

DEPARTMENT OF MANAGEMENT BUDGET AND FINANCIAL CONTROL ACT

8.1 Title.

This chapter shall be known and may be cited as the "*Budget and Financial Control Act*".

[C35, § 84-e1; C39, § **84.01**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.1]

8.2 Definitions.

When used in this chapter:

1. "*Block grant*" means funds from the federal government awarded in broad program areas within which the state is given considerable latitude in determining how funds are used and for which the state develops its own plan for spending according to general federal guidelines. "*Block grant*" does not include education research grants.

2. "*Budget*" means the budget document required by this chapter to be transmitted to the legislature.

3. "*Categorical grant*" means federal funds applied for and received by the state which are in the form of entitlements, formula grants, discretionary grants, open-ended entitlements or another form that may be used only for specific narrowly defined activities except funds for student aid and assistance; grants, contracts and co-operative agreements for research and training for which no appropriated matching funds are required; and reimbursements for services rendered.

4. "*Code*" or "*the Code*" means the Code of Iowa.

5. The terms "*department and establishment*" and "*department*" or "*establishment*", mean any executive department, commission, board, institution, bureau, office, or other agency of the state government, including the state department of transportation, except for funds which are required to match federal aid allotted to the state by the federal government for highway special purposes, and except the courts, by whatever name called, other than the legislature, that uses, expends or receives any state funds.

6. "*Government*" means the government of the state of Iowa.

7. "*Private trust funds*" means any and all endowment funds and any and all moneys received by a department or establishment from private persons to be held in trust and expended as directed by the donor.

8. "*Repayment receipts*" means those moneys collected by a department or establishment that supplement an appropriation made by the legislature.

9. "*Special fund*" means any and all government fees and other revenue receipts earmarked to finance a governmental agency to which no general fund appropriation is made by the state.

10. "*State funds*" means any and all moneys appropriated by the legislature, or money collected by or for the state, or an agency thereof, pursuant to authority granted by any of its laws.

11. "*Unencumbered balance*" means the unobligated balance of an appropriation after charging thereto all unpaid liabilities for goods and services and all contracts or agreements payable from an appropriation or a special fund.

[C35, § 84-e2; C39, § **84.02**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.2; 81 Acts, ch 17, § 1]

8.3 Governor.

The governor of the state shall have:

1. Direct and effective financial supervision over all departments and establishments, and every state agency by whatever name now or hereafter called, including the same power and supervision over such private corporations, persons and organizations that may receive, pursuant to statute, any funds, either appropriated by, or collected for, the state, or any of its departments, boards, commissions, institutions, divisions and agencies.
2. The efficient and economical administration of all departments and establishments of the government.
3. The initiation and preparation of a balanced budget of any and all revenues and expenditures for each regular session of the legislature.

[C35, § 84-e3; C39, § **84.03**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.3]

8.3A Capital project planning and budgeting governor's duties.

1. *Definitions.* For the purposes of this section:

a. "Capital project" does not include highway and right-of-way projects or airport capital projects undertaken by the state department of transportation and financed from dedicated funds or capital projects funded by nonstate grants, gifts, or contracts obtained at or through state universities, if the projects do not require a commitment of additional state resources for maintenance, operations, or staffing.

A capital project shall not be divided into smaller projects in such a manner as to thwart the intent of this section to provide for the evaluation of a capital project whose cost cumulatively equals or exceeds two hundred fifty thousand dollars.

b. "Facility" means a distinct parcel of land or a building used by the state or a state agency for a specific purpose.

c. "State agency" means any executive, judicial, or legislative department, commission, board, institution, division, bureau, office, agency, or other entity of state government.

2. *Duties.* The governor shall:

a. Develop criteria for the evaluation of proposed capital projects which shall include but not be limited to the following:

- (1) Fiscal impacts on costs and revenues.
- (2) Health and safety effects.
- (3) Community economic effects.
- (4) Environmental, aesthetic, and social effects.
- (5) Amount of disruption and inconvenience caused by the capital project.
- (6) Distributional effects.

- (7) Feasibility, including public support and project readiness.
- (8) Implications of deferring the project.
- (9) Amount of uncertainty and risk.
- (10) Effects on interjurisdictional relationships.
- (11) Advantages accruing from relationships to other capital project proposals.
- (12) Private sector contracting for construction, operation, or maintenance.

b. Make recommendations to the general assembly and the legislative capital projects committee regarding the funding and priorities of proposed capital projects.

c. Develop maintenance standards and guidelines for capital projects.

d. Review financing alternatives available to fund capital projects, including the evaluation of the advantages and disadvantages of bonding for all types of capital projects undertaken by all state agencies.

e. Monitor the debt of the state or a state agency.

89 Acts, ch 298, § 4

8.4 Department of management.

The department of management is created, which is directly attached to the office of the governor and under the general direction, supervision, and control of the governor. The office is in immediate charge of an officer to be known as "the director", who shall be appointed by the governor, subject to confirmation by the senate, and shall hold office at the governor's pleasure and shall receive a salary as set by the governor. Before entering upon the discharge of duties, the director shall take the constitutional oath of office and give a surety bond in the penalty fixed by the governor, payable to the state, which shall not be less than twenty-five thousand dollars, conditioned upon the faithful discharge of the director's duties. The premium on the bond shall be paid out of the state treasury.

[C24, § 309, 311316; C27, § 309, 311, 313316; C31, § 309, 311, 314316, 1063; C35, § 84-e4; C39, § **84.04**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.4]

86 Acts, ch 1245, § 103

Footnotes

Confirmation, see § 2.32

8.5 General powers and duties.

The director of the department of management shall have the power and authority to:

1. *Assistants.* Employ, with the approval of the governor, two assistants and such clerical assistants as the director may find necessary.
2. *Compensation of employees.* Fix the compensation, with the approval of the governor, of any person employed by the director, provided that the total amount paid in salaries shall not exceed the appropriation

made for that purpose.

3. *Discharge of employees.* Discharge any employee of the department of management.

4. *Miscellaneous duties.* Exercise and perform such other powers and duties as may be prescribed by law.

[C51, § 5058; R60, § 7179, 1967; C73, § 6674; C97, § 8997, 162; S13, § 89, 162, 163-a, 170-e, -f; SS15, § 170-r, -s, -t, -u; C24, § 102109, 391407; C27, § 102109, 130-a1, 391407; C31, § 102109, 130-a1, 391397, 397-d1, 398407; C35, § 84-e5; C39, § **84.05**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.5]

Footnotes

See chapter 8A, subchapter IV, for merit system

8.6 Specific powers and duties.

The specific duties of the director of the department of management shall be:

1. *Forms.* To consult with all state officers and agencies which receive reports and forms from county officers, in order to devise standardized reports and forms which will permit computer processing of the information submitted by county officers, and to prescribe forms on which each municipality, at the time of preparing estimates required under section 24.3, shall be required to compile in parallel columns the following data and estimates for immediate availability to any taxpayer upon request:

a. For the immediate prior fiscal year, revenue from all sources, other than revenue received from property taxation, allocated to each of the several funds and separately stated as to each such source, and for each fund the unencumbered cash balance thereof at the beginning and end of the year, the amount received by property taxation allocated to each fund, and the amount of actual expenditure for each fund.

b. For the current fiscal year, actual and estimated revenue, from all sources, other than revenue received from property taxation, and separately stated as to each such source, allocated to each of the several funds, and for each fund the actual unencumbered cash balance available at the beginning of the year, the amount to be received from property taxation allocated to each fund, and the amount of actual and estimated expenditures, whichever is applicable.

c. For the proposed budget year, an estimate of revenue from all sources, other than revenue to be received from property taxation, separately stated as to each such source, to be allocated to each of the several funds, and for each fund the actual or estimated unencumbered cash balance, whichever is applicable, to be available at the beginning of the year, the amount proposed to be received from property taxation allocated to each fund, and the amount proposed to be expended during the year plus the amount of cash reserve, based on actual experience of prior years, which shall be the necessary cash reserve of the budget adopted exclusive of capital outlay items. The estimated expenditures plus the required cash reserve for the ensuing fiscal year less all estimated or actual unencumbered balances at the beginning of the year and less the estimated income from all sources other than property taxation shall equal the amount to be received from property taxes, and such amount shall be shown on the proposed budget estimate.

d. To insure uniformity, accuracy, and efficiency in the preparation of budget estimates by municipalities subject to chapter 24, the director shall prescribe the procedures to be used and instruct the appropriate officials of the various municipalities on implementation of the procedures.

2. *Report of standing appropriations.* To annually prepare a separate report containing a complete list of all standing appropriations showing the amount of each appropriation and the purpose for which the appropriation is made and furnish a copy of the report to each member of the general assembly on or before

the first day of each regular session.

3. *Budget document.* To prepare the budget document and draft the legislation to make it effective.

4. *Allotments.* To perform the necessary work involved in reviewing requests for allotments as are submitted to the governor for approval.

5. Reserved.

6. *Investigations.* To make such investigations of the organization, activities and methods of procedure of the several departments and establishments as the director of management may be called upon to make by the governor or the governor and executive council, or the legislature.

7. *Legislative aid.* To furnish to any committee of either house of the legislature having jurisdiction over revenues or appropriations such aid and information regarding the financial affairs of the government as it may request.

8. *Rules.* To make such rules, subject to the approval of the governor, as may be necessary for effectively carrying on the work of the department of management. The director may, with the approval of the executive council, require any state official, agency, department or commission, to require any applicant, registrant, filer, permit holder or license holder, whether individual, partnership, trust or corporation, to submit to said official, agency, department or commission, the social security or the tax number or both so assigned to said individual, partnership, trust or corporation.

9. *Budget report.* The director shall prepare and file in the department of management, on or before the first day of December of each year, a state budget report, which shall show in detail the following:

a. Classified estimates in detail of the expenditures necessary, in the director's judgment, for the support of each department and each institution and department thereof for the ensuing fiscal year.

b. A schedule showing a comparison of such estimates with the askings of the several departments for the current fiscal year and with the expenditures of like character for the last two preceding fiscal years.

c. A statement setting forth in detail the reasons for any recommended increases or decreases in the estimated requirements of the various departments, institutions, and departments thereof.

d. Estimates of all receipts of the state other than from direct taxation and the sources thereof for the ensuing fiscal year.

e. A comparison of such estimates and askings with receipts of a like character for the last two preceding fiscal years.

f. The expenditures and receipts of the state for the last completed fiscal year, and estimates of the expenditures and receipts of the state for the current fiscal year.

g. A detailed statement of all appropriations made during the two preceding fiscal years, also of unexpended balances of appropriations at the end of the last fiscal year and estimated balances at the end of the current fiscal year.

h. Estimates in detail of the appropriations necessary to meet the requirements of the several departments and institutions for the next fiscal year.

i. Statements showing:

- (1) The condition of the treasury at the end of the last fiscal year.
 - (2) The estimated condition of the treasury at the end of the current fiscal year.
 - (3) The estimated condition of the treasury at the end of the next fiscal year, if the director's recommendations are adopted.
 - (4) An estimate of the taxable value of all the property within the state.
 - (5) The estimated aggregate amount necessary to be raised by a state levy.
 - (6) The amount per thousand dollars of taxable value necessary to produce such amount.
 - (7) Other data or information as the director deems advisable.
10. *General control.* To perform such other duties as may be required to effectively control the financial operations of the government as limited by this chapter.
11. *Targeted small businesses.* To assist the director of the department of economic development as requested in the establishment and implementation of the Iowa targeted small business procurement Act and the targeted small business loan guarantee program.
12. *State programs for equal opportunity.* To perform specific powers and duties as provided in chapter 19B and other provisions of law with respect to oversight and the imposition of sanctions in connection with state programs emphasizing equal opportunity through affirmative action, contract compliance policies, and procurement set-aside requirements.
13. *Capital project budgeting requests.* To compile annually all capital project budgeting requests of all state agencies, as defined in section 8.3A, and to consolidate the requests, with individual state agency priorities noted, into a report for submission with the budget documents by the governor pursuant to section 8.22. Any additional information regarding the capital project budgeting requests or priorities shall be compiled and submitted in the same report.
14. *Capital project planning and budgeting authority.* To call upon any state agency, as defined in section 8.3A, for assistance the director may require in performing the director's duties under subsection 13. All state agencies, upon the request of the director, shall assist the director and are authorized to make available to the director any existing studies, surveys, plans, data, and other materials in the possession of the state agencies which are relevant to the director's duties.
15. *State tort claims risk management coordinator.* Designate a position within the department to serve as the executive branch's risk management coordinator. The risk management coordinator shall have all of the following responsibilities:
- a. Coordinating and monitoring risk control policies and programs in the executive branch, including but not limited to coordination with the employees of departments who are responsible for the workers' compensation for state employees and management of state property.
 - b. Consulting with the attorney general with respect to the risk control policies and programs and trends in claims and liability of the state under chapter 669.
 - c. Coordinating the state's central data repository for claims and risk information.

The costs of salary, benefits, and support for the risk management coordinator shall be authorized by the state

appeal board established in chapter 73A and shall be paid as claims for services furnished to the state under section 25.2.

[C51, § 50; R60, § 71, 1967; C73, § 66; C97, § 89; S13, § 89, 161-a; C24, 27, 31, § 102, 130, 329; C35, § 84-e6; C39, § 84.06; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.6]

83 Acts, ch 96, § 157, 159; 84 Acts, ch 1067, § 3; 85 Acts, ch 212, §21; 86 Acts, ch 1244, § 3; 86 Acts, ch 1245, § 104, 105, 2014; 86 Acts, ch 1246, § 121; 86 Acts, ch 1016, § 1; 89 Acts, ch 284, § 1; 89 Acts, ch 298, § 5; 90 Acts, ch 1168, § 3, 4; 90 Acts, ch 1266, § 29; 91 Acts, ch 268, §602, 603; 99 Acts, ch 204, § 21, 22; 2001 Acts, 2nd Ex, ch 2, §2, 3, 13; 2006 Acts, ch 1185, §90

8.7 Reporting of gifts received.

All gifts, bequests, and grants received by a department or accepted by the governor on behalf of the state shall be reported to the Iowa ethics and campaign disclosure board and the government oversight committees. The ethics and campaign disclosure board shall, by January 31 of each year, submit to the fiscal services division of the legislative services agency a written report listing all gifts, bequests, and grants received during the previous calendar year with a value over one thousand dollars and the purpose for each such gift, bequest, or grant. The submission shall also include a listing of all gifts, bequests, and grants received by a department from a person if the cumulative value of all gifts, bequests, and grants received by the department from the person during the previous calendar year exceeds one thousand dollars, and the ethics and campaign disclosure board shall include, if available, the purpose for each such gift, bequest, or grant. However, reports on gifts, grants, or bequests filed by the state board of regents pursuant to section 8.44 shall be deemed sufficient to comply with the requirements of this section.

2005 Acts, ch 173, §27

8.8 Special olympics fund appropriation.

A special olympics fund is created in the office of the treasurer of state under the control of the department of management. There is appropriated annually from the general fund of the state to the special olympics fund fifty thousand dollars for distribution to one or more organizations which administer special olympics programs benefiting the citizens of Iowa with disabilities.

94 Acts, ch 1199, § 1; 99 Acts, ch 208, § 15; 2005 Acts, ch 179, §5

8.9 Grants enterprise management office.

The office of grants enterprise management is established in the department of management. The function of the office is to develop and administer a system to track, identify, advocate for, and coordinate nonstate grants as defined in section 8.2, subsections 1 and 3. Staffing for the office of grants enterprise management shall be provided by a facilitator appointed by the director of the department of management. Additional staff may be hired, subject to the availability of funding. Funding for the office is from the appropriation to the department pursuant to section 8A.505, subsection 2.

2003 Acts, ch 99, §1

8.10 Facilitator's duties.

The specific duties of the facilitator of the office of grants enterprise management may include the following:

1. Establish a grants network representing all state agencies to assist the grants enterprise management office in an advisory capacity. Each state agency shall designate an employee on the management or senior staff

level to serve as the agency's federal funds coordinator and represent the agency on the grants network. An agency may not create a staff position for a federal funds coordinator. The coordinator's duties shall be in addition to the duties of the employee of the agency.

2. Develop a plan for increased state access to funding sources other than the general fund of the state.
3. Develop procedures to formally notify appropriate state and local agencies of the availability of discretionary federal funds and, when necessary, coordinate the application process.
4. Establish an automated information system database for grants applied for and received and to track congressional activity.
5. Provide information and counseling to state agencies and political subdivisions of the state concerning the availability and means of obtaining state, federal, and private grants.
6. Provide grant application writing assistance and training to state agencies and political subdivisions of the state, directly or through interagency contracts, cooperative agreements, or contracts with third-party providers.
7. Monitor the federal register and other federal or state publications to identify funding opportunities, with special emphasis on discretionary grants or other funding opportunities available to the state.
8. Periodically review the funding strategies and methods of those states that rank significantly above the national average in the per capita receipt of federal funds to determine whether those strategies and methods could be successfully employed by this state.

2003 Acts, ch 99, §2

8.11 through 8.20 Repealed by 86 Acts, ch 1245, § 451.

8.21 Budget transmitted.

Not later than February 1 of each legislative session, the governor shall transmit to the legislature a document to be known as a budget, setting forth the governor's financial program for the ensuing fiscal year and having the character and scope set forth in sections 8.22 through 8.29.

If the governor is required to use a lesser amount in the budget process because of a later meeting of the state revenue estimating conference under section 8.22A, subsection 3, the governor shall transmit recommendations for a budget in conformance with that requirement within fourteen days of the later meeting of the state revenue estimating conference.

[SS15, § 191-b; C24, 27, 31, § 334; C35, § 84-e14; C39, § **84.14**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.21]

86 Acts, ch 1245, § 2015; 92 Acts, ch 1227, § 1; 2001 Acts, 2nd Ex, ch 2, §4, 13

8.22 Nature and contents of budget.

The budget shall consist of four parts, the nature and contents of which shall be as follows: {Cpart i

Governor's budget message. Part I shall consist of the governor's budget message, in which the governor shall set forth:

1. The governor's program for meeting all the expenditure needs of the government for the fiscal year, indicating the classes of funds, general or special, from which appropriations are to be made and the means through which the expenditures shall be financed.

The governor's program shall include a single budget request for all capital projects proposed by the governor. The request shall include but is not limited to the following:

- a.* The purpose and need for each capital project.
- b.* A priority listing of capital projects.
- c.* The costs of acquisition, lease, construction, renovation, or demolition of each capital project.
- d.* The identification of the means and source of funding each capital project.
- e.* The estimated operating costs of each capital project after completion.
- f.* The estimated maintenance costs of each capital project after completion.
- g.* The consequences of delaying or abandoning each capital project.
- h.* Alternative approaches to meeting the purpose or need for each capital project.
- i.* Alternative financing mechanisms.
- j.* A cost-benefit analysis or economic impact of each capital project.

2. Financial statements giving in summary form:

a. The condition of the treasury at the end of the last completed fiscal year, the estimated condition of the treasury at the end of the year in progress, and the estimated condition of the treasury at the end of the following fiscal year if the governor's budget proposals are put into effect.

b. Statements showing the bonded indebtedness of the government, debt authorized and unissued, debt redemption and interest requirements, and condition of the sinking funds, if any.

c. A summary of appropriations recommended for the following fiscal year for each department and establishment and for the government as a whole, in comparison with the actual expenditures for the last completed fiscal year and the estimated expenditures for the year in progress.

d. A summary of the revenue, estimated to be received by the government during the following fiscal year, classified according to sources, in comparison with the actual revenue received by the government during the last completed fiscal year and estimated income during the year in progress.

e. A statement of federal funds received in the form of block or categorical grants which were not included in the governor's budget for the previous fiscal year and a statement of anticipated block grants and categorical grants. The budget shall indicate how the federal funds will be used and the programs to which they will be allocated. The amount of state funds required to implement the programs to which the federal funds will apply shall also be indicated. The departments shall provide information to the director on the anticipated federal block grants and categorical grants to be received on or before November 1 of each year. The director shall use this information to develop an annual update of the statement of federal funds received which shall be provided to the general assembly.

f. Other financial statements, data, and comments as in the governor's opinion are necessary or desirable in order to make known in all practicable detail the financial condition and operation of the government and the effect that the budget as proposed by the governor will have on the financial condition and operation.

If the estimated revenues of the government for the ensuing fiscal year as set forth in the budget on the basis of existing laws, plus the estimated amounts in the treasury at the close of the year in progress, available for expenditure in the ensuing fiscal year are less than the aggregate recommended for the ensuing fiscal year as contained in the budget, the governor shall make recommendations to the legislature in respect to the manner in which the deficit shall be met, whether by an increase in the state tax or the imposition of new taxes, increased rates on existing taxes, or otherwise, and if the aggregate of the estimated revenues, plus estimated balances in the treasury, is greater than the recommended appropriations for the ensuing fiscal year, the governor shall make recommendations in reference to the application of the surplus to the reduction of debt or otherwise, to the reduction in taxation, or to such other action as in the governor's opinion is in the interest of the public welfare. {Cpart ii

Recommended appropriations. Part II shall present in detail for the ensuing fiscal year the governor's recommendations for appropriations to meet the expenditure needs of the government from each general class of funds, in comparison with actual expenditures for each of the purposes during the last completed fiscal year and estimated expenditures for the year in progress, classified by departments and establishments and indicating for each the appropriations recommended for:

1. Meeting the cost of administration, operation, and maintenance of the departments and establishments.
2. Appropriations for meeting the cost of land, public improvements, and other capital outlays in connection with the departments and establishments.

Each item of expenditure, actual or estimated, and appropriations recommended for administration, operation, and maintenance of each department or establishment shall be supported by detailed statements showing the actual and estimated expenditures and appropriations classified by objects according to a standard scheme of classification to be prescribed by the director. {Cpart iii

Appropriation bills. Part III shall include a draft or drafts of appropriation bills having for their purpose to give legal sanction to the appropriations recommended to be made in Parts I and II. The appropriation bills shall indicate the funds, general or special, from which the appropriations shall be paid, but the appropriations need not be in greater detail than to indicate the total appropriation to be made for:

1. Administration, operation, and maintenance of each department and establishment for the fiscal year.
2. The cost of land, public improvements, and other capital outlays for each department and establishment, itemized by specific projects or classes of projects of the same general character. {Cpart iv

Strategic plan. Part IV shall include an explanation that correlates the budget with the enterprise strategic plan adopted pursuant to section 8E.204. The budget shall provide an explanation of appropriations recommended for the administration and maintenance of an agency as defined in section 8E.103 with the general evaluation of the agency in meeting enterprise strategic goals, including identifying goals that require legislation.

[SS15, § 191-b; C24, 27, 31, § 332, 333, 335; C35, § 84-e15; C39, § **84.15**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.22; 81 Acts, ch 17, § 2]

84 Acts, ch 1231, § 2; 86 Acts, ch 1245, § 2016; 89 Acts, ch 298, § 6; 90 Acts, ch 1168, § 5; 2001 Acts, ch 169, §1, 2

8.22A Revenue estimating conference.

1. The state revenue estimating conference is created consisting of the governor or the governor's designee, the director of the legislative services agency or the director's designee, and a third member agreed to by the other two.
 2. The conference shall meet as often as deemed necessary, but shall meet at least quarterly. The conference may use sources of information deemed appropriate.
 3. By December 15 of each fiscal year the conference shall agree to a revenue estimate for the fiscal year beginning the following July 1. That estimate shall be used by the governor in the preparation of the budget message under section 8.22 and by the general assembly in the budget process. If the conference agrees to a different estimate at a later meeting which projects a greater amount of revenue than the initial estimate amount agreed to by December 15, the governor and the general assembly shall continue to use the initial estimate amount in the budget process for that fiscal year. However, if the conference agrees to a different estimate at a later meeting which projects a lesser amount of revenue than the initial estimate amount, the governor and the general assembly shall use the lesser amount in the budget process for that fiscal year. As used in this subsection, "*later meeting*" means only those later meetings which are held prior to the conclusion of the regular session of the general assembly and, if the general assembly holds an extraordinary session prior to the commencement of the fiscal year to which the estimate applies, those later meetings which are held before or during the extraordinary session.
 4. At the meeting in which the conference agrees to the revenue estimate for the following fiscal year in accordance with the provisions of subsection 3, the conference shall agree to an estimate for tax refunds payable from that estimated revenue. The estimates required by this subsection shall be used in determining the adjusted revenue estimate under section 8.54.
 5. At the meeting in which the conference agrees to the revenue estimate for the succeeding fiscal year in accordance with the provisions of subsection 3, the conference shall also agree to the following estimates which shall be used by the governor in preparation of the budget message under section 8.22 and the general assembly in the budget process for the succeeding fiscal year:
 - a. The amount of lottery revenues for the following fiscal year to be available for disbursement following the deductions made pursuant to section 99G.39, subsection 1.
 - b. The amount of revenue for the following fiscal year from gambling revenues and from interest earned on the cash reserve fund and the economic emergency fund to be deposited in the rebuild Iowa infrastructure fund under section 8.57, subsection 6, paragraph "e".
 - c. The amount of accruals of those revenues collected by or due from entities other than the state on or before June 30 of the fiscal year but not remitted to the state until after June 30.
 - d. The amount of accrued lottery revenues collected on or before June 30 of the fiscal year but not transferred to the general fund of the state until after June 30.
- 86 Acts, ch 1245, § 2045; 92 Acts, ch 1227, § 2; 94 Acts, ch 1181, § 4; 95 Acts, ch 214, § 5; 96 Acts, ch 1218, §24; 2001 Acts, 2nd Ex, ch 2, §5, 13; 2003 Acts, ch 35, §23, 49; 2003 Acts, ch 178, §98, 121; 2003 Acts, ch 179, §142; 2004 Acts, ch 1175, §214, 287

8.23 Annual departmental estimates.

1. On or before October 1, prior to each legislative session, all departments and establishments of the government shall transmit to the director, on blanks to be furnished by the director, estimates of their

expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, classified so as to distinguish between expenditures estimated for administration, operation, and maintenance, and the cost of each project involving the purchase of land or the making of a public improvement or capital outlay of a permanent character, together with supporting data and explanations as called for by the director.

a. The estimates of expenditure requirements shall be based upon seventy-five percent of the funding provided for the current fiscal year accounted for by program reduced by the historical employee vacancy factor in form specified by the director and the remainder of the estimate of expenditure requirements prioritized by program. The estimates shall be accompanied with performance measures for evaluating the effectiveness of the program.

b. The budget estimates for an agency as defined in section 8E.103 shall be based on achieving goals contained in the enterprise strategic plan and the agency's strategic plan as provided for in chapter 8E. The estimates shall be accompanied by a description of the measurable and other results to be achieved by the agency. Performance measures shall be based on the goals developed pursuant to sections 8E.205, 8E.206, and 8E.208. The estimates shall be accompanied by an explanation of the manner in which appropriations requested for the administration and maintenance of the agency meet goals contained in the enterprise strategic plan and the agency's strategic plan, including identifying goals that require legislation.

c. If a department or establishment fails to submit estimates within the time specified, the legislative services agency shall use the amounts of the appropriations to the department or establishment for the fiscal year in process at the time the estimates are required to be submitted as the amounts for the department's or establishment's request in the documents submitted to the general assembly for the ensuing fiscal year and the governor shall cause estimates to be prepared for that department or establishment as in the governor's opinion are reasonable and proper.

d. The director shall furnish standard budget request forms to each department or agency of state government.

2. On or before November 15 all departments and establishments of government and the judicial branch shall transmit to the department of management and the legislative services agency estimates of their receipts and expenditure requirements from federal or other nonstate grants, receipts, and funds for the ensuing fiscal year. The transmittal shall include the names of the grantor and the grant or the source of the funds, the estimated amount of the funds, and the planned expenditures and use of the funds. The format of the transmittal shall be specified by the legislative services agency.

[S13, § 163-a; SS15, § 191-a; C24, 27, 31, § 327, 328; C35, § 84-e16; C39, § **84.16**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.23]

86 Acts, ch 1245, § 2017; 90 Acts, ch 1252, § 1; 90 Acts, ch 1263, § 53; 91 Acts, ch 263, §31; 95 Acts, ch 214, § 20; 98 Acts, ch 1047, § 2; 2001 Acts, ch 169, §3; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 179, § 88, 159

8.24 Annual estimate of income. Repealed by 2001 Acts, 2nd Ex, ch 2, §12, 13.

8.25 Tentative budget.

Upon the receipt of the estimates of expenditure requirements called for by section 8.23 and not later than the following December 1, the director of the department of management shall cause to be prepared a tentative budget conforming as to scope, contents, and character to the requirements of section 8.22 and containing the estimates of expenditures as called for by section 8.23, which tentative budget shall be transmitted to the governor.

[C24, 27, 31, § 332; C35, § 84-e18; C39, § **84.18**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.25]

8.26 Hearings.

Immediately upon the receipt of the tentative budget provided for by section 8.25 the governor shall make provision for public hearings thereon, at which the governor may require the attendance of the heads and other officers of all departments, establishments and other persons receiving or requesting the grant of state funds and the giving by them of such explanations and suggestions as they may be called upon to give or as they may desire to offer in respect to items of requested appropriations in which they are interested. The governor shall also extend invitations to the governor-elect and the director of the department of management to be present at such hearings and to participate in the hearings through the asking of questions or the expression of opinion in regard to the items of the tentative budget.

[C24, 27, 31, § 331; C35, § 84-e19; C39, § **84.19**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.26]

8.27 Preparation of budget.

Following the inauguration, the governor shall proceed to the formulation of the budget provided for by sections 8.21 and 8.22.

[C35, § 84-e20; C39, § **84.20**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.27]

8.28 Supplemental estimates.

The governor shall transmit to the legislature supplemental estimates for such appropriations as in the governor's judgment may be necessary on account of laws enacted after transmission of the budget, or as the governor deems otherwise in the public interest. The governor shall accompany such estimates with a statement of the reasons therefor, including the reasons for their omission from the budget. Whenever such supplemental estimates amount to an aggregate which, if they had been contained in the budget, would have required the governor to make a recommendation for the raising of additional revenue, the governor shall make such recommendation.

[C35, § 84-e21; C39, § **84.21**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.28]

8.29 Regents universities uniform accounting system.

The state board of regents, with the approval of the director of the department of management, shall establish a uniform budgeting and accounting system for the institutions of higher education under its control, and shall require each of the institutions of higher education to begin operating under the uniform system not later than June 30, 1994.

[C71, 73, 75, 77, 79, 81, § 8.29]

92 Acts, ch 1246, § 23; 2001 Acts, 2nd Ex, ch 2, §7, 13

8.30 Availability of appropriations.

The appropriations made are not available for expenditure until allotted as provided for in section 8.31. All appropriations are declared to be maximum and proportionate appropriations, the purpose being to make the appropriations payable in full in the amounts named if the estimated budget resources during the fiscal year for which the appropriations are made, are sufficient to pay all of the appropriations in full. The governor shall restrict allotments only to prevent an overdraft or deficit in any fiscal year for which appropriations are made.

[C35, § 84-e23; C39, § **84.23**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.30]

86 Acts, ch 1245, § 2019

8.31 Allotments of appropriations exceptions modifications.

1. *a.* Before an appropriation of any department or establishment becomes available, the department or establishment shall submit to the director of the department of management a requisition for allotment of the appropriation according to dates identified in the requisition during the fiscal year by which portions of the appropriation will be needed. The department or establishment shall submit the requisition by June 1, prior to the start of a fiscal year or by another date identified by the director. The requisition shall contain details of proposed expenditures as may be required by the director subject to review by the governor.

b. The director of the department of management shall approve the allotments subject to review by the governor, unless it is found that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, in which event such allotments may be modified to the extent the governor may deem necessary in order that there shall be no overdraft or deficit in the several funds of the state at the end of the fiscal year, and the director shall submit copies of the allotments thus approved or modified to the head of the department or establishment concerned, who shall set up such allotments on the books and be governed accordingly in the control of expenditures.

2. Allotments made in accordance with subsection 1 may be subsequently modified by the director of the department of management at the direction of the governor either upon the written request of the head of the department or establishment concerned, or in the event the governor finds that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, upon the governor's own initiative to the extent the governor may deem necessary in order that there shall be no overdraft or deficit in the several funds of the state at the end of the fiscal year; and the head of the department or establishment shall be given notice of a modification in the same way as in the case of original allotments.

3. The allotment requests of all departments and establishments collecting governmental fees and other revenue which supplement a state appropriation shall attach to the summary of requests a statement showing how much of the proposed allotments are to be financed from state appropriations, stores, and repayment receipts.

4. The procedure to be employed in controlling the expenditures and receipts of the state fair board and the institutions under the state board of regents, whose collections are not deposited in the state treasury, is that outlined in section 8A.502, subsection 9.

5. If the governor determines that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, the reductions shall be uniform and prorated between all departments, agencies, and establishments upon the basis of their respective appropriations.

6. Allotments from appropriations for the foreign trade offices of the department of economic development, if the appropriations are described by line item in the department's appropriation Act or another Act, may be made as is necessary to take advantage of the most favorable foreign currency exchange rates.

[C35, § 84-e24; C39, § **84.24**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.31; 81 Acts, ch 18, § 1]

86 Acts, ch 1245, § 1972; 87 Acts, ch 115, § 4; 89 Acts, ch 309, § 6; 94 Acts, ch 1063, § 1; 2003 Acts, ch 145, §121; 2003 Acts, ch 179, §89, 159

8.32 Conditional availability of appropriations.

All appropriations made to any department or establishment of the government as receive or collect moneys available for expenditure by them under present laws, are declared to be in addition to such repayment receipts, and such appropriations are to be available as and to the extent that such receipts are insufficient to meet the costs of administration, operation, and maintenance, or public improvements of such departments:

Provided, that such receipts or collections shall be deposited in the state treasury as part of the general fund or special funds in all cases, except those collections made by the state fair board, the institutions under the state board of regents and the natural resource commission.

Provided further, that no repayment receipts shall be available for expenditures until allotted as provided in section 8.31; and

Provided further, that the collection of repayment receipts by the state fair board and the institutions under the state board of regents shall be deposited in a bank or banks duly designated and qualified as state depositories, in the name of the state of Iowa, for the use of such boards and institutions, and such funds shall be available only on the check of such boards or institutions depositing them, which are hereby authorized to withdraw such funds, but only after allotment by the governor as provided in section 8.31; and

Provided further, that this chapter shall not apply to endowment or private trust funds or to gifts to institutions owned or controlled by the state or to the income from such endowment or private trust funds, or to private funds belonging to students or inmates of state institutions.

The provisions of this chapter shall not be construed to prohibit the state fair board from creating an emergency or sinking fund out of the receipts of the state fair and state appropriation for the purpose of taking care of any emergency that might arise beyond the control of the board of not to exceed three hundred thousand dollars. Neither shall this chapter be construed to prohibit the state fair board from retaining an additional sum of not to exceed three hundred fifty thousand dollars to be used in carrying out the provisions of chapter 173.

[C35, § 84-e25; C39, § **84.25**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.32]

86 Acts, ch 1244, § 4

8.33 Time limit on obligations reversion.

No obligation of any kind shall be incurred or created subsequent to the last day of the fiscal year for which an appropriation is made, except when specific provision otherwise is made in the Act making the appropriation. On August 31, or as otherwise provided in an appropriation Act, following the close of each fiscal year, all unencumbered or unobligated balances of appropriations made for that fiscal term revert to the state treasury and to the credit of the funds from which the appropriations were made, except that capital expenditures for the purchase of land or the erection of buildings or new construction continue in force until the attainment of the object or the completion of the work for which the appropriations were made unless the Act making an appropriation for the capital expenditure contains a specific provision relating to a time limit for incurring an obligation or reversion of funds. This section does not repeal sections 7D.11 through 7D.14.

No payment of an obligation for goods and services shall be charged to an appropriation subsequent to the last day of the fiscal year for which the appropriation is made unless the goods or services are received on or before the last day of the fiscal year, except that repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures for the purchase of land or the erection of buildings or new construction or remodeling, which were committed and in progress prior to the end of the fiscal year are excluded from this provision.

[C35, § 84-e26; C39, § **84.26**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.33]

83 Acts, ch 172, § 1; 84 Acts, ch 1091, § 1; 84 Acts, ch 1305, § 17; 86 Acts, ch 1245, § 2020; 86 Acts, ch 1246, § 770; 89 Acts, ch 284, § 2

8.34 Charging off unexpended appropriations.

Except as otherwise provided by law, the director of the department of administrative services shall transfer to the fund from which an appropriation was made, any unexpended or unencumbered balance of that appropriation remaining at the expiration of two months after the close of the fiscal term for which the appropriation was made. At the time the transfer is made on the books of the department of administrative services, the director shall certify that fact to the treasurer of state, who shall make corresponding entries on the books of the treasurer's office.

[C27, 31, § 130-a1; C35, § 84-a1; C39, § **84.27**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.34]

88 Acts, ch 1134, § 3; 89 Acts, ch 284, § 3; 2003 Acts, ch 145, §286

8.35 General supervisory control.

The governor and the director of the department of management and any officer of the department of management, hereinabove provided for, when authorized by the governor, are hereby authorized to make such inquiries regarding the receipts, custody and application of state funds, existing organization, activities and methods of business of the departments and establishments, assignments of particular activities to particular services and regrouping of such services, as in the opinion of the governor, will enable the governor to make recommendations to the legislature, and, within the scope of the powers possessed by the governor, to order action to be taken, having for their purpose to bring about increased economy and efficiency in the conduct of the affairs of government.

[C35, § 84-e27; C39, § **84.28**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.35]

8.35A Information to be given to legislative services agency.

1. By July 1, the director of the department of management, in conjunction with the director of the department of administrative services, shall provide a projected expenditure breakdown of each appropriation for the beginning fiscal year to the legislative services agency in the form and level of detail requested by the legislative services agency. By the fifteenth of each month, the director, in conjunction with the director of the department of administrative services, shall transmit to the legislative services agency a record for each appropriation of actual expenditures for the prior month of the fiscal year and the fiscal year to date in the form and level of detail as requested by the legislative services agency. By October 1, the director, in conjunction with the director of the department of administrative services, shall transmit the total record of an appropriation, including reversions and transfers for the prior fiscal year ending June 30, to the legislative services agency.

2. Commencing October 1, the director shall provide weekly budget tapes in the form and level of detail requested by the legislative services agency reflecting finalized agency budget requests for the following fiscal year as submitted to the governor. The director shall transmit all agency requests in final form to the legislative services agency by November 15. Final budget records containing the governor's recommendation and final agency requests shall be transmitted to the legislative services agency by January 1 or no later than the date the governor's budget document is delivered to the printer. The governor's recommendation included on this record shall be considered confidential by the legislative services agency until it is made public by the governor. The legislative services agency shall use this data in the preparation of information for the legislative appropriation process.

3. The director shall communicate any changes or anticipated changes to the budgeting system or the accounting system in writing to the legislative services agency prior to implementation.

4. A government agency which receives state funds directly from the state or indirectly through a political subdivision as directed by statute and which is not a city, county, or school district is subject to this subsection. A government agency which is subject to this subsection shall submit a copy of its budget to the legislative services agency, identifying it as being submitted under this subsection, when the budget of that government agency has received approval from the governing head or body of that agency. The copy of the budget submitted to the legislative services agency shall be on the budget forms provided by the department of management to state agencies under this chapter. The government agency shall also submit a statement identifying any funds available to the agency which are not included in the budget.

5. The department shall transmit the enterprise strategic plan and related information and an agency shall transmit its agency strategic plan, performance report, and related information as required by chapter 8E to the legislative services agency.

86 Acts, ch 1245, § 2013; 89 Acts, ch 284, § 4; 95 Acts, ch 214, § 21; 2001 Acts, ch 169, §4; 2001 Acts, 2nd Ex, ch 2, §8, 13; 2003 Acts, ch 35, §45, 46, 49; 2003 Acts, ch 145, §286

8.36 Fiscal year.

The fiscal year of the government shall commence on the first day of July and end on the thirtieth day of June. This fiscal year shall be used for purposes of making appropriations and of financial reporting and shall be uniformly adopted by all departments and establishments of the government.

However, the department of workforce development may use the federal fiscal year instead of the fiscal year commencing on July 1.

[C35, § 84-e28; C39, § **84.29**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.36; 81 Acts, ch 19, § 1]

96 Acts, ch 1186, § 23

8.36A Full-time equivalent positions.

1. For purposes of making appropriations and financial reports and as used in appropriations statutes, "*full-time equivalent position*" means a budgeting and monitoring unit that equates the aggregate of full-time positions, part-time positions, a vacancy and turnover factor, and other adjustments. One full-time equivalent position represents two thousand eighty working hours, which is the regular number of hours one full-time person works in one fiscal year. The number of full-time equivalent positions shall be calculated by totaling the regular number of hours that could be annually worked by persons in all authorized positions, reducing those hours by a vacancy and turnover factor and dividing that amount by two thousand eighty hours. In order to achieve the full-time equivalent position level, the number of filled positions may exceed the number of full-time equivalent positions during parts of the fiscal year to compensate for time periods when the number of filled positions is below the authorized number of full-time equivalent positions.

2. If a department or establishment has reached or anticipates reaching the full-time equivalent position level authorized for the department but determines that conversion of a contract position to a full-time equivalent position would result in cost savings while providing comparable or better services, the department or establishment may request the director of the department of management to approve the conversion and addition of the full-time equivalent position. The request shall be accompanied by evidence demonstrating how the cost savings and service quality will be achieved through the conversion. If approved by the director

of the department of management, the department's or establishment's authorized full-time equivalent position level shall be increased accordingly and the revised level shall be reported to the fiscal committee of the legislative council and the legislative services agency.

90 Acts, ch 1247, §1; 2003 Acts, ch 35, §46, 49; 2003 Acts, ch 145, §122

8.37 Fiscal term. Repealed by 2001 Acts, 2nd Ex, ch 2, §12, 13.

8.38 Misuse of appropriations.

No state department, institution, or agency, or any board member, commissioner, director, manager, or other person connected with any such department, institution, or agency, shall expend funds or approve claims in excess of the appropriations made thereto, nor expend funds for any purpose other than that for which the money was appropriated, except as otherwise provided by law. A violation of the foregoing provision shall make any person violating same, or consenting to the violation of same liable to the state for such sum so expended together with interest and costs, which shall be recoverable in an action to be instituted by the attorney general for the use of the state, which action may be brought in any county of the state.

[C35, § 84-e29; C39, § **84.31**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.38]

8.39 Use of appropriations transfer.

1. Except as otherwise provided by law, an appropriation or any part of it shall not be used for any other purpose than that for which it was made. However, with the prior written consent and approval of the governor and the director of the department of management, the governing board or head of any state department, institution, or agency may, at any time during the fiscal year, make a whole or partial intradepartmental transfer of its unexpended appropriations for purposes within the scope of such department, institution, or agency.
2. If the appropriation of a department, institution, or agency is insufficient to properly meet the legitimate expenses of the department, institution, or agency, the director, with the approval of the governor, may make an interdepartmental transfer from any other department, institution, or agency of the state having an appropriation in excess of its needs, of sufficient funds to meet that deficiency. An interdepartmental transfer to an appropriation which is not an entitlement appropriation is not authorized when the general assembly is in regular session and, in addition, the sum of interdepartmental transfers in a fiscal year to an appropriation which is not an entitlement appropriation shall not exceed fifty percent of the amount of the appropriation as enacted by the general assembly. For the purposes of this subsection, an entitlement appropriation is a line item appropriation to the state public defender for indigent defense or to the department of human services for foster care, state supplementary assistance, or medical assistance, or for the family investment program.
3. Prior to any transfer of funds pursuant to subsection 1 or 2 of this section or a transfer of an allocation from a subunit of a department which statutorily has independent budgeting authority, the director shall notify the chairpersons of the standing committees on budget of the senate and the house of representatives and the chairpersons of subcommittees of such committees of the proposed transfer. The notice from the director shall include information concerning the amount of the proposed transfer, the departments, institutions or agencies affected by the proposed transfer and the reasons for the proposed transfer. Chairpersons notified shall be given at least two weeks to review and comment on the proposed transfer before the transfer of funds is made.
4. Any transfer made under the provisions of this section shall be reported to the legislative fiscal committee on a monthly basis. The report shall cover each calendar month and shall be due the tenth day of the following month. The report shall contain the following: The amount of each transfer; the date of each transfer; the departments and funds affected; a brief explanation of the reason for the transfer; and such other

information as may be required by the committee. A summary of all transfers made under the provisions of this section shall be included in the annual report of the legislative fiscal committee.

[C97, § 187; SS15, § 170-q; C24, 27, 31, § 345; C35, § 84-a3; C39, § **84.32**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.39]

86 Acts, ch 1245, § 2022; 87 Acts, ch 115, § 5; 94 Acts, ch 1181, § 6; 94 Acts, ch 1199, § 44

8.39A Transfer of moneys or positions changes in tables of organization notification. Repealed by 2001 Acts, 2nd Ex, ch 2, §12, 13.

8.40 Penalty removal impeachment.

A refusal to perform any of the requirements of this chapter, or a refusal to perform a rule or requirement or request of the governor or the director of the department of management made pursuant to this chapter, by a board member, commissioner, director, manager, building committee, other officer or person connected with any institution, or other state department or establishment, subjects the offender to a penalty of two hundred fifty dollars, to be recovered in an action instituted in the district court of Polk county by the attorney general for the use of the state. If the offender is not an officer elected by vote of the people, the offense is sufficient cause for removal from office or dismissal from employment by the governor upon thirty days' notice in writing to the offender; and if the offender is an officer elected by vote of the people, the offense is sufficient cause to subject the offender to impeachment.

[S13, § 163-a; C24, 27, 31, § 330; C35, § 84-e30; C39, § **84.33**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 8.40]

88 Acts, ch 1134, § 4

8.41 Federal funds deposit block grant plans affected political subdivisions.

1. Commencing with the fiscal year beginning July 1, 1981, federal funds received in the form of block grants shall be deposited in a special fund in the state treasury and are subject to appropriation by the general assembly upon a recommendation by the governor. In determining a general fund balance, the federal funds deposited in the special fund shall not be included, but shall remain segregated in the special fund until appropriated by the general assembly.

2. Federal funds deposited in the state treasury as provided in subsection 1 shall either be included as part of the governor's budget required by section 8.22 or shall be included in a separate recommendation made by the governor to the general assembly. If federal funds received in the form of block grants or categorical grants have not been included in the governor's budget for the current fiscal year because of time constraints or because a budget is not being submitted for the next fiscal year, the governor shall submit a supplemental statement to the general assembly listing the federal funds received and including the same information for the federal funds required by section 8.22, part I, subsection 2, paragraph "e", for the statement of federal funds in the governor's budget.

3. *a.* If, in any federal fiscal year, the federal government provides for a block grant which requires a new or revised program than was required in the prior fiscal year, each state agency required to administer the block grant program shall develop a block grant plan detailing program changes.

b. To the extent allowed by federal law, the block grant plan shall be developed in accordance with the following:

(1) The primary goal of the plan shall be to attain savings for taxpayers and to avoid shifting costs from the

federal government to state and local governments.

(2) State agency planning meetings shall be held jointly with officials of the affected political subdivision and affected members of the public.

(3) The plan shall address proposed expenditures and accountability measures and shall be published so as to provide reasonable opportunity for public review and comment.

(4) (a) Preference shall be given to any existing service delivery system capable of delivering the required service. If an existing service delivery system is not used, the plan shall identify those existing delivery systems which were considered and the reasons those systems were rejected. This subparagraph subdivision applies to any service delivered pursuant to a federal block grant, including, but not limited to, any of the following block grant areas: health, human services, education, employment, community and economic development, and criminal justice.

(b) If a service delivered pursuant to a federal block grant and implemented by a political subdivision was previously provided for by a categorical grant, the state agency shall allow the political subdivision adequate transition time to accommodate related changes in federal and state policy. Transition activities may include, but are not limited to, revision of the political subdivision's laws, budgets, and administrative procedures.

(c) The state agency shall allow the political subdivision the flexibility to implement a service in a manner so as to address identifiable needs within the context of meeting broad national objectives.

(5) State administrative costs shall not exceed the limits allowed for under the federal law enacting the block grant.

(6) A federal mandate that is eliminated or waived for the state shall be eliminated or waived for a political subdivision.

(7) Federal block grants shall not be used to supplant existing funding efforts by the state.

c. The state agency shall send copies of the proposed block grant plan to the legislative fiscal committee and to the appropriate appropriations subcommittee chairpersons and ranking members of the general assembly. The plan and any program changes contained within the plan shall be adopted as rules in accordance with chapter 17A.

[81 Acts, ch 17, § 3]

84 Acts, ch 1067, § 4; 86 Acts, ch 1245, § 2023; 96 Acts, ch 1105, § 1

8.42 Payroll accrual account. Repealed by 2001 Acts, 2nd Ex, ch 2, §12, 13.

8.43 Salary adjustment fund.

A "*salary adjustment fund*" is created, to be used to segregate funds appropriated by the general assembly for distribution to various state departments to fund salary increases for designated state employees. Moneys distributed from the salary adjustment fund are subject to the approval of the governor and director of the department of management.

[C77, 79, 81, § 8.43]

88 Acts, ch 1134, § 6

8.44 Reporting additional funds received.

Upon receiving federal funds or any other funds from any public or private sources except gifts or donations made to institutions for the personal use or for the benefit of members, patients, or inmates and receipts from the gift shop of merchandise manufactured by members, patients, or inmates, the state departments, agencies, boards, and institutions receiving such funds shall submit a written report within thirty days after receipt of the funds to the director of the department of management. The report shall state the source of the funds that supplement or replace state appropriations for institutional operations, the amount received, and the terms under which the funds are received.

All departments and establishments of government and the judicial branch shall notify the department of management and the legislative services agency of any change in the receipt of federal or other nonstate grants, receipts, and funds from the funding levels on which appropriations for the current or ensuing fiscal year were or are based. Changes which must be reported include, but are not limited to, any request, approval, award, or loss changes affecting federal or other nonstate grants, receipts, or funds. The notifications shall be made on a quarterly basis. The format of the notifications shall be specified by the legislative services agency.

[C71, 73, 75, 77, 79, 81, § 8.44]

88 Acts, ch 1134, § 7; 90 Acts, ch 1263, § 54; 98 Acts, ch 1047, § 3; 2003 Acts, ch 35, §45, 49

8.45 Purchase of real estate by state departments.

Purchases of real estate as provided by law may be made by a state department on written contracts providing for payment over a period of years but the obligations thereon shall not constitute a debt or charge against the state of Iowa nor against the funds of the department for which said purchases are made. Purchase payments shall be made from only capital funds appropriated for that purpose. All state-appropriated capital funds used for any one purchase contract shall be taken entirely from a single capital appropriation and shall be set aside for that purpose. In event of default, the only remedy of the seller shall be against the property itself in rem, pursuant to chapter 654. In no event shall a deficiency judgment be entered or enforced against the state or the department making the purchase. The provisions of chapter 656 prescribing how a real estate contract may be forfeited shall, in no event, be applicable. In a foreclosure proceeding pursuant to this section and chapter 654, the department making the purchase and the attorney general shall be the only defendants who need be named and such department and the attorney general may be served personally or by restricted certified mail. The department and the attorney general shall have thirty days from the date of completed service in which to appear.

[C71, 73, 75, 77, 79, 81, § 8.45]

8.46 Lease-purchase reporting.

1. For the purposes of this section, unless the context otherwise requires:

a. "Installment acquisition" includes, but is not limited to, an arrangement in which title of ownership passes when the first installment payment is made.

b. "Lease-purchase arrangement" includes, but is not limited to, an arrangement in which title of ownership passes when the final installment payment is made.

c. "State agency" means any executive, judicial, or legislative department, commission, board, institution, division, bureau, office, agency, or other entity of state government.

2. At least thirty days prior to entering into a contract involving a lease-purchase or installment acquisition arrangement in which any part or the total amount of the contract is at least fifty thousand dollars, a state agency shall notify the legislative services agency concerning the contract. The legislative services agency shall compile the notifications for submission to the legislative fiscal committee of the legislative council. The notification is required regardless of the source of payment for the lease-purchase or installment acquisition arrangement. The notification shall include all of the following information:

- a.* A description of the object of the lease-purchase or installment acquisition arrangement.
- b.* The proposed terms of the contract.
- c.* The cost of the contract, including principal and interest costs. If the actual cost of a contract is not known at least thirty days prior to entering into the contract, the state agency shall estimate the principal and interest costs for the contract.
- d.* An identification of the means and source of payment of the contract.
- e.* An analysis of consequences of delaying or abandoning the commencement of the contract.

3. The legislative fiscal committee shall report to the legislative council concerning the notifications it receives pursuant to this section.

91 Acts, ch 268, §606; 95 Acts, ch 214, § 2; 2003 Acts, ch 35, §45, 49

8.47 Service contracts.

1. The department of administrative services, in cooperation with the office of attorney general and the department of management, shall adopt uniform terms and conditions for service contracts executed by a department or establishment benefiting from service contracts. The terms and conditions shall include but are not limited to all of the following:

- a.* The amount or basis for paying consideration to the party based on the party's performance under the service contract.
- b.* Methods to effectively oversee the party's compliance with the service contract by the department or establishment receiving the services during performance, including the delivery of invoices itemizing work performed under the service contract prior to payment.
- c.* Methods to effectively review performance of a service contract, including but not limited to performance measurements developed pursuant to chapter 8E.

2. Departments or establishments, with the approval of the department of management acting in cooperation with the office of attorney general and the department of administrative services, may adopt special terms and conditions for use by the departments or establishments in their service contracts.

3. The state board of regents shall establish terms and conditions for service contracts executed by institutions governed by the state board of regents.

4. This section does not apply to service contracts or other agreements for services by the department of public defense that are funded with at least seventy-five percent federal moneys. The department of public defense shall establish terms and conditions for service contracts and other agreements for services that comply with this section to the greatest extent possible.

2001 Acts, ch 169, §5; 2002 Acts, ch 1117, §1, 23; 2003 Acts, ch 145, §123, 124

Footnotes

Government accountability and service contracts, see chapter 8F

8.48 through 8.50 Reserved.

8.51 Fiscal year of political subdivisions.

The fiscal year of cities, counties, and other political subdivisions of the state shall begin July 1 and end the following June 30. For the purpose of this section, the term political subdivision includes school districts.

[C75, 77, 79, 81, § 8.51]

8.52 Planning responsibility.

The department of management shall:

1. Provide coordination of state planning, performance measurement, and management of interagency programs of the state, and recommend policies to the governor and the general assembly.
2. Maintain and make available demographic and other information useful for state and local planning.
3. Prepare and submit economic reports appraising the economic condition, growth, and development of the state.
4. Analyze the quality and quantity of services required for the orderly growth of the state, taking into consideration the relationship of activities, capabilities, and future plans of private enterprise, the local, state, and federal governments, and regional units established under state or federal legislation, and shall make recommendations to the governor and the general assembly for the establishment and improvement of such services.
5. Inquire into methods of planning, performance measurement, and program development and the conduct of affairs of state government; prescribe adequate systems of records for planning, performance measurement, and programming; establish standards for effective planning, performance measurement, and programming in consultation with affected state agencies; and exercise all other powers necessary in discharging the powers and duties of this chapter.
6. Administer the accountable government Act as provided in chapter 8E.

86 Acts, ch 1245, § 106; 2001 Acts, ch 169, §6, 7

8.53 GAAP deficit GAAP implementation.

For the fiscal year beginning July 1, 1996, and each succeeding fiscal year, the governor shall recommend in the governor's budget and the general assembly shall provide funds to eliminate the GAAP deficit of the general fund of the state, as reported in the state's comprehensive annual financial report issued during the prior fiscal year, either through the appropriation of specific funds to correct a GAAP adjustment or by setting funds aside in a special account in an amount equal to the GAAP deficit.

92 Acts, ch 1227, § 3; 94 Acts, ch 1181, §7; 2001 Acts, 2nd Ex, ch 2, §9, 13

8.54 General fund expenditure limitation.

1. For the purposes of section 8.22A, this section, and sections 8.55 through 8.57:

a. "Adjusted revenue estimate" means the appropriate revenue estimate for the general fund for the following fiscal year as determined by the revenue estimating conference under section 8.22A, subsection 3, adjusted by subtracting estimated tax refunds payable from that estimated revenue and as determined by the conference, adding any new revenues which may be considered to be eligible for deposit in the general fund.

b. "New revenues" means moneys which are received by the state due to increased tax rates and fees or newly created taxes and fees over and above those moneys which are received due to state taxes and fees which are in effect as of January 1 following the December state revenue estimating conference. "New revenues" also includes moneys received by the general fund of the state due to new transfers over and above those moneys received by the general fund of the state due to transfers which are in effect as of January 1 following the December state revenue estimating conference. The department of management shall obtain concurrence from the revenue estimating conference on the eligibility of transfers to the general fund of the state which are to be considered as new revenue in determining the state general fund expenditure limitation.

2. There is created a state general fund expenditure limitation for each fiscal year calculated as provided in this section. An expenditure limitation shall be used for the portion of the budget process commencing on the date the revenue estimating conference agrees to a revenue estimate for the following fiscal year in accordance with section 8.22A, subsection 3, and ending with the governor's final approval or disapproval of the appropriations bills applicable to that fiscal year that were passed prior to July 1 of that fiscal year in a regular or extraordinary legislative session.

3. Except as otherwise provided in this section, the state general fund expenditure limitation for a fiscal year shall be ninety-nine percent of the adjusted revenue estimate.

4. The state general fund expenditure limitation amount provided for in this section shall be used by the governor in the preparation of the budget under section 8.22 and approval of the budget and by the general assembly in the budget process. If a source for new revenues is proposed, the budget revenue projection used for that new revenue source for the period beginning on the effective date of the new revenue source and ending in the fiscal year in which the source is included in the revenue base shall be an amount determined by subtracting estimated tax refunds payable from the projected revenue from that new revenue source, multiplied by ninety-five percent. If a new revenue source is established and implemented, the original state general fund expenditure limitation amount provided for in subsection 3 shall be readjusted to include ninety-five percent of the estimated revenue from the new revenue source.

5. For fiscal years in which section 8.55, subsection 2, results in moneys being transferred to the general fund, the original state general fund expenditure limitation amount provided for in subsection 3 shall be readjusted to include the moneys which are so transferred.

6. The scope of the expenditure limitation under subsection 3 shall not encompass federal funds, donations, constitutionally dedicated moneys, and moneys in expenditures from state retirement system moneys.

7. The governor shall transmit to the general assembly, in accordance with section 8.21, a budget which does not exceed the state general fund expenditure limitation. The general assembly shall pass a budget which does not exceed the state general fund expenditure limitation. The governor shall not transmit a budget with recommended appropriations in excess of the state general fund expenditure limitation and the general assembly shall not pass a budget with appropriations in excess of the state general fund expenditure limitation. The governor shall not approve or disapprove appropriation bills or items of appropriation bills passed by the general assembly in a manner that would cause the final budget approved by the governor to exceed the state general fund expenditure limitation. In complying with the requirements of this subsection,

the governor and the general assembly shall not rely on any anticipated reversion of appropriations in order to meet the state general fund expenditure limitation.

92 Acts, ch 1227, § 4; 92 Acts, 2nd Ex, ch 1001, § 228; 94 Acts, ch 1181, §1, 5; 2001 Acts, 2nd Ex, ch 2, §10, 11, 13; 2004 Acts, ch 1175, §215, 287

8.55 Iowa economic emergency fund.

1. The Iowa economic emergency fund is created. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. The moneys credited to the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section.

2. *a.* The maximum balance of the fund is the amount equal to two and one-half percent of the adjusted revenue estimate for the fiscal year. If the amount of moneys in the Iowa economic emergency fund is equal to the maximum balance, moneys in excess of this amount shall be transferred to the general fund.

b. Notwithstanding paragraph "*a*", any moneys in excess of the maximum balance in the economic emergency fund after the distribution of the surplus in the general fund of the state at the conclusion of each fiscal year shall not be transferred to the general fund of the state but shall be transferred to the senior living trust fund. The total amount appropriated, reverted, or transferred, in the aggregate, under this paragraph, section 8.57, subsection 2, and any other law providing for an appropriation or reversion or transfer of an appropriation to the credit of the senior living trust fund, for all fiscal years beginning on or after July 1, 2004, shall not exceed the amount specified in section 8.57, subsection 2, paragraph "*c*".

3. *a.* Except as provided in paragraphs "*b*" and "*c*", the moneys in the Iowa economic emergency fund shall only be used pursuant to an appropriation made by the general assembly. An appropriation shall only be made for the fiscal year in which the appropriation is made. The moneys shall only be appropriated by the general assembly for emergency expenditures.

b. Moneys in the fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year.

c. There is appropriated from the Iowa economic emergency fund to the general fund of the state for the fiscal year in which moneys in the fund were used for cash flow purposes, for the purposes of reducing or preventing any overdraft on or deficit in the general fund of the state, the amount from the Iowa economic emergency fund that was used for cash flow purposes pursuant to paragraph "*b*" and that was not returned to the Iowa economic emergency fund by June 30 of the fiscal year. The appropriation in this paragraph shall not exceed fifty million dollars and is contingent upon all of the following having occurred:

(1) The revenue estimating conference estimate of general fund receipts made during the last quarter of the fiscal year was or the actual fiscal year receipts and accruals were at least one-half of one percent less than the comparable estimate made during the third quarter of the fiscal year.

(2) The governor has implemented the uniform reductions in appropriations required in section 8.31 as a result of subparagraph (1) and such reduction was insufficient to prevent an overdraft on or deficit in the general fund of the state or the governor did not implement uniform reductions in appropriations because of the lateness of the estimated or actual receipts and accruals under subparagraph (1).

(3) The balance of the general fund of the state at the end of the fiscal year prior to the appropriation made in this paragraph was negative.

(4) The governor has issued an official proclamation and has notified the co-chairpersons of the fiscal

committee of the legislative council and the legislative services agency that the contingencies in subparagraphs (1) through (3) have occurred and the reasons why the uniform reductions specified in subparagraph (2) were insufficient or were not implemented to prevent an overdraft on or deficit in the general fund of the state.

d. If an appropriation is made pursuant to paragraph "c" for a fiscal year, there is appropriated from the general fund of the state to the Iowa economic emergency fund for the following fiscal year, the amount of the appropriation made pursuant to paragraph "c".

e. Except as provided in section 8.58, the Iowa economic emergency fund shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

4. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the Iowa economic emergency fund shall be credited to the rebuild Iowa infrastructure fund.

84 Acts, ch 1305, § 21; 92 Acts, ch 1227, § 5; 94 Acts, ch 1181, §8; 95 Acts, ch 214, § 13; 2001 Acts, 2nd Ex, ch 6, §27, 28, 37; 2002 Acts, ch 1169, §1; 2002 Acts, ch 1175, §73; 2002 Acts, 2nd Ex, ch 1001, §25, 26, 33, 52; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 179, §29, 30, 40; 2004 Acts, ch 1175, §216; 2005 Acts, ch 179, §24, 25; 2006 Acts, ch 1173, §1, 3

For future repeal of subsection 2, paragraph b, see §8.57, subsection 2, paragraph d

8.56 Cash reserve fund.

1. A cash reserve fund is created in the state treasury. The cash reserve fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state except in determining the cash position of the state as provided in subsection 3. The moneys in the cash reserve fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the cash reserve fund shall be credited to the rebuild Iowa infrastructure fund created in section 8.57. Moneys in the cash reserve fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the cash reserve fund by the end of that fiscal year.

2. The maximum balance of the cash reserve fund is the amount equal to the cash reserve goal percentage, as defined in section 8.57, multiplied by the adjusted revenue estimate for the general fund of the state for the current fiscal year.

3. The moneys in the cash reserve fund shall only be used pursuant to an appropriation made by the general assembly. An appropriation shall be made in accordance with subsection 4 only for the fiscal year in which the appropriation is made. The moneys shall only be appropriated by the general assembly for nonrecurring emergency expenditures and shall not be appropriated for payment of any collective bargaining agreement or arbitrator's decision negotiated or awarded under chapter 20. Except as provided in section 8.58, the cash reserve fund shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

4. *a.* Except as provided in subsection 1, an appropriation shall not be made from the cash reserve fund unless the appropriation is in accordance with all of the following:

(1) The appropriation is contained in a bill or joint resolution in which the appropriation is the only subject matter of the bill or joint resolution.

(2) The bill or joint resolution states the reasons the appropriation is necessary.

b. In addition to the requirements of paragraph "a", an appropriation shall not be made from the cash reserve fund which would cause the fund's balance to be less than three and three-fourths percent of the adjusted revenue estimate for the year for which the appropriation is made unless the bill or joint resolution is approved by vote of at least three-fifths of the members of both chambers of the general assembly and is signed by the governor.

92 Acts, ch 1227, § 6; 94 Acts, ch 1181, §9; 95 Acts, ch 214, § 14; 2001 Acts, 2nd Ex, ch 6, §2931; 2002 Acts, 2nd Ex, ch 1001, §27, 33; 2003 Acts, ch 179, §40

8.57 Annual appropriations reduction of GAAP deficit rebuild Iowa infrastructure fund.

1. *a.* The "cash reserve goal percentage" for fiscal years beginning on or after July 1, 2004, is seven and one-half percent of the adjusted revenue estimate. For each fiscal year in which the appropriation of the surplus existing in the general fund of the state at the conclusion of the prior fiscal year pursuant to paragraph "b" was not sufficient for the cash reserve fund to reach the cash reserve goal percentage for the current fiscal year, there is appropriated from the general fund of the state an amount to be determined as follows:

(1) If the balance of the cash reserve fund in the current fiscal year is not more than six and one-half percent of the adjusted revenue estimate for the current fiscal year, the amount of the appropriation under this lettered paragraph is one percent of the adjusted revenue estimate for the current fiscal year.

(2) If the balance of the cash reserve fund in the current fiscal year is more than six and one-half percent but less than seven and one-half percent of the adjusted revenue estimate for that fiscal year, the amount of the appropriation under this lettered paragraph is the amount necessary for the cash reserve fund to reach seven and one-half percent of the adjusted revenue estimate for the current fiscal year.

(3) The moneys appropriated under this lettered paragraph shall be credited in equal and proportionate amounts in each quarter of the current fiscal year.

b. The surplus existing in the general fund of the state at the conclusion of the fiscal year is appropriated for distribution in the succeeding fiscal year as provided in subsections 3 and 4. Moneys credited to the cash reserve fund from the appropriation made in this paragraph shall not exceed the amount necessary for the cash reserve fund to reach the cash reserve goal percentage for the succeeding fiscal year. As used in this paragraph, "surplus" means the excess of revenues and other financing sources over expenditures and other financing uses for the general fund of the state in a fiscal year.

c. The amount appropriated in this section is not subject to the provisions of section 8.31, relating to requisitions and allotment, or to section 8.32, relating to conditional availability of appropriations.

2. *a.* There is appropriated from the surplus existing in the general fund of the state at the conclusion of the fiscal year beginning July 1, 2005, and ending June 30, 2006, and at the conclusion of each succeeding fiscal year for distribution to the senior living trust fund, an amount equal to one percent of the adjusted revenue estimate for the current fiscal year. However, if the amount of the surplus existing in the general fund of the state at the conclusion of a fiscal year is less than two percent of the adjusted revenue estimate for that fiscal year, the amount of the appropriation made in this paragraph shall be equal to fifty percent of the surplus amount. The appropriation made in this paragraph shall be distributed to the senior living trust fund in the succeeding fiscal year. For the purposes of this subsection, "surplus" means the same as defined in subsection 1, paragraph "b".

b. The appropriation made in paragraph "a" shall be made before the appropriations are made pursuant to subsections 1, 3, and 4, of the surplus existing in the general fund of the state at the conclusion of the fiscal

year beginning July 1, 2005, and ending June 30, 2006, and each succeeding fiscal year.

c. The appropriation made in paragraph "*a*" shall continue until the aggregate amount of the appropriations made, reverted, or transferred to the senior living trust fund for all fiscal years beginning on or after July 1, 2004, pursuant to paragraph "*a*" of this subsection, section 8.55, subsection 2, paragraph "*b*", and any other law providing for an appropriation or reversion or transfer of an appropriation to the senior living trust fund is equal to three hundred million dollars.

d. This subsection and section 8.55, subsection 2, paragraph "*b*", are repealed when the aggregate amount specified in paragraph "*c*" has been distributed, appropriated, reverted, or transferred to the senior living trust fund. The director of the department of management shall notify the Iowa Code editor when the aggregate amount has been distributed, appropriated, reverted, or transferred.

3. Moneys appropriated under subsection 1 shall be first credited to the cash reserve fund. To the extent that moneys appropriated under subsection 1 would make the moneys in the cash reserve fund exceed the cash reserve goal percentage of the adjusted revenue estimate for the fiscal year, the moneys are appropriated to the department of management to be spent for the purpose of eliminating Iowa's GAAP deficit, including the payment of items budgeted in a subsequent fiscal year which under generally accepted accounting principles should be budgeted in the current fiscal year. These moneys shall be deposited into a GAAP deficit reduction account established within the department of management. The department of management shall annually file with both houses of the general assembly at the time of the submission of the governor's budget, a schedule of the items for which moneys appropriated under this subsection for the purpose of eliminating Iowa's GAAP deficit, including the payment of items budgeted in a subsequent fiscal year which under generally accepted accounting principles should be budgeted in the current fiscal year, shall be spent. The schedule shall indicate the fiscal year in which the spending for an item is to take place and shall incorporate the items detailed in 1994 Iowa Acts, chapter 1181, section 17. The schedule shall list each item of expenditure and the estimated dollar amount of moneys to be spent on that item for the fiscal year. The department of management may submit during a regular legislative session an amended schedule for legislative consideration. If moneys appropriated under this subsection are not enough to pay for all listed expenditures, the department of management shall distribute the payments among the listed expenditure items. Moneys appropriated to the department of management under this subsection shall not be spent on items other than those included in the filed schedule. On September 1 following the close of a fiscal year, moneys in the GAAP deficit reduction account which remain unexpended for items on the filed schedule for the previous fiscal year shall be credited to the Iowa economic emergency fund.

4. To the extent that moneys appropriated under subsection 1 exceed the amounts necessary for the cash reserve fund to reach its maximum balance and the amounts necessary to eliminate Iowa's GAAP deficit, including elimination of the making of any appropriation in an incorrect fiscal year, the moneys shall be appropriated to the Iowa economic emergency fund.

5. As used in this section, "*GAAP*" means generally accepted accounting principles as established by the governmental accounting standards board.

6. *a.* A rebuild Iowa infrastructure fund is created under the authority of the department of management. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

b. Moneys in the infrastructure fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the infrastructure fund shall be credited to the infrastructure fund. Moneys in the infrastructure fund may be used for cash flow purposes during a fiscal year provided that

any moneys so allocated are returned to the infrastructure fund by the end of that fiscal year.

c. Moneys in the fund in a fiscal year shall be used as directed by the general assembly for public vertical infrastructure projects. For the purposes of this subsection, *"vertical infrastructure"* includes only land acquisition and construction, major renovation and major repair of buildings, all appurtenant structures, utilities, site development, and recreational trails. *"Vertical infrastructure"* does not include routine, recurring maintenance or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement. However, appropriations may be made for the fiscal years beginning July 1, 1997, and July 1, 1998, for the purpose of funding the completion of Part III of the Iowa communications network.

d. The general assembly may provide that all or part of the moneys deposited in the GAAP deficit reduction account created in this section shall be transferred to the infrastructure fund in lieu of appropriation of the moneys to the Iowa economic emergency fund.

e. Notwithstanding provisions to the contrary in sections 99D.17 and 99F.11, for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter, not more than a total of sixty million dollars shall be deposited in the general fund of the state in any fiscal year pursuant to sections 99D.17 and 99F.11. The next fifteen million dollars of the moneys directed to be deposited in the general fund of the state in a fiscal year pursuant to sections 99D.17 and 99F.11 shall be deposited in the vision Iowa fund created in section 12.72 for the fiscal year beginning July 1, 2000, and for each fiscal year through the fiscal year beginning July 1, 2019. The next five million dollars of the moneys directed to be deposited in the general fund of the state in a fiscal year pursuant to sections 99D.17 and 99F.11 shall be deposited in the school infrastructure fund created in section 12.82 for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter until the principal and interest on all bonds issued by the treasurer of state pursuant to section 12.81 are paid, as determined by the treasurer of state. The total moneys in excess of the moneys deposited in the general fund of the state, the vision Iowa fund, and the school infrastructure fund in a fiscal year shall be deposited in the rebuild Iowa infrastructure fund and shall be used as provided in this section, notwithstanding section 8.60.

If the total amount of moneys directed to be deposited in the general fund of the state under sections 99D.17 and 99F.11 in a fiscal year is less than the total amount of moneys directed to be deposited in the vision Iowa fund and the school infrastructure fund in the fiscal year pursuant to this paragraph "e", the difference shall be paid from lottery revenues in the manner provided in section 99G.39, subsection 3.

f. There is appropriated from the rebuild Iowa infrastructure fund to the secure an advanced vision for education fund created in section 423E.4, for each fiscal year of the fiscal period beginning July 1, 2004, and ending June 30, 2014, the amount of the moneys in excess of the first forty-seven million dollars credited to the rebuild Iowa infrastructure fund during the fiscal year, not to exceed ten million dollars.

g. Notwithstanding any other provision to the contrary, and prior to the appropriation of moneys from the rebuild Iowa infrastructure fund pursuant to paragraph "c", and section 8.57A, subsection 4, moneys shall first be appropriated from the rebuild Iowa infrastructure fund to the vertical infrastructure fund as provided in section 8.57B, subsection 4.

h. Annually, on or before January 1 of each year, a state agency that received an appropriation from the rebuild Iowa infrastructure fund for the preceding fiscal year shall report to the joint transportation, infrastructure, and capitals appropriation subcommittee, the legislative services agency, the department of management, and the legislative capital projects committee of the legislative council the status of all ongoing projects for which an appropriation from the fund has been made. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and an estimated completion date of the project.

11, 12; 95 Acts, ch 214, § 15, 16; 96 Acts, ch 1218, § 25, 26, 71; 2000 Acts, ch 1225, §30, 38, 39; 2001 Acts, ch 185, §33, 49; 2002 Acts, 2nd Ex, ch 1001, §28, 29, 33, 52; 2003 Acts, ch 178, §99, 121; 2003 Acts, ch 179, §31, 40, 90, 142, 159; 2003 Acts, 1st Ex, ch 2, §91, 209; 2004 Acts, ch 1101, §100, 102; 2004 Acts, ch 1170, §3; 2004 Acts, ch 1175, §321; 2006 Acts, ch 1173, §2, 3; 2006 Acts, ch 1179, §33

Footnotes

For temporary exceptions to appropriations contained in this section, see appropriations and other noncodified enactments in annual Acts of the general assembly

8.57A Environment first fund.

1. An environment first fund is created under the authority of the department of management. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

2. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the environment first fund shall be credited to the rebuild Iowa infrastructure fund.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for the protection, conservation, enhancement, or improvement of natural resources or the environment.

4. There is appropriated from the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter, the sum of thirty-five million dollars to the environment first fund, notwithstanding section 8.57, subsection 6, paragraph "c".

5. Annually, on or before January 1 of each year, a state agency that received an appropriation from the environment first fund for the preceding fiscal year shall report to the joint transportation, infrastructure, and capitals appropriation subcommittee, the legislative services agency, the department of management, and the legislative capital projects committee of the legislative council the status of all ongoing projects for which an appropriation from the fund has been made. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and an estimated completion date of the project.

2000 Acts, ch 1225, §22; 2006 Acts, ch 1179, §34

8.57B Vertical infrastructure fund.

1. A vertical infrastructure fund is created under the authority of the department of management. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

2. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the vertical infrastructure fund shall be credited to the rebuild Iowa infrastructure fund.

3. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for public vertical infrastructure projects. For the purposes of this section, "*vertical infrastructure*" includes only land acquisition and construction, major renovation, and major repair of buildings, all appurtenant structures, utilities, and site development. "*Vertical infrastructure*" does not include routine, recurring maintenance, debt service, or operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

4. There is appropriated from the rebuild Iowa infrastructure fund to the vertical infrastructure fund, the following:

a. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the sum of fifteen million dollars.

b. For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of fifteen million dollars.

c. For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of fifty million dollars.

d. For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of fifty million dollars.

5. Annually, on or before January 1 of each year, a state agency that received an appropriation from the vertical infrastructure fund for the preceding fiscal year shall report to the joint transportation, infrastructure, and capitals appropriation subcommittee, the legislative services agency, the department of management, and the legislative capital projects committee of the legislative council the status of all ongoing projects for which an appropriation from the fund has been made. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and an estimated completion date of the project.

2004 Acts, ch 1175, §322; 2005 Acts, ch 178, §10; 2006 Acts, ch 1179, §35

8.57C Technology reinvestment fund.

1. A technology reinvestment fund is created under the authority of the department of management. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53, relating to generally accepted accounting principles.

2. Moneys in the fund in a fiscal year shall be used as appropriated by the general assembly for the acquisition of computer hardware and software, software development, telecommunications equipment, and maintenance and lease agreements associated with technology components and for the purchase of equipment intended to provide an uninterrupted power supply.

3. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 2006, and for each subsequent fiscal year, the sum of seventeen million five hundred thousand dollars to the technology reinvestment fund.

4. Annually, on or before January 1 of each year, a state agency that received an appropriation from this fund for the preceding fiscal year shall report to the joint transportation, infrastructure, and capitals appropriation subcommittee, the legislative services agency, the department of management, and the legislative capital projects committee of the legislative council the status of all ongoing projects for which an appropriation from this fund has been made. The report shall include a description of the project, the progress of work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project,

the amount of funds expended, the amount of funds obligated, and an estimated completion date of the project.

2006 Acts, ch 1179, §23

FY 2006-2007 appropriations from technology reinvestment fund; reversion; 2006 Acts, ch 1179, §21, 22

8.58 Exemption from automatic application.

To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2, moneys appropriated under section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, and Iowa economic emergency fund shall not be considered in the application of any formula, index, or other statutory triggering mechanism which would affect appropriations, payments, or taxation rates, contrary provisions of the Code notwithstanding.

To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2, moneys appropriated under section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, and Iowa economic emergency fund shall not be considered by an arbitrator or in negotiations under chapter 20.

92 Acts, ch 1227, § 8; 95 Acts, ch 214, § 17; 2000 Acts, ch 1225, §23

8.59 Appropriations freeze.

Notwithstanding contrary provisions of the Code, the amounts appropriated under the applicable sections of the Code for fiscal years commencing on or after July 1, 1993, are limited to those amounts expended under those sections for the fiscal year commencing July 1, 1992. If an applicable section appropriates moneys to be distributed to different recipients and the operation of this section reduces the total amount to be distributed under the applicable section, the moneys shall be prorated among the recipients. As used in this section, "*applicable sections*" means sections 53.50, 229.35, 230.8, 230.11, 411.20, and 663.44.

92 Acts, ch 1227, § 9; 93 Acts, ch 180, § 1; 97 Acts, ch 206, §5; 99 Acts, ch 135, § 1; 2004 Acts, ch 1086, §5

8.60 Use of designated moneys.

Moneys credited to or deposited in the general fund of the state on or after July 1, 1993, which under law were previously collected to be used for specific purposes, or to be credited to, or be deposited to a particular account or fund shall only be used for the purposes for which the moneys were collected, including but not limited to moneys collected in accordance with any of the following provisions:

1. Pari-mutuel regulation fund created in section 99D.17, Code Supplement 1993.
2. Excursion boat gambling special account pursuant to section 99F.4, subsection 2, Code Supplement 1993.
3. Milk fund created in section 192.111, Code Supplement 1993.
4. Commercial feed fund created in section 198.9, Code Supplement 1993.
5. Fertilizer fund created in section 200.9, Code Supplement 1993, and moneys collected for the administration of chapter 201A relating to the regulation of limestone products which were deposited in the fertilizer fund pursuant to section 201.13, Code 1993 and Code 1995.

6. Pesticide fund created in section 206.12, Code Supplement 1993.
7. Motor vehicle fraud account pursuant to section 312.2, subsection 13, Code Supplement 1993.
8. Public transit assistance fund pursuant to section 312.2, subsection 15, Code Supplement 1993, and section 324A.6, Code Supplement 1993.
9. Salvage vehicle fee paid to the Iowa law enforcement academy pursuant to section 321.52, Code Supplement 1993.
10. Railroad assistance fund created in section 327H.18, Code Supplement 1993.
11. Special railroad facility fund created in section 327I.23, Code Supplement 1993.
12. State aviation fund created in section 328.36, Code Supplement 1993.
13. Marine fuel tax fund created in section 452A.79, Code Supplement 1993.
14. Public outdoor recreation and resources fund pursuant to section 461A.79, Code Supplement 1993.
15. Energy research and development fund created in section 473.11, Code Supplement 1993.
16. Utilities trust fund created in section 476.10, Code Supplement 1993.
17. Banking revolving fund created in section 524.207, Code Supplement 1993.
18. Credit union revolving fund created in section 533.67, Code Supplement 1993.
19. Professional licensing revolving fund created in section 546.10, Code Supplement 1993.

93 Acts, ch 131, §1; 94 Acts, ch 1107, §32; 94 Acts, ch 1199, §64; 96 Acts, ch 1096, § 1, 15; 96 Acts, ch 1219, § 34; 2000 Acts, ch 1224, §22, 32

8.61 Trust fund information.

The department of administrative services in cooperation with each appropriate agency shall track receipts to the general fund of the state which under law were previously collected to be used for specific purposes, or to be credited to, or be deposited to a particular account or fund, as provided in section 8.60.

The department of administrative services and each appropriate agency shall prepare reports detailing revenue from receipts previously deposited into each of the funds. A report shall be submitted to the legislative services agency at least once for each three-month period as designated by the legislative services agency.

96 Acts, ch 1214, §29; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 145, §286

8.62 Use of reversions.

1. For the purposes of this section, "*operational appropriation*" means an appropriation from the general fund of the state providing for salary, support, administrative expenses, or other personnel-related costs.
2. Notwithstanding the provisions of section 8.33 or any other provision of law to the contrary, if on June 30 of a fiscal year, a balance of an operational appropriation remains unexpended or unencumbered, not more

than fifty percent of the balance may be encumbered by the agency to which the appropriation was made and used as provided in this section and the remaining balance shall be deposited in the cash reserve fund created in section 8.56. Moneys encumbered under this section shall only be used by the agency during the succeeding fiscal year for employee training, technology enhancement, or purchases of goods and services from Iowa prison industries. Unused moneys encumbered under this section shall be deposited in the cash reserve fund on June 30 of the succeeding fiscal year.

3. On or before June 30 of the fiscal year following the fiscal year in which funds were encumbered under this section, an agency encumbering funds under this section shall report to the joint appropriations subcommittee which recommends funding for the agency, the legislative services agency, the department of management, and the legislative fiscal committee of the legislative council detailing how the moneys were expended. Moneys shall not be encumbered under this section from an appropriation which received a transfer from another appropriation pursuant to section 8.39.

94 Acts, ch 1181, § 2; 96 Acts, ch 1219, §1; 99 Acts, ch 182, § 1, 2; 2003 Acts, ch 35, §45, 49

8.63 Innovations fund.

1. An innovations fund is created in the state treasury under the control of the department of management for the purpose of stimulating and encouraging innovation and entrepreneurship in state government by the awarding of repayable loans to state agencies.

2. The director of the department of management shall establish an eight-member committee to be called the state innovations fund committee. The committee shall review all requests for funds and approve loans of funds if the committee determines that the loan meets the requirements for a project loan or an enterprise loan as provided in this section.

3. A project loan can be funded if the committee determines that an agency request would result in cost savings or added revenue to the general fund of the state. Eligible projects are projects which cannot be funded from an agency's operating budget without adversely affecting the agency's normal service levels. Projects may include, but are not limited to, purchase of advanced technology, contracting for expert services, and acquisition of equipment or supplies.

4. An enterprise loan can be funded if the committee determines that the agency or business unit has a viable business plan and the capability to use the loan to provide internal services to government. The enterprise is expected to receive payment for services from its customers and use those payments to cover its expenses, including repayment of the loan.

5. A state agency seeking a loan from the innovations fund shall complete an application form designed by the state innovations fund committee which employs, for projects, a return on investment concept and demonstrates how state general fund expenditures will be reduced or how state general fund revenues will increase, or for enterprises, a business plan that shows how the enterprise will meet customer needs, provide value to customers, and demonstrate financial viability. Minimum loan requirements for state agency requests shall be determined by the committee. As an incentive to increase state general fund revenues, an agency may retain up to fifty percent of savings realized in connection with a project loan from the innovations fund. The amount retained shall be determined by the innovations fund committee. Savings realized but not retained by an agency shall not be deposited in the innovations fund.

6. *a.* In order for the innovations fund to be self-supporting, the innovations fund committee shall establish repayment schedules for each innovations fund loan awarded. Agencies shall repay the funds over a period not to exceed five years with interest, at a rate to be determined by the innovations fund committee.

b. If the department of management and the department of revenue certify that the savings from a proposed

innovations fund project will result in a net increase in the balance of the general fund of the state without a corresponding cost savings to the requesting agency, and if the requesting agency meets all other eligibility requirements, the innovations fund committee may approve the loan for the project and not require repayment by the requesting agency. There is appropriated from the general fund of the state to the department of management for deposit in the innovations fund an amount sufficient to repay the loan amount, which amount shall not exceed the principal amount of the loan plus interest on the loan.

7. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the innovations fund shall be credited to the innovations fund. Notwithstanding section 8.33, moneys remaining in the innovations fund at the end of a fiscal year shall not revert to the general fund of the state.

95 Acts, ch 214, §18; 99 Acts, ch 208, § 16; 2003 Acts, ch 145, §125, 293; 2004 Acts, ch 1175, §27, 28

8.64 Local government innovation fund committee loans.

1. The local government innovation fund is created in the state treasury under the control of the department of management for the purpose of stimulating and encouraging innovation in local government by the awarding of loans to cities and counties.

2. The director of the department of management shall establish a seven-member committee to be called the local government innovation fund committee. Committee members shall have expertise in local government. The committee shall review all requests for funds and approve loans of funds if the committee determines that a city or county project that is the subject of a request would result in cost savings, innovative approaches to service delivery, or added revenue to the city, county, or state. Eligible projects are projects which cannot be funded from a city's or county's operating budget without adversely affecting the city's or county's normal service levels. Preference shall be given to requests involving the sharing of services between two or more local governments. Projects may include, but are not limited to, purchase of advanced technology, contracting for expert services, and acquisition of equipment or supplies.

3. A city or county seeking a loan from the local government innovation fund shall complete an application form designed by the local government innovation fund committee which employs a return on investment concept and demonstrates how the project funded by the loan will result in reduced city, county, or state general fund expenditures or how city or county fund revenues will increase without an increase in state costs. Minimum loan requirements for city or county requests shall be determined by the committee.

4. *a.* In order for the local government innovation fund to be self-supporting, the local government innovation fund committee shall establish repayment schedules for each loan awarded. The loan requirements shall be outlined in a chapter 28E agreement executed between the state and the city or county receiving the loan. A city or county shall repay the loan over a period not to exceed five years, with interest, at a rate to be determined by the local government innovation fund committee.

b. The local government innovation fund committee shall utilize the department of management, the department of revenue, or other source of technical expertise designated by the committee to certify savings projected for a local government innovation fund project.

5. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the local government innovation fund shall be credited to the local government innovation fund. Notwithstanding section 8.33, moneys appropriated to and moneys remaining in the local government innovation fund at the end of a fiscal year shall not revert to the general fund of the state.

2003 Acts, ch 145, §286; 2003 Acts, ch 178, §27