

S-5355

1 Amend House File 2531, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 46, after line 5 by inserting:

4 <DIVISION
5 STATE EXPENDITURE LIMITATIONS

6 Sec. _____. Section 8.22A, Code 2009, is amended to
7 read as follows:

8 **8.22A Revenue estimating conference.**

9 1. The state revenue estimating conference is
10 created consisting of the governor or the governor's
11 designee, the director of the legislative services
12 agency or the director's designee, and a third member
13 agreed to by the other two.

14 2. The conference shall meet as often as deemed
15 necessary, but shall meet at least quarterly. The
16 conference may use sources of information deemed
17 appropriate. At each meeting, the conference shall
18 agree to estimates for both the current and succeeding
19 fiscal years for the general fund of the state, lottery
20 revenues to be available for disbursement, and from
21 gambling revenues and from interest earned on the cash
22 reserve fund and the economic emergency fund to be
23 deposited in the rebuild Iowa infrastructure fund.

24 3. By For purposes of the state general fund
25 expenditure limitation and other expenditure
26 limitations under section 8.54, by December 15 of each
27 fiscal year the conference shall agree to a revenue
28 estimate revenue estimates for the amounts of moneys
29 subject to an expenditure limitation under section
30 8.54 for the fiscal year beginning the following July

31 1. That The estimate amounts shall be used by the
32 governor in the preparation of the budget message
33 under section 8.22 and by the general assembly in
34 the budget process. If the conference agrees to a
35 different estimate at a later meeting which projects
36 a greater amount of revenue than the initial estimate
37 amount agreed to by December 15, the governor and the
38 general assembly shall continue to use the initial
39 estimate amount in the budget process for that fiscal
40 year. However, if the conference agrees to a different
41 estimate at a later meeting which projects a lesser
42 amount of revenue than the initial estimate amount,
43 the governor and the general assembly shall use the
44 lesser amount in the budget process for that fiscal
45 year. As used in this subsection, "later meeting"
46 means only those later meetings which are held prior
47 to the conclusion of the regular session of the
48 general assembly and, if the general assembly holds
49 an extraordinary session prior to the commencement of
50 the fiscal year to which the estimate applies, those

1 later meetings which are held before or during the
2 extraordinary session.

3 4. At the meeting in which the conference agrees
4 to the revenue estimate for the general fund of the
5 state for the following fiscal year in accordance with
6 the provisions of subsection 3, the conference shall
7 agree to an estimate for tax refunds payable from that
8 estimated revenue. The estimates required by this
9 subsection shall be used in determining the adjusted
10 revenue estimate under section 8.54.

11 5. At the meeting in which the conference agrees
12 to the revenue estimate for the general fund of the
13 state for the succeeding fiscal year in accordance
14 with the provisions of subsection 3, the conference
15 shall also agree to the following estimates which shall
16 be used by the governor in preparation of the budget
17 message under section 8.22 and the general assembly in
18 the budget process for the succeeding fiscal year:

19 a. The amount of lottery revenues that will be
20 deposited in the general fund for the following fiscal
21 year to be available for disbursement following the
22 deductions made pursuant to section 99G.39, subsection
23 1. This estimate shall be included in the conference's
24 estimate of general fund revenues and shall be
25 calculated as the sum of the following, divided by
26 seven, as agreed to by the conference:

27 (1) The conference's estimate of the amount of
28 lottery revenues to be deposited in the general fund
29 for the succeeding fiscal year.

30 (2) The conference's estimate of the amount of
31 lottery revenues to be deposited in the general fund
32 for the current fiscal year.

33 (3) The actual amount of the lottery revenues
34 deposited in the general fund for the five most
35 recently completed fiscal years, adjusted for inflation
36 through the close of the most recently completed fiscal
37 year.

38 b. The amount of revenue for the following fiscal
39 year from gambling revenues and from interest earned on
40 the cash reserve fund and the economic emergency fund
41 to be deposited in the rebuild Iowa infrastructure fund
42 under section 8.57, subsection 6, paragraph "e".

43 c. The amount of accruals of those revenues
44 collected by or due from entities other than the
45 state on or before June 30 of the fiscal year but not
46 remitted to the state until after June 30.

47 d. The amount of accrued lottery revenues collected
48 on or before June 30 of the fiscal year but not
49 transferred to the general fund of the state until
50 after June 30.

1 6. At the meeting in which the conference agrees to
2 the revenue estimates for the succeeding fiscal year
3 in accordance with subsection 3, the conference shall
4 agree to the amount available in the cash reserve fund
5 as of the close of the previous fiscal year that may be
6 appropriated for nonrecurring emergency expenditures as
7 provided in section 8.56, subsection 5.

8 Sec. ____ . Section 8.54, Code 2009, is amended to
9 read as follows:

10 **8.54 General fund expenditure limitation and other**
11 **expenditure limitations.**

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

14 a. "Adjusted revenue estimate" means the appropriate
15 revenue estimate for the general fund for the following
16 fiscal year as determined by the revenue estimating
17 conference under section 8.22A, subsection 3, adjusted
18 by subtracting estimated tax refunds payable from
19 that estimated revenue, adding accruals determined in
20 accordance with section 8.22A, subsection 5, and as
21 determined by the conference, adding any new revenues
22 which may be considered to be eligible for deposit in
23 the general fund.

24 b. "Inflation" means the percentage change in the
25 consumer price index for all urban consumers, midwest
26 region, published by the United States department of
27 labor, bureau of labor statistics.

28 c. "New revenues" means moneys which are received
29 by the general fund of the state due to increased
30 tax rates and fees or newly created taxes and fees
31 over and above those moneys which are received due to
32 state taxes and fees which are in effect as of January
33 1 following the December state revenue estimating
34 conference. "New revenues" also includes moneys
35 received by the general fund of the state due to new
36 transfers over and above those moneys received by the
37 general fund of the state due to transfers which are
38 in effect as of January 1 following the December state
39 revenue estimating conference. The department of
40 management shall obtain concurrence from the revenue
41 estimating conference on the eligibility of transfers
42 to the general fund of the state which are to be
43 considered as new revenue in determining the state
44 general fund expenditure limitation.

45 2. a. There is created a state general fund
46 expenditure limitation for each fiscal year calculated
47 as provided in this section.

48 b. There is created a gambling revenue expenditure
49 limitation calculated as provided in this section. The
50 limitation applies to revenues received by the state

1 that are attributable to gambling and available for
2 appropriation but are not credited to the general fund
3 of state. The gambling revenue expenditure limitation
4 does not include lottery revenue.

5 c. An expenditure limitation shall be used for the
6 portion of the budget process commencing on the date
7 the revenue estimating conference agrees to a revenue
8 estimate for the following fiscal year in accordance
9 with section 8.22A, subsection 3, and ending with
10 the governor's final approval or disapproval of the
11 appropriations bills applicable to that fiscal year
12 that were passed prior to July 1 of that fiscal year in
13 a regular or extraordinary legislative session.

14 3. Except as otherwise provided in this section,
15 the state general fund expenditure limitation for
16 a fiscal year shall be ninety-nine percent of the
17 adjusted revenue estimate of the general fund average,
18 as agreed to by the revenue estimating conference. The
19 general fund average for a fiscal year is the sum of
20 the following, divided by seven:

21 a. The adjusted revenue estimate for the succeeding
22 fiscal year.

23 b. The revenue estimate for the current fiscal
24 year, adjusted by subtracting estimated tax refunds
25 payable from that estimated revenue and as determined
26 by the conference, adding any new revenues which may be
27 considered to be eligible for deposit in the general
28 fund.

29 c. The net revenue for the general fund of the
30 state for the five most recently completed fiscal
31 years, adjusted by subtracting tax refunds paid from
32 the revenue and adjusted for inflation through the
33 close of the most recently completed fiscal year.

34 4. The gambling revenue expenditure limitation
35 for a fiscal year shall be the sum of the following,
36 divided by seven, as agreed to by the revenue
37 estimating conference:

38 a. The gambling revenues estimate for the
39 succeeding fiscal year.

40 b. The gambling revenues estimate for the current
41 fiscal year.

42 c. The net gambling revenues for the five most
43 recently completed fiscal years, adjusted for inflation
44 through the close of the most recently completed fiscal
45 year.

46 4. 5. The state general fund expenditure
47 limitation amount and the gambling revenue expenditure
48 limitation amount provided for in this section shall
49 be used by the governor in the preparation of the
50 budget under section 8.22 and approval of the budget

1 and by the general assembly in the budget process.
2 If a source for new revenues is proposed, the budget
3 revenue projection used for that new revenue source
4 for the period beginning on the effective date of the
5 new revenue source and ending in the fiscal year in
6 which the source is included in the revenue base shall
7 be an amount determined by subtracting estimated tax
8 refunds payable from the projected revenue from that
9 new revenue source, multiplied by ninety-five percent.
10 If a new revenue source is established and implemented
11 that would affect an expenditure limitation amount,
12 ~~the original state general fund expenditure limitation~~
13 ~~amount provided for in subsection 3 shall be readjusted~~
14 ~~to include ninety-five percent of the estimated revenue~~
15 ~~from the new revenue source.~~

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

22 6. The scope of the expenditure
23 limitation limitations
24 ~~under subsection 3~~ this section shall not encompass
25 federal funds, donations, constitutionally dedicated
26 moneys, moneys appropriated from the cash reserve
27 fund or Iowa economic emergency fund, and moneys in
28 expenditures from state retirement system moneys.

29 7. The governor shall transmit to the general
30 assembly, in accordance with section 8.21, a
31 budget which does not exceed the ~~state general fund~~
32 ~~expenditure limitation~~ expenditure limitations under
33 this section. The general assembly shall pass a
34 budget which does not exceed the ~~state general fund~~
35 ~~expenditure limitation~~ expenditure limitations. The
36 governor shall not transmit a budget with recommended
37 appropriations in excess of the ~~state general fund~~
38 ~~expenditure limitation~~ expenditure limitations and
39 the general assembly shall not pass a budget with
40 appropriations in excess of the ~~state general fund~~
41 ~~expenditure limitation~~ expenditure limitations. The
42 governor shall not approve or disapprove appropriation
43 bills or items of appropriation bills passed by the
44 general assembly in a manner that would cause the
45 final budget approved by the governor to exceed the
46 ~~state general fund expenditure limitation~~ expenditure
47 limitations. In complying with the requirements
48 of this subsection, the governor and the general
49 assembly shall not rely on any anticipated reversion
50 of appropriations in order to meet the ~~state general~~

1 ~~fund any expenditure limitation.~~

2 Sec. _____. Section 8.55, subsection 2, paragraph a,
3 Code 2009, is amended to read as follows:

4 a. The maximum balance of the fund is the amount
5 equal to ~~two~~ five and one-half percent of the adjusted
6 revenue estimate for the fiscal year. If the amount of
7 moneys in the Iowa economic emergency fund is equal to
8 the maximum balance, moneys in excess of this amount
9 shall be transferred to the ~~general fund property tax~~
10 equity and relief fund created in section 257.16A.

11 Sec. _____. Section 8.56, subsections 2 and 3, Code
12 2009, are amended to read as follows:

13 2. a. Moneys shall be credited to the cash reserve
14 fund from all of the following:

15 (1) Appropriations made to the fund pursuant to
16 section 8.57.

17 (2) The state's share of the proceeds under chapter
18 809A.

19 (3) Moneys collected in the settlement or
20 prosecution of a claim by the state that are not
21 otherwise specifically allocated in accordance with law
22 to another fund.

23 (4) Other moneys designated by law or by the
24 executive council as one-time revenues and which are
25 not otherwise specifically allocated by law to another
26 fund.

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

32 3. The moneys in the cash reserve fund shall only
33 be used pursuant to an appropriation made by the
34 general assembly. An Except as provided in subsection
35 5, an appropriation shall be made in accordance with
36 subsection 4 from the cash reserve fund only for the
37 fiscal year in which the appropriation is made. The
38 moneys shall only be appropriated by the general
39 assembly for nonrecurring emergency expenditures and
40 shall not be appropriated for payment of any collective
41 bargaining agreement or arbitrator's decision
42 negotiated or awarded under chapter 20. Except as
43 provided in section 8.58, the cash reserve fund shall
44 be considered a special account for the purposes of
45 section 8.53 in determining the cash position of the
46 general fund of the state for the payment of state
47 obligations.

48 Sec. _____. Section 8.56, Code 2009, is amended by
49 adding the following new subsection:

50 NEW SUBSECTION. 5. If the adjusted revenue

1 estimate for the succeeding fiscal year is less than
2 ninety-eight percent of the general fund average for
3 that fiscal year under section 8.54, subsection 3, an
4 appropriation for nonrecurring emergency expenditures
5 from the cash reserve fund may be made to provide
6 additional funding for the succeeding fiscal year.
7 However, the amount of such appropriation shall not
8 exceed the difference of ninety-eight percent of
9 such general fund average minus the adjusted revenue
10 estimate for the succeeding fiscal year. The amount of
11 such appropriation shall not exceed twenty-five percent
12 of the ending balance in the cash reserve fund in the
13 most recently completed fiscal year.

14 Sec. _____. Section 284.3A, Code Supplement 2009, is
15 amended by adding the following new subsection:

16 NEW SUBSECTION. 4. The teacher salary supplement
17 district cost as calculated under section 257.10,
18 subsection 9, and the area education agency teacher
19 salary supplement district cost as calculated under
20 section 257.37A, subsection 1, are not subject to a
21 uniform reduction in accordance with section 8.31.
22 Notwithstanding any provision of law to the contrary,
23 if the governor orders budget reductions in accordance
24 with section 8.31, a collective bargaining agreement
25 negotiated under chapter 20 and in effect on the date
26 the budget reduction was ordered shall be reopened
27 and renegotiated by the boards of directors of school
28 districts and area education agencies and the employee
29 organizations representing the employees of the school
30 districts and area education agencies.

31 Sec. _____. Section 809A.17, subsection 3, Code 2009,
32 is amended to read as follows:

33 3. The state share of the cash proceeds from
34 forfeited property shall be credited to the cash
35 reserve fund. Forfeited property that is not cash
36 or sold may be used by the department of justice in
37 the enforcement of the criminal law. The department
38 may give, sell, or trade forfeited property that is
39 not cash or sold to any other state agency or to any
40 other law enforcement agency within the state if, in
41 the opinion of the attorney general, it the forfeited
42 property will enhance law enforcement within the state.

43 Sec. _____. APPLICABILITY. This division of this Act
44 applies beginning July 1, 2010, for the budget process
45 for the succeeding fiscal year.>

46 2. By renumbering as necessary.

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