.

This item in Section 126 establishes a state-federal relations commission which, in effect, is a fourth branch of government composed of the three branches established in the Constitution. To be effective, Iowa's Washington office must be managed by the executive branch, albeit with appropriate communication with the other branches of government. Setting up a three-party team to manage a new independent agency would be unworkable and would greatly hamper the ability of Iowa to use its Washington office to return a greater share of our federal tax dollars to Iowa.

I am unable to approve that item designated as Section 127 in its entirety.

This section requires the governor to transmit final drafts of the governor's proposed budget expenditures no later than seven days following delivery of the budget message. A good faith effort will be made to have the draft budget bills submitted within seven days of the message. However, the language in Section 127 is unduly restrictive.

I am unable to approve that item designated as Section 133 in its entirety.

This section of Senate File 511 establishes an audit expense fund by the Department of Revenue and finance. While I agree with the intent of this proposal — to provide additional auditors and to increase tax compliance — I cannot accept another fund separated from the state's general fund. Such action by the General Assembly tends to obscure the ability of taxpayers to view the real level of spending. Revolving funds should be used on only a very limited basis; direct appropriations from the general fund should be the general rule.

I am unable to approve that item designated as Section 201, Subsection 6 in its entirety.

This section of Senate File 511 imposes burdensome performance measures and reporting requirements on the Department of Agriculture and Land Stewardship. These management related goals and reporting mechanisms are the essence of executive branch administrative discretion. The Department of Management has developed performance measures for each department, consistent with the reorganization bill. The results of these measures can and will be shared with the legislative branch of government at appropriate times. Moreover, the agricultural marketing issue is now the subject of contention between the Department of Economic Development and the Department of Agriculture and Land Stewardship. These goals and mission statements simply tend to further confuse that marketing dichotomy. The legislature should take action to provide full marketing authority in the Department of Economic Development, as recommended in the recent reorganization legislation.

I am unable to approve that item designated as Section 205, Subsection 5 in its entirety.

This section of Senate File 511 imposes detailed performance measures on the law enforcement bureau of the fish and wildlife division of the Department of Natural Resources. Again, these management related goals and reporting mechanisms are the essence of executive branch administrative discretion. The Department of Management's performance measures can and will be shared at appropriate times with the legislative branch of government. However, some administrative discretion in the management of state government must be maintained.

I am unable to approve that item designated as Section 207, Subsection 2 in its entirety.

This subsection appropriates \$60,000 to the Department of Natural Resources for Iowa's dues to the Midwest Interstate Low Level Radioactive Waste Compact for Fiscal Year 1988. However, even though the funds are to be used for FY 88, they are actually appropriated in FY 87. Again, this budget gimmickery is designed to mask the real level of spending provided for in the next fiscal year. The state must appropriate the funds necessary for this assessment from this important compact. I urge the General Assembly to take action to provide for those funds in an appropriate manner next fiscal year.

And I am unable to approve the item designated as Section 210 in its entirety.

Section 210 of Senate File 511 provides \$250,000 in FY 87 to the Department of Agriculture and Land Stewardship to pay the initial costs of establishing the agricultural export trading company. Since this state trading company was vetoed in Senate File 274, the need for these funds no longer exists. In addition, the legislature is again appropriating these funds in the wrong fiscal year in order to avoid allowing the taxpayers to see the actual level of spending provided in FY 88. As such, this section cannot be approved.

I am unable to approve that item designated as Section 211 in its entirety.

This section provides \$125,000 to the Department of Agriculture and Land Stewardship for the Iowa grain quality program. Again, funds are provided in the wrong fiscal year in order to hide the actual level of spending. In addition, Iowa has already established a certified Iowa quality grain program as a result of a cooperative effort with the private sector. Thus, additional state appropriations are not needed.

I am unable to approve that item designated as Section 220 in its entirety.

This section of Senate File 511 provides \$5 million to the Iowa agricultural development authority for agricultural loan assistance programs. I originally recommended that these funds be appropriated in FY 88 in order to provide necessary credit assistance to farmers in difficult financial shape and to provide a financial incentive for Iowans to re-enter the cattle market. I continue to strongly support those efforts.

However, the General Assembly again provides funds for this purpose in FY 87 to be spent in FY 88. I vetoed a similar effort in Senate File 355 because it requires double spending of

state funds in future fiscal years. Given the state's fiscal situation, I cannot approve of this budget gimmickery. In the future, I plan to continue to urge the General Assembly to remove this buy-down program from the legislature's budgetary game playing. Funds are necessary to reinvigorate agriculture in Iowa and the legislature, in the future, ought to play it straight and provide the funds for the year in which they are to be spent.

I am unable to approve that item designated as Section 301, Subsection 15 in its entirety.

This subsection of Senate File 511 again imposes detailed performance measures and reporting requirements on the Department of Economic Development. The Department of Management's performance measures will be shared with the legislative branch at appropriate times. That method will avoid the unnecessary encroachment of the legislative branch into the administrative discretion of the executive branch.

I am unable to approve that item designated as Section 302 in its entirety.

This section of Senate File 511 imposes restrictions on the use of community economic betterment funds, RISE funds, and job training programs. These programs must be flexible in order to respond quickly and appropriately to opportunities for new jobs. By planning additional restrictions on these funds, the legislature will cost Iowa jobs. Certainly, the considerations placed in Section 302 can and are a part of the department's decision making process. However, detailed legal restrictions would hamstring the department's ability to act quickly to obtain new jobs for Iowa.

I am unable to approve the item designated as Section 304 in its entirety.

Section 304 allows funds for tourism and marketing purposes to be carried over into FY 88. The intent of this portion of Section 304 is to increase the department's real level of spending in FY 88, while appropriating the funds in FY 87. The General Assembly cut tourism funds below last year's levels despite my call for a \$600,000 increase. I strongly support tourism marketing funding and will push hard to increase funds for that purpose next year.

I am unable to approve that item designated as Section 306 in its entirety.

This portion of Senate File 511 imposes detailed meeting and reporting requirements on the Department of Economic Development. These extensive requirements would add further bureaucratic weight to the Department of Economic Development's responsibilities. Such requirements would limit the department's ability to perform its primary mission — assistance in the creation of new jobs in our state. As a result, I cannot approve this section of Senate File 511.

I am unable to approve that item designated as Section 401, Subsection 8 in its entirety.

This subsection of Senate File 511 provides an additional \$60,000 to the regional library system for new grant programs. The legislature restored substantial funds to the regional library system in this appropriation. Providing funds above last year's level for studies and grants simply cannot be justified, considering the state's difficult financial situation.

I am unable to approve that item designated as Section 402, Subsection 2; Section 454, new Subsection 10; and Section 461 in its entirety.

This item of Senate File 511 establishes a new occupational therapist loan program. Many Iowa institutions have had difficulties recruiting occupational therapists. In addition, no Iowa college or university presently has an occupational therapist program. It would be appropriate for an Iowa educational institution to adopt such a program in order to improve the ability of Iowa institutions to attract needed occupational therapists. However, establishing a new loan program is not likely to provide any immediate relief. As a result, I must disapprove it.

I cannot approve the item designated as that portion of Section 405, unnumbered paragraph 2, which reads as follows:

“As a condition of the appropriation made in this subsection, the Department of Education shall expend at least one hundred fifty thousand (150,000) dollars of the moneys appropriated in this subsection to increase the salaries of individuals employed by the department in consultant positions in order to bring their compensation up to a level that is more competitive with compensation received by individuals employed in other professional positions that have comparable educational requirements.”

This portion of Senate File 511 provides an inappropriate supplement of salaries to consultants in the Department of Education. While some review of the consultants salaries may be in order, direct legislative action to provide a salary adjustment to individual state employees is bad salary policy and cannot be approved.

I cannot approve the item designated as Section 405, Subsection 12 in its entirety.

This subsection provides \$250,000 to a particular merged area school to meet educational needs. I understand that the Des Moines Area Community College does have a funding problem caused by the new area college funding formula incorporated in this legislation and that these funds would help finance instructors. This problem is caused by the definition of contact hours in the formula. I will work with the Department of Education and the Des Moines Area Community College to resolve this contact hour definitional problem to prevent DMACC from being excessively penalized through the formula. However, I cannot approve a separate supplemental appropriation on top of the funding formula to deal with that issue. The funding formula is designed to provide all of the funds to the area colleges for educational purposes. Any difficulties with the formula should be resolved internally without a separate line item appropriation. The instructional problems at the Carroll DMACC campus must be addressed within the community college structure.

I am unable to approve the item designated as Section 408, Subsection 1, lettered paragraph a, unnumbered subparagraph 1.

This unnumbered paragraph requires that the Board of Regents provide free copies of the student newspapers to the chairpersons and ranking members of the education appropriations subcommittees, the legislative fiscal bureau, and the Department of Management. Legislating free newspapers in an appropriation bill is wrong and cannot be tolerated. If members of these committees wish to receive newspapers, they should work out an arrangement with the institutions and report it as a gift.

I am unable to approve the item designated as Section 409 in its entirety.

This section of Senate File 511 provides \$2 million of FY 87 funds to be spent in FY 88 for an amorphous silicon research facility at Iowa State University. I am supportive of this research effort and have encouraged the university and the company interested in this project to apply for oil overcharge funds under the competitive grant process. Indeed, members of the oil overcharge review committee have expressed an interest in the project. However, I cannot accept an FY 87 appropriation to be spent in FY 88 for this purpose. It again masks the real level of spending provided by the General Assembly.

I am unable to approve that item designated as Section 416 in its entirety.

This section of Senate File 511 punishes school districts that have not filed their economy committee task force report. Just a few districts have failed to do so, to date. I would encourage them to comply with Iowa law. However, I do not believe it is appropriate to deny children in those districts of all state aid as is required in Section 416. The punishment, in this case, exceeds the violation. As a result, I cannot approve Section 416 but do request that the affected school districts comply with Iowa law and file their economy task force reports.

I am unable to approve that item designated as Section 421 in its entirety.

This section of Senate File 511 provides for detailed performance review measures and reporting requirements for regional libraries which should remain the prerogative of the executive branch of state government. These management review and reporting mechanisms violate the need for administrative discretion. The Department of Management will report to the legislative branch regarding the performance measures developed by the executive branch.

I am unable to approve the item designated as Section 430 in its entirety; and Section 448 in its entirety.

This item in Senate File 511 requires the establishment of adolescent task force local advisory committees. I am aware of and sensitive to the need to provide state assistance to adolescents. Specifically, I am approving Section 411 which provides for pregnancy prevention and services grants. I am pleased that this section of the bill directs these funds to be used in an appropriate way and prohibits the use of these funds for abortions.

However, the task force and the local advisory groups remain narrowly focused and would duplicate the task force on adolescent substance abuse, pregnancy, and suicides which I plan to appoint. That task force will represent a broad spectrum of citizens of Iowa and will make recommendations for consideration by the General Assembly in 1988.

I am unable to approve that item designated as Section 452 in its entirety.

This section in Senate File 511 provides an additional \$3.25 million to the merged area schools for salary adjustments. While I understand the need for salary adjustments at the merged area schools, I cannot approve a separate appropriation for that purpose. My recommendations to the General Assembly provided for full funding of the formula for merged area schools. This provided them with an additional \$8.8 million of state aid. Once the merged areas are engaged in formula funding, they should no longer expect additional salary supplements. Therefore, I cannot approve the additional salary supplement provided in Section 452.

I am unable to approve the item designated as Section 471 and Section 472 in its entirety.

This item in Senate File 511 legislates bargaining units for classroom teachers at the Iowa Braille and Sight Saving School and the Iowa School for the Deaf. Chapter 20 requires the Iowa Public Employment Relations Board to establish appropriate bargaining units. This legislation is clearly a violation of Chapter 20 by arbitrarily legislating bargaining units. That precedent should not be established.

I am unable to approve that item designated as that portion of Section 491, Subsection 4 in its entirety.

This subsection provides that \$200,000 from phase three of the educational excellence fund is to be used for pilot projects for sabbaticals for teachers. I cannot accept this diversion of performance-based pay funds for that purpose. While there may be some educational value in a sabbatical, I do not believe that state ought to be providing line item funds for that purpose. Instead, local school districts should develop performance-based pay plans that best suit the needs of their districts, subject to approval of the Department of Education.

I am unable to approve that item designated as Section 491, Subsection 5, numbered paragraph 2. This item requires that the appropriations for performance-based pay be placed on the chopping block if further budget cuts are needed. Since this provision substantially alters the existing state policy on budget reductions and establishes performance-based pay as the legislature's last priority, I cannot approve it. I believe that performance-based pay for education should be our top priority and I plan to treat it as such as the budget is implemented for the next fiscal year.

In summary, Senate File 511 includes excessive spending for new programs. With these actions, I have reduced spending in this bill by \$15.95 million. In addition onerous statutory language has been stricken. At the same time, our commitment to excellence in education in K-12 is maintained and strengthened.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 Constitution of the State of Iowa. All other items in Senate File 511 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*