

## SUPPLEMENT

The following reports and communications were received subsequent to final adjournment:

### MESSAGE FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 2, 2014, adopted the following resolution in which the concurrence of the Senate was asked:

[House Concurrent Resolution 109](#), a concurrent resolution to provide for adjournment sine die.

MICHAEL E. MARSHALL, Secretary

### BILLS ENROLLED, SIGNED AND SENT TO GOVERNOR

The Chief Clerk of the House submitted the following report:

Mr. Speaker: The Chief Clerk of the House respectfully reports that the following bill has been examined and found correctly enrolled, signed by the Speaker of the House and the President of the Senate, and presented to the Governor for his approval on this 2<sup>nd</sup> day of May, 2014: House Files 2273, 2289, 2446, 2448, 2453, 2454, 2459, 2464, 2466, 2468 and 2474.

CARMINE BOAL  
Chief Clerk of the House

### BILLS ENROLLED, SIGNED AND SENT TO GOVERNOR

The Chief Clerk of the House submitted the following report:

Mr. Speaker: The Chief Clerk of the House respectfully reports that the following bill has been examined and found correctly enrolled, signed by the Speaker of the House and the President of the Senate, and presented to the Governor for his approval on this 8<sup>th</sup> day of May, 2014: House Files 2449, 2450 and 2456.

CARMINE BOAL  
Chief Clerk of the House

### BILLS ENROLLED, SIGNED AND SENT TO GOVERNOR

The Chief Clerk of the House submitted the following report:

Mr. Speaker: The Chief Clerk of the House respectfully reports that the following bills have been examined and found correctly enrolled, signed by the Speaker of the House and the President of the Senate, and presented to the Governor for his approval on this 9<sup>th</sup> day of May, 2014: House Files 398, 2109, 2444, 2458, 2460, 2463, 2473 and 2476.

CARMINE BOAL  
Chief Clerk of the House

#### BILLS SIGNED BY GOVERNOR

The following is a record of the action of the Governor on the bills passed by the 2014 Regular Session of the Eighty-fifth General Assembly and which action was had subsequent to the date of final adjournment.

[House File 398](#), an Act relating to the duties and responsibilities of insurance producers under insurance policies or contracts. Approved 5-23-14.

[House File 2109](#), an Act relating to vapor products and alternative nicotine products, and providing penalties. Approved 5-23-14.

[House File 2273](#), an Act relating to certain state and local government activities related to vehicle registration, taxation of rental vehicles, and levee and drainage districts. Approved 5-23-14.

[House File 2289](#), an Act relating to the regulation and use of unmanned aerial vehicles. Approved 5-23-14.

[House File 2444](#), an Act relating to the administration of the tax and related laws of the Department of Revenue, including powers and duties of the director of administration of the inheritance tax, motor fuel and special fuel taxes, and including effective date and retroactive applicability provisions. Approved 5-30-14.

[House File 2446](#), an Act exempting from the sales tax the sales price of diesel fuel trailer or seed tender used primarily in agricultural production. Approved 5-30-14.

[House File 2448](#), an Act relating to the administration of programs by the Economic Development Authority by modifying the high quality jobs program, creating a workforce housing tax incentives program and making penalties applicable, and repealing the enterprise zone program, and including effective date and retroactive and other applicability provisions. Approved 5-30-14.

[House File 2449](#), an Act relating to appropriations to the Judicial Branch. Approved 5-30-14.

[House File 2453](#), an Act relating to the administration of the historic preservation and cultural and entertainment district tax credit program by the Department of Cultural Affairs, providing for fees, and including applicability provisions. Approved 5-27-14.

[House File 2454](#), an Act relating to the beginning farmer tax credit program, including the agricultural assets transfer tax credit and the custom farming contract tax credit, by extending the carryforward period, and including effective date and retroactive applicability provisions. Approved 5-23-14.

[House File 2459](#), an Act relating to the individual income tax by creating a tax credit for reserve peace officers and by modifying the tax credit for volunteer fire fighter and volunteer emergency medical services personnel and including retroactive applicability provisions. Approved 5-16-14.

[House File 2464](#), an Act providing for the rebate of state sales and use tax to the owner or operator of a raceway facility, and providing penalties. Approved 5-13-14.

[House File 2466](#), an Act relating to the assessment of certain housing rented or leased to low-income individuals and families and including applicability provisions. Approved 5-30-14.

[House File 2468](#), an Act creating an individual income tax credit for qualified adoption expenses paid or incurred in connection with certain adoptions and including retroactive applicability provisions. Approved 5-23-14.

[House File 2474](#), an Act expanding the criminal offense of and related penalties for sexual exploitation to include persons issued a school coaching authorization, and including effective date provisions. Approved 5-23-14.

[House File 2476](#), an Act relating to funding of unified law enforcement districts, and including effective date and applicability provisions. Approved 5-23-14.

[Senate File 303](#), an Act relating to veterans, military service members, and certain survivor beneficiaries and including effective date and retroactive applicability provisions. Approved 5-26-14.

[Senate File 383](#), an Act relating to the sealing of juvenile delinquency records. Approved 5-23-14.

[Senate File 2130](#), an Act relating to and making transportation and other infrastructure-related appropriations to the Department of Transportation, including allocation and use of moneys from the road use tax fund and the primary road fund, and including effective date provisions. Approved 5-30-14.

[Senate File 2196](#), an Act relating to programs and services under the purview of the Department of Public Health, and including effective date provisions. Approved 5-23-14.

[Senate File 2239](#), an Act relating to elder abuse and providing penalties. Approved 5-23-14.

[Senate File 2297](#), an Act relating to the criminal transmission of a contagious or infectious disease, providing penalties, and including effective date provisions. Approved 5-30-14.

[Senate File 2337](#), an Act relating to the child and dependent care credit available against the individual income tax, and including effective date and applicability provisions. Approved 5-30-14.

[Senate File 2340](#), an Act modifying provisions applicable to the solar energy system tax credit, and including effective date and retroactive applicability provisions. Approved 5-30-14.

[Senate File 2342](#), an Act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters, including penalties, and including effective date provisions. Approved 5-30-14.

[Senate File 2343](#), an Act relating to qualification requirements for the renewable energy tax credit. Approved 5-30-14.

[Senate File 2344](#), an Act relating to renewable fuels, by providing for biobutanol and biobutanol blended gasoline, modifying the rate of the e-15 plus gasoline promotion tax credit and extending provisions for a biodiesel production refund, and including effective date and retroactive applicability provisions. Approved 5-21-14.

[Senate File 2347](#), an Act relating to the funding of, the operation of, and appropriation of moneys to the College Student Aid Commission, the Department for the Blind, the Department of Education, and the State Board of Regents, and providing for related matters. Approved 5-30-14.

[Senate File 2352](#), an Act relating to the additional homestead credit for certain disabled veterans and including effective date and applicability provisions. Approved 5-26-14.

[Senate File 2355](#), an Act relating to matters under the purview of the Department of Transportation, establishing a fee, and including effective date provisions. Approved 5-30-14.

[Senate File 2359](#), an Act relating to the administration of certain economic development programs by the Economic Development Authority and including effective date and retroactive applicability provisions. Approved 5-30-14.

[Senate File 2360](#), an Act creating the medical cannabidiol act and providing penalties. Approved 5-30-14.

[Senate File 2362](#), an Act relating to pari-mutuel racetracks, including by providing for live dog racing at pari-mutuel dog racetracks, providing for alternative licensure for dog racetracks, and establishing fees, and including effective date provisions. Approved 5-30-14.

[Senate File 2364](#), an Act relating to state regulatory matters by exempting from sales tax the furnishing of certain environmental testing services, modifying the registration and regulation of motorsports recreational vehicles, recreational vehicle operators, and recreational vehicle cargo, and including fees, penalties, and effective date provisions. Approved 5-30-14.

## GOVERNOR'S VETO MESSAGES

A copy of the following communications were received and placed on file:

[HOUSE FILE 2456](#)

May 30, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

[House File 2456](#), an Act relating to the approval and imposition of the facilities property tax levy and the equipment replacement and program sharing property tax levy for a merged area and including effective date and applicability provisions is hereby disapproved and transmitted to you in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa.

[House File 2456](#) is hereby disapproved on this date.

[HF 2456](#) gives community college boards authority to continue the Property Tax Facility Levy and the Property Tax Equipment Sharing Levy for up to ten years without voter approval, provided voters have passed the levies in the two previous 10-year cycles. The two levies combined cost a maximum of approximately 27 cents per \$1,000 of valuation.

I am unable to approve [House File 2456](#) for the following reasons:

[House File 2456](#) takes away decision-making power from the voters for property tax increases. Estimates reveal that the amount of property tax dollars at issue are \$9,200,000 in FY 2015, \$11,600,000 in FY 2016, \$12,900,000 in FY 2017, \$15,100,000 in FY 2018 and \$17,800,000 in FY 2019. If this bill was allowed to become law, the voters would not be allowed to vote on these property taxes; instead they would be taxed by resolution of a community college board.

Voters should have the power to approve or disapprove property tax increases or continuing additional levies. When voters get to decide, it helps to hold everyone accountable. Typically, when these measures are on the ballot, they receive voter approval. Voters should have the opportunity to decide this important property tax issue. Decision-making power in the hands of the voters helps for voters, communities and community colleges to work together to best serve the needs of the community.

For the above reasons, I respectfully disapprove of [House File 2456](#), in its entirety, in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa.

Sincerely,

TERRY E. BRANSTAD  
Governor

[SENATE FILE 2363](#)

May 30, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

[Senate File 2363](#), relating to state and local finances by making transfers and appropriations, providing for properly related matters, and including effective date and applicability provisions, is hereby disapproved and transmitted to you in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa.

[Senate File 2363](#) is hereby disapproved on this date.

I am unable to approve [Senate File 2363](#) for the following reasons:

[Senate File 2363](#) attempts to use one-time dollars to pay for special projects and pay down bonds. In total, it contains nearly \$140 million dollars in one-time spending.

Currently, the State of Iowa has a healthy ending balance. However, the most recent state revenue projection, which occurred since the legislature adjourned, shows significant decline in projected revenues. This information was not available to the legislature during the time this legislation was approved. With this new information, it is very important we continue to be prudent with taxpayer dollars.

When I took office in 2011, I proposed a two year budget with a five year projection. My budget is fiscally sound, predictable and sustainable for the long term. Long term budgeting isn't easy and requires very difficult decisions to align projected spending with revenue.

In 2013, the legislature and I made multi-year commitments with the \$4.4 billion property tax cut and education reform that included investing in our teachers and students. These were historic commitments to the people of Iowa and commitments we must keep to Iowa taxpayers, schools and local governments. Signing this spending bill could jeopardize our ability to fund those commitments in the future.

While there are items in this bill that I support, and in some instances recommended, I cannot sign them into law at this time. As the Chief Executive of this state, it is my responsibility to have a long term vision that maintains stability and predictability in our state's budget. Maintaining the fiscal health of Iowa over the long term is my top budgeting priority.

Iowa is working--we are growing. The growth of jobs and opportunities in our state is due, in part, to a government Iowans can rely on. Our commitments to teachers, students and local communities must be honored and our focus must be on the long term stability so Iowa can continue to flourish. In order to continue growing good

paying jobs, we need to make tough choices that ensure a balanced budget today and for the long term.

For the above reasons, I respectfully disapprove of [Senate File 2363](#), in its entirety, in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa.

Sincerely,

TERRY E. BRANSTAD  
Governor

### GOVERNOR'S ITEM VETO MESSAGES

A copy of the following communications were received and placed on file:

#### [HOUSE FILE 2450](#)

May 30, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit [House File 2450](#), an Act relating to appropriations to the justice system and including effective date provisions.

[House File 2450](#) is approved on this date with the following exception, which I hereby disapprove.

I am unable to approve the item designated as Section 6, amending the 2013 Iowa Acts, chapter 139, section 22, subsection 1, by inserting lettered paragraph c. This item contains policy language pertaining to the Department of Corrections entering into a new contract in excess of \$100,000 for privatized services during fiscal year 2015 without prior notification of the legislature and employee organizations. However, this item allows the department to renew existing contracts without notification. This item would prevent the department from obtaining services for inmates in an effective and efficient manner. This notification unnecessarily impedes the department's management authority.

For the above reasons, I respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in [House File 2450](#) are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD  
Governor

[HOUSE FILE 2458](#)

May 30, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit [House File 2458](#) an Act relating to and making appropriations involving state government entities involved with agriculture, natural resources, and environmental protection, providing for taxable property, making related statutory changes, and including effective date and retroactive applicability provisions.

[House File 2458](#) is approved on this date with the following exception, which I hereby disapprove.

I am unable to approve the designated portion of the item designated as Section 11, amending the 2013 Iowa Acts, chapter 132, section 38, subsection 3. This item permits the Department of Natural Resources to spend the remaining balance of the Fish and Game Protection Fund on salary adjustments. This item is unnecessary as the purpose of this fund is to support fish and wildlife activities.

For the above reasons, I respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in [House File 2458](#) are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD  
Governor

[HOUSE FILE 2460](#)

May 27, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit [House File 2460](#), an Act relating to and making appropriations to the Department of Cultural Affairs, the Economic Development Authority, the Department of Workforce Development, the Iowa Finance Authority, the Public Employment Relations Board, and the State Board of Regents and regents institutions, and providing for other properly related matters, and including effective date and retroactive applicability provisions.

[House File 2460](#) is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 3, amending 2013 Iowa Acts, chapter 137, Section 21 inserting subsection 2. This item makes changes to the administration of the 260F program. The Iowa Economic Development Authority (IEDA) has the infrastructure to administer this program and maintaining the 260F program at the IEDA is the most efficient use of funds. It is important to keep the 260F program consistent and stable for the business community.

I am unable to approve the item designated as Section 16, in its entirety. This item makes changes to the administration of the 260F program. The Iowa Economic Development Authority (IEDA) has the infrastructure to administer this program and maintaining the 260F program at the IEDA is the most efficient use of funds. It is important to keep the 260F program consistent and stable for the business community.

I am unable to approve the designated portion of the item designated as Section 20, subsection 5. This item places restrictions on the funding formula for the apprenticeship program. Requiring all stakeholders who are recipients of funds from the apprenticeship program to comply with the same statutory funding formula is fair and transparent.

I am unable to approve the item designated as Section 21, in its entirety. This item creates an apprenticeship training program advisory board. Such board is unnecessary to administer the financial assistance for the apprenticeship programs because the assistance is provided by statutory formula rather than board approval. Further, the purpose of the apprenticeship program is to create jobs and grow the private sector, not government. This advisory board makes government bigger without serving any purpose.

I am unable to approve the items designated as Sections 23, 24, 25, 26, 27, 28, 29, 30, 31, and 32, in their entirety. These items make changes to the administration of the 260F program. The Iowa Economic Development Authority (IEDA) has the infrastructure to administer this program and maintaining the 260F program at the IEDA is the most efficient use of funds. It is important to keep the 260F program consistent and stable for the business community.

I am unable to approve the items designated as Sections 35, 36, 37 and 38, in their entirety. These items make changes to the administration of the 260F program. The Iowa Economic Development Authority (IEDA) has the infrastructure to administer this program and maintaining the 260F program at the IEDA is the most efficient use of funds. It is important to keep the 260F program consistent and stable for the business community.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in [House File 2460](#) are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD  
Governor

[HOUSE FILE 2463](#)

May 30, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit [House File 2463](#), an Act relating to appropriations for health and human services and veterans and including other related provisions and appropriations, extending the duration of county mental health and disabilities services fund per capita levy provisions, and including effective date and retroactive and other applicability date provisions.

A stable, predictable health and human services budget is critically important to Iowa taxpayers who fund these programs and to Iowa's most vulnerable who rely upon these programs. This budget falls short of the high standard Iowans deserve and need, especially in two areas: compensatory education for former Iowa Juvenile Home residents and Medicaid. The budget I proposed in January 2014 included funding for compensatory education of children formerly served by the Iowa Juvenile Home. This bill fails to fund compensatory education; however, I am committed to ensuring the educational needs of the children are met. The Department of Human Services will fund any compensatory education required. Although sufficient funds will remain available to cover a potential Medicaid budget shortfall in fiscal year 2014, the failure to meet the projected needs for Medicaid leads to bad budgeting and is a practice that must be changed.

[House File 2463](#) is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of the item designated as Section 3, amending the 2013 Iowa Acts, chapter 138, section 133, subsection 4, lettered paragraph p by inserting subparagraph 2. This item requires the Department of Human Services to collaborate with the Iowa Collaborative Safety Net Provider Network and the Iowa Primary Care Association to develop a long-term place for the statewide regionally based network. This is unnecessary because it is duplicative of the department's continued efforts to work with all stakeholders and study methods to modernize the Medicaid system.

I am unable to approve the designated portion of the item designated as Section 6, in its entirety. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans' Home to make expenditure reports monthly to the Legislative Services Agency for fiscal year 2015. I strongly support transparency efforts that publicly disclose how departments spend their resources and this information is already available within the State's accounting and budgeting systems.

I am unable to approve the item designated as Section 17, in its entirety. This item requires the Department of Human Services to redundantly report on cost containment strategies. The Department of Human Services, Department of Management and the

Legislative Services Agency meet on a monthly basis to determine projections for the Medical Assistance appropriation. Information relating to cost containment strategies is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of the item designated as Section 18, amending the 2013 Iowa Acts, chapter 138, section 142 by inserting a new subsection 23. This item is unnecessary and is duplicative of efforts by the Department of Human Services because the department is continually evaluating new methods to better serve Medicaid patients in the most cost-effective way for taxpayers.

I am unable to approve the designated portion of the item designated as Section 19, amending the 2013 Iowa Acts, chapter 138, section 143, by inserting numbered paragraph 8. This item requires the Department of Human Services to submit a report regarding implementation of a uniform cost report. While I strongly support transparency and collaboration, this item is redundant and duplicative because the department already works with stakeholders and a report is unnecessary due to the fact that this information is available upon request. There is no need to require government to make a report about a report. This is unnecessary red-tape.

I am unable to approve the designated portion of the item designated as Section 23, amending the 2013 Iowa Acts, chapter 138, section 147, subsection 1, by inserting an unnumbered paragraph. This item requires that the maintenance staff be maintained at the Iowa Juvenile Home at the same level as it was in January 2014. In December of 2013, the Department of Human Services determined it was in the best interest of the youth to find appropriate, alternative placements. The department completed placing all children formerly housed at the Iowa Juvenile Home at licensed or accredited facilities or at home. Because the Iowa Juvenile Home no longer serves children and the facility continues to be maintained by the Department of Human Services in coordination with the Department of Administrative Services, this item is no longer necessary.

I am unable to approve the designated portion of the item designated as Section 24, amending the 2013 Iowa Acts, chapter 138, by inserting section 147A, subsection 2. The Department of Human Services already tracks youth served by the department and the outcomes the youth experience. This item creates an unfunded system that is duplicative of the department's ongoing efforts.

I am unable to approve the designated portion of the item designated as Section 24, amending the 2013 Iowa Acts, chapter 138, by inserting section 147A, subsection 3. The Department of Human Services has transfer authority. When transfers are made, a notification mechanism to the Legislature is already in place.

I am unable to approve the designated portion of the item designated as Section 25, amending the 2013 Iowa Acts, chapter 138, section 148, by inserting numbered paragraph 28. This item requires the department to review child welfare expansion issues. A task force conducted a review in 2009 and the Department of Human Services will proceed to update this study if any changes are needed.

I am unable to approve the designated portion of the item designated Section 32, amending 2013 Iowa Acts, chapter 138, section 156, by inserting lettered, numbered

paragraph 1A. This item prohibits external approvals that are designed to ensure budget integrity, stability and predictability. Management must have the ability and flexibility to allocate resources where they are most effective and needed. In addition, this item creates a redundant, overly burdensome mandate requiring the department to report to the chairpersons and ranking members of the appropriations committees on a monthly basis. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.

I am unable to approve the item designated as Section 58, in its entirety. This item causes unspent funds for Field Operations to not revert to the General Fund. The carry-forward language does not work to advance my goals of returning predictability and sustainability back to government budgeting. Additionally, providing carry-forward language for the Department of Human Services for field operations before the fiscal year has begun and before it can be known if funds will exist to carry-forward is inappropriate.

I am unable to approve the item designated Section 91, in its entirety. This item requires the Department of Human Services to report to the Legislature prior to the submission of any Medicaid or hawk-i program state plan amendment or waiver to the centers for Medicare and Medicaid services. The Department of Human Services, Department of Management and the Legislative Services Agency meet on a monthly and quarterly basis to determine projections for these services. While I strongly support transparency efforts that publicly disclose how departments manage their programs, this information is already provided to the Legislature and can be made available upon request as well.

I am unable to approve the item designated as Division XIII, in its entirety. I am supportive of efforts to increase accountability and oversight in Medicaid spending. However, this item depends on the one-time funding provided in [Senate File 2363](#). I am taking action on this item consistent with the action I took on [Senate File 2363](#).

I am unable to approve the item designated as Section 98, subsection 7, in its entirety. This item requires each health insurance carrier and pharmacy benefits manager (PBM) to develop a single standard form that the insurance carrier or PBM must use when prior authorization for prescription drugs is required. This requirement creates inconsistencies between state and federal insurance regulations. I believe time requirements are best implemented through the administrative rules process under the Iowa Insurance Division. The division will initiate rulemaking creating consistency for consumers and insurers.

I am unable to approve the item designated as Division XIX, in its entirety. This duplicates the work of the Healthiest State Initiative by creating the Healthiest Children Initiative. My administration's goal is to make Iowa the Healthiest State by 2016. The Healthiest State Initiative is privately led and publicly endorsed and encourages all Iowans to improve their overall health and well-being. Making Iowa the healthiest state in the nation is not only critical to the economic viability of our state, but also critical to the quality of life for all Iowans. Iowans have made great strides in improving their health and continue to work toward my goal of becoming the healthiest state in the nation by 2016. The Healthiest State Initiative has and will continue to assist Iowans, including children, in learning about and applying proven methods to

live longer, happier, and healthier lives. There is no need to duplicate programs or grow bureaucracy when a private sector led initiative is working.

I am unable to approve the item designated as Division XX, in its entirety. This item requires the Department of Human Services to meet with stakeholders regarding elder services under the Medicaid program. This effort is already being conducted on a regular basis and there is no need to duplicate government services.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in [House File 2463](#) are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD  
Governor

### [HOUSE FILE 2473](#)

May 30, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit [House File 2473](#), an Act relating to state and local finances by making appropriations, providing for fees, providing for legal responsibilities, and providing for regulatory requirements, taxation, and other properly related matters, and including penalties and effective date and retroactive and other applicability provisions.

[House File 2473](#) is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Division II in its entirety. This item would permanently move the standing appropriation for the State Appeal Board from the General Fund to the Economic Emergency Fund. This was not my recommendation. This item undermines best financial practices, which require an economic emergency fund truly be used for emergencies.

I am unable to approve the item designated as Section 12 in its entirety. This item creates a redundant mandate requiring the Department of Management to report to Legislative Services Agency when a department is applying for or renewing a federal grant with a value of over \$1,000. While I strongly support communication and collaboration among state agencies and branches of government, this item is unnecessary because Iowa Code section [8.9](#), paragraph 2(a) already requires that all grant applications submitted and grant moneys received shall be reported to the Office of Grant Enterprise Management. Iowa Code section [8.9](#), paragraph 2(b) currently

provides that a report shall be submitted to the legislature by January 31 of each year. The Department of Management will work with the Legislative Services Agency to ensure that they have the financial information they need in a timely manner, making the mandate in this language unnecessary.

I am unable to approve the item designated as Section 14 in its entirety. This item would extend an exemption for licensed health care professionals from state law requiring a four month waiting period for employees who retire from Iowa Public Employees' Retirement System (IPERS) covered employment before returning to work. The IPERS Benefits Advisory Committee opposes an extension of this exemption. I believe the four-month waiting period mandated by Iowa Code is reasonable. The carve-out is costly for Iowa taxpayers and poor pension policy.

I am unable to approve the item designated as Division XII in its entirety. This item would permit a new type of flood mitigation entity to qualify under the Flood Mitigation Program. It would allow an entity to be approved for a flood mitigation district containing multiple counties, cities or sanitary districts. I agree with the concept of this change. However, if the new language in [House File 2473](#) is added to current law, when new multi-jurisdiction flood mitigation districts are approved, they will overlap with other proposed reinvestment districts that were created last year with the passage of [House File 641](#). This creates problems. In the case of overlap, it appears this item would affect the reinvestment districts which are already underway causing them to receive substantially less revenue than originally anticipated. I believe this unintended consequence should be resolved by the legislature. This item veto will allow the legislature time to work through this issue to ensure that flood mitigation and reinvestment districts receive the funding needed.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in [House File 2473](#) are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD  
Governor

[SENATE FILE 2349](#)

May 30, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit [Senate File 2349](#), an Act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, the technology reinvestment fund, and the revenue bonds capitals II fund, and providing for related matters, and including effective date provisions.

Several vetoes of spending in [Senate File 2349](#) are needed so that our state can maintain a balanced, sustainable and predictable budget. I am supportive of many of the programs and policy goals that would be achieved by some of these appropriations. However, in order to maintain a sustainable budget, tough choices must be made to control spending. The overall level of spending must be kept within limits that will serve our state well in the long term. Fiscal responsibility requires that \$41 million in taxpayer funded spending be vetoed from this legislation. In order to grow good-paying jobs in Iowa, we need to keep our fiscal house in order.

[Senate File 2349](#) is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 1, subsection 1, in its entirety. This item would provide \$4,000,000 for routine maintenance of state buildings and facilities. The effect of this disapproval saves \$4,000,000 in spending and helps us achieve our goal of a balanced budget.

I am unable to approve the designated portion of the item designated as Section 1, subsection 7, lettered paragraph b. This item would give \$2,000,000 in taxpayer dollars for a pharmacy building at the University of Iowa for FY 2014-2015. The effect of this disapproval saves \$2,000,000 in spending and helps us achieve our goal of a balanced budget. This item veto preserves funding in future fiscal years for this building. This item veto preserves funding totaling \$64,300,000 in future fiscal years for this building.

I am unable to approve the designated portion of the item designated as Section 1, subsection 7, lettered paragraph c. This item would give \$2,000,000 in taxpayer dollars for a biosciences building at the Iowa State University for FY 2014-2015. The effect of this disapproval saves \$2,000,000 in spending and helps us achieve our goal of a balanced budget. This item veto preserves funding totaling \$50,000,000 in future fiscal years for this building.

I am unable to approve the designated portion of the item designated as Section 1, subsection 7, lettered paragraph c. This item would give \$2,000,000 in taxpayer dollars for an educational center for teach education and preparation building at the University of Northern Iowa for FY 2014-2015. The effect of this disapproval saves \$2,000,000 in spending and helps us achieve our goal of a balanced budget. This item veto preserves funding totaling \$30,900,000 in future fiscal years for this building.

I am unable to approve the item designated as Section 7 in its entirety. This item deappropriates the final year of funding from the Rebuild Iowa Infrastructure Fund to the following Board of Regents projects: Agriculture and Biosystems Engineering Complex at Iowa State University, the Dental Sciences Building at the University of Iowa, and the Bartlett Hall renovation at the University of Northern Iowa. As these projects are already in progress, funding for them is crucial. The effect of this action reinstates these appropriations for Fiscal Year 2015.

I am unable to approve the item designated as Section 10 in its entirety. This item would give an additional \$10,000,000 in taxpayer dollars for major repairs and maintenance of state buildings. The effect of this disapproval saves \$10,000,000 in spending and helps us achieve our goal of a balanced budget. It leaves \$14,000,000 still available for major repairs and maintenance of state buildings.

I am unable to approve the item designated as Sections 17 and 18 in their entirety. Section 17 would delay the funding of the Technology Reinvestment Fund from the General Fund for another year. Section 18 provides the funding for the Technology Reinvestment Fund for FY 2015 from the Rebuild Iowa Infrastructure Fund. I recommend the funding for the Technology Reinvestment Fund come out of the General Fund as required by statute. Changing funding sources makes it hard for taxpayers to follow the budget and hurts transparency. The effect of this disapproval would be to stop this shift and restore compliance with the Iowa Code to provide for stability and predictability.

I am unable to approve the item designated as Division VI in its entirety. This item would give \$4,000,000 in taxpayer dollars to the Resources Enhancement and Protection fund (REAP). The effect of this disapproval saves \$4,000,000 in spending and helps us achieve our goal of a balanced budget. The REAP program has \$16,000,000 still available in other appropriation bills for this year, representing an increase of \$2,000,000 available for REAP over last year.

I am unable to approve the item designated as Section 20 in its entirety. This item would exempt certain leases for state office space in downtown Des Moines from the competitive bidding process. I believe competitive bidding serves the best interest of the taxpayers.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in [Senate File 2349](#) are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD  
Governor

#### COMMUNICATIONS RECEIVED

The following communications were received and filed in the office of the Chief Clerk:

##### AUDITOR OF STATE

Review of Operations of Fire Departments Report, pursuant to Iowa Code section [11.4](#).

Special Investigation of the United Health Care Information Systems Department, pursuant to Iowa Code Section 11.6.

Special Investigation of the City of Kinross Report, pursuant to Iowa Code section [11.6](#).

Audit Report on Wireless Fund of the IHSEM Div. Department of Public Defense, pursuant to Iowa Code section [11.2](#).

## DEPARTMENT OF EDUCATION

Senior Year Plus Program Report, pursuant to Iowa Code section [261E.3\(3\)\(j\)](#).

## DEPARTMENT OF REVENUE

Iowa Streamlined Sales Tax Advisory Council Report, pursuant to Iowa Code section [423.9A](#).

## ECONOMIC DEVELOPMENT AUTHORITY

Iowa Commission on Volunteer Service

Quarterly Report, pursuant to Iowa Code section [15.107B](#).

## GOVERNOR'S OFFICE OF DRUG CONTROL POLICY

Iowa's Application to the Edward Byrne Memorial Justice Assistance Grant (JAG) Program Report, pursuant to Iowa Code section 8E.

## IOWA FINANCE AUTHORITY

Annual Report, pursuant to Iowa Code section [16.7](#).

## LOTTERY AUTHORITY

Quarterly Report, pursuant to Iowa Code section [99G.7](#).