



THOMAS J. VILSACK  
GOVERNOR

## OFFICE OF THE GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

May 17, 2004

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit **Senate File 2298**, an Act making, reducing, and transferring appropriations, providing for government and economic development-related taxation, surcharge, and fee matters, providing for other properly related matters, and including penalty and effective and retroactive and other applicability date provisions.

During my Condition of the State address in January, I asked the Legislature to join me in honoring the spirit of service and sacrifice of Iowans serving in harm's way. As important decisions affecting our state's future presented a significant challenge, I felt it was crucial to put these challenges in perspective to guide our work in shaping the future of Iowa. At that time, I remarked, "Today, and for the foreseeable future, Iowans will be placed in harms way in the service of liberty and freedom. Their task of improving the world in which we all live is our task as well. In our work at home we should draw inspiration from them to do our duty. They sacrifice to transform a nation and open up opportunity for someone else's child. We sacrifice to transform a state and open up opportunity for their children and all of our children."

We strived to fund initiatives and operations of state government that allowed these values to strengthen our homes, neighborhoods and communities. As a state, we have the **responsibility** to create classrooms of extraordinary learning. Technology should replace worn out textbooks of yesterday to engage youngster's interests ultimately leading to a workforce of unmatched talent. As a state, the Iowa Values Fund has created tremendous economic **opportunity** by investing in good paying jobs. Of course, **security** for all Iowans remains the centerpiece of state government. Seniors deserve the dignity of remaining in their homes longer through assistance of the Senior Living Trust. Vulnerable Iowans deserve health care and social service when they have nowhere else to turn.

Despite continued anemic revenue growth, I renewed my pledge to work with majority party legislative leaders to put together a budget that reflected these important Iowa values. The Legislature, at the direction of Republican leaders, chose a different



route. During the closing days of the session, they sent my office a massive 337-page omnibus-spending bill. In reviewing this legislation, it became clear to me that Legislative leaders chose a path that had the potential to make Iowa less than it must be. I voiced these concerns. Sadly, majority party leaders made it clear that returning to the Capitol to reach compromise was not an option. I must take them at their word.

The Executive Branch of this government will rise up and manage--as best we can--the challenge of providing state services in the absence of adequate resources. So now, the difficult work begins. We will go about this work with a clear sense of duty. We will do this because Iowans expect us to do our jobs. And we will do this because we have a promise to keep. I have not forgotten the promise I made to these very brave Iowans.

Senate File 2298 is approved on this date, with the following exceptions, which I hereby disapprove:

#### Division I

I am unable to approve the item designated as Section 2, subsection 1, second unnumbered paragraph in its entirety. This paragraph requires the Department of Administrative Services to refund \$1,889,610 to the State's general fund at the end of fiscal year 2005. The Department needs these start-up funds for more than a single year to ensure economic viability as it moves to an entrepreneurial business model.

I am unable to approve the item designated as Section 9 in its entirety. This section prohibits the Alcoholic Beverages Division from adding new positions for the purpose of the State assuming the state liquor warehouse functions currently being done by a private contractor. The language also requires the Division to hire a new private contractor to operate the warehouse using a competitive bidding process. This language prevents the State from considering the opportunity to manage its own resources, including the possibility of achieving cost savings and improving customer service. I support using a competitive bidding process but want to have flexibility for the State to participate in that process.

I am unable to approve the item designated as Section 10 in its entirety. This section is contingent upon the enactment of House File 2521, which was not approved by the Legislature. Therefore, this section is unnecessary.

I am unable to approve the item designated as Section 24, subsection 3 in its entirety. This would appropriate \$50,000 to the Department of Revenue for a study of the entire state and local government tax structure and services they support. As noted later in this message, the resources and the timeframe are inadequate to accomplish a study of this magnitude.



I am unable to approve the item designated as Section 32 in its entirety. This section provides the enactment clause for Section 9, relating to the state liquor warehouse, which is vetoed. Therefore, this section is unnecessary.

### Division III

I am unable to approve the item designated as Section 49, subsection 3 in its entirety. As I indicated the last two years, the Accountable Government Act establishes a comprehensive, enterprise-wide process for setting program goals and establishing results measures. These measures have been developed with data currently being compiled. This section would create redundancies in the development and reporting of goals and results measurements for the Department of Economic Development.

I am unable to approve the item designated as a portion of Section 58, subsection 2. This would require that small business development centers be located equally throughout the different regions of the state. This bill contains no instruction as to the legislative meaning or intent of "located equally throughout the different regions of the state." As such, the bill is terminally vague making compliance impossible.

I am unable to approve the items designated as Section 58, subsection 3, paragraph b; Section 59, subsection 2, paragraph b; and Section 60, subsection 2, paragraph b in their entirety. These sections would require any business or individual receiving benefits from specified Regent programs to have a commercially viable service or product. This legislative mandate would have an unacceptable stifling effect on innovation. Iowa should be encouraging entrepreneurship. These sections would have the opposite impact.

I am unable to approve the item designated as Section 67 in its entirety. This section implies that Iowa's community colleges would give funding priority to the training and retraining needs of the information technology sector of Iowa's economy. While the information technology sector represents a very important component of the Iowa economy, it is just one of three sectors targeted by the Iowa Values Fund. Singling out one sector for possible preference could create conflicting expectations both between the information technology businesses and the community colleges and between other targeted industry sectors. Under the Iowa Values Fund legislation the community colleges and the Iowa Department of Economic Development are charged with administering training funds and the Iowa Values Fund Board is responsible for business incentive funding. The addition of a perceived funding preference for one industry sector diminishes the authority vested in these entities by the Iowa Values Fund legislation.

I am unable to approve the item designated as Section 71 in its entirety. Expenditure information for executive branch agencies of state government is currently available to the economic development appropriations subcommittees and the Legislative Services Agency on a daily basis through the Iowa Financial and Accounting System. The Legislative Services Agency also has the authority to request expenditure information from Regent universities. The reporting requirement in this section would

duplicate existing data and place an unnecessary and unprecedented requirement on limited staff resources.

#### Division IV

I am unable to approve the item designated as Section 82, subsection 1 in its entirety. This section requires the Department of Education, the Board of Regents, and other accredited postsecondary institutions to study the feasibility of offering a teacher intern program that would be available statewide. This study is unnecessary, as the State Board of Education has already provided authority through administrative rules for the development and implementation of this type of program.

I am unable to approve the item designated as Section 86, subsection 1a, first unnumbered paragraph in its entirety. This sentence specifies that the Board of Regents, the Department of Management, and the Legislative Services Agency shall cooperate to determine the amount to be appropriated for tuition replacement. This language is outdated and unnecessary as the Board of Regents now relies on a financial advisor to calculate figures for tuition replacement.

I am unable to approve the item designated as Section 86, subsection 2a, second unnumbered paragraph in its entirety. This paragraph restricts spending on the School of Public Health and the Public Health Initiative at the University of Iowa. As we face a growing need for workers trained in these health professions and for the services provided by this program, it is appropriate to allow reallocations of funds to the School of Public Health from other areas, rather than single this out as the one area at the University of Iowa to have its budget capped at its previous level.

I am unable to approve the item designated as Section 86, subsection 2b, paragraph (4) in its entirety. This language changes a long-standing agreement on the definition of “medically necessary” as applied to conditions for the termination of pregnancy under the Indigent Patient Care Program at the University of Iowa Hospitals. While the prior language may not have satisfied anyone completely, the terminology was based on a process of mutual discussion and agreement that struck a careful balance among people with deeply held convictions. Because this subsection alters that language and disrupts the balance that was previously agreed to without going through a similar process of mutual discussion and agreement, this paragraph is unacceptable.

I am unable to approve the item designated as a portion of Section 86, subsection 3a, second unnumbered paragraph in its entirety. This paragraph restricts spending on the Center for Excellence in Fundamental Plant Sciences at Iowa State University and does not permit this program to receive either its share of dollars for salary increases or internal reallocations of funds from other university programs. If we are committed to making Iowa a leader in plant sciences technologies, then it is unreasonable to single this out as the one center at Iowa State University to have its budget capped at its previous level.

I am unable to approve the item designated as a portion of Section 86, subsection 4a, second unnumbered paragraph in its entirety. This paragraph restricts spending on the Masters in Social Work Program, the roadside vegetation project, and the Iowa Office for Staff Development at the University of Northern Iowa. There is no reason to single these three areas out to be treated differently from all the other programs and activities at the University of Northern Iowa.

I am unable to approve the item designated as Section 96 in its entirety. This section delays by one year, until July 1, 2006, implementation of an evaluator training certification renewal program. We must continue to support the teacher quality initiative started a few years ago. In addition to increasing minimum teacher salaries and providing mentors, this initiative includes training programs for administrators who must evaluate teacher performance. Private foundation funds may be available to develop this training. The evaluator training certification renewal program also aids the Department's efforts to meet federal No Child Left Behind highly qualified teacher expectations.

#### Division V

I am unable to approve the item designated as a portion of Section 102, subsection 1, paragraph c. This sentence would require the Department of Public Health to produce a report of all organizations that applied for substance abuse treatment funds, the amounts awarded, and the basis for refusal to award funds to any of the organizations that applied. In accordance with the Accountable Government Act, all substance abuse treatment and prevention grants are awarded on a competitive basis. The Healthy Iowans Tobacco Trust bill already requires the Department to report on the success rates of substance abuse treatment programs. This item is duplicative and an unfunded mandate that takes time away from customers and communities for unnecessary reporting.

I am unable to approve the item designated as a portion of Section 106. This sentence directs the Department of Public Health to submit a report regarding a collaborative effort with the Department of Human Services to identify funding to leverage federal funds. The service to Iowans would be enhanced if Department staff spent time identifying additional ways for the State to obtain all available federal matching funds and applying for other federal and private grants rather than drafting an unnecessary report.

I am unable to approve the item designated as Section 107 in its entirety. This section, relating to employment of a division administrator in the Department of Public Health for tobacco prevention efforts, is a duplication of language, although not identical, in House File 2577. Therefore, this section is unnecessary.

I am unable to approve the item designated as Section 111 in its entirety. This section provides additional language for an Iowa Marriage Initiative Grant Fund, and the language directs the Department of Human Services to initiate grants by specifying deadlines for issuing grants and reporting requirements where no funds are available for this purpose. The prior year funding referred to in the bill has been spent, and the

Legislature did not appropriate additional funding for this purpose. Therefore, this section is unnecessary.

I am unable to approve the item designated as a portion of Section 114. This sentence directs the Departments of Public Health and Human Services to submit a report regarding utilization of the food stamp program. Requiring a report will utilize additional resources that could be used for administering the program. This is an unnecessary reporting requirement at a time when funding for staff has been reduced.

I am unable to approve the item designated as Section 116, subsection 1 in its entirety. This language changes a long-standing agreement on the definition of “medically necessary” as applied to conditions for the termination of pregnancy under the Medical Assistance Program. While the prior language may not have satisfied anyone completely, the terminology was based on a process of mutual discussion and agreement that struck a careful balance among people with deeply held convictions. Because this subsection alters that language and disrupts the balance that was previously agreed to without going through a similar process of mutual discussion and agreement, this paragraph is unacceptable. Federal regulations outline the conditions for the termination of pregnancy that qualify under the Medical Assistance Program and shall provide guidance to the Department in administering this program.

I am unable to approve the item designated as Section 124, subsection 1, first unnumbered paragraph in its entirety. This language directs the Department of Human Services to convene a group to review the Iowa Juvenile Home. Many previous studies have made recommendations and generally require additional funds to implement. I have, in fact, recommended funding to implement recommendations of previous studies that the Legislature has chosen not to fund. It seems pointless to conduct another study when the issue is funding.

I am unable to approve the item designated as Section 125, subsection 17 in its entirety. This paragraph directs the Department of Human Services to develop a plan to privatize the administration of foster care and adoption programs. Given the fact that no additional funds were provided for this purpose and the child welfare redesign effort is already underway, implementation of this section is counter-productive.

I am unable to approve the item designated as a portion of Section 135, subsection 2. This sentence requires the Department of Human Services to submit proposed legislation to correct Code references related to service areas. This effort has already been completed with the enactment of House File 2390 – technical changes to programs under the purview of the Department of Human Services. Therefore, this sentence is unnecessary.

I am unable to approve the item designated as Section 142 in its entirety. This section would require unspent funds remaining in the Medical Assistance Program account to carry forward into the next fiscal year. This language does not provide the

Executive Branch the flexibility necessary to deal with the fiscal year 2004 budget that is needed. Additionally, it provides the use of one-time funding for on-going purposes.

I am unable to approve the item designated as Section 147 in its entirety. This section creates a new network of faith-based and community-based organizations by taking nine staff away from their current work of providing child abuse assessments or managing services to families where abuse, neglect, or behavioral problems are present. If the Legislature is serious about this effort, then additional funds should be appropriated and the program should provide for the coordination of all groups in Iowa providing community services that aid families.

I am unable to approve the item designated as Section 150 in its entirety. This section establishes a new Medical Assistance Mental Health Quality of Care Improvement Committee. The committee is directed to advise the Department of Human Services on the required implementation of clinical treatment algorithms for schizophrenia, major depressive disorder and bipolar disorder, and a mental health polypharmacy review process. The Legislature is sending mixed and contrary messages on drug utilization. Legislation already enacted contains costs through preferred drug lists, prior authorization, and state maximum allowable costs for generic drugs. This proposal seems to countermand those efforts with an alternate methodology. Additionally, the State is recognized nationally for its mental health/substance abuse treatment contract. This proposal would put the current waiver and contract at risk, and that is unacceptable.

I approve Section 151, which establishes a Medical Assistance Crisis Intervention Team and directs the team to analyze the Medical Assistance Program and provide recommendations to reduce costs or provide revenue enhancements for the program. With the current federal government stance on eliminating intergovernmental transfers in the Medical Assistance Program, I am directing this team to examine options with and without the continuance of intergovernmental transfers as they conduct their work.

I am unable to approve the item designated as Section 162, subsection 3 in its entirety. This section provides the enactment clause for Section 142, relating to non-reversion and prohibited transfer of appropriations to the Medical Assistance Program, which is vetoed. Therefore, this section is unnecessary.

#### Division VI

I am unable to approve the item designated as Section 166 in its entirety. This section appropriates funds to the Insurance Division of the Department of Commerce to administer a long-term care insurance partnership program. This appropriation is linked to Senate File 2183 that makes changes to long-term care insurance provisions and providing asset and income disregards for Medicaid. While I am supportive of people incorporating long-term care insurance into their financial plans and future health needs, Senate File 2183, as drafted, expands the proposed benefit beyond those individuals accessing long-term care insurance. This language needs further legislative review, and I

am directing the Department of Human Services and Insurance Division to work with the Legislature to achieve an appropriate solution.

### Division IX

I am unable to approve the item designated as a portion of Section 186, subsection 2. This sentence grants immunity from civil or employer liability for a government entity or nonprofit agency using inmate labor. While I support the use of inmate labor for nonprofit and governmental entities, this language provides blanket immunity even in extreme cases. For example, if an inmate were to harm or even take the life of a person while working, regardless of whether it was accidental or intentional and regardless of negligence on the part of the employer, this provision would provide no mechanism for the victim's family to claim compensation for damages inflicted on the victim's spouse, children, or other family members. With the use of inmate labor comes the responsibility to exercise great care to protect the safety of the public, those who employ prison labor, and the inmates themselves.

I am unable to approve the item designated as a portion of Section 192, subsection 5, third unnumbered paragraph in its entirety. This language redirects funds credited to the motor pool depreciation fund, a portion of which is federal funds, to the Department of Public Safety vehicle replacement. While a laudable goal, the impact is that other State employees will face consequences including unreliable vehicles for activities such as investigating child abuse complaints, transporting residents of resource centers to their work, transporting juveniles residing at the Iowa Juvenile Home or Training Center to health care appointments, or the myriad of inspections such as food inspections, medical complaints and others that keep Iowans safe. Merely shifting the funds around does not preclude the needed resources for all programs.

I am unable to approve the item designated as Section 198 in its entirety. This section has the potential to provide private drives through many state-owned recreational properties. Parceling off or dividing sections of recreational land from the public trust undermines the role and responsibilities as stewards of public land. Many state recreational lands have restrictions placed on them as a result of utilizing federal funds for management, development or acquisition. Relinquishing control of this land requires federal coordination and precious state resources to replace it. State recreational areas are for public use and the benefit of everyone. They have never been intended and never should be considered for permanent private use by individuals.

I am unable to approve the item designated as Section 201 in its entirety. This section changes the income level guidelines from "at or below 125 percent" to "at or below 100 percent" of the U.S. poverty level for a person who is entitled to an attorney appointed by the court. Everyone is afforded the constitutional right to counsel, and we should not be attempting to restrict this right by lowering income guidelines. Instead, the Legislature should focus its attention on providing adequate funding for indigent defense and the State Public Defenders Office.

## Division X

I am unable to approve the item designated as Section 217 in its entirety. This section requires state departments return to the general fund at the end of the fiscal year any part of an appropriation associated with a full-time position that is vacant during the fiscal year. This gives departments very few options other than cutting services to balance their operations budgets. For example, once an employee leaves, departments make a lump-sum payout for the value of the employee's unused vacation. In practice, departments generally hold positions open for the amount of time necessary to make those payouts. Under this language, that practice would trigger a reversion of the amount to the general fund at the end of the year. In essence, the department must pay twice. The language also limits the ability of departments to utilize the Early Out program or other employee attrition to cover budget reductions. Given that department budgets have been reduced on numerous occasions over the past three years, this section is unworkable and unwise micromanagement of Executive Branch operations.

I am unable to approve the item designated as Section 225 in its entirety. The Iowa Supreme Court, in Meyer v. Employment Appeal Board 441 N.W.2d 766 and Area Education Agency 7 v. Bauch, 646 N.W.2d 398, has determined that deferred wages are actually payable when earned. The Court has held that once the school year ends, a school district employee is no longer drawing 'a wage,' but rather collecting 'past earnings due.' Gross earnings should be calculated by using the amount earned rather than the amount actually paid. Section 225 significantly diminishes established property rights that accrue to a school district employee by redrafting a statutory provision clearly interpreted by the Court. Workers' compensation weekly benefits are intended to replace earnings that are lost while the employee is disabled and is based upon the rate at which the employee earns. Earning capacity is best reflected by what an employer is willing to pay an employee in return for services performed. Since the Court has already determined that the proper rate at which the employee earns should be based on the time during which services are provided and because Section 225 would unfairly alter the property rights that accrue to school district employees, I am unable to approve this section.

I am unable to approve the items designated as Sections 229, 239 and 240 in their entirety. These three sections require the Department of Education, local school boards and Area Education Agencies to submit data annually on the salaries and benefits of administrators and increases for employees' salaries and group health insurance plans. The reporting required in these sections duplicates information already collected by the Department and the level of detail specified is not necessary to support policy development and decision-making.

I am unable to approve the item designated as Section 230 in its entirety. This section requires the Department of Education to report in detail on Class Size/Early Intervention expenditures. The Department already provides a lengthy report on this topic. The additional data collection and reporting required in this section is unnecessary.

I am unable to approve the item designated as Section 241 in its entirety. This section requires local school boards to examine expenditures and identify potential cost savings. I believe every school board in the state understands its responsibilities to the citizens of Iowa to be sound stewards of tax dollars. With the limited state aid funding provided to school districts in recent years, school boards already study these items and look for opportunities to reduce operating expenditures. The directive in this legislation goes far beyond what is necessary for prudent management of school districts and incorporates reporting requirements that will create an onerous burden on already strapped administrators.

I am unable to approve the items designated as Section 242, subsections 2 through 4, and the items designated as Sections 243 through 246 in their entirety. These sections create an Iowa Learning Technology Initiative. While I am supportive of providing technology training and learning opportunities for Iowa's children, there is no state funding available for this initiative. If private funds are raised, I am committed to directing the Department of Education to work with the donors to advance the plan. In the meantime, the Department will coordinate a committee effort to study teacher and student technology needs across the educational system so that Iowa-specific information is available on this subject.

I am unable to approve the item designated as Section 261 in its entirety. The proposed exemption under this section sets a precedent contrary to Iowa's waste management hierarchy, by reducing the cost of disposal for one specific waste stream. Shredder fluff has no inherent characteristics that would lead to its exemption from tonnage fees.

I am unable to approve the item designated as Section 263 in its entirety. This section is contingent upon the enactment of House File 2440, which was vetoed. Therefore, this section is unnecessary.

I am unable to approve the item designated as Section 276 in its entirety. This section requires the Board of Regents to develop and implement a policy for "addressing the budget ramifications associated with unfilled vacant positions." Regent institutions are not provided appropriations based on specific positions and full-time equivalent caps, so this policy would serve no useful purpose. Regent institutions require the flexibility to, among other things, use positions to meet student demand and to address patient volumes at the University of Iowa Hospital and Clinics. This is further micromanaging that will serve no useful purpose and drain resources from more productive responsibilities.

I am unable to approve the item designated as Section 278 in its entirety. This section provides for a refund to an individual that exhausted the administrative appeals process and is not entitled to a refund from the State. Judgments on issues such as this should be made based on the facts of the circumstances and the process established by law; not on political connections with individual legislators.



I am unable to approve the item designated as Section 285 in its entirety. This section eliminates the 30-day deadline for enacting the School Foundation Aid allowable growth percentage and the requirement that the allowable growth rate be the only subject matter of the bill for the 2004 legislative session. The Legislature included this language because they failed to comply with Iowa law by failing to set the growth rate for Iowa's school districts until months after the deadline. This delay is unacceptable and hinders the ability of Iowa's school districts to plan for future years. It is difficult to expect our school children to respect and follow the law when lawmakers are unwilling or unable to do the same.

I am unable to approve the item designated as Section 287, subsection 4 in its entirety. This section provides the enactment clause for Section 278, relating to refund for commercial vehicle registration fees, which is vetoed. Therefore, this section is unnecessary.

#### Division XI

I am unable to approve the item designated as Section 288, subsection 1g in its entirety. This subsection appropriates \$1,770,000 from the Rebuild Iowa Infrastructure Fund for capitol interior restoration. The Legislature's approval of funding for this project at the expense of fully funding the Secure an Advanced Vision for Education Fund in Section 299 validates that they are more interested in spending money to remodel their chambers and offices than they are in meeting their obligation to provide funds for critical repairs and improvements to local schools. In taking this action, I am putting schools first.

I am unable to approve the item designated as Section 288, subsection 8 in its entirety. This subsection provides \$250,000 to construct a new residential treatment facility for youth. I am unable to support providing funds for this type of special interest pork barrel project. This is not a prudent expenditure of taxpayer dollars for the construction of a new facility when existing facilities are closing because the Legislature failed to provide sufficient child welfare funds for the beds that currently exist.

I am unable to approve the item designated as Section 299 in its entirety. This section caps the amount of Rebuild Iowa Infrastructure Fund moneys appropriated to the Secure an Advanced Vision for Education Fund in fiscal year 2005 at \$8,160,000 instead of the \$10 million in current law. The actions being taken in this bill to eliminate less important projects will allow Iowa schools to receive the full \$10 million for local school infrastructure projects. Iowa voters in 88 counties have approved the local option sales tax for school infrastructure improvements, and they are counting on the State to provide the necessary matching money to fully fund these critical projects. In taking this action, I am keeping my commitment to fund school infrastructure even if the Legislature failed to do so.

#### Division XII

I approve the item designated as Section 301, subsection 1c, second unnumbered paragraph. However, I am concerned that this section specifies a single organization to conduct these efforts, given the complaints expressed to the Executive Branch by the Legislature's Oversight Committee regarding sole source contracting. I caution the Legislature that this form of sole source contracting does not follow good business practices. Competitive bidding for state contracts ensures accountability and efficient use of public resources. I encourage the Department of Agriculture and Land Stewardship to conduct a detailed review of the expenditure of these funds to ensure proper accountability.

#### Division XIII

I am unable to approve the item designated as Section 304, subsection 1b, first unnumbered paragraph in its entirety. This language requires the Department of Administrative Services to consult with legislative leadership prior to planning or implementing any capitol interior restoration project or other activity. This language represents the Legislature's attempt to micromanage a function of the Executive Branch. This paragraph contains language that is unnecessary and prescribes burdensome requirements on the Department which can, at times, be very difficult to fulfill.

#### Division XIV

I am unable to approve the item designated as Section 311, second unnumbered paragraph in its entirety. The federal Help America Vote Act (HAVA) legislation requires the chief state election official to distribute HAVA funds to Iowa's 99 counties. It is unnecessary and burdensome to place specific restrictions on the Secretary of State's office in implementing HAVA requirements. Additional State legislative mandates only create another level of bureaucratic red tape and are detrimental to the effective, statewide implementation of HAVA.

I am unable to approve the item designated as Section 315 in its entirety. This section requires the Iowa Finance Authority Board to declare a surplus from bond proceed reserves and transfer this surplus to the State Housing Trust Fund. Such a legislative mandate has a very negative impact on the Authority's bond ratings. National credit rating agencies such as Moody's and Standard and Poor's have suggested such mandates could result in downgrades or negative watches on future Authority bond offerings. Lower bond ratings would drive up interest rates and increase the cost of loans made to first time homebuyers and other bonding programs operated by the Authority. The Iowa Finance Authority is committed to finding additional resources for the State Housing Trust Fund that will not negatively impact their bond rating.

#### Division XV

I am unable to approve the item designated as Section 319 in its entirety. This section amends Code Section 80.9, subsection 2, paragraph f, by placing sole responsibility for Executive Branch Capitol Complex security in the Department of Public Safety. The State would be better served by a cooperative, joint security effort

between the Departments of Public Safety and Administrative Services and the Homeland Security/Emergency Management Division. Proper competitive procedures can be followed as well as the proper placement of functions and staff.

#### Division XVI

I am unable to approve the items designated as Section 322, subsection 4, paragraphs b, c, and d in their entirety. These paragraphs appropriate money from the Rebuild Iowa Infrastructure Fund account to the new Vertical Infrastructure Fund. I have maintained the allocation of \$15 million in fiscal year 2006 to this Fund. Beyond that, the designated paragraphs appropriate \$50 million in fiscal year 2007, \$75 million in fiscal year 2008, and \$100 million in fiscal year 2009 and thereafter. This session, the Legislature approved and I signed into law House File 2302, a bill making comprehensive changes to Iowa's gaming laws. The gaming law changes approved will provide the State with additional resources from gambling activities; however, the additional amount that will be generated by these changes is difficult to project absent more information about expanded facilities and products. It is not prudent to put into law, at this time, significant future allocations from the Rebuild Iowa Infrastructure Fund given the absence of revenue to meet those expenditures. I am willing to revisit this issue when more accurate information on projected gaming receipts is available.

I am unable to approve the item designated as Section 335 in its entirety. This section pertains to county agreements with the Iowa Department of Transportation related to disposition of county property. There is a question of precision in defining the application of this section.

I am unable to approve the item designated as Section 336 in its entirety. This section is contingent upon the enactment of Senate File 2295, which was vetoed. Therefore, this section is unnecessary.

I am unable to approve the item designated as Section 344 in its entirety. This section requires Cherokee Mental Health Institute to leave space vacant if vacated by current tenants. This directive hampers the institution's ability to gain revenues from leasing available space or utilizing space in the most efficient way. This section further requires the department to develop a plan to address treatment needs of persons with a developmental disability who exhibit sexually violent behavior; however, no funding is provided for developing such a plan.

#### Division XVII

I am unable to approve the item designated as Section 354 in its entirety. This section is contingent upon the enactment of House File 2434, which was not approved by the Legislature. Therefore, this section is unnecessary.

#### Division XIX

I am unable to approve the item designated as Section 403 in its entirety. This section establishes a Regulatory Efficiency Commission. Creating such a commission is duplicative of efforts already underway to comprehensively review regulatory rules as well as regulatory processes of state government and implement business process improvement techniques to enhance efficiency and improve service. This is a collaborative effort including a number of state departments, private industry representatives, and the Iowa Business Council. Iowa companies have already reaped the benefits of this process through a reduction in the time it takes to process an air quality permit. Similar efforts are underway with wastewater permits and a variety of other regulatory processes throughout state government. Appointing a new commission will slow this progress down and divert efforts away from actually improving Iowa's regulatory assistance and creating a more streamlined government.

#### Division XX

I approve the items designated as Sections 404 through 418 in their entirety, even though the Legislature made a mistake in the drafting of this language resulting in no incentive for wind energy production. I am willing to work with the Legislature next year to ensure that wind energy grows, but not at the risk of other priorities of Iowans. We must ensure that local governments and schools are not hurt by unintended consequences. Therefore, I ask legislative leaders to work with me over the interim to strike the appropriate balance of providing economic incentives for wind energy without devastating other priorities at the state and local level.

I am unable to approve the items designated as Sections 440 and 441 in their entirety. These sections establish and repeal a new state tax implementation committee. Two years ago, I recommended that the Department of Revenue conduct a two-year tax fairness study and provided \$400,000 for staff and support. In contrast, the Legislature continually fails to devote sufficient time or resources to make this study workable. Under the framework devised, in less than a year's time, the Committee and the Departments of Revenue and Management are charged with reviewing and analyzing all revenue sources available to the State; all current exemptions, credits and exclusions; all revenue sources available to local governments; all services provided by local government; the role of property taxes in funding local government, including examining the state school aid formula; alternative systems of property taxation, protesting property assessments; and methods of controlling property tax revenues and expenditures. To accomplish all this, the Legislature appropriated a meager \$50,000.

In the past, the Legislature has devoted as much as two years to tax studies that were not nearly as broad as this one. Last year, the Legislature assembled a similar group charged with making recommendations for changes to the property tax system alone; and after a year of study and meeting, the group has yet to make substantive recommendations for reform. Iowa's tax structure must be reviewed and reformed. Our property tax system is outdated and unfair. Until the Legislature gets serious about tax reform, these insufficient attempts to study the issue are a waste of limited time and resources.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in **Senate File 2298** are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Vilsack', with a long horizontal flourish extending to the right.

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House



SENATE FILE 2298

AN ACT

MAKING, REDUCING, AND TRANSFERRING APPROPRIATIONS, PROVIDING FOR GOVERNMENT AND ECONOMIC DEVELOPMENT-RELATED TAXATION, SURCHARGE, AND FEE MATTERS, PROVIDING FOR OTHER PROPERLY RELATED MATTERS, AND INCLUDING PENALTY AND EFFECTIVE AND RETROACTIVE AND OTHER APPLICABILITY DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

ADMINISTRATION AND REGULATION

Section 1. DEPARTMENT OF ADMINISTRATIVE SERVICES. There is appropriated from the general fund of the state to the department of administrative services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 4,616,351
..... FTEs	233.95

UTILITY COSTS

2. For the payment of utility costs:

.....	\$ 2,576,000
-------	--------------

Notwithstanding section 8.33, any excess funds appropriated for utility costs in this subsection shall not revert to the general fund of the state at the end of the fiscal year but shall remain available for expenditure for the purposes of this subsection during the fiscal year beginning July 1, 2005.

3. For distribution to other departments:

.....	\$ 10,802,911
-------	---------------

Moneys appropriated in this subsection shall be separately accounted for in a distribution account and shall be distributed to other governmental entities based upon formulas



established by the department to pay for services provided governmental entities by the department as described in chapter 8A.

4. Members of the general assembly serving as members of the deferred compensation advisory board shall be entitled to receive per diem and necessary travel and actual expenses pursuant to section 2.10, subsection 5, while carrying out their official duties as members of the board.

5. Any funds and premiums collected by the department for workers' compensation shall be segregated into a separate workers' compensation fund in the state treasury to be used for payment of state employees' workers' compensation claims and administrative costs. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in this workers' compensation fund at the end of the fiscal year shall not revert but shall be available for expenditure for purposes of the fund for subsequent fiscal years.

Sec. 2. REVOLVING FUNDS.

1. There is appropriated from the general fund of the state to the department of administrative services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For start-up funding for revolving funds under the control of the department of administrative services and for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 1,889,610

Notwithstanding any provision of this section to the contrary, the department of administrative services shall deposit \$1,889,610 in the general fund of the state from moneys in departmental revolving funds and internal service funds at the end of the fiscal year.

2. There is appropriated to the department of administrative services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, from the revolving funds designated in chapter 8A and from internal service funds created by the department, such amounts as the department deems necessary for the operation of the department consistent with the requirements of chapter 8A.

Sec. 3. READY TO WORK PROGRAM COORDINATOR. There is appropriated from the workers' compensation trust fund to the department of administrative services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the

*Disagreed  
5.17.04  
DW*

following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the salary, support, and miscellaneous expenses for the ready to work program and coordinator:

..... \$ 89,416

Sec. 4. FUNDING FOR IOWACCESS.

1. Notwithstanding section 321A.3, subsection 1, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the first \$1,000,000 collected and transferred by the department of transportation to the treasurer of state with respect to the fees for transactions involving the furnishing of a certified abstract of a vehicle operating record under section 321A.3, subsection 1, shall be transferred to the IowAccess revolving fund established by section 8A.224 and administered by the department of administrative services for the purposes of developing, implementing, maintaining, and expanding electronic access to government records as provided by law.

2. All fees collected with respect to transactions involving IowAccess shall be deposited in the IowAccess revolving fund and shall be used only for the support of IowAccess projects.

Sec. 5. STATE EMPLOYEE HEALTH INSURANCE ADMINISTRATION CHARGE. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the monthly per contract administrative charge which may be assessed by the department of administrative services shall be \$2.00 per contract on all health insurance plans administered by the department.

Sec. 6. AUDITOR OF STATE. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,092,755

..... FTEs 106.30

The auditor of state may retain additional full-time equivalent positions as is reasonable and necessary to perform governmental subdivision audits which are reimbursable pursuant to section 11.20 or 11.21, to perform audits which are requested by and reimbursable from the federal government,



and to perform work requested by and reimbursable from departments or agencies pursuant to section 11.5A or 11.5B. The auditor of state shall notify the department of management, the legislative fiscal committee, and the legislative services agency of the additional full-time equivalent positions retained.

Sec. 7. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There is appropriated from the general fund of the state to the Iowa ethics and campaign disclosure board for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	411,296
.....	FTEs	6.00

Sec. 8. DEPARTMENT OF COMMERCE. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. ALCOHOLIC BEVERAGES DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,876,497
.....	FTEs	33.00

2. BANKING DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,344,805
.....	FTEs	65.00

3. CREDIT UNION DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,377,364
.....	FTEs	19.00

4. INSURANCE DIVISION

a. For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,850,498
.....	FTEs	95.00

b. The insurance division may reallocate authorized full-time equivalent positions as necessary to respond to accreditation recommendations or requirements. The insurance division expenditures for examination purposes may exceed the projected receipts, refunds, and reimbursements, estimated pursuant to section 505.7, subsection 7, including the expenditures for retention of additional personnel, if the expenditures are fully reimbursable and the division first does both of the following:

(1) Notifies the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.

(2) Files with each of the entities named in subparagraph (1) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

c. The insurance division shall allocate \$10,000 from the examination receipts for the payment of its fees to the national council of insurance legislators.

5. PROFESSIONAL LICENSING AND REGULATION DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	766,766
.....	FTEs	12.00

6. UTILITIES DIVISION

a. For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,877,319
.....	FTEs	79.00

b. The utilities division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for utility regulation and the expenditures are fully reimbursable. Before the division expends or encumbers an amount in excess of the funds budgeted for regulation, the division shall first do both of the following:

(1) Notify the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.



(2) File with each of the entities named in subparagraph (1) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

7. CHARGES -- TRAVEL

Each division and the office of consumer advocate shall include in its charges assessed or revenues generated, an amount sufficient to cover the amount stated in its appropriation, and any state-assessed indirect costs determined by the department of administrative services. The director of the department of commerce shall review on a quarterly basis all out-of-state travel for the previous quarter for officers and employees of each division of the department if the travel is not already authorized by the executive council.

Sec. 9. ALCOHOLIC BEVERAGES DIVISION -- STATE LIQUOR WAREHOUSE FUNCTIONS. Notwithstanding sections 7J.1 and 123.20, subsection 4, and any other applicable provision of law, the alcoholic beverages division of the department of commerce shall not add full-time equivalent positions for purposes of the state assuming the state liquor warehouse functions performed by a private contractor as of April 1, 2004. The division shall issue a request for proposals or otherwise utilize a competitive process to select a successor private contractor to perform the state liquor warehouse functions.

Sec. 10. IOWA HEALTH INSURANCE VALUE INITIATIVE. If 2004 Iowa Acts, House File 2521, is enacted, there is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the insurance division to conduct a study regarding the costs of health insurance premiums for businesses and individual customers in this state, in accordance with 2004 Iowa Acts, House File 2521:

..... \$ 150,000

Sec. 11. DEPARTMENT OF COMMERCE -- PROFESSIONAL LICENSING AND REGULATION. There is appropriated from the housing improvement fund of the Iowa department of economic development to the division of professional licensing and regulation of the department of commerce for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

Disapproved  
5.17.04  
GW

Disapproved  
5.17.04  
GW

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 62,317

Sec. 12. GOVERNOR AND LIEUTENANT GOVERNOR. There is appropriated from the general fund of the state to the offices of the governor and the lieutenant governor for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

For salaries, support, maintenance, and miscellaneous purposes for the general office of the governor and the general office of the lieutenant governor, and for not more than the following full-time equivalent positions:

..... \$ 1,536,949  
..... FTEs 19.25

2. TERRACE HILL QUARTERS

For salaries, support, maintenance, and miscellaneous purposes for the governor's quarters at Terrace Hill, and for not more than the following full-time equivalent positions:

..... \$ 343,149  
..... FTEs 8.00

3. ADMINISTRATIVE RULES COORDINATOR

For salaries, support, maintenance, and miscellaneous purposes for the office of administrative rules coordinator, and for not more than the following full-time equivalent positions:

..... \$ 136,458  
..... FTEs 3.00

4. NATIONAL GOVERNORS ASSOCIATION

For payment of Iowa's membership in the national governors association:

..... \$ 64,393

5. STATE-FEDERAL RELATIONS

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 111,236  
..... FTEs 2.00

Sec. 13. GOVERNOR'S OFFICE OF DRUG CONTROL POLICY.

1. There is appropriated from the general fund of the state to the governor's office of drug control policy for the fiscal year beginning July 1, 2004, and ending June 30, 2005,



the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes including statewide coordination of the drug abuse resistance education (D.A.R.E.) programs or similar programs, and for not more than the following full-time equivalent positions:

.....	\$	254,386
.....	FTEs	9.00

2. The governor's office of drug control policy, in consultation with the Iowa department of public health, and after discussion and collaboration with all interested agencies, shall coordinate substance abuse treatment and prevention efforts in order to avoid duplication of services.

Sec. 14. DEPARTMENT OF HUMAN RIGHTS. There is appropriated from the general fund of the state to the department of human rights for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CENTRAL ADMINISTRATION DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	264,102
.....	FTEs	7.00

2. DEAF SERVICES DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	362,710
.....	FTEs	6.00

The fees collected by the division for provision of interpretation services by the division to obligated agencies shall be disbursed pursuant to the provisions of section 8.32, and shall be dedicated and used by the division for continued and expanded interpretation services.

3. PERSONS WITH DISABILITIES DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	184,971
.....	FTEs	3.50

4. LATINO AFFAIRS DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	166,718
.....	FTEs	3.00

5. STATUS OF WOMEN DIVISION

For salaries, support, maintenance, and miscellaneous purposes, including the Iowans in transition program, and the domestic violence and sexual assault-related grants, and for not more than the following full-time equivalent positions:

.....	\$	329,530
.....	FTEs	3.00

6. STATUS OF AFRICAN-AMERICANS DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	118,296
.....	FTEs	2.00

7. CRIMINAL AND JUVENILE JUSTICE PLANNING DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	403,774
.....	FTEs	6.96

The criminal and juvenile justice planning advisory council and the juvenile justice advisory council shall coordinate their efforts in carrying out their respective duties relative to juvenile justice.

8. SHARED STAFF. The divisions of the department of human rights shall retain their individual administrators, but shall share staff to the greatest extent possible.

Sec. 15. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. ADMINISTRATION DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,489,090
.....	FTEs	32.25

2. ADMINISTRATIVE HEARINGS DIVISION



For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	614,114
.....	FTEs	23.00

3. INVESTIGATIONS DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,407,295
.....	FTEs	41.00

4. HEALTH FACILITIES DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,276,836
.....	FTEs	108.75

5. EMPLOYMENT APPEAL BOARD

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	35,215
.....	FTEs	15.00

The employment appeal board shall be reimbursed by the labor services division of the department of workforce development for all costs associated with hearings conducted under chapter 91C, related to contractor registration. The board may expend, in addition to the amount appropriated under this subsection, additional amounts as are directly billable to the labor services division under this subsection and to retain the additional full-time equivalent positions as needed to conduct hearings required pursuant to chapter 91C.

6. CHILD ADVOCACY BOARD

For foster care review and the court appointed special advocate program, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,952,780
.....	FTEs	38.99

a. The department of human services, in coordination with the child advocacy board, and the department of inspections and appeals, shall submit an application for funding available pursuant to Title IV-E of the federal Social Security Act for claims for child advocacy board, administrative review costs.

b. The court appointed special advocate program shall investigate and develop opportunities for expanding fund-raising for the program.

c. Administrative costs charged by the department of inspections and appeals for items funded under this subsection shall not exceed 4 percent of the amount appropriated in this subsection.

Sec. 16. RACING AND GAMING COMMISSION.

1. RACETRACK REGULATION

There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for the regulation of pari-mutuel racetracks, and for not more than the following full-time equivalent positions:	\$ 2,201,453
.....	FTEs 27.53

Of the funds appropriated in this subsection, \$85,576 shall be used to conduct an extended harness racing season.

2. EXCURSION BOAT REGULATION

There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the excursion boat gambling laws, and for not more than the following full-time equivalent positions:	\$ 1,806,048
.....	FTEs 30.22

Sec. 17. USE TAX APPROPRIATION. There is appropriated from the use tax receipts collected pursuant to sections 423.26 and 423.27 as enacted by 2003 Iowa Acts, First Extraordinary Session, chapter 2, sections 119 and 120 prior to their deposit in the road use tax fund pursuant to section 423.43 as enacted by 2003 Iowa Acts, First Extraordinary Session, chapter 2, section 136, to the administrative hearings division of the department of inspections and appeals



for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 1,325,632

Sec. 18. DEPARTMENT OF MANAGEMENT. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE -- STATEWIDE PROPERTY TAX ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:  
..... \$ 2,137,824  
..... FTEs 32.00

2. ENTERPRISE RESOURCE PLANNING

If funding is provided for the redesign of the enterprise resource planning budget system for the fiscal year beginning July 1, 2004, then there is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration of the enterprise resource planning system, and for not more than the following full-time equivalent positions:  
..... \$ 57,435  
..... FTEs 1.00

3. SALARY MODEL ADMINISTRATOR

For salary, support, and miscellaneous purposes of the salary model administrator, and for not more than the following full-time equivalent positions:  
..... \$ 123,598  
..... FTEs 1.00

The salary model administrator shall work in conjunction with the legislative services agency to maintain the state's salary model used for analyzing, comparing, and projecting state employee salary and benefit information, including information relating to employees of the state board of

regents. The department of revenue, the department of administrative services, the five institutions under the jurisdiction of the state board of regents, the judicial district departments of correctional services, and the state department of transportation shall provide salary data to the department of management and the legislative services agency to operate the state's salary model. The format and frequency of provision of the salary data shall be determined by the department of management and the legislative services agency. The information shall be used in collective bargaining processes under chapter 20 and in calculating the funding needs contained within the annual salary adjustment legislation. A state employee organization as defined in section 20.3, subsection 4, may request information produced by the model, but the information provided shall not contain information attributable to individual employees.

4. FEDERAL OVERRECOVERY

For providing matching funds for information technology services provided by the department of administrative services to the department of human services:

..... \$ 3,000,000

Sec. 19. ROAD USE TAX APPROPRIATION. There is appropriated from the road use tax fund to the department of management for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 56,000

Sec. 20. SECRETARY OF STATE. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION AND ELECTIONS

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 660,233

..... FTEs 10.00

The state department or state agency which provides data processing services to support voter registration file



maintenance and storage shall provide those services without charge.

2. BUSINESS SERVICES

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,615,893
.....	FTEs	32.00

Sec. 21. SECRETARY OF STATE FILING FEES REFUND.

Notwithstanding the obligation to collect fees pursuant to the provisions of section 490.122, subsection 1, paragraphs "a" and "s", and section 504A.85, subsections 1 and 9, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the secretary of state may refund these fees to the filer pursuant to rules established by the secretary of state. The decision of the secretary of state not to issue a refund under rules established by the secretary of state is final and not subject to review pursuant to the provisions of the Iowa administrative procedure Act.

Sec. 22. TREASURER. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	800,564
.....	FTEs	28.80

The office of treasurer of state shall supply clerical and secretarial support for the executive council.

Sec. 23. IPERS -- GENERAL OFFICE. There is appropriated from the Iowa public employees' retirement system fund to the Iowa public employees' retirement system for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system, and for not more than the following full-time equivalent positions:

.....	\$	8,879,900
.....	FTEs	90.13

Sec. 24. DEPARTMENT OF REVENUE. There is appropriated from the general fund of the state to the department of revenue for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. COMPLIANCE -- INTERNAL RESOURCES MANAGEMENT -- STATEWIDE PROPERTY TAX ADMINISTRATION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 24,776,391  
..... FTEs 389.66

Of the funds appropriated pursuant to this subsection, \$400,000 shall be used to pay the direct costs of compliance related to the collection and distribution of local sales and services taxes imposed pursuant to chapters 422B and 422E or successor chapters.

The director of revenue shall prepare and issue a state appraisal manual and the revisions to the state appraisal manual as provided in section 421.17, subsection 17, without cost to a city or county.

2. COLLECTION COSTS AND FEES

For payment of collection costs and fees pursuant to section 422.26:

..... \$ 27,462

3. STATE TAX IMPLEMENTATION COMMITTEE

To administer the state tax implementation committee and to purchase data deemed necessary by the committee:

..... \$ 50,000

*Disapproved  
5.19.04  
BW*

Sec. 25. MOTOR VEHICLE FUEL TAX APPROPRIATION. There is appropriated from the motor fuel tax fund created by section 452A.77 to the department of revenue for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the provisions of chapter 452A and the motor vehicle use tax program:

..... \$ 1,181,082

Sec. 26. Section 7J.1, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. EXECUTIVE COUNCIL FLEXIBILITY.

Notwithstanding any provision of law to the contrary, a



charter agency shall not be required to obtain executive council approval for claims for expenses of attending conventions, out-of-state travel requests, and memberships in professional organizations.

Sec. 27. Section 8.63, subsection 5, Code Supplement 2003, is amended to read as follows:

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.

Sec. 28. Section 8.63, subsection 6, paragraph b, Code Supplement 2003, is amended to read as follows:

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.

Sec. 29. Section 543B.14, Code 2003, is amended to read as follows:

543B.14 FEES AND EXPENSES -- FUNDS.

All fees and charges collected by the real estate commission under this chapter shall be paid into the general fund of the state, except that ~~the equivalent of the greater~~

~~of-ten-dollars-or-forty-percent-per-year-of-the-fees-for fifty dollars from~~ each real estate salesperson's license, ~~plus-the equivalent-of-the-greater-of-ten-dollars-or-twenty-five percent-per-year-of-the-fees-for~~ and each broker's license shall be paid into the Iowa real estate education fund created in section 543B.54. All expenses incurred by the commission under this chapter, including compensation of staff assigned to the commission, shall be paid from funds appropriated for those purposes, except for expenses incurred and compensation paid for the real estate education director, which shall be paid out of the real estate education fund.

Sec. 30. Section 543B.54, Code 2003, is amended to read as follows:

543B.54 REAL ESTATE EDUCATION FUND.

The Iowa real estate education fund is created as a financial assurance mechanism to assist in the establishment and maintenance of a real estate education program at the university of northern Iowa and to assist the real estate commission in providing an education director. The fund is created as a separate fund in the state treasury, and any funds remaining in the fund at the end of each fiscal year shall not revert to the general fund, but shall remain in the Iowa real estate education fund. ~~Seventy-percent-of-the moneys-in-the-fund~~ Twenty-five dollars per license from fees deposited for each real estate salesperson's license and each broker's license shall be distributed and are appropriated to the board of regents for the purpose of establishing and maintaining a real estate education program at the university of northern Iowa. ~~Thirty-percent-of-the~~ The remaining moneys in the fund shall be distributed and are appropriated to the professional licensing and regulation division of the department of commerce for the purpose of hiring and compensating a real estate education director and regulatory compliance personnel.

Sec. 31. SPAN OF CONTROL. The department of administrative services, in consultation with the department of management and after discussion and collaboration with executive branch agencies, shall pursue a goal of increasing the ratio of the number of employees per supervisor for executive branch agencies in the aggregate to twelve employees for one supervisor by December 31, 2005.

[Sec. 32. EFFECTIVE DATE. The section of this division of this Act relating to the state liquor warehouse functions,

Disapproved  
5.19.04  
GW



being deemed of immediate importance, takes effect upon enactment.

DIVISION II  
AGRICULTURE AND NATURAL RESOURCES  
DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP  
GENERAL APPROPRIATIONS

Sec. 33. GENERAL DEPARTMENT APPROPRIATION. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For purposes of supporting the department, including its divisions, for administration, regulation, and programs, for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 16,946,668  
..... FTEs 410.64

2. Of the amount appropriated in subsection 1, the department shall not expend less than \$50,000 for salaries, support, maintenance, and miscellaneous purposes of administering the senior farmers market nutrition program under the jurisdiction of the United States department of agriculture.

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP  
DESIGNATED APPROPRIATIONS

Sec. 34. RIVER AUTHORITY. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department's membership in the state interagency Missouri river authority, created in section 28L.1, in the Missouri river basin association:  
..... \$ 9,535

Sec. 35. HORSE AND DOG RACING. There is appropriated from the moneys available under section 99D.13 to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for the administration of section 99D.22:  
..... \$ 305,516

Sec. 36. DAIRY PRODUCTS CONTROL BUREAU. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the operations of the dairy products control bureau, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 632,170

Sec. 37. AVIAN INFLUENZA. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the support of testing and monitoring avian influenza:  
..... \$ 50,000

Notwithstanding section 8.33, moneys appropriated pursuant to this section which are unencumbered or unobligated on June 30, 2005, shall not revert as provided in section 8.33. After June 30, 2005, the department shall retain any such unobligated or unencumbered moneys for the continued testing and monitoring of avian influenza.

Sec. 38. SALE AND PURCHASE OF LABORATORY EQUIPMENT -- APPROPRIATIONS. Notwithstanding chapter 8A, the department of administrative services shall conduct a sale of equipment or devices owned by the department of agriculture and land stewardship and used by laboratories operated by the department of agriculture and land stewardship. The department of administrative services shall conduct the sale upon authorization of the department of agriculture and land stewardship. The sale shall only include equipment and devices that the department does not move to its new laboratory building. The moneys from the sale are appropriated to the department of agriculture and land stewardship for the fiscal period beginning July 1, 2004, and ending June 30, 2006. The moneys shall only be used to replace, update, enhance, or supplement equipment or devices used by laboratories operated by the department of agriculture



and land stewardship. However, the department shall not enter into a lease-purchase agreement to obtain the equipment or devices. Unencumbered and unobligated moneys remaining on June 30, 2006, shall be deposited in the general fund of the state in the same manner as a reversion under section 8.33.

DEPARTMENT OF NATURAL RESOURCES

GENERAL APPROPRIATIONS

Sec. 39. GENERAL DEPARTMENT APPROPRIATION. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department, including its divisions, for administration, regulation, and programs, for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 16,569,282
.....	FTEs 1080.12

Sec. 40. STATE FISH AND GAME PROTECTION FUND -- APPROPRIATION TO THE DIVISION OF FISH AND WILDLIFE.

1. a. There is appropriated from the state fish and game protection fund to the department of natural resources for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For administrative support, and for salaries, support, maintenance, equipment, and miscellaneous purposes:

.....	\$ 30,715,335
-------	---------------

b. Notwithstanding section 455A.10, the department may use the unappropriated balance remaining in the fish and game protection fund to provide for the funding of health and life insurance premium payments from unused sick leave balances of conservation peace officers employed in a protection occupation who retire, pursuant to section 97B.49B.

2. The department shall not expend more moneys from the fish and game protection fund than provided in this section, unless the expenditure derives from contributions made by a private entity, or a grant or moneys received from the federal government, and is approved by the natural resource commission. The department of natural resources shall promptly notify the legislative services agency and the

chairpersons and ranking members of the joint appropriations subcommittee on agriculture and natural resources concerning the commission's approval.

DEPARTMENT OF NATURAL RESOURCES  
RELATED TRANSFERS

Sec. 41. SNOWMOBILE FEES -- TRANSFER FOR ENFORCEMENT PURPOSES. There is transferred on July 1, 2004, from the fees required to be deposited in the special conservation fund under section 321G.7 to the fish and game protection fund and appropriated to the department of natural resources for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For enforcing snowmobile laws as part of the state snowmobile program administered by the department of natural resources:

..... \$ 100,000

Sec. 42. VESSEL FEES -- TRANSFER FOR ENFORCEMENT PURPOSES. There is transferred on July 1, 2004, from the fees required to be deposited in the special conservation fund under section 462A.52 to the fish and game protection fund and appropriated to the natural resource commission for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the administration and enforcement of navigation laws and water safety:

..... \$ 1,400,000

Notwithstanding section 8.33, moneys transferred and appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert to the credit of the fish and game protection fund but shall be credited to the special conservation fund established by section 462A.52 to be used as provided in that section.

DEPARTMENT OF NATURAL RESOURCES  
DESIGNATED APPROPRIATIONS

Sec. 43. REVENUE ADMINISTERED BY THE IOWA COMPREHENSIVE UNDERGROUND STORAGE TANK FUND BOARD. There is appropriated from the unassigned revenue fund administered by the Iowa comprehensive underground storage tank fund board, to the department of natural resources for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:



For administration expenses of the underground storage tank section of the department of natural resources:

..... \$ 200,000

Sec. 44. FLOODPLAIN PERMIT BACKLOG. Notwithstanding any contrary provision of state law, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the department of natural resources may use additional funds available to the department from stormwater discharge permit fees for the staffing of the following additional full-time staff members to reduce the department's floodplain permit backlog:

..... FTEs 2.00

Sec. 45. IMPLEMENTATION OF THE FEDERAL TOTAL MAXIMUM DAILY LOAD PROGRAM. Notwithstanding any contrary provision of state law, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the department of natural resources may use additional funds available to the department from stormwater discharge permit fees for the staffing of the following additional full-time equivalent positions for implementation of the federal total maximum daily load program:

..... FTEs 2.00

MISCELLANEOUS PROVISIONS

Sec. 46. Section 424.19, Code Supplement 2003, is amended to read as follows:

424.19 FUTURE REPEAL.

This chapter is repealed effective June 30, ~~2014~~ 2016.

Sec. 47. CONTINGENT EFFECTIVENESS. The moneys appropriated from the general fund of the state to the department of agriculture and land stewardship for purposes of supporting the testing and monitoring of avian influenza as provided in this division of this Act shall not be effective if 2004 Iowa Acts, Senate File 2194, is enacted.

Sec. 48. CONTINGENT EFFECTIVENESS. The amendment to section 424.19, as provided in this division of this Act, is effective only if 2004 Iowa Acts, House File 2401, is enacted.

DIVISION III

ECONOMIC DEVELOPMENT

Sec. 49. GOALS AND ACCOUNTABILITY.

1. The goals for the department of economic development shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

2. To achieve the goals in subsection 1, the department of economic development shall do all of the following:

- a. Concentrate its efforts on programs and activities that result in commercially viable products and services.
- b. Adopt practices and services consistent with free market, private sector philosophies.
- c. Ensure economic growth and development throughout the state.

3. The department of economic development shall demonstrate accountability by using performance measures appropriate to show the attainment of the goals in subsection 1 for the state and by measuring the effectiveness and results of the department's programs and activities. The performance measures and associated benchmarks shall be developed or identified in cooperation with the legislative services agency and approved by the joint appropriations subcommittee on economic development. The data demonstrating accountability collected by the department shall be made readily available and maintained in computer-readable format.

*Disapproved  
5.19.04  
aw*

Sec. 50. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION DIVISION

a. General administration

For salaries, support, maintenance, miscellaneous purposes, programs, for the transfer to the Iowa state commission grant program, and for not more than the following full-time equivalent positions:

.....	\$ 1,562,332
.....	FTEs 28.75

b. The department shall work with businesses and communities to continually improve the economic development climate along with the economic well-being and quality of life for Iowans. The administration division shall coordinate with other state agencies ensuring that all state departments are attentive to the needs of an entrepreneurial culture.

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For business development operations and programs, international trade, export assistance, workforce recruitment, the partner state program, for transfer to the strategic investment fund, for transfer to the value-added agricultural



products and processes financial assistance fund, salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,084,500
.....	FTEs	57.00

b. The department shall establish a strong and aggressive marketing image to showcase Iowa's workforce, existing industry, and potential. A priority shall be placed on recruiting new businesses, business expansion, and retaining existing Iowa businesses. Emphasis shall also be placed on entrepreneurial development through helping to secure capital for entrepreneurs, and developing networks and a business climate conducive to entrepreneurs and small business.

c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

3. COMMUNITY DEVELOPMENT DIVISION

a. Community development programs

For salaries, support, maintenance, miscellaneous purposes, community economic development programs, tourism operations, community assistance, the film office, the mainstreet and rural mainstreet programs, the school-to-career program, the community development block grant, and housing and shelter-related programs and for not more than the following full-time equivalent positions:

.....	\$	5,505,725
.....	FTEs	61.75

b. The department shall encourage development of communities and quality of life to foster economic growth. The department shall prepare communities for future growth and development through development, expansion, and modernization of infrastructure.

c. The department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

d. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the

close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

4. For allocating moneys for the world food prize:

..... \$ 285,000

Sec. 51. VISION IOWA PROGRAM -- FTE AUTHORIZATION. For purposes of administrative duties associated with the vision Iowa program, the department of economic development is authorized an additional 2.25 full-time equivalent positions above those otherwise authorized in this division of this Act.

Sec. 52. RURAL COMMUNITY 2000 PROGRAM. There is appropriated from loan repayments on loans under the former rural community 2000 program, sections 15.281 through 15.288, Code 2001, to the department of economic development for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For providing financial assistance to Iowa's councils of governments that provide technical and planning assistance to local governments:

..... \$ 150,000

2. For the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

..... \$ 120,000

Sec. 53. INSURANCE ECONOMIC DEVELOPMENT. There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department of economic development for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

..... \$ 100,000

Sec. 54. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsection 5, there is appropriated from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 2004, and ending June 30, 2005, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 55. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account



created in section 15.342A, to the workforce development fund created in section 15.343, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, for the purposes of the workforce development fund, and for not more than the following full-time equivalent positions:

.....	\$	4,000,000
.....	FTEs	4.00

Sec. 56. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds appropriated or transferred to or receipts credited to the workforce development fund created in section 15.343, up to \$400,000 for the fiscal year beginning July 1, 2004, and ending June 30, 2005, may be used for the administration of workforce development activities including salaries, support, maintenance, and miscellaneous purposes and for not more than 4.00 full-time equivalent positions.

Sec. 57. JOB TRAINING FUND. Notwithstanding section 15.251, all remaining moneys in the job training fund on July 1, 2004, and any moneys appropriated or credited to the fund during the fiscal year beginning July 1, 2004, shall be transferred to the workforce development fund established pursuant to section 15.343.

Sec. 58. IOWA STATE UNIVERSITY.

1. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for small business development centers, the science and technology research park, the institute for physical research, and for not more than the following full-time equivalent positions:

.....	\$	2,363,557
.....	FTEs	56.53

2. Of the moneys appropriated in subsection 1, Iowa state university shall allocate at least \$550,000 for purposes of funding small business development centers. Small business development centers shall be located equally throughout the different regions of the state. Iowa state university may allocate moneys appropriated in subsection 1 to the various small business development centers in any manner necessary to achieve the purposes of this subsection.

3. Iowa state university of science and technology shall do all of the following:

*Disapproved  
5.19.04  
GW*

a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

b. Emphasize that a business and an individual that creates a business and receives benefits from a program funded, in part, through moneys appropriated in this section have a commercially viable product or service.

c. Provide emphasis to providing services to Iowa-based companies.

4. It is the intent of the general assembly that the industrial incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations and that moneys for the institute for physical research and technology industrial incentive program shall only be allocated for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 4, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and the legislative services agency the total amount of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 59. UNIVERSITY OF IOWA.

1. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the university of Iowa research park and for the advanced drug development program at the Oakdale research park, including salaries, support, maintenance, equipment,

Disapproval  
5.7.04  
m



miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	247,005
.....	FTEs	6.00

2. The university of Iowa shall do all of the following:

a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

b. Emphasize that a business and an individual that creates a business and receives benefits from a program funded, in part, through moneys appropriated in this section have a commercially viable product or service.

c. Provide emphasis to providing services to Iowa-based companies.

3. The board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the secretary of the senate, the chief clerk of the house of representatives, and the legislative services agency by January 15, 2005.

4. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 60. UNIVERSITY OF NORTHERN IOWA.

1. There is appropriated from the general fund of the state to the university of northern Iowa for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the metal casting institute, and for the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	361,291
.....	FTEs	4.75

2. The university of northern Iowa shall do all of the following:

a. Direct expenditures for research toward projects that will provide economic stimulus for Iowa.

b. Emphasize that a business and an individual that creates a business and receives benefits from a program funded, in part, through moneys appropriated in this section have a commercially viable product or service.

Disapproved  
5/14/04

Disapproved  
5/14/04  
02

c. Provide emphasis to providing services to Iowa-based companies.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 61. DEPARTMENT OF WORKFORCE DEVELOPMENT.

1. There is appropriated from the general fund of the state to the department of workforce development for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, for the division of labor services, the division of workers' compensation, the workforce development state and regional boards, the new employment opportunity fund, salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,889,124
.....	FTEs	94.20

2. From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

3. The division of workers' compensation shall continue charging a \$65 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances. Of the moneys generated by the filing fee allowed under this subsection, the first \$225,000 is appropriated to the department of workforce development to be used for purposes of administering the division of workers' compensation.

4. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 62. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

Notwithstanding section 96.7, subsection 12, paragraph "c", there is appropriated from the administrative contribution surcharge fund of the state to the department of workforce development for the fiscal year beginning July 1, 2004, and



ending June 30, 2005, any moneys remaining in the administrative contribution surcharge fund on June 30, 2004, and the entire amount collected during the fiscal year beginning July 1, 2004, and ending June 30, 2005, or so much thereof as is necessary, for salaries, support, maintenance, conducting labor market surveys, miscellaneous purposes, and for workforce development regional advisory board member expenses.

Sec. 63. EMPLOYMENT SECURITY CONTINGENCY FUND. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF WORKERS' COMPENSATION

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 471,000

2. IMMIGRATION SERVICE CENTERS

For salaries, support, maintenance, and miscellaneous purposes for the pilot immigration service centers:

..... \$ 160,000

The department of workforce development shall maintain pilot immigration service centers that offer one-stop services to deal with the multiple issues related to immigration and employment. The pilot centers shall be designed to support workers, businesses, and communities with information, referrals, job placement assistance, translation, language training, resettlement, as well as technical and legal assistance on such issues as forms and documentation. Through the coordination of local, state, and federal service providers, and through the development of partnerships with public, private, and nonprofit entities with established records of international service, these pilot centers shall seek to provide a seamless service delivery system for new Iowans.

Any remaining additional penalty and interest revenue may be allocated and used to accomplish the mission of the department.

Sec. 64. PUBLIC EMPLOYMENT RELATIONS BOARD. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	895,752
.....	FTEs	10.00

Sec. 65. Section 96.7, subsection 2, paragraph d, subparagraph (1), Code Supplement 2003, is amended to read as follows:

(1) The current reserve fund ratio is computed by dividing the total funds available for payment of benefits, on the computation date, by the total wages paid in covered employment excluding reimbursable employment wages during the first four calendar quarters of the five calendar quarters immediately preceding the computation date. However, in computing the current reserve fund ratio the following amounts shall be added to the total funds available for payment of benefits on the following computation dates:

- (a) Twenty million dollars on July 1, 2004.
- (b) Seventy million dollars on July 1, 2005.
- (c) One hundred twenty million dollars on July 1, 2006.
- (d) One hundred fifty million dollars on July 1, 2007, and on each subsequent computation date.

Sec. 66. Section 96.19, subsection 18, paragraph a, subparagraph (7), subparagraph subdivision (a), Code 2003, is amended to read as follows:

(a) A person in agricultural labor when such labor is performed for an employing unit which during any calendar quarter in the calendar year or the preceding calendar year paid remuneration in cash of twenty thousand dollars or more to individuals employed in agricultural labor excluding labor performed before January 1, 1980, by an alien referred to in this subparagraph; or on each of some twenty days during the calendar year or the preceding calendar year, each day being in a different calendar week, employed in agricultural labor for some portion of the day ten or more individuals, excluding labor performed before January 1, 1980, by an alien referred to in this subparagraph; and such labor is not agricultural labor performed before January 1, 1980, by an individual who is an alien admitted to the United States to perform agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act, 8 U.S.C. § 1184(c), 1101(a)(15)(H) (1976). For purposes of this subparagraph subdivision, "employed" shall not include



services performed by agricultural workers who are aliens admitted to the United States to perform labor pursuant to section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act and who are not covered under the Federal Unemployment Tax Act.

*Disapproved  
S. 17.04  
aw.*

Sec. 67. IOWA COMMUNITY COLLEGE ONE SOURCE TRAINING INITIATIVE. In the interest of putting an emphasis on the software and information technology sector in this state, the Iowa community college one source training initiative is encouraged to explore a partnership with software and information technology of Iowa to identify methods of funding the training and retraining needs of the software and information technology sector in Iowa. To the extent possible, funding from the workforce training and economic development moneys in the grow Iowa values fund should be considered as a potential funding source for these purposes.

Sec. 68. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable fuels and coproducts may apply to the department of economic development for moneys in the value-added agricultural products and processes financial assistance fund for deposit in the renewable fuels and coproducts fund created in section 159A.7.

Sec. 69. IOWA FINANCE AUTHORITY AUDIT. The auditor of state is requested to review the audit of the Iowa finance authority performed by the auditor hired by the authority. The auditor of state is also requested to conduct a performance audit of the authority to determine the effectiveness of the authority and the programs of the authority.

Sec. 70. APPLICATION FOR DEPARTMENT OF ECONOMIC DEVELOPMENT MONEYS. For the fiscal year beginning July 1, 2004, any entity that was specifically identified in 2001 Iowa Acts, chapter 188, to receive funding from the department of economic development, excluding any entity identified to receive a direct appropriation beginning July 1, 2004, may apply to the department for assistance through the appropriate program. The department shall provide application criteria necessary to implement this section.

*Disapproved  
S. 17.04  
aw.*

Sec. 71. EXPENDITURE AND ALLOCATION REPORTS. The department of economic development, the department of workforce development, and the regents institutions receiving an appropriation pursuant to this division of this Act shall

file a written report on a quarterly basis with the chairpersons and ranking members of the joint appropriations subcommittee on economic development and the legislative services agency regarding all expenditures of moneys appropriated pursuant to this division of this Act during the quarter, allocations of moneys appropriated pursuant to this Act during the quarter, and full-time equivalent positions allocated during the quarter.

Sec. 72. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs in the fiscal year beginning July 1, 2004, and ending June 30, 2005, the department of economic development shall explore the potential of allocating moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 73. FEDERAL GRANTS. All federal grants to and the federal receipts of agencies appropriated funds under this division of this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 74. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act shall be appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program only. This appropriation shall not apply to any fiscal year beginning after December 31, 2004.

Sec. 75. PAYROLL EXPENDITURE REFUNDS. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 2004, and ending June 30, 2005, \$27,786, or so much thereof as is necessary, to pay refunds as provided under section 15.365.

DIVISION IV  
EDUCATION

COLLEGE STUDENT AID COMMISSION

Sec. 76. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION



For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	298,825
.....	FTEs	4.30

2. STUDENT AID PROGRAMS

For payments to students for the Iowa grant program:

.....	\$	1,029,784
-------	----	-----------

3. DES MOINES UNIVERSITY -- OSTEOPATHIC MEDICAL CENTER

For the Des Moines university -- osteopathic medical center for an initiative in primary health care to direct primary care physicians to shortage areas in the state:

.....	\$	396,451
-------	----	---------

From the funds appropriated in this subsection, \$50,000 shall be used for forgivable loans in accordance with section 261.19, subsection 2.

4. NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM

For purposes of providing national guard educational assistance under the program established in section 261.86:

.....	\$	2,900,000
-------	----	-----------

5. TEACHER SHORTAGE FORGIVABLE LOAN PROGRAM

For the teacher shortage forgivable loan program established in section 261.111:

.....	\$	460,472
-------	----	---------

Sec. 77. WORK-STUDY APPROPRIATION NULLIFICATION FOR FY 2004-2005. Notwithstanding section 261.85, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the amount appropriated for the work-study program under section 261.85 shall be zero.

DEPARTMENT FOR THE BLIND

Sec. 78. ADMINISTRATION. There is appropriated from the general fund of the state to the department for the blind for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	1,541,907
.....	FTEs	109.51

DEPARTMENT OF CULTURAL AFFAIRS

Sec. 79. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal

year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	214,475
.....	FTEs	1.17

The department of cultural affairs shall coordinate activities with the tourism office of the department of economic development to promote attendance at the state historical building and at this state's historic sites.

2. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under section 303.3:

.....	\$	299,240
-------	----	---------

3. HISTORICAL DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,868,725
.....	FTEs	54.78

4. HISTORIC SITES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	526,459
.....	FTEs	8.00

5. ARTS DIVISION

For salaries, support, maintenance, miscellaneous purposes, including funds to match federal grants and for not more than the following full-time equivalent positions:

.....	\$	1,157,486
.....	FTEs	7.55

DEPARTMENT OF EDUCATION

Sec. 80. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION



For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,168,114
.....	FTEs	85.65

The director of the department of education shall ensure that all school districts are aware of the state education resources available on the state website for listing teacher job openings and shall make every reasonable effort to enable qualified practitioners to post their resumes on the state website. The department shall administer the posting of job vacancies for school districts, accredited nonpublic schools, and area education agencies on the state website. The department may coordinate this activity with the Iowa school board association or other interested education associations in the state. The department shall strongly encourage school districts to seek direct claiming under the medical assistance program for funding of school district nursing services for students.

2. VOCATIONAL EDUCATION ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	514,828
.....	FTEs	18.25

3. VOCATIONAL REHABILITATION SERVICES DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,278,784
.....	FTEs	281.50

The division of vocational rehabilitation services shall seek funding from other sources, such as local funds, for purposes of matching the state's federal vocational rehabilitation allocation, as well as for matching other federal vocational rehabilitation funding that may become available.

Except where prohibited under federal law, the division of vocational rehabilitation services of the department of education shall accept client assessments, or assessments of potential clients, performed by other agencies in order to reduce duplication of effort.



Notwithstanding the full-time equivalent position limit established in this lettered paragraph, for the fiscal year ending June 30, 2005, if federal funding is received to pay the costs of additional employees for the vocational rehabilitation services division who would have duties relating to vocational rehabilitation services paid for through federal funding, authorization to hire not more than 4.00 additional full-time equivalent employees shall be provided, the full-time equivalent position limit shall be exceeded, and the additional employees shall be hired by the division.

b. For matching funds for programs to enable persons with severe physical or mental disabilities to function more independently, including salaries and support, and for not more than the following full-time equivalent position:

.....	\$	54,150
.....	FTEs	1.00

The highest priority use for the moneys appropriated under this lettered paragraph shall be for programs that emphasize employment and assist persons with severe physical or mental disabilities to find and maintain employment to enable them to function more independently.

4. STATE LIBRARY

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,262,603
.....	FTEs	18.00

b. For the enrich Iowa program:

.....	\$	1,698,432
-------	----	-----------

(1) Funds allocated for purposes of the enrich Iowa program as provided in this lettered paragraph shall be distributed by the division of libraries and information services to provide support for Iowa's libraries. The commission of libraries shall develop rules governing the allocation of funds provided by the general assembly for the enrich Iowa program to provide direct state assistance to public libraries and to fund the open access and access plus programs. Direct state assistance to eligible public libraries is provided as an incentive to improve library services and to reduce inequities among communities in the delivery of library services based on recognized and adopted performance measures. Funds distributed as direct state

assistance shall be distributed to eligible public libraries that are in compliance with performance measures adopted by rule by the commission of libraries. The funds allocated as provided in this lettered paragraph shall not be used for the costs of administration by the division. The amount of direct state assistance distributed to each eligible public library shall be based upon the following:

(a) The level of compliance by the eligible public library with the performance measures adopted by the commission as provided in this subparagraph.

(b) The number of people residing within an eligible library's geographic service area for whom the library provides services.

(c) The amount of other funding the eligible public library received in the previous fiscal year for providing services to rural residents and to contracting communities.

(2) Moneys received by a public library under this lettered paragraph shall supplement, not supplant, any other funding received by the library.

(3) For purposes of this section, "eligible public library" means a public library that meets all of the following requirements:

(a) Submits to the division all of the following:

(i) The report provided for under section 256.51, subsection 1, paragraph "h".

(ii) An application and accreditation report, in a format approved by the commission, that provides evidence of the library's compliance with at least one level of the standards established in accordance with section 256.51, subsection 1, paragraph "k".

(iii) Any other application or report the division deems necessary for the implementation of the enrich Iowa program.

(b) Participates in the library resource and information sharing programs established by the state library.

(c) Is a public library established by city ordinance or a library district as provided in chapter 336.

(4) Each eligible public library shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this lettered paragraph, and shall annually submit this listing to the division.

(5) By January 15, 2006, the division shall submit a program evaluation report to the general assembly and the governor detailing the uses and the impacts of funds allocated under this lettered paragraph.



(6) A public library that receives funds in accordance with this lettered paragraph shall have an internet use policy in place, which may or may not include internet filtering. The library shall submit a report describing the library's internet use efforts to the division.

(7) A public library that receives funds in accordance with this lettered paragraph shall provide open access, the reciprocal borrowing program, as a service to its patrons, at a reimbursement rate determined by the state library.

5. LIBRARY SERVICE AREA SYSTEM

For state aid:

..... \$ 1,376,558

6. PUBLIC BROADCASTING DIVISION

For salaries, support, maintenance, capital expenditures, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 6,568,514

..... FTEs 78.00

7. REGIONAL TELECOMMUNICATIONS COUNCILS

For state aid and for not more than the following full-time equivalent positions:

..... \$ 1,600,806

..... FTEs 6.00

a. Of the amount appropriated in this subsection, \$360,328 shall be allocated to the public broadcasting division for purposes of providing support for functions related to the Iowa communications network, including but not limited to the following functions: development of distance learning applications; development of a central information source on the internet relating to educational uses of the network; second-line technical support for network sites; testing and initializing sites onto the network; and coordinating the work of the education telecommunications council.

b. Of the amount appropriated in this subsection, \$1,240,478 shall be allocated to the regional telecommunications councils established in section 8D.5. The regional telecommunications councils shall use the funds to provide technical assistance for network classrooms, planning and troubleshooting for local area networks, scheduling of video sites, and other related support activities.

8. VOCATIONAL EDUCATION TO SECONDARY SCHOOLS

For reimbursement for vocational education expenditures made by secondary schools:



..... \$ 2,936,904

Funds appropriated in this subsection shall be used for expenditures made by school districts to meet the standards set in sections 256.11, 258.4, and 260C.14 as a result of the enactment of 1989 Iowa Acts, chapter 278. Funds shall be used as reimbursement for vocational education expenditures made by secondary schools in the manner provided by the department of education for implementation of the standards set in 1989 Iowa Acts, chapter 278.

9. SCHOOL FOOD SERVICE

For use as state matching funds for federal programs that shall be disbursed according to federal regulations, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 2,509,683

10. IOWA EMPOWERMENT FUND

For deposit in the school ready children grants account of the Iowa empowerment fund created in section 28.9:

..... \$ 13,381,594

a. From the moneys deposited in the school ready children grants account for the fiscal year beginning July 1, 2004, and ending June 30, 2005, not more than \$200,000 is allocated for the community empowerment office and other technical assistance activities. It is the intent of the general assembly that regional technical assistance teams will be established and will include staff from various agencies, as appropriate, including the area education agencies, community colleges, and the Iowa state university of science and technology cooperative extension service in agriculture and home economics. The Iowa empowerment board shall direct staff to work with the advisory council to inventory technical assistance needs. Funds allocated under this lettered paragraph may be used by the Iowa empowerment board for the purpose of skills development and support for ongoing training of the regional technical assistance teams. However, funds shall not be used for additional staff or for the reimbursement of staff.

b. Notwithstanding any other provision of law to the contrary, the community empowerment office shall use the documentation created by the legislative services agency to continue the implementation of the four-year phase-in period of the distribution formula approved by the community empowerment board.

c. As a condition of receiving funding appropriated in this subsection, each community empowerment area board shall report to the Iowa empowerment board progress on each of the state indicators approved by the state board, as well as progress on local indicators. The community empowerment area board must also submit a written plan amendment extending by one year the area's comprehensive school ready children grant plan developed for providing services for children from birth through five years of age and provide other information specified by the Iowa empowerment board. The amendment may also provide for changes in the programs and services provided under the plan. The Iowa empowerment board shall establish a submission deadline for the plan amendment that allows a reasonable period of time for preparation of the plan amendment and for review and approval or request for modification of the plan amendment by the Iowa empowerment board. In addition, the community empowerment board must continue to comply with reporting provisions and other requirements adopted by the Iowa empowerment board in implementing section 28.8.

11. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide funds for costs of providing textbooks to each resident pupil who attends a nonpublic school as authorized by section 301.1. The funding is limited to \$20 per pupil and shall not exceed the comparable services offered to resident public school pupils:

..... \$ 590,458

12. STUDENT ACHIEVEMENT AND TEACHER QUALITY PROGRAM

For purposes, as provided in law, of the student achievement and teacher quality program established pursuant to chapter 284:

..... \$ 45,283,894

13. JOBS FOR AMERICA'S GRADUATES

For school districts to provide direct services to the most at-risk senior high school students enrolled in school districts through direct intervention by a jobs for America's graduates specialist:

..... \$ 400,000

14. CLOSING THE ACHIEVEMENT GAP GRANTS

For competitive grants to be awarded in no more than four school districts:

..... \$ 500,000



a. The department shall establish a competitive grant program that supports school district efforts to address the achievement gap. Priority shall be given to school districts using research-based strategies that have the highest probability of improving student achievement. A grant in the amount of \$125,000 shall be awarded no later than October 1, 2004, to a school district in each of the following size school districts:

- (1) A school district with an enrollment of 1199 or less.
- (2) A school district with an enrollment of more than 1199, but not more than 4749.
- (3) A school district with an enrollment of more than 4749.
- (4) A school district with any enrollment.

b. Grant moneys may be used by recipient school districts for purposes including, but not limited to, assigning highly skilled teachers to high-need students and highly skilled administrators to high-need buildings, maintaining a commitment to cultural competency training, sustaining high expectations for all children, and creating partnerships between schools, communities, and businesses.

15. COMMUNITY COLLEGES

For general state financial aid to merged areas as defined in section 260C.2 in accordance with chapters 258 and 260C:

..... \$139,779,244

The funds appropriated in this subsection shall be allocated as follows:

a. Merged Area I .....	\$ 6,717,353
b. Merged Area II .....	\$ 7,859,917
c. Merged Area III .....	\$ 7,295,985
d. Merged Area IV .....	\$ 3,569,332
e. Merged Area V .....	\$ 7,499,287
f. Merged Area VI .....	\$ 6,918,909
g. Merged Area VII .....	\$ 10,008,601
h. Merged Area IX .....	\$ 12,311,409
i. Merged Area X .....	\$ 19,369,288
j. Merged Area XI .....	\$ 20,524,506
k. Merged Area XII .....	\$ 8,084,396
l. Merged Area XIII .....	\$ 8,298,918
m. Merged Area XIV .....	\$ 3,612,936
n. Merged Area XV .....	\$ 11,362,216
o. Merged Area XVI .....	\$ 6,346,191



Sec. 81. WHOLE-GRADE SHARING AGREEMENT DEADLINE WAIVER. Notwithstanding sections 282.10 and 282.11, the department of education may, at the department's discretion, waive any of the deadline requirements of sections 282.10 and 282.11, relating to the signing of a whole-grade sharing agreement by the boards of two or more school districts involved in the agreement and the public notice and hearing requirements, if one of the districts involved in the agreement has an enrollment of less than three hundred. This section is repealed July 1, 2004.

Sec. 82. STATEWIDE TEACHER INTERN PROGRAM FEASIBILITY STUDY -- FEDERAL GRANT APPLICATION COORDINATION.

1. The department of education shall work cooperatively with the state board of regents and other accredited postsecondary institutions with approved practitioner preparation programs to assess the feasibility of the offering of a teacher intern program that will be available statewide and which will meet the standards as provided in 281 IAC 77. The department shall, at minimum, collaborate with the state board of regents and the colleges of education at board's institutions of higher learning, and with other accredited postsecondary institutions with approved practitioner preparation programs. The study shall include the projected enrollment, cost, delivery of the program via technology, and possible time lines for implementation of a statewide teacher intern program. The study shall, at minimum, consider the establishment of a program operated through a regents institution under a cooperative arrangement with other postsecondary institutions, including institutions that do not have approved practitioner preparation programs, or with one or more area education agencies. The department shall submit a report summarizing the results of the study and making recommendations to the chairpersons and ranking members of the house and senate committees on education and the chairpersons and rankings members of the joint appropriations subcommittee on education by January 15, 2005.

2. The department shall work cooperatively with the state board of regents and other appropriate eligible grantees to obtain any available federal funding, including grants that may be available for the establishment and operation of a teacher intern program.

Sec. 83. BOARD OF EDUCATIONAL EXAMINERS LICENSING FEES. Notwithstanding section 272.10, up to 85 percent of any funds

Disapproval  
SIA 04  
ow

received annually resulting from an increase in fees approved and implemented for licensing by the state board of educational examiners after July 1, 1997, and before June 30, 2003, and up to 70 percent of any funds received annually resulting from an increase in fees approved and implemented for licensing by the state board after July 1, 2003, shall be available for the fiscal year beginning July 1, 2004, to the state board for purposes related to the state board's duties, including, but not limited to, additional full-time equivalent positions. The director of the department of administrative services shall draw warrants upon the treasurer of state from the funds appropriated as provided in this section and shall make the funds resulting from the increase in fees available during the fiscal year to the state board on a monthly basis.

Sec. 84. MINIMUM TEACHER SALARY REQUIREMENTS -- FY 2004-2005.

1. Notwithstanding section 284.7, subsection 1, paragraph "a", subparagraph (2), the minimum teacher salary paid by a school district or area education agency for purposes of teacher compensation in accordance with chapter 284, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, shall be the minimum salary amount the school district or area education agency paid to a first-year beginning teacher or, the minimum salary amount the school district or area education agency would have paid a first-year beginning teacher if the school district or area education agency had participated in the program in the 2001-2002 school year, in accordance with section 284.7, subsection 1, Code Supplement 2001. If the school district or area education agency did not employ a first-year beginning teacher in the 2001-2002 school year, the minimum salary is the amount that the district would have paid a first-year beginning teacher under chapter 284 in the 2001-2002 school year.

2. Notwithstanding section 284.7, subsection 1, paragraph "b", subparagraph (2), the minimum career teacher salary paid to a career teacher who was a beginning teacher in the 2003-2004 school year, by a school district or area education agency participating in the student achievement and teacher quality program, for the school year beginning July 1, 2004, and ending June 30, 2005, shall be, unless the school district has a minimum career teacher salary that exceeds thirty thousand dollars, one thousand dollars greater than the minimum salary amount the school district or area education



agency paid to a first-year beginning teacher if the school district or area education agency participated in the program during the 2001-2002 school year, or the minimum salary amount the school district or area education agency would have paid a first-year beginning teacher if the school district or area education agency had participated in the program in the 2001-2002 school year, in accordance with section 284.7, subsection 1, Code Supplement 2001.

3. Notwithstanding section 284.7, subsection 1, paragraph "b", subparagraph (2), and except as provided in subsection 2, the minimum career teacher salary paid by a school district or area education agency participating in the student achievement and teacher quality program, for purposes of teacher compensation in accordance with chapter 284, for the school year beginning July 1, 2004, and ending June 30, 2005, shall be the minimum salary amount the school district or area education agency paid to a career teacher if the school district or area education agency participated in the program during the 2001-2002 school year, or, the minimum salary amount the school district or area education agency would have paid a career teacher if the school district or area education agency had participated in the program in the 2001-2002 school year, in accordance with section 284.7, subsection 1, Code Supplement 2001.

Sec. 85. SUPPLEMENTAL AID FOR THE IOWA PUBLIC BROADCASTING DIVISION. Notwithstanding the provisions of section 8.33, or any other provision of law to the contrary, \$158,000 from the moneys from the appropriation made in section 284.13, subsection 1, paragraph "d", as amended by this division of this Act, which remain unexpended or unencumbered on June 30, 2004, shall not revert but shall remain available for expenditure in the succeeding fiscal year by the department of education for the public broadcasting division to supplement the appropriation made in this division of this Act for the public broadcasting division.

STATE BOARD OF REGENTS

Sec. 86. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. OFFICE OF STATE BOARD OF REGENTS

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,160,398  
..... FTEs 16.00

The state board of regents, the department of management, and the legislative services agency shall cooperate to determine and agree upon, by November 15, 2004, the amount that needs to be appropriated for tuition replacement for the fiscal year beginning July 1, 2005.

Disapproved  
5.17.04  
OW

The state board of regents shall submit a monthly financial report in a format agreed upon by the state board of regents office and the legislative services agency.

b. For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions:

..... \$ 13,009,474

Notwithstanding section 8.33, funds appropriated for the purposes in this lettered paragraph remaining unencumbered or unobligated at the end of the fiscal year shall not revert to the general fund of the state but shall be available for expenditure for the purposes specified in this lettered paragraph during the subsequent fiscal year.

c. For funds to be allocated to the southwest Iowa graduate studies center:

..... \$ 105,956

d. For funds to be allocated to the siouxland interstate metropolitan planning council for the tristate graduate center under section 262.9, subsection 21:

..... \$ 77,941

e. For funds to be allocated to the quad-cities graduate studies center:

..... \$ 157,144

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:



.....	\$219,937,344
.....	FTEs 4,055.62

It is the intent of the general assembly that the university continue progress on the school of public health and the public health initiative for the purposes of establishing an accredited school of public health and for funding an initiative for the health and independence of elderly Iowans. From the funds appropriated in this lettered paragraph, the university may use up to \$2,100,000 for the school of public health and the public health initiative.

b. University hospitals

For salaries, support, maintenance, equipment, and miscellaneous purposes and for medical and surgical treatment of indigent patients as provided in chapter 255, for medical education, and for not more than the following full-time equivalent positions:

.....	\$ 27,284,584
.....	FTEs 5,471.01

Of the amount appropriated in this lettered paragraph, \$25,950,166 shall be considered encumbered and shall not be expended for any purpose until January 1, 2005.

(1) However, if the department of human services adjusts hospital payments to provide an increased base rate to offset the high cost incurred for providing services to medical assistance patients prior to January 1, 2005, a portion of the amount specified in this unnumbered paragraph equal to the increased Medicaid payment shall revert to the general fund of the state. Notwithstanding section 8.54, subsection 7, the amount required to revert under this subparagraph shall not be considered to be appropriated for purposes of the state general fund expenditure limitation for the fiscal year beginning July 1, 2004.

(2) If the adjustment described in subparagraph (1) to increase the base rate is not made prior to January 1, 2005, the amount specified in this unnumbered paragraph shall no longer be considered encumbered, may be expended, and shall be available for the purposes originally specified.

(3) Any incremental increase in the base rate made pursuant to subparagraph (1) shall not be used in determining the university of Iowa hospital and clinics disproportionate share rate or when determining the statewide average base rate for purposes of calculating indirect medical education rates.

*Disapproved  
5.19.04  
BW*

The university of Iowa hospitals and clinics shall, within the context of chapter 255 and when medically appropriate, make reasonable efforts to extend the university of Iowa hospitals and clinics' use of home telemedicine and other technologies to reduce the frequency of visits to the hospital required by the indigent patients.

The university of Iowa hospitals and clinics shall submit quarterly a report regarding the portion of the appropriation in this lettered paragraph expended on medical education. The report shall be submitted in a format jointly developed by the university of Iowa hospitals and clinics, the legislative services agency, and the department of management, and shall delineate the expenditures and purposes of the funds.

(4) Funds appropriated in this lettered paragraph shall not be used to perform abortions except medically necessary abortions, and shall not be used to operate the early termination of pregnancy clinic except for the performance of medically necessary abortions. For the purpose of this lettered paragraph, an abortion is the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus, and a medically necessary abortion is one performed under one of the following conditions:

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

(b) The attending physician certifies that the fetus is mentally deficient or afflicted with a congenital illness.

(c) The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(d) The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

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

The total quota allocated to the counties for indigent patients for the fiscal year beginning July 1, 2004, shall not be lower than the total quota allocated to the counties for the fiscal year commencing July 1, 1998. The total quota shall be allocated among the counties on the basis of the 2000 census pursuant to section 255.16.

Disapproved  
5/19/04  
ov



The university of Iowa hospitals and clinics, in cooperation with the department of corrections, shall study the utilization of the indigent patient care program by department of corrections' inmates and shall submit a report to the governor and the general assembly on or before January 1, 2005, regarding recommendations to improve the efficiency and cost-effectiveness of the care provided to the inmates.

c. Psychiatric hospital

For salaries, support, maintenance, equipment, miscellaneous purposes, for the care, treatment, and maintenance of committed and voluntary public patients, and for not more than the following full-time equivalent positions:

..... \$ 7,043,056  
..... FTEs 272.11

d. Center for disabilities and development

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 6,363,265  
..... FTEs 143.34

From the funds appropriated in this lettered paragraph, \$200,000 shall be allocated for purposes of the employment policy group.

e. Oakdale campus

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 2,657,335  
..... FTEs 43.25

f. State hygienic laboratory

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 3,802,520  
..... FTEs 102.49

g. Family practice program

For allocation by the dean of the college of medicine, with approval of the advisory board, to qualified participants, to carry out chapter 148D for the family practice program, including salaries and support, and for not more than the following full-time equivalent positions:

..... \$ 2,075,948

..... FTEs 192.40

h. Child health care services

For specialized child health care services, including childhood cancer diagnostic and treatment network programs, rural comprehensive care for hemophilia patients, and the Iowa high-risk infant follow-up program, including salaries and support, and for not more than the following full-time equivalent positions:

..... \$ 649,066

..... FTEs 53.46

i. Statewide cancer registry

For the statewide cancer registry, and for not more than the following full-time equivalent positions:

..... \$ 178,739

..... FTEs 2.40

j. Substance abuse consortium

For funds to be allocated to the Iowa consortium for substance abuse research and evaluation, and for not more than the following full-time equivalent positions:

..... \$ 64,871

..... FTEs 1.50

k. Center for biocatalysis

For the center for biocatalysis, and for not more than the following full-time equivalent positions:

..... \$ 881,384

..... FTEs 5.20

l. Primary health care initiative

For the primary health care initiative in the college of medicine and for not more than the following full-time equivalent positions:

..... \$ 759,875

..... FTEs 7.75

From the funds appropriated in this lettered paragraph, \$330,000 shall be allocated to the department of family practice at the state university of Iowa college of medicine for family practice faculty and support staff.

m. Birth defects registry

For the birth defects registry and for not more than the following full-time equivalent positions:

..... \$ 44,636

..... FTEs 1.30

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university



For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$173,189,751  
..... FTEs 3,647.42

It is the intent of the general assembly that the university continue progress on the center for excellence in fundamental plant sciences. From the funds appropriated in this lettered paragraph, the university may use up to \$4,670,000 for the center for excellence in fundamental plant sciences.

Disapproved  
5.19.01  
ow

b. Agricultural experiment station

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 31,019,520  
..... FTEs 546.98

c. Cooperative extension service in agriculture and home economics

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 19,738,432  
..... FTEs 383.34

d. Leopold center

For agricultural research grants at Iowa state university under section 266.39B, and for not more than the following full-time equivalent positions:

..... \$ 464,319  
..... FTEs 11.25

e. Livestock disease research

For deposit in and the use of the livestock disease research fund under section 267.8:

..... \$ 220,708

4. UNIVERSITY OF NORTHERN IOWA

a. General university

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 77,804,507  
..... FTEs 1,398.01

It is the intent of the general assembly that the university continue progress on the implementation of a

Disapproved  
5.19.01  
ow

masters in social work program. From the funds appropriated in this lettered paragraph, the university may use up to \$450,000 for the implementation of the masters in social work program, up to \$100,000 for the roadside vegetation project, and up to \$200,000 for the Iowa office for staff development.

b. Recycling and reuse center

For purposes of the recycling and reuse center, and for not more than the following full-time equivalent positions:

.....	\$	211,858
.....	FTEs	3.00

5. STATE SCHOOL FOR THE DEAF

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	8,468,249
.....	FTEs	126.60

6. IOWA BRAILLE AND SIGHT SAVING SCHOOL

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,737,675
.....	FTEs	81.00

7. TUITION AND TRANSPORTATION COSTS

For payment to local school boards for the tuition and transportation costs of students residing in the Iowa braille and sight saving school and the state school for the deaf pursuant to section 262.43 and for payment of certain clothing, prescription, and transportation costs for students at these schools pursuant to section 270.5:

.....	\$	15,020
-------	----	--------

Sec. 87. MEDICAL ASSISTANCE -- SUPPLEMENTAL AMOUNTS. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the department of human services shall continue the supplemental disproportionate share and a supplemental indirect medical education adjustment applicable to state-owned acute care hospitals with more than 500 beds and shall reimburse qualifying hospitals pursuant to that adjustment with a supplemental amount for services provided medical assistance recipients. The adjustment shall generate supplemental payments intended to equal the state appropriation made to a qualifying hospital for treatment of indigent patients as provided in chapter 255. To the extent of the supplemental payments, a qualifying hospital shall,



after receipt of the funds, transfer to the department of human services an amount equal to the actual supplemental payments that were made in that month. The aggregate amounts for the fiscal year shall not exceed the state appropriation made to the qualifying hospital for treatment of indigent patients as provided in chapter 255. The department of human services shall deposit these funds in the department's medical assistance account. To the extent that state funds appropriated to a qualifying hospital for the treatment of indigent patients as provided in chapter 255 have been transferred to the department of human services as a result of these supplemental payments made to the qualifying hospital, the department shall not, directly or indirectly, recoup the supplemental payments made to a qualifying hospital for any reason, unless an equivalent amount of the funds transferred to the department of human services by a qualifying hospital pursuant to this provision is transferred to the qualifying hospital by the department.

If the state supplemental amount allotted to the state of Iowa for the federal fiscal year beginning October 1, 2004, and ending September 30, 2005, pursuant to section 1923(f)(3) of the federal Social Security Act, as amended, or pursuant to federal payments for indirect medical education is greater than the amount necessary to fund the federal share of the supplemental payments specified in the preceding paragraph, the department of human services shall increase the supplemental disproportionate share or supplemental indirect medical education adjustment by the lesser of the amount necessary to utilize fully the state supplemental amount or the amount of state funds appropriated to the state university of Iowa general education fund and allocated to the university for the college of medicine. The state university of Iowa shall transfer from the allocation for the college of medicine to the department of human services, on a monthly basis, an amount equal to the additional supplemental payments made during the previous month pursuant to this paragraph. A qualifying hospital receiving supplemental payments pursuant to this paragraph that are greater than the state appropriation made to the qualifying hospital for treatment of indigent patients as provided in chapter 255 shall be obligated as a condition of its participation in the medical assistance program to transfer to the state university of Iowa general education fund on a monthly basis an amount equal to

the funds transferred by the state university of Iowa to the department of human services. To the extent that state funds appropriated to the state university of Iowa and allocated to the college of medicine have been transferred to the department of human services as a result of these supplemental payments made to the qualifying hospital, the department shall not, directly or indirectly, recoup these supplemental payments made to a qualifying hospital for any reason, unless an equivalent amount of the funds transferred to the department of human services by the state university of Iowa pursuant to this paragraph is transferred to the qualifying hospital by the department.

Continuation of the supplemental disproportionate share and supplemental indirect medical education adjustment shall preserve the funds available to the university hospital for medical and surgical treatment of indigent patients as provided in chapter 255 and to the state university of Iowa for educational purposes at the same level as provided by the state funds initially appropriated for that purpose.

The department of human services shall, in any compilation of data or other report distributed to the public concerning payments to providers under the medical assistance program, set forth reimbursements to a qualifying hospital through the supplemental disproportionate share and supplemental indirect medical education adjustment as a separate item and shall not include such payments in the amounts otherwise reported as the reimbursement to a qualifying hospital for services to medical assistance recipients.

For purposes of this section, "supplemental payment" means a supplemental payment amount paid for medical assistance to a hospital qualifying for that payment under this section.

Sec. 88. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the state board of regents may use notes, bonds, or other evidences of indebtedness issued under section 262.48 to finance projects that will result in energy cost savings in an amount that will cause the state board to recover the cost of the projects within an average of six years.

Sec. 89. Notwithstanding section 270.7, the department of administrative services shall pay the state school for the deaf and the Iowa braille and sight saving school the moneys collected from the counties during the fiscal year beginning July 1, 2004, for expenses relating to prescription drug costs



for students attending the state school for the deaf and the Iowa braille and sight saving school.

Sec. 90. Section 256.44, subsection 7, Code 2003, is amended to read as follows:

7. The department shall prorate the amount of the annual awards paid in accordance with this section when the number of award recipients exceeds one thousand one hundred individuals. The department may prorate the amount of an annual award when a teacher who meets the qualifications of subsection 1 is employed on a less than full-time basis by a school district. The state board shall adopt rules under chapter 17A establishing criteria for the proration of annual awards.

Sec. 91. Section 261.19, subsection 2, Code 2003, is amended to read as follows:

2. a. Notwithstanding the administration provisions of subsection 1, the forgivable loan program established pursuant to subsection 1 shall be administered by the commission in conjunction with Des Moines university. Des Moines university shall match on an equal basis state aid appropriated for purposes of the forgivable loan program.

b. Des Moines university shall provide recommendations to the commission for students who meet the eligibility requirements of the forgivable loan program. A forgivable loan may be awarded to a resident of Iowa who is enrolled at Des Moines university -- osteopathic medical center if the student agrees to practice in this state for a period of time to be determined by the commission at the time the loan is awarded. Forgivable loans to eligible students shall not become due until after the student completes a residency program. Interest on the loans shall begin to accrue the day following the student's graduation date. If the student completes the period of practice established by the commission and agreed to by the student, the loan amount shall be forgiven. The loan amount shall not be forgiven if the osteopathic physician fails to complete the required time period of practice in this state or fails to satisfactorily continue in the university's program of medical education.

Sec. 92. Section 257B.1B, subsection 1, Code 2003, is amended to read as follows:

1. Fifty-five percent of the moneys deposited in the fund to the department of education for allocation to the reading recovery center to assist school districts in developing reading recovery programs. ~~From the moneys allocated in this~~

~~subsection, one hundred thousand dollars shall be distributed to the reading recovery center, and the remaining balance shall be distributed to the area education agencies in the proportion that the number of children who are eligible for free or reduced-price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751--1785, in the basic enrollment of grades one through six in the area served by an agency, bears to the sum of the number of children who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751--1785, in the basic enrollments of grades one through six in all of the areas served by area education agencies in the state for the budget year.~~

Sec. 93. Section 261.25, subsections 1, 2, and 3, Code Supplement 2003, are amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~forty-six~~ forty-seven million ~~four~~ one hundred ~~seventeen~~ fifty-seven thousand ~~nine~~ five hundred ~~sixty-four~~ fifteen dollars for tuition grants. From the funds appropriated in this subsection, not more than three million four hundred thousand dollars may be distributed to private institutions whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant moneys in the fiscal year beginning July 1, 2003.

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of four hundred ~~seventy-seven~~ sixty-five thousand one hundred ~~three~~ seventy-five dollars for scholarships.

3. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of two million ~~three~~ five hundred ~~seventy-five~~ thirty-three thousand ~~six~~ one hundred ~~fifty-seven~~ fifteen dollars for vocational-technical tuition grants.

Sec. 94. Section 279.20, Code 2003, is amended to read as follows:

279.20 SUPERINTENDENT -- TERM.

1. The board of directors of a school district may employ a superintendent of schools for a term of not to exceed three years. However, the board's initial contract with a superintendent shall not exceed one year if the board is



obligated to pay a former superintendent under an unexpired contract. The superintendent shall be the executive officer of the board and have such powers and duties as may be prescribed by rules adopted by the board or by law. Boards of directors may jointly exercise the powers conferred by this section.

2. The board of directors of a school district may delegate the authority to hire support personnel and sign the support personnel employment contracts, if applicable, if the board adopts a policy authorizing the superintendent to perform such duties and specifying the positions the superintendent is authorized to fill. For purposes of this subsection, the term "support personnel" includes, but is not limited to, bus drivers, custodians, educational associates, and clerical and food service employees.

Sec. 95. Section 284.10, subsection 3, Code Supplement 2003, is amended by striking the subsection.

Sec. 96. Section 284.10, subsection 6, Code Supplement 2003, is amended to read as follows:

6. By July 1, ~~2005~~ 2006, the director shall develop and implement an evaluator training certification renewal program for administrators and other practitioners who need to renew a certificate issued pursuant to this section.

Sec. 97. Section 284.13, subsection 1, paragraphs b, c, d, and e, Code Supplement 2003, are amended to read as follows:

b. For the fiscal year beginning July 1, ~~2003~~ 2004, and ending June 30, ~~2004~~ 2005, to the department of education, the amount of ~~seven~~ one million one hundred thousand dollars for the issuance of national board certification awards in accordance with section 256.44.

c. For the fiscal year beginning July 1, ~~2003~~ 2004, and succeeding fiscal years, an amount up to ~~four~~ three million ~~two~~ five hundred thousand dollars for first-year and second-year beginning teachers, to the department of education for distribution to school districts for purposes of the beginning teacher mentoring and induction programs. A school district shall receive one thousand three hundred dollars per beginning teacher participating in the program. If the funds appropriated for the program are insufficient to pay mentors and school districts as provided in this paragraph, the department shall prorate the amount distributed to school districts based upon the amount appropriated. Moneys received by a school district pursuant to this paragraph shall be

Disapproved  
5.19.04  
DW



expended to provide each mentor with an award of five hundred dollars per semester, at a minimum, for participation in the school district's beginning teacher mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district.

d. For the fiscal year beginning July 1, 2003, and ending June 30, 2004, up to one million dollars to the department of education for purposes of ~~establishing~~ maintaining the evaluator training program, ~~including but not limited to an evaluation process, the training of providers, development of a provider approval process, training materials and costs, for payment to practitioners under section 284.10, subsection 3, and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district, and for subsidies to school districts for training costs.~~ A portion of the funds allocated to the department for purposes of this paragraph may be used by the department for administrative purposes. Notwithstanding section 8.33, from the moneys allocated under this paragraph for the fiscal year beginning July 1, 2003, that remain unobligated or unexpended at the end of the fiscal year, three hundred thousand dollars shall not revert but shall remain available for expenditure to maintain the evaluator training program, and up to five hundred thousand dollars shall remain available to supplement moneys allocated pursuant to paragraph "f" of this subsection.

e. For the fiscal year beginning July 1, ~~2003~~ 2004, and ending June 30, ~~2004~~ 2005, up to ~~three~~ two hundred ~~seventy-five~~ fifty thousand dollars to the department of education for purposes of implementing the career development program requirements of section 284.6, and the review panel requirements of section 284.9. From the moneys allocated to the department pursuant to this paragraph, not less than seventy-five thousand dollars shall be used to administer the ambassador to education position in accordance with section 256.45. A portion of the funds allocated to the department for purposes of this paragraph may be used by the department for administrative purposes. Notwithstanding section 8.33,



moneys allocated for purposes of this paragraph prior to July 1, 2004, which remain unobligated or unexpended at the end of the fiscal year for which the moneys were appropriated, shall remain available for expenditure for the purposes for which they were allocated, for the fiscal year beginning July 1, 2004, and ending June 30, 2005.

Sec. 98. Section 284.13, subsection 1, Code Supplement 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. i. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, moneys made available for the purposes of implementing paragraphs "d" and "e" may be allocated in the amounts, as determined by the department, needed to implement the purposes of paragraphs "d" and "e".

Sec. 99. Section 294A.22, Code Supplement 2003, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If funds appropriated are insufficient to pay phase II allocations in full, the department of administrative services shall prorate payments to school districts and area education agencies.

Sec. 100. EFFECTIVE DATES.

1. The provisions of this division of this Act providing for supplemental aid for the Iowa public broadcasting division and amending section 284.13, subsection 1, paragraphs "d" and "e", relating to moneys carried over to the 2004-2005 fiscal year, being deemed of immediate importance, take effect upon enactment.

2. The section of this division of this Act, relating to a waiver for whole-grade sharing agreement deadlines, being deemed of immediate importance, takes effect upon enactment and applies from the date of enactment to June 30, 2004.

#### DIVISION V

#### HEALTH AND HUMAN SERVICES

#### ELDER AFFAIRS

Sec. 101. DEPARTMENT OF ELDER AFFAIRS. There is appropriated from the general fund of the state to the department of elder affairs for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For aging programs for the department of elder affairs and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management for the frail elderly, the retired and senior volunteer program, resident

advocate committee coordination, employment, and other services which may include, but are not limited to, adult day services, respite care, chore services, telephone reassurance, information and assistance, and home repair services, including the winterizing of homes, and for the construction of entrance ramps which make residences accessible to the physically handicapped, and for salaries, support, administration, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions with the department of elder affairs:

.....	\$	2,625,146
.....	FTEs	26.75

1. Funds appropriated in this section may be used to supplement federal funds under federal regulations. To receive funds appropriated in this section, a local area agency on aging shall match the funds with moneys from other sources according to rules adopted by the department. Funds appropriated in this section may be used for elderly services not specifically enumerated in this section only if approved by an area agency on aging for provision of the service within the area.

2. Of the funds allocated in this section and any other state funds allocated for aging programs of the area agencies on aging not more than 7.5 percent of the total amount allocated shall be used for area agencies on aging administrative purposes.

3. Of the funds appropriated in this section, \$49,000 shall be used, in addition to any other funds appropriated in this Act, for provision of training to resident advocate committees for elder group homes, as defined in section 231B.1, and licensed health care facilities as defined in section 135C.1.

4. It is the intent of the general assembly that the Iowa chapters of the Alzheimer's association and the case management program for the frail elderly shall collaborate and cooperate fully to assist families in maintaining family members with Alzheimer's disease in the community for the longest period of time possible.

5. The department shall maintain policies and procedures regarding Alzheimer's support and the retired and senior volunteer program.



Sec. 102. DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADDICTIVE DISORDERS

For reducing the prevalence of use of tobacco, alcohol, and other drugs, and treating individuals affected by addictive behaviors, including gambling, and for not more than the following full-time equivalent positions:

.....	\$	1,267,111
.....	FTEs	15.75

a. The department shall continue to coordinate with substance abuse treatment and prevention providers regardless of funding source to assure the delivery of substance abuse treatment and prevention programs.

b. The commission on substance abuse, in conjunction with the department, shall continue to coordinate the delivery of substance abuse services involving prevention, social and medical detoxification, and other treatment by medical and nonmedical providers to uninsured and court-ordered substance abuse patients in all counties of the state.

c. The department and any grantee or subgrantee of the department shall not discriminate against a nongovernmental organization that provides substance abuse treatment and prevention services or applies for funding to provide those services on the basis that the organization has a religious character. The department shall report to the governor and the general assembly on or before February 1, 2005, regarding the number of religious or other nongovernmental organizations that applied for funds in the preceding fiscal year, the amounts awarded to those organizations, and the basis for any refusal by the department or grantee or subgrantee of the department to award funds to any of those organizations that applied.

2 is approved  
5-19-04  
DW

2. ADULT WELLNESS

For maintaining or improving the health status of adults, with target populations between the ages of 18 through 60, and for not more than the following full-time equivalent positions:

.....	\$	304,067
.....	FTEs	20.85

3. CHILD AND ADOLESCENT WELLNESS

For promoting the optimum health status for children and adolescents from birth through 21 years of age, and for not more than the following full-time equivalent positions:

.....	\$	915,803
.....	FTEs	44.10

4. CHRONIC CONDITIONS

For serving individuals identified as having chronic conditions or special health care needs, and for not more than the following full-time equivalent positions:

.....	\$	845,863
.....	FTEs	10.00

5. COMMUNITY CAPACITY

For strengthening the health care delivery system at the local level, and for not more than the following full-time equivalent positions:

.....	\$	1,267,359
.....	FTEs	21.60

Of the funds appropriated in this subsection, \$100,000 is allocated for a child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with community empowerment areas.

6. ELDERLY WELLNESS

For optimizing the health of persons 60 years of age and older, and for not more than the following full-time equivalent positions:

.....	\$	9,233,985
.....	FTEs	4.95

The department shall implement elderly wellness services in a manner that ensures that the services provided are not payable by a third-party source. The department shall submit a report by December 1, 2004, to the persons in this division of this Act designated to receive reports regarding the provision of services and expenditures for the services.

7. ENVIRONMENTAL HAZARDS

For reducing the public's exposure to hazards in the environment, primarily chemical hazards, and for not more than the following full-time equivalent positions:

.....	\$	251,808
.....	FTEs	8.30

8. INFECTIOUS DISEASES

For reducing the incidence and prevalence of communicable diseases, and for not more than the following full-time equivalent positions:



.....	\$	1,079,703
.....	FTEs	38.25

9. INJURIES

For providing support and protection to victims of abuse or injury, or programs that are designed to prevent abuse or injury, and for not more than the following full-time equivalent positions:

.....	\$	1,379,358
.....	FTEs	9.10

Of the funds appropriated in this subsection, \$660,000 shall be credited to the emergency medical services fund created in section 135.25.

10. PUBLIC PROTECTION

For protecting the health and safety of the public through establishing standards and enforcing regulations, and for not more than the following full-time equivalent positions:

.....	\$	6,598,873
.....	FTEs	158.05

a. The department may expend funds received from licensing fees in addition to amounts appropriated in this subsection, if those additional expenditures are directly the result of any unanticipated litigation or scope of practice review committee expense. Before the department expends or encumbers funds for a scope of practice review committee or for an amount in excess of the funds budgeted for an examining board, the director of the department of management shall approve the expenditure or encumbrance. The amounts necessary to fund any unanticipated litigation or scope of practice review committee expense in the fiscal year beginning July 1, 2004, shall not exceed 5 percent of the average annual fees generated by the boards for the previous two fiscal years. The funds authorized for expenditure pursuant to this lettered paragraph are appropriated to the department for the purposes described in this paragraph.

b. For the fiscal year beginning July 1, 2004, the department shall retain fees collected from the certification of lead inspectors and lead abaters pursuant to section 135.105A to support the certification program; and shall retain fees collected from the licensing, registration, authorization, accreditation, and inspection of x-ray machines used for mammographically guided breast biopsy, screening, and diagnostic mammography, pursuant to section 136C.10 to support the administration of the chapter. The department may also

retain fees collected pursuant to section 136C.10 on all shippers of radioactive material waste containers transported across Iowa if the department does not obtain funding to support the oversight and regulation of this activity, and for x-ray radiology examination fees collected by the department and reimbursed to a private organization conducting the examination. Fees retained by the department pursuant to this lettered paragraph are appropriated to the department for the purposes described in this lettered paragraph.

c. The department may retain and expend not more than \$297,961 for lease and maintenance expenses from fees collected pursuant to section 147.80 by the board of dental examiners, the board of pharmacy examiners, the board of medical examiners, and the board of nursing in the fiscal year beginning July 1, 2004, and ending June 30, 2005. Fees retained by the department pursuant to this lettered paragraph are appropriated to the department for the purposes described in this lettered paragraph.

d. The department may retain and expend not more than \$100,000 for reduction of the number of days necessary to process medical license requests and for reduction of the number of days needed for consideration of malpractice cases from fees collected pursuant to section 147.80 by the board of medical examiners in the fiscal year beginning July 1, 2004, and ending June 30, 2005. Fees retained by the department pursuant to this lettered paragraph are appropriated to the department for the purposes described in this lettered paragraph.

e. The board of dental examiners may retain and expend not more than \$148,060 from revenues generated pursuant to section 147.80. Fees retained by the board pursuant to this lettered paragraph are appropriated to the department to be used for the purposes of regulating dental assistants.

f. The board of medical examiners, the board of pharmacy examiners, the board of dental examiners, and the board of nursing shall prepare estimates of projected receipts to be generated by the licensing, certification, and examination fees of each board as well as a projection of the fairly apportioned administrative costs and rental expenses attributable to each board. Each board shall annually review and adjust its schedule of fees so that, as nearly as possible, projected receipts equal projected costs.



g. The board of medical examiners, the board of pharmacy examiners, the board of dental examiners, and the board of nursing shall retain their individual executive officers, but are strongly encouraged to share administrative, clerical, and investigative staffs to the greatest extent possible. The department shall submit a status report regarding the sharing of staff under this paragraph to the persons designated in this division of this Act to receive reports by December 1, 2004.

h. For the fiscal year beginning July 1, 2004, the board of nursing may retain and expend 90 percent of the revenues generated from any increase in licensing fees pursuant to section 147.80 for purposes related to the state board's duties, including but not limited to the addition of full-time equivalent positions for program services and investigations. Fees retained by the board pursuant to this lettered paragraph are appropriated to the board of nursing for the purposes described in this paragraph.

i. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the board of pharmacy examiners may retain and expend 90 percent of the revenues generated from any increase after July 1, 2004, in licensing fees pursuant to sections 124.301 and 147.80, and chapter 155A, for purposes related to the state board's duties, including but not limited to the addition of full-time equivalent positions. Fees retained by the board pursuant to this lettered paragraph are appropriated to the board of pharmacy examiners for the purposes described in this lettered paragraph.

11. RESOURCE MANAGEMENT

For establishing and sustaining the overall ability of the department to deliver services to the public, and for not more than the following full-time equivalent positions:

.....	\$	680,707
.....	FTEs	47.30

12. The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the funds appropriated in this section.

13. A local health care provider or nonprofit health care organization seeking grant moneys administered by the Iowa department of public health shall provide documentation that the provider or organization has coordinated its services with other local entities providing similar services.

14. a. The department shall apply for available federal funds for sexual abstinence education programs.

b. It is the intent of the general assembly to comply with the United States Congress' intent to provide education that promotes abstinence from sexual activity outside of marriage and reduces pregnancies, by focusing efforts on those persons most likely to father and bear children out of wedlock.

c. Any sexual abstinence education program awarded moneys under the grant program shall meet the definition of abstinence education in the federal law. Grantees shall be evaluated based upon the extent to which the abstinence program successfully communicates the goals set forth in the federal law.

d. It is the intent of the general assembly that the Iowa department of public health and the department of human services shall coordinate programs regarding pregnancy prevention to the greatest extent possible.

Sec. 103. GAMBLING TREATMENT FUND -- APPROPRIATION.

1. There is appropriated from funds available in the gambling treatment fund established in the office of the treasurer of state to the Iowa department of public health for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

a. Addictive disorders

To be utilized for the benefit of persons with addictions:

..... \$ 1,690,000

The appropriation made in this paragraph shall be made from proceeds credited to the gambling treatment fund due to an increase in the percentage of gambling proceeds credited to the gambling treatment fund if any enactment of legislation by the 2004 Eightieth General Assembly in the Regular or Extraordinary Legislative Session increases the percentage of gambling proceeds credited to the gambling treatment fund.

It is the intent of the general assembly that from the moneys appropriated in this section, persons with a dual diagnosis of substance abuse and gambling addictions shall be given priority in treatment services.

b. Gambling treatment program

The funds in the gambling treatment fund after the appropriation in paragraph "a" is made are appropriated and shall be used for funding of administrative costs and to provide programs which may include, but are not limited to,



outpatient and follow-up treatment for persons affected by problem gambling, rehabilitation and residential treatment programs, information and referral services, education and preventive services, and financial management services.

2. Unless legislation enacted by the Eightieth General Assembly in 2004 otherwise provides for the deposit of tax revenue received by the state racing and gaming commission pursuant to section 99D.15 in the gambling treatment fund, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, from the tax revenue received by the state racing and gaming commission pursuant to section 99D.15, subsections 1, 3, and 4, an amount equal to three-tenths of one percent of the gross sum wagered by the pari-mutuel method is to be deposited into the gambling treatment fund.

Sec. 104. VITAL RECORDS. The vital records modernization project as enacted in 1993 Iowa Acts, chapter 55, section 1, as amended by 1994 Iowa Acts, chapter 1068, section 8, as amended by 1997 Iowa Acts, chapter 203, section 9, 1998 Iowa Acts, chapter 1221, section 9, and 1999 Iowa Acts, chapter 201, section 17, and as continued by 2000 Iowa Acts, chapter 1222, section 10, 2001 Iowa Acts, chapter 182, section 13, 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 104, and 2003 Iowa Acts, chapter 175, section 4, shall be extended until June 30, 2005, and the increased fees to be collected pursuant to that project shall continue to be collected and are appropriated to the Iowa department of public health until June 30, 2005. The department shall submit a report to the persons designated by this Act to receive reports no later than September 1, 2004, concerning the status of the modernization project, the fees collected, and a target date for the project's completion.

Sec. 105. SCOPE OF PRACTICE REVIEW PROJECT. The scope of practice review committee pilot project as enacted in 1997 Iowa Acts, chapter 203, section 6, as continued by 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 107, and 2003 Iowa Acts, chapter 175, section 5, shall be extended until June 30, 2005. The Iowa department of public health shall submit an annual progress report to the governor and the general assembly by January 15 and shall include any recommendations for legislative action as a result of review committee activities. The department may contract with a school or college of public health in Iowa to assist in implementing the project.

Sec. 106. AIDS DRUG ASSISTANCE PROGRAM. The Iowa department of public health and the department of human services shall collaborate to identify funding within the funds available for the fiscal year beginning July 1, 2004, to use in leveraging the maximum amount of federal funding through the federal Ryan White Care Act, Title II, AIDS drug assistance program for AIDS drug assistance program supplemental drug treatment grants. The Iowa department of public health shall submit a report regarding the results of this directive to the persons specified in this Act to receive reports.

Disapproved  
5-17-04  
BW

Sec. 107. TOBACCO USE PREVENTION AND CONTROL -- ADMINISTRATOR. The director of the Iowa department of public health shall employ a division administrator for the division of tobacco use prevention and control as a full-time equivalent position with a salary commensurate with the full-time position.

Disapproved  
5-17-04  
BW

Sec. 108. LEGISLATIVE INTENT -- THE STATE OF IOWA, A HEALTHY COMMUNITY.

1. It is the intent of the general assembly that state agencies, local communities, and individuals begin exploring strategies and partnerships to create a statewide community network that supports health promotion, prevention, and chronic disease management.

2. It is the expectation of the general assembly that such strategies and partnerships will energize local communities to transform their cultures into those which promote healthy lifestyles and which, collectively, transform the state of Iowa into one healthy community.

COMMISSION OF VETERANS AFFAIRS

Sec. 109. COMMISSION OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the commission of veterans affairs for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. COMMISSION OF VETERANS AFFAIRS ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, including the war orphans educational aid fund established pursuant to chapter 35, and for not more than the following full-time equivalent positions:

.....	\$	293,971
.....	FTEs	4.00



Of the funds appropriated in this subsection, \$100,000 shall be used by the commission to contract with the department of elder affairs to utilize local veterans affairs commissions and the retired senior volunteers program to increase the utilization by eligible individuals of benefits available through the federal department of veterans affairs.

The commission of veterans affairs may use the gifts accepted by the chairperson of the commission of veterans affairs, or designee, and other resources available to the commission for use at its Camp Dodge office. The commission shall report annually to the governor and the general assembly on monetary gifts received by the commission for the Camp Dodge office.

2. IOWA VETERANS HOME

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 16,189,139
.....	FTEs 843.50

a. The Iowa veterans home may use the gifts accepted by the chairperson of the commission of veterans affairs and other resources available to the commission for use at the Iowa veterans home.

b. Any Iowa veterans home successor contractor shall not consider employees of a state institution or facility to be new employees for purposes of employee wages, health insurance, or retirement benefits.

c. The chairpersons and ranking members of the joint appropriations subcommittee on health and human services shall be notified by January 15 of any calendar year during which a request for proposals is anticipated to be issued regarding any Iowa veterans home contract involving employment, for purposes of providing legislative review and oversight.

d. The Iowa veterans home shall operate with a net state general fund appropriation. The amount appropriated in this subsection is the net amount of state moneys projected to be needed for the Iowa veterans home. The purposes of operating with a net state general fund appropriation are to encourage the Iowa veterans home to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts among all funders of services available from the Iowa veterans home. Moneys appropriated in this subsection may be used throughout the fiscal year in the

manner necessary for purposes of cash flow management, and for purposes of cash flow management the Iowa veterans home may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

e. Revenues attributable to the Iowa veterans home for the fiscal year beginning July 1, 2004, shall be deposited into the Iowa veterans home account and shall be treated as repayment receipts, including but not limited to all of the following:

- (1) Federal veterans administration payments.
- (2) Medical assistance revenue received under chapter 249A.
- (3) Federal Medicare program payments.
- (4) Moneys received from client financial participation.
- (5) Other revenues generated from current, new, or expanded services which the Iowa veterans home is authorized to provide.

f. For the purposes of allocating the salary adjustment fund moneys appropriated in another Act, the Iowa veterans home shall be considered to be funded entirely with state moneys.

g. Notwithstanding section 8.33, up to \$500,000 of the Iowa veterans home revenues that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used in the succeeding fiscal year.

#### HUMAN SERVICES

Sec. 110. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, from moneys received under the federal temporary assistance for needy families (TANF) block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, which are federally appropriated for the federal fiscal years beginning October 1, 2003, and ending September 30, 2004, and beginning October 1, 2004, and ending September 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

If the total amount of federal government appropriations received for Iowa's portion of the TANF block grant amounts



for the federal fiscal years beginning October 1, 2003, and ending September 30, 2004, and beginning October 1, 2004, and ending September 30, 2005, is less than \$131,524,959, it is the intent of the general assembly to act expeditiously during the 2005 legislative session to adjust appropriations or take other actions to address the reduced amount. Moneys appropriated in this section shall be used in accordance with the federal law making the funds available, applicable Iowa law, appropriations made from the general fund of the state in this Act for the purpose designated, and administrative rules adopted to implement the federal and Iowa law:

1. To be credited to the family investment program account and used for assistance under the family investment program under chapter 239B:

..... \$ 45,277,569

2. To be credited to the family investment program account and used for the job opportunities and basic skills (JOBS) program, and implementing family investment agreements, in accordance with chapter 239B:

..... \$ 13,412,794

3. For field operations:

..... \$ 16,280,254

4. For general administration:

..... \$ 3,660,030

5. For local administrative costs:

..... \$ 2,136,565

6. For state child care assistance:

..... \$ 18,073,746

a. Of the funds appropriated in this subsection, \$200,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.

b. Of the funds appropriated in this subsection, the maximum amount allowed under Pub. L. No. 104-193 and successor legislation shall be transferred to the child care and development block grant appropriation. Funds appropriated in this subsection that remain following the transfer shall be

used to provide direct spending for the child care needs of working parents in families eligible for the family investment program.

7. For mental health and developmental disabilities community services:

..... \$ 4,500,610

8. For child and family services:

..... \$ 33,475,728

9. For child abuse prevention grants:

..... \$ 250,000

10. For pregnancy prevention grants on the condition that family planning services are funded:

..... \$ 2,514,413

a. If the department receives approval of a waiver from the centers for Medicare and Medicaid services of the United States department of health and human services to provide family planning services, of the amount appropriated in this subsection, \$533,580 shall be transferred to the appropriation in this Act for child and family services.

b. Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2004, if the programs are comprehensive in scope and have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2004, if the programs are comprehensive in scope and are based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, including the requirement that grant programs must emphasize sexual abstinence. Priority in the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females age 13 or older but younger than age 18 within the geographic area to be served by the grant.

c. In addition to the full-time equivalent positions funded in this Act, the department may use a portion of the funds appropriated in this subsection to employ up to an additional 1.00 FTE for the administration of programs specified in this subsection.

11. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements:

..... \$ 1,037,186



12. For the healthy opportunities for parents to experience success (HOPES) program administered by the Iowa department of public health to target child abuse prevention:  
..... \$ 200,000

13. To be credited to the state child care assistance appropriation made in this section to be used for funding of community-based early childhood programs targeted to children from birth through five years of age, developed by community empowerment areas as provided in this subsection:  
..... \$ 7,350,000

a. The department may transfer TANF block grant funding appropriated and allocated in this subsection to the child care and development block grant appropriation in accordance with federal law as necessary to comply with the provisions of this subsection. The funding shall then be provided to community empowerment areas for the fiscal year beginning July 1, 2004, in accordance with all of the following:

(1) The area must be approved as a designated community empowerment area by the Iowa empowerment board.

(2) The maximum funding amount a community empowerment area is eligible to receive shall be determined by applying the area's percentage of the state's average monthly family investment program population in the preceding fiscal year to the total amount appropriated for fiscal year 2004-2005 from the TANF block grant to fund community-based programs targeted to children from birth through five years of age developed by community empowerment areas.

(3) A community empowerment area receiving funding shall comply with any federal reporting requirements associated with the use of that funding and other results and reporting requirements established by the Iowa empowerment board. The department shall provide technical assistance in identifying and meeting the federal requirements.

(4) The availability of funding provided under this subsection is subject to changes in federal requirements and amendments to Iowa law.

b. The moneys distributed in accordance with this subsection shall be used by communities for the purposes of enhancing quality child care capacity in support of parent capability to obtain or retain employment. The moneys shall be used with a primary emphasis on low-income families and children from birth to five years of age. Moneys shall be provided in a flexible manner to communities, and shall be

used to implement strategies identified by the communities to achieve such purposes. In addition to the full-time equivalent positions authorized in this division of this Act, 1.00 FTE position is authorized and the department may use funding appropriated in this subsection for provision of technical assistance and other support to communities developing and implementing strategies with moneys distributed in accordance with this subsection.

c. Moneys that are subject to this subsection which are not distributed to a community empowerment area or otherwise remain unobligated or unexpended at the end of the fiscal year shall revert to the fund created in section 8.41 to be available for appropriation by the general assembly in a subsequent fiscal year.

14. For a pilot program to be established in a judicial district, selected by the department and the judicial council, to provide employment and support services to delinquent child support obligors as an alternative to commitment to jail as punishment for contempt of court:

..... \$ 200,000

Of the amounts appropriated in this section, \$11,904,734 for the fiscal year beginning July 1, 2004, shall be transferred to the appropriation of the federal social services block grant for that fiscal year. If the federal government revises requirements to reduce the amount that may be transferred to the federal social services block grant, it is the intent of the general assembly to act expeditiously during the 2005 legislative session to adjust appropriations or the transfer amount or take other actions to address the reduced amount.

Eligible funding available under the TANF block grant that is not appropriated or not otherwise expended shall be considered reserved for economic downturns and welfare reform purposes and is subject to further state appropriation to support families in their movement toward self-sufficiency.

Federal funding received that is designated for activities supporting marriage or two-parent families is appropriated to the Iowa marriage initiative grant fund created in section 234.45.

Sec. 111. IOWA MARRIAGE INITIATIVE GRANT FUND.

1. Moneys credited to the Iowa marriage initiative grant fund under 2003 Iowa Acts, chapter 175, section 7, subsection 15, and any other moneys credited to the fund are appropriated

Disapproved  
5/17/04  
ow



to the department for the fiscal year beginning July 1, 2004, and ending June 30, 2005, to be used in accordance with this section.

2. The department shall establish an Iowa fatherhood and family initiative grant program utilizing funds credited to the Iowa marriage initiative grant fund created in section 234.45 to fund services to support fatherhood and to encourage the formation and maintenance of two-parent families that are secure and nurturing. The department of human services shall adopt rules pursuant to chapter 17A to administer the grant fund and to establish procedures for awarding of grants.

3. The program shall require that a grantee be a nonprofit organization incorporated in this state with demonstrated successful experience in facilitating fatherhood promotion activities, marriage and family promotion activities, in using media resources to promote fatherhood and marriage and family formation, in making presentations to service or faith-based organizations, and in raising private funding for activities that support fatherhood, marriage, and families.

4. Preference in awarding grants may be given to those nonprofit organizations working with faith-based groups and those groups targeting young fathers.

5. The program activities funded by a grant shall include but are not limited to all of the following:

a. Working with individuals who have a demonstrated ability in working with at-risk fathers or working with those who may solemnize marriages pursuant to section 595.10 to utilize premarital diagnostic tools, to implement marriage agreements developed by the individuals who may solemnize marriages pursuant to section 595.10 that provide for an appropriate engagement period and premarital and post marital counseling, and to use volunteer mentors in program activities.

b. Provision of a series of meetings sharing best practices that encourage young fathers to fulfill their responsibilities to the expectant mother of the child during the pregnancy, and to the mother of the child following the birth of the child, that promote happy and healthy marriages, and that offer counseling to determine the father's level of commitment to the child and the child's mother.

6. The program activities funded by a grant shall be privately funded at no less than fifty percent of the grant amount.

7. Grants shall be awarded in a manner that results in provision of services throughout the state in an equal number of urban and rural geographic areas.

8. The department shall implement the grant program so that the initial request for proposals is issued on or before October 1, 2004, and so that any grants are awarded on or before January 1, 2005.

9. A grantee shall submit a quarterly financial report to the department and to the legislative services agency and shall be subject to an annual independent evaluation to assess accomplishment of the purposes of the program.

10. The department shall provide a copy of the request for proposals and shall submit a report concerning the proposals received and grants awarded to those persons designated by this division of this Act to receive reports.

11. The department may adopt emergency rules to implement the provisions of this section.

Sec. 112. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2004, and ending June 30, 2005, shall be used in accordance with the following requirements:

a. The department of human services shall provide assistance in accordance with chapter 239B.

b. The department shall continue the special needs program under FIP.

c. The department shall continue to comply with federal welfare reform data requirements pursuant to the appropriations made for that purpose.

2. The department may use a portion of the moneys credited to the FIP account under this section, as necessary for salaries, support, maintenance, and miscellaneous purposes for not more than the following full-time equivalent positions which are in addition to any other full-time equivalent positions authorized by this division of this Act:

..... FTEs 9.98

3. The department may transfer funds in accordance with section 8.39, either federal or state, to or from the child care appropriations made for the fiscal year beginning July 1, 2004, if the department deems this would be a more effective method of paying for JOBS program child care, to maximize federal funding, or to meet federal maintenance of effort requirements.



4. Moneys appropriated in this division of this Act and credited to the FIP account for the fiscal year beginning July 1, 2004, and ending June 30, 2005, are allocated as follows:

a. For the family development and self-sufficiency grant program as provided under section 217.12:

..... \$ 5,133,042

(1) Of the funds allocated for the family development and self-sufficiency grant program in this lettered paragraph, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) Based upon the annual evaluation report concerning each grantee funded by previously appropriated funds and through the solicitation of additional grant proposals, the family development and self-sufficiency council may use the allocated funds to renew or expand existing grants or award new grants. In utilizing the funding allocated in this lettered paragraph, the council shall give consideration, in addition to other criteria established by the council, to a grantee's intended use of local funds with a grant and to whether approval of a grant proposal would expand the availability of the program's services.

(3) The department may continue to implement the family development and self-sufficiency grant program statewide during FY 2004-2005.

b. For the diversion subaccount of the FIP account:

..... \$ 2,814,000

(1) Moneys allocated to the diversion subaccount shall be used to implement FIP diversion statewide while continuing the local flexibility in program design. A family that meets income eligibility requirements for FIP may receive a one-time payment to remedy an immediate need in order to permit the family to maintain self-sufficiency without providing ongoing cash assistance. A FIP participant family may receive diversion assistance to overcome barriers to obtaining employment and to assist in stabilizing employment in order to increase the likelihood of the family leaving FIP more quickly. The department shall assess and screen individuals who would most likely benefit from the assistance. In addition to the full-time equivalent positions authorized in this division of this Act, 1.00 FTE is authorized for purposes of diversion. The department may adopt additional eligibility criteria as necessary for compliance with federal law and for screening those families who would be most likely to become

eligible for FIP if diversion incentives would not be provided.

(2) A portion of the moneys allocated for the subaccount may be used for field operations salaries, data management system development, and implementation costs and support deemed necessary by the director of human services in order to administer the FIP diversion program.

(3) Of the funds allocated in this lettered paragraph, not more than \$250,000 shall be used to develop or continue community-level parental obligation pilot projects. The requirements established under 2001 Iowa Acts, chapter 191, section 3, subsection 5, paragraph "c", subparagraph (3), shall remain applicable to the parental obligation pilot projects for fiscal year 2004-2005.

c. For the food stamp employment and training program:

..... \$ 64,278

5. Of the child support collections assigned under FIP, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the FIP account and a portion may be used to increase recoveries.

6. The department may adopt emergency administrative rules for the family investment, food stamp, and medical assistance programs, if necessary, to comply with federal requirements.

7. The department may continue the initiative to streamline and simplify the employer verification process for applicants, participants, and employers in the administration of the department's programs. The department may contract with companies collecting data from employers when the information is needed in the administration of these programs. The department may limit the availability of the initiative on the basis of geographic area or number of individuals.

Sec. 113. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program (FIP) account and used for family investment program assistance under chapter 239B:



..... \$ 39,045,438

1. The department of workforce development, in consultation with the department of human services, shall continue to utilize recruitment and employment practices to include former and current FIP recipients.

2. The department of human services shall continue to work with the department of workforce development and local community collaborative efforts to provide support services for FIP participants. The support services shall be directed to those participant families who would benefit from the support services and are likely to have success in achieving economic independence.

3. Of the funds appropriated in this section, \$9,274,143 is allocated for the JOBS program.

4. The department shall continue to work with religious organizations and other charitable institutions to increase the availability of host homes, referred to as second chance homes or other living arrangements under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 103, and successor legislation. The purpose of the homes or arrangements is to provide a supportive and supervised living arrangement for minor parents receiving assistance under the family investment program who, under chapter 239B, may receive assistance while living in an alternative setting other than with their parent or legal guardian.

Sec. 114. FOOD STAMP HEALTHY CHOICES. The department of human services, in cooperation with the Iowa department of public health, shall identify means by which the food stamp program may be utilized to promote good nutrition and healthy choices among recipients of food stamps. The departments shall submit a report of their findings to the general assembly by December 15, 2004.

Sec. 115. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support recovery, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 5,715,656  
..... FTEs 407.00

Disapproved  
5.19.04  
sw

1. The director of human services, within the limitations of the moneys appropriated in this section, or moneys transferred from the family investment program account for this purpose, shall establish new positions and add employees to the child support recovery unit if the director determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level.

2. Nonpublic assistance application fees and other user fees received by the child support recovery unit are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions within the limitations of the amount appropriated for salaries and support for the positions.

3. The director of human services, in consultation with the department of management and the legislative fiscal committee, is authorized to receive and deposit state child support incentive earnings in the manner specified under applicable federal requirements.

4. a. The director of human services may establish new positions and add state employees to the child support recovery unit or contract for delivery of services if the director determines the employees are necessary to replace county-funded positions eliminated due to termination, reduction, or nonrenewal of a chapter 28E contract. However, the director must also determine that the resulting increase in the state share of child support recovery incentives exceeds the cost of the positions or contract, the positions or contract are necessary to ensure continued federal funding of the program, or the new positions or contract can reasonably be expected to recover at least twice the amount of money necessary to pay the salaries and support for the new positions or the contract will generate at least 200 percent of the cost of the contract.

b. Employees in full-time positions that transition from county government to state government employment under this subsection are exempt from testing, selection, and appointment provisions of chapter 19A and from the provisions of collective bargaining agreements relating to the filling of vacant positions.

5. Surcharges paid by obligors and received by the unit as a result of the referral of support delinquency by the child support recovery unit to any private collection agency are



appropriated to the department and shall be used to pay the costs of any contracts with the collection agencies.

6. The department shall expend up to \$31,000, including federal financial participation, for the fiscal year beginning July 1, 2004, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

7. Federal access and visitation grant moneys shall be issued directly to private not-for-profit agencies that provide services designed to increase compliance with the child access provisions of court orders, including but not limited to neutral visitation site and mediation services.

Sec. 116. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2004, except as otherwise expressly authorized by law, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

..... \$352,794,101

1. Medically necessary abortions are those performed under any of the following conditions:

- a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.
- b. The attending physician certifies that the fetus is mentally deficient or afflicted with a congenital illness.
- c. The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.
- d. The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

Disapproved  
6-17-04  
ow

e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled.

2. Notwithstanding section 8.39, the department may transfer funds appropriated in this section to a separate account established in the department's case management unit for expenditures required to provide case management services for mental health, mental retardation, and developmental disabilities services under medical assistance which are jointly funded by the state and county, pending final settlement of the expenditures. Funds received by the case management unit in settlement of the expenditures shall be used to replace the transferred funds and are available for the purposes for which the funds were appropriated in this section.

3. a. The county of legal settlement shall be billed for 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization in accordance with sections 249A.26 and 249A.27, and 100 percent of the nonfederal share of the cost of care for adults which is reimbursed under a federally approved home and community-based services waiver that would otherwise be approved for provision in an intermediate care facility for persons with mental retardation (ICFMR), provided under the medical assistance program. The state shall have responsibility for the remaining 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization. For persons without a county of legal settlement, the state shall have responsibility for 100 percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based services waiver. The case management services specified in this subsection shall be billed to a county only if the services are provided outside of a managed care contract.

b. The state shall pay the entire nonfederal share of the costs for case management services provided to persons 17 years of age and younger who are served in a medical assistance home and community-based services waiver program for persons with mental retardation.

c. Medical assistance funding for case management services for eligible persons 17 years of age and younger shall also be provided to persons residing in counties with child welfare



decategorization projects implemented in accordance with section 232.188, provided these projects have included these persons in their service plan and the decategorization project county is willing to provide the nonfederal share of costs.

d. When paying the necessary and legal expenses of ICFMR services, the cost payment requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established for ICFMRs by the department and the state or a county of legal settlement is not obligated for any amount in excess of the rates.

e. Unless a county has paid or is paying for the nonfederal share of the cost of a person's home and community-based waiver services or ICFMR placement under the county's mental health, mental retardation, and developmental disabilities services fund, or unless a county of legal settlement would become liable for the costs of services at the ICFMR level of care for a person due to the person reaching the age of majority, the state shall pay the nonfederal share of the costs of an eligible person's services under the home and community-based waiver for persons with brain injury.

4. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

5. Of the funds appropriated to the Iowa department of public health for addictive disorders, \$950,000 for the fiscal year beginning July 1, 2004, shall be transferred to the department of human services for an integrated substance abuse managed care system.

6. In administering the medical assistance home and community-based services waivers, the total number of openings at any one time shall be limited to the number approved for a waiver by the secretary of the United States department of health and human services. The openings shall be available on a first-come, first-served basis.

7. The department of human services, in consultation with the Iowa department of public health and the department of education, shall continue the program to utilize the early and

periodic screening, diagnosis, and treatment (EPSDT) funding under medical assistance, to the extent possible, to implement the screening component of the EPSDT program through the school system. The department may enter into contracts to utilize maternal and child health centers, the public health nursing program, or school nurses in implementing this provision.

8. If the federal centers for Medicare and Medicaid services approves a waiver request from the department, the department shall provide a period of 12 months of guaranteed eligibility for medical assistance family planning services only, regardless of the change in circumstances of a woman who was a medical assistance recipient when a pregnancy ended. The department shall also provide this guaranteed eligibility to women who are at least 13 years of age but less than 45 years of age with countable income at or below 200 percent of the federal poverty level.

9. a. The department shall aggressively pursue options for providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnosis, and treatment program under the medical assistance program due to becoming 21 years of age, who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to policy process.

b. Of the funds appropriated in this section, \$100,000 shall be used for participation in one or more pilot projects operated by a private provider to allow the individual or individuals to receive service in the community in accordance with principles established in the *Olmstead v. L.C.* 527 U.S. 581 (1999) for the purpose of providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnosis, and treatment program under the medical assistance program due to becoming twenty-one years of age, who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to the policy provisions.

10. The Iowa medical assistance drug utilization review commission shall submit copies of the board's annual review,



including facts and findings, of the drugs on the department's prior authorization list to the department and to the members of the joint appropriations subcommittee on health and human services.

11. The department of human services shall submit a Medicaid state plan amendment to the centers for Medicare and Medicaid services of the United States department of health and human services to provide that for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the department of human services shall adjust hospital payments to state-owned acute-care hospitals with over 500 beds to offset the high cost incurred by such facilities for providing services to medical assistance patients. The amendment shall provide that adjustments shall be made to the payments for inpatient hospital services to which the hospital would otherwise be entitled under the medical assistance program. Additionally, the amendment shall provide that the adjustments shall be established at the level intended to increase the medical assistance payments to qualifying hospitals up to the lesser of the categorical Medicare upper payment limit for inpatient services, or the hospital-specific limit, as defined under 42 C.F.R. 447.272, 42 C.F.R. 447.321, and 42 U.S.C. § 1396r-4(g), as applicable.

12. The department shall assist school districts in applying for direct claiming under the medical assistance program for funding of school district nursing services for students.

Sec. 117. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	606,429
.....	FTEs	20.95

Sec. 118. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	9,725,035
.....	FTEs	1.00

1. In any managed care contract for mental health or substance abuse services entered into or extended by the department on or after July 1, 2004, the request for proposals shall provide for coverage of dual diagnosis mental health and substance abuse treatment provided at the state mental health institute at Mount Pleasant. To the extent possible, the department shall also amend any such contract existing on July 1, 2004, to provide for such coverage.

2. Up to \$665,000 of the moneys deposited in the pharmaceutical settlement account created pursuant to section 249A.33 is appropriated to the department for the fiscal year beginning July 1, 2004, and ending June 30, 2005, to be used for the procurement of and transition to the new medical assistance program fiscal agent vendors.

Sec. 119. MEDICAL ASSISTANCE PROGRAM -- REQUIREMENTS.

1. The department of human services shall do all of the following:

a. Consistent with applicable state and federal law, issue one or more requests for proposals to purchase certain durable medical equipment or supplies if such a procurement strategy will reduce the costs of these items to the medical assistance program while maintaining appropriate access and quality standards.

b. Expand the recipient lock-in program, surveillance and utilization review activities, and program audit activities to the greatest extent possible. Any savings realized from the expansion may be used to the extent necessary to pay the costs associated with implementation of this subsection. The department shall report the amount of any savings realized and the amount of any costs paid to the persons designated in this Act to receive reports.

c. Implement a health insurance data match program with insurance carriers to be used to match insureds against a listing of medical assistance recipients. The information submitted shall be used solely to identify third-party payors for medical assistance recipients and shall be kept confidential. The department, in consultation with insurance carriers, shall adopt rules to implement this paragraph. The



rules shall be published as emergency rules to take effect no later than June 30, 2004. Insurance carriers shall begin providing the information required upon the adoption of the rules.

d. Notwithstanding any provision of law to the contrary, institute a process whereby home health agencies are required to bill the Medicare program for appropriate home health services. The process shall require that as a condition of receiving payment under the medical assistance program, the home health agency must attach a Medicare denial of benefits form to the Medicaid program claim form.

e. Identify and initiate a process for reducing reliance on intermediate care facilities for persons with mental retardation level of care and substituting community-based care.

f. Provide that under the Iowa preferred drug list requirements, any newly released generic drug product shall only be considered to be a preferred drug and therefore not subject to prior authorization if the generic product's cost to the medical assistance program is less than the brand name product's cost to the medical assistance program. In determining the medical assistance program cost of each drug product, the drug product cost shall be the net amount derived following inclusion of all medical assistance program drug rebates and after the impact of all Iowa-specific supplemental rebates are taken into account.

g. Determine or enter a contract to identify the incidence of chronic disease within the Iowa medical assistance program population in order to most effectively utilize disease management programs under the medical assistance program. The department may procure a sole source contract to implement this subsection.

2. The department may adopt emergency rules and shall apply for any federal waivers or plan amendments necessary to implement the provisions of this section.

Sec. 120. STATE SUPPLEMENTARY ASSISTANCE.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For state supplementary assistance and the medical assistance home and community-based services waiver rent subsidy program:

..... \$ 19,273,135

2. The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

3. If during the fiscal year beginning July 1, 2004, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this division of this Act to ensure that federal requirements are met. In addition, the department may make other programmatic and rate adjustments necessary to remain within the amount appropriated in this section while ensuring compliance with federal requirements. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 121. CHILDREN'S HEALTH INSURANCE PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the healthy and well kids in Iowa (hawk-i) program pursuant to chapter 514I for receipt of federal financial participation under Title XXI of the federal Social Security Act, which creates the state children's health insurance program:

..... \$ 12,118,275

1. The department may transfer funds appropriated in this section to be used for the purpose of expanding health care coverage to children under the medical assistance program. The department shall provide periodic updates to the general assembly of expenditures of funds appropriated in this section.



2. Moneys in the hawk-i trust fund are appropriated to the department of human services and shall be used to offset any program costs for the fiscal year beginning July 1, 2004, and ending June 30, 2005.

Sec. 122. CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... \$ 5,050,752

1. a. Of the funds appropriated in this section, \$4,525,228 shall be used for state child care assistance in accordance with section 237A.13.

b. During the 2004-2005 fiscal year, the moneys deposited in the child care credit fund created in section 237A.28 are appropriated to the department to be used for state child care assistance in accordance with section 237A.13, in addition to the moneys allocated for that purpose in paragraph "a".

2. Nothing in this section shall be construed or is intended as, or shall imply, a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the waiting list requirements of section 237A.13. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. Of the funds appropriated in this section, \$525,524 is allocated for the statewide program for child care resource and referral services under section 237A.26.

4. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department's service areas. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

5. A portion of the state match for the federal child care and development block grant shall be provided through the state general fund appropriation for child development grants and other programs for at-risk children in section 279.51.

6. If the department receives additional funding from the federal government designated for purposes of improving child care quality, the funding shall be used for additional child care consultant positions within the department's field operations.

Sec. 123. CHILD CARE QUALITY RATING SYSTEM.

1. By December 15, 2004, the department of human services shall submit to the governor and general assembly a plan for implementation of a voluntary child care provider quality rating system. In developing the implementation plan for the quality rating system, the department of human services shall partner with the community empowerment office in the department of management and the state child care advisory council. The department shall also coordinate with the state agencies represented on the Iowa empowerment board, child care resource and referral service grantees under section 237A.26, and other agencies and organizations that focus on community-based early childhood services.

2. The implementation plan shall detail the rating system structure, including the number of quality levels, outline the manner in which the system will be administered, identify the statutory and rule changes needed, identify implementation costs and funding strategies, include a communication plan targeted to both providers and parents, and propose an implementation timeline.

3. Each quality rating level in the proposed system may address one or more of the following quality variables: staff education, training, and credentials; director education and training; an environmental rating scale or other means to assess or evaluate the physical, health, and safety aspects of a child care facility; parental involvement; staff-to-child ratios; national accreditation; compliance history; curriculum; business practices; staff retention; staff compensation and benefits; provider membership in early childhood professional organizations; and other appropriate quality variables.

4. In providing support and recognition for providers who seek to attain higher quality rating levels, the plan may propose payment of a reimbursement differential under the



state child care assistance program. In addition, the plan may provide for supplying provider quality ratings on the department's internet site and in other consumer information distributed pursuant to section 237A.25 and in information supplied to parents by child care resource and referral services.

Sec. 124. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For operation of the Iowa juvenile home at Toledo and for salaries, support, maintenance, and for not more than the following full-time equivalent positions:

.....	\$	6,061,266
.....	FTEs	130.54

The department is requested to convene a group to review the programs and services of the Iowa juvenile home and to present the governor and general assembly with suggestions for improvements. The group should review previous studies and reports on the institution. The membership of the group should include but is not limited to representatives of departmental field staff, juvenile judges, juvenile court officers, alumni of the institution, other departmental institutions, community-based providers, and other interested parties.

2. For operation of the state training school at Eldora and for salaries, support, maintenance, and for not more than the following full-time equivalent positions:

.....	\$	9,570,563
.....	FTEs	218.53

3. During the fiscal year beginning July 1, 2004, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21, as adjusted for subsequent changes in capacity at the institutions.

4. A portion of the moneys appropriated in this section shall be used by the state training school and by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 2004.

*Disapproved  
5/19/04  
aw*

5. Within the amounts appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

Sec. 125. CHILD AND FAMILY SERVICES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... \$ 96,935,253

In order to address a reduction of \$6,200,000 from the amount allocated under this appropriation in prior years for purposes of juvenile delinquent graduated sanction services, up to \$6,200,000 of the amount of federal temporary assistance for needy families block grant funding appropriated in this division of this Act for child and family services, shall be made available for purposes of juvenile delinquent graduated sanction services.

2. The department may transfer funds appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under medical assistance or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations in this division of this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

3. a. Of the funds appropriated in this section, up to \$34,653,383 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services.

b. If at any time after September 30, 2004, annualization of a service area's current expenditures indicates a service area is at risk of exceeding its group foster care expenditure target under section 232.143 by more than 5 percent, the department and juvenile court services shall examine all group foster care placements in that service area in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall



initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

c. Of the funds allocated in this subsection, \$1,398,403 is allocated as the state match funding for 50 highly structured juvenile program beds. If the number of beds provided for in this lettered paragraph is not utilized, the remaining funds allocated may be used for group foster care.

d. For the fiscal year beginning July 1, 2004, the requirements of section 232.143 applicable to the juvenile court and to representatives of the juvenile court shall be applicable instead to juvenile court services and to representatives of juvenile court services. The representatives appointed by the department of human services and by juvenile court services to establish the plan to contain expenditures for children placed in group foster care ordered by the court within the budget target allocated to the service area shall establish the plan in a manner so as to ensure the moneys allocated to the service area under section 232.143 shall last the entire fiscal year. Funds for a child placed in group foster care shall be considered encumbered for the duration of the child's projected or actual length of stay, whichever is applicable.

4. In accordance with the provisions of section 232.188, the department shall continue the program to decategorize child welfare services funding. Of the funds appropriated in this section, \$1,000,000 is allocated specifically for expenditure through the decategorization of child welfare funding pools and governance boards established pursuant to section 232.188. In addition, up to \$2,000,000 of the amount of federal temporary assistance for needy families block grant funding appropriated in this division of this Act for child and family services shall be made available for purposes of decategorization of child welfare services as provided in this subsection. Notwithstanding section 8.33, moneys allocated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year. It is the intent of the general assembly that the department continue its practice

of providing strong support for Iowa's nationally recognized initiative of decategorization of child welfare funding.

5. Of the funds appropriated in this section, up to \$915,892 is allocated for additional funding of the family preservation program.

6. The department shall continue the goal that not more than 15 percent of the children placed in foster care funded under the federal Social Security Act, Title IV-E, may be placed in foster care for a period of more than 24 months.

7. A portion of the funding appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project to stay together or to be reunified.

8. Notwithstanding section 234.35, subsection 1, for the fiscal year beginning July 1, 2004, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$6,926,718.

9. The department shall continue to make adoption presubsidy and adoption subsidy payments to adoptive parents at the beginning of the month for the current month.

10. Federal funds received by the state during the fiscal year beginning July 1, 2004, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section, are appropriated to the department to be used as additional funding for services and purposes provided for under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for the purposes designated until the close of the succeeding fiscal year.

11. Of the moneys appropriated in this section, not more than \$442,100 is allocated to provide clinical assessment services as necessary to continue funding of children's rehabilitation services under medical assistance in accordance with federal law and requirements. The funding allocated is the amount projected to be necessary for providing the clinical assessment services.

12. Of the funding appropriated in this section, \$3,696,285 shall be used for protective child care assistance.

13. Of the moneys appropriated in this section, up to \$2,859,851 is allocated for the payment of the expenses of



court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141, subsection 4. Of the amount allocated in this subsection, up to \$1,431,597 shall be made available to provide school-based supervision of children adjudicated under chapter 232, of which not more than \$15,000 may be used for the purpose of training. A portion of the cost of each school-based liaison officer shall be paid by the school district or other funding source as approved by the chief juvenile court officer.

a. Notwithstanding section 232.141 or any other provision of law to the contrary, the amount allocated in this subsection shall be distributed to the judicial districts as determined by the state court administrator. The state court administrator shall make the determination of the distribution amounts on or before June 15, 2004.

b. Notwithstanding chapter 232 or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district court distribution amount to pay for the service. The chief juvenile court officer shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The chief juvenile court officers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator to transfer funds between the districts' distribution amounts as prudent.

c. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

d. Of the funding allocated in this subsection, not more than \$100,000 may be used by the judicial branch for administration of the requirements under this subsection and for travel associated with court-ordered placements which are a charge upon the state pursuant to section 232.141, subsection 4.

14. The department shall maximize the capacity to draw federal funding under Title IV-E of the federal Social Security Act.

15. Notwithstanding section 234.39, subsection 5, and 2000 Iowa Acts, chapter 1228, section 43, the department may operate a subsidized guardianship program if the United States department of health and human services approves a waiver under Title IV-E of the federal Social Security Act or the federal Social Security Act is amended to allow Title IV-E funding to be used for subsidized guardianship, and the subsidized guardianship program can be operated without loss of Title IV-E funds.

16. The department shall work with foster and adoptive families, private child welfare agencies, and advocates to identify savings alternatives in the adoption subsidy program. The department may adopt emergency rules to implement this subsection.

17. The department shall develop a plan for privatizing the administration of the foster care and adoption programs. The plan shall be submitted to the governor and the general assembly on or before December 15, 2004.

Disapproved  
5/19/04  
SW

18. Of the amount appropriated in this section, \$100,000 shall be transferred to the Iowa department of public health to be used for the child protection center grant program in accordance with section 135.118.

19. Of the amount appropriated in this section, \$148,000 shall be used for funding of one or more child welfare diversion and mediation pilot projects as provided in House File 2462.

Sec. 126. JUVENILE DETENTION HOME FUND. Moneys deposited in the juvenile detention home fund created in section 232.142 during the fiscal year beginning July 1, 2004, and ending June 30, 2005, are appropriated to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, for distribution as follows:

1. An amount equal to ten percent of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2003. Moneys appropriated for distribution in accordance with this subsection shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the fiscal year beginning July 1, 2003. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2004, shall be limited



to the amount appropriated for the purposes of this subsection.

2. For renewal of a grant to a county with a population between 189,000 and 196,000 for implementation of the county's runaway treatment plan under section 232.195:

..... \$ 80,000

3. For continuation and expansion of the community partnership for child protection sites:

..... \$ 318,000

4. For grants to counties implementing a runaway treatment plan under section 232.195.

5. The remainder for additional allocations to county or multicounty juvenile detention homes, in accordance with the distribution requirements of subsection 1.

Sec. 127. FAMILY SUPPORT SUBSIDY PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program:

..... \$ 1,936,434

1. The department may use up to \$333,312 of the moneys appropriated in this section to continue the children-at-home program in current counties, of which not more than \$20,000 shall be used for administrative costs.

2. Notwithstanding section 225C.38, subsection 1, the monthly family support payment amount for the fiscal year beginning July 1, 2004, shall remain the same as the payment amount in effect on June 30, 2004.

Sec. 128. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For building community capacity through the coordination and provision of training opportunities in accordance with the consent decree of Conner v. Branstad, No. 4-86-CV-30871(S.D. Iowa, July 14, 1994):

..... \$ 42,623

Sec. 129. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and

ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the state mental health institute at Cherokee for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 12,927,556  
..... FTEs 227.65

2. For the state mental health institute at Clarinda for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 7,410,346  
..... FTEs 113.15

3. For the state mental health institute at Independence for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 17,239,768  
..... FTEs 317.80

The state mental health institute at Independence shall continue the 30 psychiatric medical institution for children (PMIC) beds authorized in section 135H.6, in a manner which results in no net state expenditure amount in excess of the amount appropriated in this subsection. Counties are not responsible for the costs of PMIC services described in this subsection. Subject to the approval of the department, with the exception of revenues required under section 249A.11 to be credited to the appropriation in this division of this Act for medical assistance, revenues attributable to the PMIC beds described in this subsection for the fiscal year beginning July 1, 2004, and ending June 30, 2005, shall be deposited in the institute's account, including but not limited to any of the following revenues:

- a. The federal share of medical assistance revenue received under chapter 249A.
- b. Moneys received through client participation.
- c. Any other revenues directly attributable to the PMIC beds.

4. For the state mental health institute at Mount Pleasant for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:



..... \$ 6,109,205  
..... FTEs 100.44

a. Funding is provided in this subsection for the state mental health institute at Mount Pleasant to continue the dual diagnosis mental health and substance abuse program on a net budgeting basis in which 50 percent of the actual per diem and ancillary services costs are chargeable to the patient's county of legal settlement or as a state case, as appropriate. Subject to the approval of the department, revenues attributable to the dual diagnosis program for the fiscal year beginning July 1, 2004, and ending June 30, 2005, shall be deposited in the institute's account, including but not limited to all of the following revenues:

- (1) Moneys received by the state from billings to counties under section 230.20.
- (2) Moneys received from billings to the Medicare program.
- (3) Moneys received from a managed care contractor providing services under contract with the department or any private third-party payor.
- (4) Moneys received through client participation.
- (5) Any other revenues directly attributable to the dual diagnosis program.

b. The following additional provisions are applicable in regard to the dual diagnosis program:

(1) A county may split the charges between the county's mental health, mental retardation, and developmental disabilities services fund and the county's budget for substance abuse expenditures.

(2) If an individual is committed to the custody of the department of corrections at the time the individual is referred for dual diagnosis treatment, the department of corrections shall be charged for the costs of treatment.

(3) Prior to an individual's admission for dual diagnosis treatment, the individual shall have been screened through a county's single entry point process to determine the appropriateness of the treatment.

(4) A county shall not be chargeable for the costs of treatment for an individual enrolled in and authorized by or decertified by a managed behavioral care plan under the medical assistance program.

(5) Notwithstanding section 8.33, state mental health institute revenues related to the dual diagnosis program that remain unencumbered or unobligated at the close of the fiscal

year shall not revert but shall remain available up to the amount which would allow the state mental health institute to meet credit obligations owed to counties as a result of year-end per diem adjustments for the dual diagnosis program.

5. Within the funds appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutes provided for in the appropriation.

6. As part of the discharge planning process at the state mental health institutes, the department shall provide assistance in obtaining eligibility for federal supplemental security income (SSI) to those individuals whose care at a state mental health institute is the financial responsibility of the state or a county.

Sec. 130. STATE RESOURCE CENTERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 8,550,280

2. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 4,520,459

3. a. The department shall continue operating the state resource centers at Glenwood and Woodward with a net general fund appropriation. The amounts allocated in this section are the net amounts of state moneys projected to be needed for the state resource centers. The purposes of operating with a net general fund appropriation are to encourage the state resource centers to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts between the state resource centers and counties and other funders of services available from the state resource centers. The state resource centers shall not be operated under the net appropriation in a manner which results in a cost increase to the state or cost shifting between the state, the medical assistance program, counties, or other sources of funding for the state resource centers. Moneys appropriated in this section may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for purposes of cash flow management the state resource centers



may temporarily draw more than the amounts appropriated, provided the amounts appropriated are not exceeded at the close of the fiscal year.

b. Subject to the approval of the department, except for revenues under section 249A.11, revenues attributable to the state resource centers for the fiscal year beginning July 1, 2004, shall be deposited into each state resource center's account, including but not limited to all of the following:

(1) Moneys received by the state from billings to counties under section 222.73.

(2) The federal share of medical assistance revenue received under chapter 249A.

(3) Federal Medicare program payments.

(4) Moneys received from client financial participation.

(5) Other revenues generated from current, new, or expanded services which the state resource center is authorized to provide.

c. For the purposes of allocating the salary adjustment fund moneys appropriated in another division of this Act or another Act, the state resource centers shall be considered to be funded entirely with state moneys.

d. Notwithstanding section 8.33, up to \$500,000 of a state resource center's revenues that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used in the succeeding fiscal year.

4. Within the funds appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

5. The department may continue to bill for state resource center services utilizing a scope of services approach used for private providers of ICFMR services, in a manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state resource centers.

6. The state resource centers may expand the time limited assessment and respite services during the fiscal year.

7. If the department's administration and the department of management concur with a finding by a state resource center's superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than

the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center's superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

8. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and to begin implementing the service or addressing the special need during fiscal year 2004-2005.

Sec. 131. MI/MR/DD STATE CASES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purchase of local services for persons with mental illness, mental retardation, and developmental disabilities where the client has no established county of legal settlement:

..... \$ 11,014,619

The general assembly encourages the department to continue discussions with the Iowa state association of counties and administrators of county central point of coordination offices regarding proposals for moving state cases to county budgets.

Sec. 132. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES -- COMMUNITY SERVICES FUND. There is appropriated from the general fund of the state to the mental health and developmental disabilities community services fund created in section 225C.7 for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental health and developmental disabilities community services in accordance with this division of this Act:



..... \$ 17,757,890

1. Of the funds appropriated in this section, \$17,727,890 shall be allocated to counties for funding of community-based mental health and developmental disabilities services. The moneys shall be allocated to a county as follows:

a. Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

b. Fifty percent based upon the county's proportion of the state's general population.

2. a. A county shall utilize the funding the county receives pursuant to subsection 1 for services provided to persons with a disability, as defined in section 225C.2. However, no more than 50 percent of the funding shall be used for services provided to any one of the service populations.

b. A county shall use at least 50 percent of the funding the county receives under subsection 1 for contemporary services provided to persons with a disability, as described in rules adopted by the department.

3. Of the funds appropriated in this section, \$30,000 shall be used to support the Iowa compass program providing computerized information and referral services for Iowans with disabilities and their families.

4. a. Funding appropriated for purposes of the federal social services block grant is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

b. The funds allocated in this subsection shall be expended by counties in accordance with the county's approved county management plan. A county without an approved county management plan shall not receive allocated funds until the county's management plan is approved.

c. The funds provided by this subsection shall be allocated to each county as follows:

(1) Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the county for local purchase of services in the preceding fiscal year.

5. A county is eligible for funds under this section if the county qualifies for a state payment as described in section 331.439.

Sec. 133. PERSONAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For continuation of a pilot project for the personal assistance services program in accordance with this section:

..... \$ 205,748

1. The funds appropriated in this section shall be used to continue the pilot project for the personal assistance services program under section 225C.46 in an urban and a rural area. Not more than 10 percent of the amount appropriated shall be used for administrative costs. The pilot project shall not be implemented in a manner which would require additional county or state costs for assistance provided to an individual served under the pilot project.

2. In accordance with 2001 Iowa Acts, chapter 191, section 25, subsection 2, new applicants shall not be accepted into the pilot project. An individual receiving services under the pilot project as of June 30, 2004, shall continue receiving services until the individual voluntarily leaves the project or until another program with similar services exists.

Sec. 134. SEXUALLY VIOLENT PREDATORS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For costs associated with the commitment and treatment of sexually violent predators in the unit located at the state mental health institute at Cherokee, including costs of legal services and other associated costs, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 2,833,646

2. Unless specifically prohibited by law, if the amount charged provides for recoupment of at least the entire amount of direct and indirect costs, the department of human services may contract with other states to provide care and treatment of persons placed by the other states at the unit for sexually violent predators at Cherokee. The moneys received under such



a contract shall be considered to be repayment receipts and used for the purposes of the appropriation made in this section.

Sec. 135. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For field operations, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 53,097,364  
..... FTEs 1,844.49

Priority in filling full-time equivalent positions shall be given to those positions related to child protection services.

2. In operating the service area system established pursuant to 2001 Iowa Acts, Second Extraordinary Session, chapter 4, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the department shall utilize the service areas and service area administrators in lieu of regions and regional administrators, notwithstanding the references to department regions or regional administrators in sections 232.2, 232.52, 232.68, 232.72, 232.102, 232.117, 232.127, 232.143, 232.188, and 234.35, or other provision in law. The department shall submit proposed legislation under section 2.16 for consideration by the Eighty-first General Assembly, 2005 Session, to correct the references in the necessary Code sections.

Disapproved  
5.17.04  
BW

Sec. 136. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 11,089,434  
..... FTEs 292.00

Of the funds appropriated in this section, \$57,000 is allocated for the prevention of disabilities policy council established in section 225B.3.

Sec. 137. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services

for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:  
..... \$ 109,568

Sec. 138. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. (1) For the fiscal year beginning July 1, 2004, nursing facilities shall be reimbursed at 100 percent of the modified price-based case-mix reimbursement rate. Nursing facilities reimbursed under the medical assistance program shall submit annual cost reports and additional documentation as required by rules adopted by the department.

(2) For the fiscal year beginning July 1, 2004, the total state funding amount for the nursing facility budget shall not exceed \$156,013,248. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, nursing facilities reimbursed under the case-mix reimbursement system shall have their allowable cost calculations adjusted by applying the most recently published HCFA/SNF index. For the purpose of this subparagraph, the HCFA/SNF index means the HCFA total skilled nursing facility market basket index published by data resources, inc. The department, in cooperation with nursing facility representatives, shall review projections for state funding expenditures for reimbursement of nursing facilities on a quarterly basis and the department shall determine if an adjustment to the medical assistance reimbursement rate is necessary in order to provide reimbursement within the state funding amount. Any temporary enhanced federal financial participation that may become available to the Iowa medical assistance program during the fiscal year shall not be used in projecting the nursing facility budget. Notwithstanding 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c", and subsection 3, paragraph "a", subparagraph (2), if the state funding expenditures for the nursing facility budget for the fiscal year beginning July 1, 2004, is projected to exceed the amount specified in this subparagraph, the department shall adjust the inflation factor of the reimbursement rate calculation for only the nursing facilities reimbursed under the case-mix reimbursement system to maintain expenditures of the nursing facility budget within the specified amount.



b. For the fiscal year beginning July 1, 2004, the department shall reimburse pharmacy dispensing fees using a single rate of \$4.26 per prescription, or the pharmacy's usual and customary fee, whichever is lower.

c. For the fiscal year beginning July 1, 2004, reimbursement rates for inpatient and outpatient hospital services shall remain at the rates in effect on June 30, 2004. The department shall continue the outpatient hospital reimbursement system based upon ambulatory patient groups implemented pursuant to 1994 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph "f". In addition, the department shall continue the revised medical assistance payment policy implemented pursuant to that paragraph to provide reimbursement for costs of screening and treatment provided in the hospital emergency room if made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program. Any rebasing of hospital inpatient or outpatient rates shall not increase total payments for inpatient and outpatient services.

d. For the fiscal year beginning July 1, 2004, reimbursement rates for rural health clinics, hospices, independent laboratories, and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. (1) For the fiscal year beginning July 1, 2004, reimbursement rates for home health agencies shall remain at the rates in effect on June 30, 2004.

(2) Notwithstanding 2003 Iowa Acts, chapter 112, section 7, subsection 7, the department shall establish a fixed-fee reimbursement schedule for home health agencies under the medical assistance program beginning July 1, 2005. The department shall submit a status report regarding the development of the fixed-fee schedule to the fiscal committee of the legislative council no later than September 1, 2004.

f. For the fiscal year beginning July 1, 2004, federally qualified health centers shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

g. Beginning July 1, 2004, the reimbursement rates for dental services shall remain at the rates in effect on June 30, 2004.

h. Beginning July 1, 2004, the reimbursement rates for community mental health centers shall remain at the rates in effect on June 30, 2004.

i. For the fiscal year beginning July 1, 2004, the maximum reimbursement rate for psychiatric medical institutions for children shall remain at the rate in effect on June 30, 2004, based on per day rates for actual costs.

j. For the fiscal year beginning July 1, 2004, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall remain at the rates in effect on June 30, 2004, except for area education agencies, local education agencies, infant and toddler services providers, and those providers whose rates are required to be determined pursuant to section 249A.20.

k. Notwithstanding section 249A.20, the average reimbursement rates for health care providers eligible for use of the federal Medicare resource-based relative value scale reimbursement methodology under that section shall remain at the rate in effect on June 30, 2004; however, this rate shall not exceed the maximum level authorized by the federal government.

2. For the fiscal year beginning July 1, 2004, the reimbursement rate for residential care facilities shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

3. For the fiscal year beginning July 1, 2004, the reimbursement rate for providers reimbursed under the in-home-related care program shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

4. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 2002.

5. Notwithstanding section 234.38, in the fiscal year beginning July 1, 2004, the foster family basic daily



maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$14.28, the rate for children ages 6 through 11 years shall be \$15.07, the rate for children ages 12 through 15 years shall be \$16.83, and the rate for children ages 16 and older shall be \$16.83.

6. For the fiscal year beginning July 1, 2004, the maximum reimbursement rates for social service providers shall remain at the rates in effect on June 30, 2004. However, the rates may be adjusted under any of the following circumstances:

a. If a new service was added after June 30, 2004, the initial reimbursement rate for the service shall be based upon actual and allowable costs.

b. If a social service provider loses a source of income used to determine the reimbursement rate for the provider, the provider's reimbursement rate may be adjusted to reflect the loss of income, provided that the lost income was used to support actual and allowable costs of a service purchased under a purchase of service contract.

7. The group foster care reimbursement rates paid for placement of children out of state shall be calculated according to the same rate-setting principles as those used for in-state providers unless the director of human services or the director's designee determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

8. For the fiscal year beginning July 1, 2004, the reimbursement rates for rehabilitative treatment and support services providers shall remain at the rates in effect on June 30, 2004.

9. For the fiscal year beginning July 1, 2004, the combined service and maintenance components of the reimbursement rate paid for shelter care services purchased under a contract shall be based on the financial and statistical report submitted to the department. The maximum reimbursement rate shall be \$83.69 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not to exceed the maximum reimbursement rate. Notwithstanding section 232.141, subsection 8, for the fiscal year beginning July 1, 2004, the amount of the statewide average of the actual and allowable rates for reimbursement of juvenile shelter care homes that is utilized for the limitation on recovery of

unpaid costs shall remain at the same amount in effect for this purpose in the preceding fiscal year.

10. For the fiscal year beginning July 1, 2004, the department shall calculate reimbursement rates for intermediate care facilities for persons with mental retardation at the 80th percentile.

11. For the fiscal year beginning July 1, 2004, for child care providers, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 1998. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered.

12. For the fiscal year beginning July 1, 2004, reimbursements for providers reimbursed by the department of human services may be modified if appropriated funding is allocated for that purpose from the senior living trust fund created in section 249H.4, or as specified in appropriations from the healthy Iowans tobacco trust created in section 12.65.

13. The department may adopt emergency rules to implement this section.

Sec. 139. ADOPTION SUBSIDY PROGRAM.

1. a. It is the intent of the general assembly that the department of human services maximize receipt of the federal funding available for the adoption subsidy program. The department may renegotiate existing adoption agreements solely for the purpose of maximizing federal funding. However, any revision of the existing adoption monthly maintenance payment agreement shall not result in the reduction of benefits to these adoptive families.

b. The limitation on attorney fees under the program shall be \$500 per recipient.

c. The department of human services shall attempt to develop a method to obtain federal matching funds for adoption subsidy program recipients' out-of-pocket payments to attorneys for the portion of attorney fees that exceed the limitation on attorney fees under the program.

d. The department of human services shall attempt to obtain federal matching funds for adoption subsidy program recipients' out-of-pocket payments for child care fees that exceed the applicable reimbursement rate established under the child care assistance program.



e. If cost-effective and in compliance with federal law and regulation, the department of human services may implement a sliding benefit scale based upon income, for all or a portion of the adoption presubsidy or preadoptive subsidy agreements entered into on or after July 1, 2004.

2. It is the intent of the general assembly that beginning July 1, 2004, adoption subsidy agreements entered into on or after that date shall be administered uniformly throughout the state.

3. a. Beginning July 1, 2004, the child care subsidy payments for individuals who enter into presubsidy or preadoptive subsidy agreements shall be governed by the provisions of the department of human services' child care assistance programs.

b. (1) Individuals who entered into presubsidy or preadoptive subsidy agreements on or before June 30, 2004, shall continue to receive a child care subsidy, notwithstanding any income guidelines specified under the child care assistance program, and shall not be required to meet the specifications of a specialized program as specified in the administrative rules, but beginning July 1, 2004, the child care subsidy rate shall be governed by the rate ceilings under the department of human services' child care assistance program.

(2) The department shall notify these individuals within thirty days of the effective date of this section of this Act of the potential change in the determination of the child care subsidy rate described under this subsection, and the process for requesting an exception to policy.

(3) If an individual requests an exception to policy and the exception is approved, the individual shall continue to receive the child care subsidy rate in effect for the individual prior to July 1, 2004, and shall be reimbursed the difference between the prior rate and the new rate for the period of time that the new rate was applied.

4. It is the intent of the general assembly that any rules relating to the adoption subsidy program for which the effective date of the rules is delayed pursuant to section 17A.8, subsection 9, shall take effect unless legislation enacted by the general assembly conflicts with such rules.

5. The legislative council is requested to establish an interim study committee to review the adoption subsidy program, which includes a review of current practices

regarding the determination of subsidy levels, disparities in subsidy levels among regions of the state, program cost and benefits, the fiscal and programmatic impact of projected future program growth, a thorough analysis of the demographic factors of the adoptive families as well as the adoptive children's special needs, and quantification of savings in other programs and services resulting from the utilization of the adoption subsidy program. The interim study committee shall seek input from the department of human services, adoptive parents, and others with experience or expertise relating to the adoption subsidy program and related services and supports. The interim study committee shall submit a report of findings and recommendations to the general assembly not later than December 1, 2004.

Sec. 140. TRANSFER AUTHORITY. Subject to the provisions of section 8.39, for the fiscal year beginning July 1, 2004, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with this division of this Act, targeted case management for child protection and for activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys, the department of human services may transfer within or between any of the appropriations made in this division of this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

1. For the family investment program.
2. For child care assistance.
3. For child and family services.
4. For field operations.
5. For general administration.
6. MH/MR/DD/BI community services (local purchase).

This section shall not be construed to prohibit existing state transfer authority for other purposes.

Sec. 141. FRAUD AND RECOUPMENT ACTIVITIES. During the fiscal year beginning July 1, 2004, notwithstanding the



restrictions in section 239B.14, recovered moneys generated through fraud and recoupment activities are appropriated to the department of human services to be used for additional fraud and recoupment activities performed by the department of human services or the department of inspections and appeals, and the department of human services may add not more than five full-time equivalent positions, in addition to those funded in this division of this Act, subject to both of the following conditions:

1. The director of human services determines that the investment can reasonably be expected to increase recovery of assistance paid in error, due to fraudulent or nonfraudulent actions, in excess of the amount recovered in the fiscal year beginning July 1, 1997.

2. The amount expended for the additional fraud and recoupment activities shall not exceed the amount of the projected increase in assistance recovered.

Sec. 142. MEDICAL ASSISTANCE PROGRAM -- NONREVERSION FOR FY 2003-2004. Notwithstanding section 8.33, if moneys appropriated in 2003 Iowa Acts, chapter 175, for the medical assistance program from the general fund of the state, the senior living trust fund, or the hospital trust fund, or in 2003 Iowa Acts, chapter 183, from the healthy Iowans tobacco trust are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated at the close of the fiscal year, the excess moneys shall not revert, and notwithstanding any provision of law to the contrary, shall not be transferred to any other appropriation but shall remain available for expenditure for the purpose designated until the close of the succeeding fiscal year. Of the amount remaining available, the department of human services may use up to \$2,300,000 to draw down the maximum amount of disproportionate share hospital reimbursement under the medical assistance program as provided in the federal Prescription Drug and Medicare Improvement Act of 2003. Any amounts received shall be distributed in accordance with the regular disproportionate share hospital program paid out of the graduate medical education and disproportionate share fund. To the extent allowed under Title XIX of the federal Social Security Act, any hospital qualifying for disproportionate share hospital reimbursement shall provide evidence to the department that the hospital provides or participates in a disease management program.

Disapproved  
5/19/04  
OW

Sec. 143. EMERGENCY RULES. If specifically authorized by a provision of this division of this Act, the department of human services or the mental health and developmental disabilities commission may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 5, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

Sec. 144. REPORTS.

1. Any reports or information required to be compiled and submitted under this division of this Act shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the legislative caucus staffs on or before the dates specified for submission of the reports or information.

2. In order to reduce mailing and paper processing costs, the department shall provide, to the extent feasible, reports, notices, minutes, and other documents by electronic means to those persons who have the capacity to access the documents in that manner.

Sec. 145. LAW INAPPLICABLE FOR FISCAL YEAR 2004-2005.

1. The following provisions in Code or rule shall be suspended for the period beginning July 1, 2004, and ending June 30, 2005:

a. The requirements of section 239B.2A, relating to school attendance by children participating in the family investment program.

b. For a case permanency plan, as defined in section 232.2, the requirement for a six-month case permanency plan review for an intact family.



2. The department may adopt emergency rules to implement the provisions of this section.

Sec. 146. NEW SECTION. 217.14 REFUGEE SERVICES FOUNDATION.

1. The department of human services shall cause a refugee services foundation to be created for the sole purpose of engaging in refugee resettlement activities to promote the welfare and self-sufficiency of refugees who live in Iowa and who are not citizens of the United States. The foundation may establish an endowment fund to assist in the financing of its activities. The foundation shall be incorporated under chapter 504A.

2. The foundation shall be created in a manner so that donations and bequests to the foundation qualify as tax deductible under federal and state income tax laws. The foundation is not a state agency and shall not exercise sovereign power of the state. The state is not liable for any debts of the foundation.

3. The refugee services foundation shall have a board of directors of five members. One member shall be appointed by the governor and four members shall be appointed by the director of human services. Members of the board shall serve three-year terms beginning on July 1, and ending on June 30. A vacancy on the board shall be filled in the same manner as the original appointment for the remainder of the term. Not more than two members appointed by the director of human services shall be of the same gender or of the same political party.

4. The refugee services foundation may accept and administer trusts deemed by the board to be beneficial. Notwithstanding section 633.63, the foundation may act as trustee of such a trust.

Sec. 147. NEW SECTION. 217.45 FAITH-BASED AND COMMUNITY-BASED ORGANIZATIONS NETWORK.

1. A statewide, nonprofit agency that receives a subgrant to assist faith-based and community-based organizations to develop coalitions and partnerships shall be designated as the central office for faith-based and community-based initiatives.

2. The department shall designate one department employee in each of the service areas to act as a liaison to faith-based and community-based organizations in the service area.

*Disapproved  
5.17.04  
ow*

3. The primary functions of a liaison for a service area under this section are as follows:

a. To communicate with faith-based and community-based organizations regarding the need for private community services to benefit persons in need of assistance who would otherwise require financial or other assistance under public programs administered by state or local government.

b. To promote the involvement of faith-based and community-based organizations in working to meet community needs for assistance.

c. To coordinate efforts to promote involvement of faith-based and community-based organizations in providing community services with efforts similar to those of state agencies.

d. To promote cooperation and coordination among public agencies and faith-based and community-based organizations.

e. To provide technical assistance to faith-based and community-based organizations in writing grant applications, training, mentoring, financial management, and obtaining not-for-profit designations.

4. The department shall submit a report annually by January 15 to the governor and the general assembly regarding the activities of the faith-based and community-based organizations network provided for in this section.

Sec. 148. Section 232.141, subsection 1, Code 2003, is amended to read as follows:

1. Except as otherwise provided by law, the court shall inquire into the ability of the child or the child's parent to pay expenses incurred pursuant to ~~subsection subsections 2, and-subsection 4, and 7-~~after 8. After giving the parent a reasonable opportunity to be heard, the court may order the parent to pay all or part of the costs of the child's care, examination, treatment, legal expenses, or other expenses. An order entered under this section does not obligate a parent paying child support under a custody decree, except that part of the monthly support payment may be used to satisfy the obligations imposed by the order entered pursuant to this section. If a parent fails to pay as ordered, without good reason, the court may proceed against the parent for contempt and may inform the county attorney who shall proceed against the parent to collect the unpaid amount. Any payment ordered by the court shall be a judgment against each of the child's parents and a lien as provided in section 624.23. If all or part of the amount that the parents are ordered to pay is



subsequently paid by the county or state, the judgment and lien shall thereafter be against each of the parents in favor of the county to the extent of the county's payments and in favor of the state to the extent of the state's payments.

Sec. 149. Section 234.39, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 6. A support obligation for a shelter care placement shall be determined under section 232.141.

Sec. 150. NEW SECTION. 249A.34 MEDICAL ASSISTANCE MENTAL HEALTH QUALITY OF CARE IMPROVEMENT COMMITTEE.

1. The department shall establish a medical assistance mental health quality of care improvement committee. The committee membership shall include members of the public representing mental health advocates, mental health care consumers, and mental health care providers, including providers in private psychiatric practice, as well as geriatric psychiatry, institutional psychiatry, and child psychiatry disciplines. The membership shall also include a designee of each of the following: the medical assistance pharmaceutical and therapeutics committee created pursuant to section 249A.20A, the university of Iowa hospitals and clinics department of psychiatry, the Iowa medical assistance drug utilization review commission created in section 249A.24, the contractor for the medical assistance program managed care mental health contract, the director of public health, and the director of human services.

2. The medical assistance mental health quality of care improvement committee shall advise the department in the implementation of all of the following:

a. Clinical treatment algorithms for schizophrenia, major depressive disorder, and bipolar disorder. The algorithms shall be utilized in lieu of policies restricting access to care and medication and shall not be subject to prior authorization requirements or medication preferences. This paragraph shall not apply to any prior authorization provision in force on June 30, 2004, imposed under the existing managed care mental health care contract or any extension of that contract.

b. A mental health polypharmacy review process, including but not limited to data collection and analysis and medical service provider education.

3. The medical assistance mental health quality of care improvement committee shall, on an ongoing basis, review and

Disapproved  
8.19.04  
SW

after a cost-benefit analysis may recommend other mechanisms to promote medical assistance patient access to improved quality of care and the use of other cost saving mechanisms, including but not limited to implementing disease management programs for mental health disorders, expanding assertive community treatment programs, improving methods for gathering and analyzing data regarding the delivery of mental health care, and implementing other effective treatment programs.

4. This section is repealed July 1, 2007.

Sec. 151. NEW SECTION. 249A.35 MEDICAL ASSISTANCE CRISIS INTERVENTION TEAM.

1. A medical assistance crisis intervention team is created. The team shall consist of the following members:

- a. The president of the university of Iowa.
- b. A representative of the Iowa hospital association.
- c. A representative of the Iowa medical society.
- d. A representative of the Iowa pharmacy association.
- e. A representative of the Iowa health care association.
- f. A representative of the federation of Iowa insurers.
- g. A representative of the Iowa association of community providers.
- h. A representative of the medical assistance advisory council established pursuant to section 249A.4, subsection 8.
- i. Two members selected by the president of the university of Iowa.

2. The president of the university of Iowa shall act as the chairperson of the team. Members of the team are entitled to receive reimbursement of actual expenses incurred in the discharge of their duties.

3. The department of human services shall provide staff to the team as determined by the division administrator of the division of medical services.

4. The team shall do all of the following:

a. Provide a projection of medical assistance program and administrative costs through June 30, 2008, based on services provided as of June 30, 2004.

b. Hold at least four monthly public meetings, beginning in July 2004, in at least four geographically balanced venues around the state. The team shall submit a report of its findings from these meetings to the general assembly on or before December 1, 2004.

5. The team may provide any additional recommendations to the general assembly at any time regarding the medical



assistance program including but not limited to recommendations regarding services, eligibility, rates, care management, and program administration.

6. The department of human services shall assist the team as follows:

a. On or before July 1, 2004, the department shall submit to the team and make available to the public an initial analysis which includes all of the following data:

(1) The number of medical assistance program enrolled eligibles by cohort grouped on the basis of factors such as age, income, disability, and optional eligibility, for the period beginning July 1, 1999, and ending June 30, 2004.

(2) A projection of the number of medical assistance program enrolled eligibles in each of the cohorts identified in subparagraph (1), for the period beginning July 1, 2005, and ending June 30, 2008. The projection shall be accompanied by a statement of the underlying assumptions.

(3) The actual cost of all services and of each service for each cohort described in subparagraph (1), for the period beginning July 1, 1999, and ending June 30, 2004. The analysis of the data shall identify the total cost for each cohort, the cost per member per month for each cohort, and the twenty most utilized medical procedures or services and the ten most prevalent diagnoses associated within each cohort. The analysis of the data shall identify, to the greatest extent possible, the reason for changes in total costs and the costs per member, per month during the period, including but not limited to rate adjustments, service utilization, and eligibility growth.

(4) To the extent practical, a comparison of the rates paid by commercial insurers to their Iowa provider network and the rates paid by Medicare, with the rates paid by the medical assistance program for the same services, for the fiscal year beginning July 1, 2003, and ending June 30, 2004.

(5) An estimate of the program costs for the medical assistance program for the period beginning July 1, 2005, and ending June 30, 2008, based on all of the following assumptions:

(a) The enrollment projections described in subparagraph (2) and assuming reasonable change in service utilization patterns, but no change in provider rates in effect on June 30, 2004. The projection shall include total and total program costs per member, per month for each cohort and total

cost and the program cost per member per month for each cohort for the period beginning July 1, 2005, and ending June 30, 2008. The assumptions used in developing the projections shall be clearly stated.

(b) The enrollment projections described in subparagraph (2) and assuming reasonable change in service utilization patterns, and additionally assuming that all medical assistance program fee for service rates are equal to ninety-eight percent of the usual and customary charges for such service in the fiscal year beginning July 1, 2003, and ending June 30, 2004, and grow at an annual rate of two percent annually through June 30, 2008, and assuming that commensurate changes are made in rates paid to medical assistance program managed care organizations.

(6) If the projections for later years exceed the spending standard established in subparagraph (5), subparagraph subdivision (b), a base rate and the annual inflation adjustments that would result in spending being limited to the spending standard established in that paragraph.

(7) A description of the cost, member, provider, and service quality impact of all of the following:

(a) Application of medical assistance program allowable limits on optional services.

(b) Service utilization control strategies including managed care and prior authorization in the pharmacy, medical and behavioral, and long-term care areas that have been utilized in other states or jurisdictions that could potentially be utilized in Iowa. The department shall identify the administrative costs associated with each strategy.

(c) Accessible disease management and enhanced primary care case management strategies with particular attention to the timing of costs and benefits.

(d) Accessible health promotion strategies and disease prevention activities with particular attention to the timing of costs and benefits.

(e) Enhanced surveillance and utilization review, revenue collection, estate recovery, and cost avoidance activities in future years.

(f) The federal Prescription Drug and Medicare Improvement Act of 2003.

(g) The program options and cost savings potentially associated with reducing the populations of intermediate care



facilities for the mentally retarded and nursing facilities due to the availability of home and community-based services, including consumer-directed home care.

b. The department shall present the analysis described in paragraph "a" at the initial meeting of the team in July 2004. The department shall adjust, expand, or otherwise modify its analysis based on the requests of the team at its subsequent monthly meetings and shall assist the team in compiling the team's final report to the general assembly.

Sec. 152. REPORT -- MEDICAID PROGRAM FINANCING. On or before August 1, 2004, the department of human services shall submit a report to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, the legislative caucus staffs, and the medical assistance crisis intervention team created in section 249A.35, providing recommendations to reduce costs or provide revenue enhancements to reduce the projected program and administrative costs of the medical assistance program by \$130,000,000 for the fiscal year beginning July 1, 2005, and ending June 30, 2006.

Sec. 153. NEW SECTION. 505.25 INFORMATION PROVIDED TO MEDICAL ASSISTANCE PROGRAM.

A carrier, as defined in section 514C.13, shall enter into a health insurance data match program with the department of human services for the sole purpose of comparing the names of the carrier's insureds with the names of recipients of the medical assistance program.

Sec. 154. 2001 Iowa Acts, chapter 192, section 4, subsection 3, paragraphs e and f, are amended to read as follows:

e. The department shall calculate the rate ceiling for the direct-care cost component at 120 percent of the median of case-mix adjusted costs. Nursing facilities with case-mix adjusted costs at 95 percent of the median or greater, shall receive an amount equal to their costs not to exceed 120 percent of the median. Nursing facilities with case-mix adjusted costs below 95 percent of the median shall receive an excess payment allowance by having their payment rate for the direct-care cost component calculated as their case-mix adjusted cost plus 100 percent of the difference between 95 percent of the median and their case-mix adjusted cost, not to exceed 10 percent of the median of case-mix adjusted costs. Beginning July 1, 2004, nursing facilities with case-mix

adjusted costs below 95 percent of the median shall receive an excess payment allowance by having their payment rate for the direct-care cost component calculated as their case-mix adjusted cost plus 50 percent of the difference between 95 percent of the median and their case-mix adjusted cost, not to exceed 10 percent of the median of case-mix adjusted costs. Any excess payment allowance realized from the direct care cost component of the modified price-based case-mix reimbursement shall be expended to increase the compensation of direct care workers or to increase the ratio of direct care workers to residents. The department of human services shall implement a new monitoring and reporting system to assess compliance with the provisions of this paragraph.

f. The department shall calculate the rate ceiling for the nondirect care cost component at 110 percent of the median of non-case-mix adjusted costs. Nursing facilities with non-case-mix adjusted costs at 96 percent of the median or greater shall receive an amount equal to their costs not to exceed 110 percent of the median. Nursing facilities with non-case-mix adjusted costs below 96 percent of the median shall receive an excess payment allowance that is their costs plus 65 percent of the difference between 96 percent of the median and their non-case-mix adjusted costs, not to exceed 8 percent of the median of non-case-mix adjusted costs. Beginning July 1, 2004, nursing facilities with non-case-mix adjusted costs below 96 percent of the median shall receive an excess payment allowance that is their costs plus 32.5 percent of the difference between 96 percent of the median and their non-case-mix adjusted costs, not to exceed 8 percent of the median of non-case-mix adjusted costs. Any excess payment allowance realized from the nondirect care cost component of the modified price-based case-mix reimbursement shall be used to fund quality of life improvements. The department of human services shall implement a new monitoring and reporting system to assess compliance with the provisions of this paragraph.

Sec. 155. 2002 Iowa Acts, chapter 1174, section 4, unnumbered paragraph 3, as amended by 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 244, is amended to read as follows:

Notwithstanding section 8.33, moneys appropriated under this section that are unobligated or unencumbered at the end of the fiscal year beginning July 1, 2002, and ending June 30, 2003, shall not revert, but shall remain available for the



specific purposes designated in this section until June 30, ~~2004~~ 2005.

Sec. 156. 2003 Iowa Acts, chapter 175, section 13, subsection 2, as amended by 2003 Iowa Acts, First Extraordinary Session, chapter 2, section 6, is amended to read as follows:

2. The department may either continue or reprocure the contract existing on June 30, 2003, with the department's fiscal agent. If the department initiates reprocurement of the contract, of the amount appropriated in this Act for the medical assistance program, up to \$500,000 may be used to begin the implementation process.

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the specific purposes designated in this subsection until the close of the succeeding fiscal year.

Sec. 157. 2003 Iowa Acts, chapter 175, section 9, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Notwithstanding section 8.33, moneys appropriated in this section that were allocated by the department for the purpose of meeting federal food stamp electronic benefit transfer requirements that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purpose designated until the close of the succeeding fiscal year.

Sec. 158. 2003 Iowa Acts, chapter 175, section 18, subsection 9, is amended to read as follows:

9. Notwithstanding section 234.35, subsection 1, for the fiscal year beginning July 1, 2003, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to ~~\$6,922,509~~ \$10,122,509.

Sec. 159. 2003 Iowa Acts, chapter 175, section 56, subsection 2, paragraph g, is amended to read as follows:

g. Notwithstanding section 8.33, up to ~~\$500,000~~ \$1,000,000 of the Iowa veterans home revenues that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used in the succeeding fiscal year.

Sec. 160. 2003 Iowa Acts, chapter 178, section 45, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the child and family services until the close of the succeeding fiscal year.

Sec. 161. 2003 Iowa Acts, chapter 179, section 2, subsection 2, paragraph b, is amended to read as follows:

b. ~~For deposit in the risk pool created in the property tax relief fund and for distribution in accordance with section 426B.57, subsection 2~~ For medical assistance reimbursement, in addition to other appropriations made for purposes of the medical assistance program for the fiscal year beginning July 1, 2004, and ending June 30, 2005:

..... \$ 2,000,000

Sec. 162. EFFECTIVE DATES. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The provision under the appropriation for child and family services, relating to requirements of section 232.143 for representatives of the department of human services and juvenile court services to establish a plan for continuing group foster care expenditures for the 2004-2005 fiscal year.

2. The provision under the appropriation for child and family services, relating to the state court administrator determining allocation of court-ordered services funding by June 15, 2004.

3. The provision relating to nonreversion and prohibited transfer of the appropriations for the medical assistance program for the fiscal year beginning July 1, 2003, and ending June 30, 2004.

4. The section of this division of this Act creating section 249A.35, relating to the medical assistance crisis intervention team, takes effect upon enactment.

5. The provisions in this division of this Act relating to insurance carriers providing listings of insureds to the department of human services including the provision creating section 505.25.

6. The section of this division of this Act relating to the adoption subsidy program.

7. The provision amending 2002 Iowa Acts, chapter 1174, section 4, unnumbered paragraph 3, as amended by 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 244.

*Disapproved  
5/11/04  
CW*



8. The provision amending 2003 Iowa Acts, chapter 175, section 13, subsection 2, as amended by 2003 Iowa Acts, First Extraordinary Session, chapter 2, section 6.

9. The provisions amending 2003 Iowa Acts, chapter 175, section 9, section 18, subsection 9, and section 56.

10. The provision amending 2003 Iowa Acts, chapter 178, section 45.

11. The provision amending 2003 Iowa Acts, chapter 179, section 2, subsection 2, paragraph "b".

DIVISION VI

SENIOR LIVING AND HOSPITAL TRUST FUNDS

Sec. 163. DEPARTMENT OF ELDER AFFAIRS. There is appropriated from the senior living trust fund created in section 249H.4 to the department of elder affairs for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the development and implementation of a comprehensive senior living program, including program administration and costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$ 8,222,118
.....	FTEs 2.00

1. It is the intent of the general assembly that the department not transfer moneys appropriated to the department for purposes of the assisted living program and adult day care for the fiscal year beginning July 1, 2004.

2. Notwithstanding section 249H.7, the department of elder affairs shall distribute up to \$300,000 of the funds appropriated in this section in a manner that will supplement and maximize federal funds under the federal Older Americans Act and shall not use the amount distributed for any administrative purposes of either the department of elder affairs or the area agencies on aging.

3. Of the moneys appropriated in this section, \$60,000 shall be used for the provision of training to resident advocate committees for elder group homes, as defined in section 231B.1, and licensed health care facilities as defined in section 135C.1.

4. Of the moneys appropriated in this section, \$140,000 shall be used to provide two additional state long-term care resident advocates.

5. Of the moneys appropriated in this section, \$500,000 shall be used to provide case management services to elders who are not eligible for the medical assistance program.

Sec. 164. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the senior living trust fund created in section 249H.4 to the department of inspections and appeals for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the inspection and certification of assisted living facilities and adult day care services, including program administration and costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	800,000
.....	FTEs	6.00

Sec. 165. DEPARTMENT OF HUMAN SERVICES. There is appropriated from the senior living trust fund created in section 249H.4 to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To provide grants to nursing facilities for conversion to assisted living programs or to provide long-term care alternatives, to provide grants to intermediate care facilities for persons with mental retardation for conversion to assisted living programs or home and community-based services, to provide grants to long-term care providers for development of long-term care alternatives, to develop less restrictive community-based services for placement of persons currently residing in state resource centers, and for other purposes specified in this subsection:

.....	\$	20,000,000
-------	----	------------

a. Up to 25 percent of the amount appropriated in this subsection may be used for development of less restrictive community-based services, including community residential living alternatives, with a significant focus on reducing the numbers of persons served in state resource centers and other intermediate care facilities for persons with mental retardation as well as for activities designed to facilitate the planning for or placement of such services and persons. Services provided under this paragraph are not intended to require the closure of nursing facilities.



b. Five million dollars of the moneys appropriated in this subsection shall be transferred to the senior living revolving loan program fund created in section 16.182 for the purposes of that section.

c. Two million dollars of the moneys appropriated in this subsection shall be transferred to the home and community-based services revolving loan program fund created in section 16.183 for the purposes of that section.

d. Two million dollars of the moneys appropriated in this subsection shall be transferred to the appropriation in this Act from the general fund of the state for the medical assistance program to be used to implement nursing facility provider reimbursements as provided in 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c".

2. To supplement the medical assistance appropriation, including program administration and costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$101,600,000	
.....	FTEs	5.00

3. To provide reimbursement for health care services and rent expenses to eligible persons through the home and community-based services waiver and the state supplementary assistance program, including program administration and data system costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes:

.....	\$ 1,733,406
-------	--------------

Participation in the rent subsidy program shall be limited to only those persons who are at risk for nursing facility care.

4. To implement nursing facility provider reimbursements as provided in 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c":

.....	\$ 29,950,000
-------	---------------

In order to carry out the purposes of this section, the department shall transfer funds appropriated in this section to supplement other appropriations made to the department of human services.

5. Notwithstanding sections 249H.4 and 249H.5, the department of human services may use moneys from the senior living trust fund for cash flow purposes to make payments under the nursing facility or hospital upper payment limit

methodology. The amount of any moneys so used shall be refunded to the senior living trust fund within the same fiscal year and in a prompt manner.

6. Notwithstanding section 8.33, moneys committed to grantees under contract to provide for conversion to assisted living programs or for development of long-term care alternatives that remain unexpended at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for purposes of the contract.

Sec. 166. INSURANCE DIVISION OF THE DEPARTMENT OF COMMERCE. There is appropriated from the senior living trust fund created in section 249H.4 to the insurance division of the department of commerce for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For administration of the long-term care insurance partnership program including program administration and costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	265,000
.....	FTEs	4.00

Sec. 167. CONVERSION GRANT PROJECTS -- RULES.

1. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the department of human services shall continue to give greater weight in the scoring methodology to nursing facility conversion projects that are primarily for the renovation and remodeling of the existing nursing facility structure and give less weight to conversion projects that are primarily for new construction. The department of human services shall encourage cooperative efforts between the department of inspections and appeals, the state fire marshal, and the grant applicant to promote the acceptance of nursing facility conversion projects that are primarily renovation and remodeling of the existing nursing facility structure.

2. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the department of inspections and appeals shall certify all assisted living programs established through nursing facility conversion grants. The department of inspections and appeals shall consult with conversion grant applicants and recipients to establish and monitor occupancy agreements and assisted living program residents shall be allowed access to third-party payors.

*Disapproved  
S. 17. of  
ow*



Sec. 168. HOSPITAL TRUST FUND. There is appropriated from the hospital trust fund created in section 249I.4 to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To supplement the appropriations made for the medical assistance program for that fiscal year:

..... \$ 37,500,000

Sec. 169. MEDICAL ASSISTANCE PROGRAM -- REVERSION TO SENIOR LIVING TRUST FUND FOR FY 2004-2005. Notwithstanding section 8.33, if moneys appropriated in this Act for purposes of the medical assistance program for the fiscal year beginning July 1, 2004, and ending June 30, 2005, from the general fund of the state, the senior living trust fund, the hospital trust fund, or the healthy Iowans tobacco trust fund are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated at the close of the fiscal year, the excess moneys shall not revert but shall be transferred to the senior living trust fund created in section 249H.4.

Sec. 170. NEW SECTION. 16.182 SENIOR LIVING REVOLVING LOAN PROGRAM FUND.

1. A senior living revolving loan program fund is created within the authority to further the goal of the senior living program as specified in section 249H.2. The moneys in the senior living revolving loan program fund shall be used by the authority for the development and operation of a revolving loan program to provide financing to construct affordable assisted living and service-enriched affordable housing for seniors and persons with disabilities, including through new construction or acquisition and rehabilitation.

2. Moneys received by the authority from the senior living trust fund, transferred by the authority for deposit in the senior living revolving loan program fund, moneys appropriated to the senior living revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the senior living revolving loan program fund shall be deposited in the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the senior living revolving loan program fund shall be deposited in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the senior living revolving

loan program fund shall be credited to the fund. Notwithstanding section 8.33, moneys that remain unencumbered or unobligated at the end of the fiscal year shall not revert but shall remain available for the same purpose in the succeeding fiscal year.

3. The authority shall annually allocate moneys available in the senior living revolving loan program fund for the development of affordable assisted living and service-enriched affordable housing for seniors and persons with disabilities. The authority shall develop a joint application process for the allocation of federal low-income housing tax credits and funds available under this section. Moneys allocated to such developments may be in the form of loans, grants, or a combination of loans and grants.

4. The authority shall adopt rules pursuant to chapter 17A to administer this section.

Sec. 171. NEW SECTION. 16.183 HOME AND COMMUNITY-BASED SERVICES REVOLVING LOAN PROGRAM FUND.

1. A home and community-based services revolving loan program fund is created within the authority to further the goals specified in section 231.3, adult day services, respite services, and congregate meals. The moneys in the home and community-based services revolving loan program fund shall be used by the authority for the development and operation of a revolving loan program to develop and expand facilities and infrastructure that provide adult day services, respite services, and congregate meals that address the needs of persons with low incomes.

2. Moneys received by the authority from the senior living trust fund, transferred by the authority for deposit in the home and community-based services revolving loan program fund, moneys appropriated to the home and community-based services revolving loan program, and any other moneys available to and obtained or accepted by the authority for placement in the home and community-based services revolving loan program fund shall be deposited in the fund. Additionally, payment of interest, recaptures of awards, and other repayments to the senior living revolving loan program fund shall be deposited in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the home and community-based services revolving loan program fund shall be credited to the fund. Notwithstanding section 8.33, moneys that remain unencumbered or unobligated at the end of the fiscal year



shall not revert but shall remain available for the same purpose in the succeeding fiscal year.

3. The authority, in cooperation with the department of elder affairs, shall annually allocate moneys available in the home and community-based services revolving loan program fund to develop and expand facilities and infrastructure that provide adult day services, respite services, and congregate meals that address the needs of persons with low incomes.

4. The authority shall adopt rules pursuant to chapter 17A to administer this section.

DIVISION VII  
MENTAL HEALTH, MENTAL RETARDATION,  
DEVELOPMENTAL DISABILITIES,  
AND BRAIN INJURY SERVICES

Sec. 172. COUNTY HOSPITALS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, for the purpose designated:

For support of mental health care services provided to persons who are elderly or poor by county hospitals in counties having a population of two hundred twenty-five thousand or more:

..... \$ 200,000

Sec. 173. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ALLOCATIONS -- FISCAL YEAR 2005-2006.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, as provided in this section in lieu of the provisions of section 331.438, subsection 2, and section 331.439, subsection 3, and chapter 426B:

..... \$ 28,507,362

2. The funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2005-2006, and is allocated as follows:

a. For distribution to counties for fiscal year 2005-2006 in accordance with the formula in section 331.438, subsection 2, paragraph "b":

..... \$ 12,000,000

b. For deposit in the per capita expenditure target pool created in the property tax relief fund and for distribution in accordance with section 426B.5, subsection 1:

..... \$ 14,507,362

c. For deposit in the risk pool created in the property tax relief fund and for distribution in accordance with section 426B.5, subsection 2:

..... \$ 2,000,000

Sec. 174. Section 331.438, subsection 4, paragraph b, Code 2003, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (16) Develop a procedure for each county to disclose to the department of human services information approved by the commission concerning the mental health, mental retardation, developmental disabilities, and brain injury services provided to the individuals served through the county central point of coordination process. The procedure shall incorporate protections to ensure that if individually identified information is disclosed, it is disclosed and maintained in compliance with applicable Iowa and federal confidentiality laws, including but not limited to federal Health Insurance Portability and Accountability Act requirements.

Sec. 175. 2003 Iowa Acts, chapter 179, section 2, is amended by adding the following new subsections:

NEW SUBSECTION. 3. The following formula amounts shall be utilized only to calculate preliminary distribution amounts for fiscal year 2004-2005 under this section by applying the indicated formula provisions to the formula amounts and producing a preliminary distribution total for each county:

a. For calculation of an allowed growth factor adjustment amount for each county in accordance with the formula in section 331.438, subsection 2, paragraph "b":

..... \$ 12,000,000

b. For calculation of a distribution amount for eligible counties from the per capita expenditure target pool created in the property tax relief fund in accordance with the requirements in section 426B.5, subsection 1:

..... \$ 19,157,111

c. For calculation of a distribution amount for counties from the mental health and developmental disabilities (MH/DD) community services fund in accordance with the formula provided in the appropriation made for the MH/DD community services fund for the fiscal year beginning July 1, 2003:



..... \$ 17,727,890

NEW SUBSECTION. 4. After applying the applicable statutory distribution formulas to the amounts indicated in subsection 3 for purposes of producing preliminary distribution totals, the department of human services shall apply a withholding factor to adjust an eligible individual county's preliminary distribution total. An ending balance percentage for each county shall be determined by expressing the county's ending balance on a modified accrual basis under generally accepted accounting principles for the fiscal year beginning July 1, 2003, in the county's mental health, mental retardation, and developmental disabilities services fund created under section 331.424A, as a percentage of the county's gross expenditures from that fund for that fiscal year. The withholding factor for a county shall be the following applicable percent:

a. For an ending balance percentage of less than 10 percent, a withholding factor of 0 percent. In addition to the county's adjusted distribution total, a county that is subject to this paragraph "a" shall receive an inflation adjustment equal to 2.6 percent of the gross expenditures reported for the county's services fund for that fiscal year.

b. For an ending balance percentage of 10 through 24 percent, a withholding factor of 25 percent. However, the amount withheld shall be limited to the amount by which the county's ending balance was in excess of the ending balance percentage of 10 percent.

c. For an ending balance percentage of 25 percent or more, a withholding factor of 100 percent.

NEW SUBSECTION. 5. The total withholding amounts applied pursuant to subsection 4 shall be equal to a withholding target amount of \$9,418,362. If the department of human services determines that the amount to be withheld in accordance with subsection 4 is not equal to the target withholding amount, the department shall adjust the withholding factors listed in subsection 4 as necessary to achieve the withholding target amount. However, in making such adjustments to the withholding factors, the department shall strive to minimize changes to the withholding factors for those ending balance percentage ranges that are lower than others and shall not adjust the zero withholding factor or the inflation adjustment percentage specified in subsection 4, paragraph "a".

NEW SUBSECTION. 6. Each county shall submit a report to the Iowa state association of counties to be shared with the legislative services agency on or before January 31, 2005, regarding the unaudited expenditures from the county's mental health, mental retardation, and developmental disabilities services fund.

DIVISION VIII  
JUDICIAL BRANCH

Sec. 176. JUDICIAL BRANCH. There is appropriated from the general fund of the state to the judicial branch for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, judicial magistrates and staff, state court administrator, clerk of the supreme court, district court administrators, clerks of the district court, juvenile court officers, board of law examiners and board of examiners of shorthand reporters and judicial qualifications commission, receipt and disbursement of child support payments, reimbursement of the auditor of state for expenses incurred in completing audits of the offices of the clerks of the district court during the fiscal year beginning July 1, 2004, and maintenance, equipment, and miscellaneous purposes:

..... \$117,837,862

1. The judicial branch, except for purposes of internal processing, shall use the current state budget system, the state payroll system, and the Iowa finance and accounting system in administration of programs and payments for services, and shall not duplicate the state payroll, accounting, and budgeting systems.

2. The judicial branch shall submit monthly financial statements to the legislative services agency and the department of management containing all appropriated accounts in the same manner as provided in the monthly financial status reports and personal services usage reports of the department of administrative services. The monthly financial statements shall include a comparison of the dollars and percentage spent of budgeted versus actual revenues and expenditures on a cumulative basis for full-time equivalent positions and dollars.



3. The judicial branch shall focus efforts upon the collection of delinquent fines, penalties, court costs, fees, surcharges, or similar amounts.

4. It is the intent of the general assembly that the offices of the clerks of the district court operate in all ninety-nine counties and be accessible to the public as much as is reasonably possible in order to address the relative needs of the citizens of each county.

5. The judicial branch shall study the best practices and efficiencies of each judicial district. In identifying the most efficient judicial districts and the districts using best practices, the judicial branch shall consider the average cost to the judicial branch for processing each classification of criminal offense or civil action and the overall number of cases filed. The judicial branch shall file a report regarding the study made and actions taken pursuant to this subsection with the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system and to the legislative services agency by December 15, 2004.

6. In addition to the requirements for transfers under section 8.39, the judicial branch shall not change the appropriations from the amounts appropriated to the judicial branch in this division of this Act, unless notice of the revisions is given prior to their effective date to the legislative services agency. The notice shall include information on the branch's rationale for making the changes and details concerning the workload and performance measures upon which the changes are based.

7. The judicial branch shall submit a semiannual update to the legislative services agency specifying the amounts of fines, surcharges, and court costs collected using the Iowa court information system since the last report. The judicial branch shall continue to facilitate the sharing of vital sentencing and other information with other state departments and governmental agencies involved in the criminal justice system through the Iowa court information system.

8. The judicial branch shall provide a report to the general assembly by January 1, 2005, concerning the amounts received and expended from the enhanced court collections fund created in section 602.1304 and the court technology and modernization fund created in section 602.8108, subsection 5, during the fiscal year beginning July 1, 2003, and ending June 30, 2004, and the plans for expenditures from each fund during

the fiscal year beginning July 1, 2004, and ending June 30, 2005. A copy of the report shall be provided to the legislative services agency.

Sec. 177. JUDICIAL RETIREMENT FUND. There is appropriated from the general fund of the state to the judicial retirement fund for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding section 602.9104, for the state's contribution to the judicial retirement fund in the amount of 9.71 percent of the basic salaries of the judges covered under chapter 602, article 9:

..... \$ 2,039,664

Sec. 178. APPOINTMENT OF CLERK OF COURT. The appointment of a clerk of the district court shall not occur unless the state court administrator approves the appointment.

Sec. 179. POSTING OF REPORTS IN ELECTRONIC FORMAT -- LEGISLATIVE SERVICES AGENCY. All reports or copies of reports required to be provided by the judicial branch for fiscal year 2004-2005 to the legislative services agency shall be provided in an electronic format. The legislative services agency shall post the reports on its internet site and shall notify by electronic means all the members of the joint appropriations subcommittee on the justice system when a report is posted. Upon request, copies of the reports may be mailed to members of the joint appropriations subcommittee on the justice system.

DIVISION IX  
JUSTICE SYSTEM

Sec. 180. DEPARTMENT OF JUSTICE.

1. There is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For the general office of attorney general for salaries, support, maintenance, miscellaneous purposes including the prosecuting attorneys training program, victim assistance grants, office of drug control policy (ODCP) prosecuting attorney program, legal services for persons in poverty grants as provided in section 13.34, odometer fraud enforcement, and for not more than the following full-time equivalent positions:



.....	\$	7,565,245
.....	FTEs	208.50

It is the intent of the general assembly that as a condition of receiving the appropriation provided in this lettered paragraph, the department of justice shall maintain a record of the estimated time incurred representing each agency or department.

b. For victim assistance grants:

.....	\$	5,000
-------	----	-------

The funds appropriated in this lettered paragraph shall be used to provide grants to care providers providing services to crime victims of domestic abuse or to crime victims of rape and sexual assault.

2. In addition to the funds appropriated in subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 2004, and ending June 30, 2005, an amount not exceeding \$200,000 to be used for the enforcement of the Iowa competition law. The funds appropriated in this subsection are contingent upon receipt by the general fund of the state of an amount at least equal to the expenditure amount from either damages awarded to the state or a political subdivision of the state by a civil judgment under chapter 553, if the judgment authorizes the use of the award for enforcement purposes or costs or attorneys fees awarded the state in state or federal antitrust actions. However, if the amounts received as a result of these judgments are in excess of \$200,000, the excess amounts shall not be appropriated to the department of justice pursuant to this subsection. The department of justice shall report the department's actual costs and an estimate of the time incurred enforcing the competition law, to the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system, and to the legislative services agency by November 15, 2004.

3. In addition to the funds appropriated in subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 2004, and ending June 30, 2005, an amount not exceeding \$1,125,000 to be used for public education relating to consumer fraud and for enforcement of section 714.16, and an amount not exceeding \$75,000 for investigation, prosecution, and consumer education relating to consumer and criminal fraud against older Iowans. The funds appropriated in this

subsection are contingent upon receipt by the general fund of the state of an amount at least equal to the expenditure amount from damages awarded to the state or a political subdivision of the state by a civil consumer fraud judgment or settlement, if the judgment or settlement authorizes the use of the award for public education on consumer fraud. However, if the funds received as a result of these judgments and settlements are in excess of \$1,200,000, the excess funds shall not be appropriated to the department of justice pursuant to this subsection. The department of justice shall report to the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system, and to the legislative services agency by November 15, 2004, the department's actual costs and an estimate of the time incurred in providing education pursuant to and enforcing this subsection.

4. The balance of the victim compensation fund established in section 915.94 may be used to provide salary and support of not more than 20.00 FTEs and to provide maintenance for the victim compensation functions of the department of justice.

5. a. The department of justice, in submitting budget estimates for the fiscal year commencing July 1, 2005, pursuant to section 8.23, shall include a report of funding from sources other than amounts appropriated directly from the general fund of the state to the department of justice or to the office of consumer advocate. These funding sources shall include, but are not limited to, reimbursements from other state agencies, commissions, boards, or similar entities, and reimbursements from special funds or internal accounts within the department of justice. The department of justice shall report actual reimbursements for the fiscal year commencing July 1, 2003, and actual and expected reimbursements for the fiscal year commencing July 1, 2004.

b. The department of justice shall include the report required under paragraph "a", as well as information regarding any revisions occurring as a result of reimbursements actually received or expected at a later date, in a report to the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative services agency. The department of justice shall submit the report on or before January 15, 2005.

Sec. 181. DEPARTMENT OF JUSTICE -- ENVIRONMENTAL CRIMES INVESTIGATION AND PROSECUTION -- FUNDING. There is



appropriated from the environmental crime fund of the department of justice, consisting of court-ordered fines and penalties awarded to the department arising out of the prosecution of environmental crimes, to the department of justice for the fiscal year beginning July 1, 2004, and ending June 30, 2005, an amount not exceeding \$20,000 to be used by the department, at the discretion of the attorney general, for the investigation and prosecution of environmental crimes, including the reimbursement of expenses incurred by county, municipal, and other local governmental agencies cooperating with the department in the investigation and prosecution of environmental crimes.

The funds appropriated in this section are contingent upon receipt by the environmental crime fund of the department of justice of an amount at least equal to the appropriations made in this section and received from contributions, court-ordered restitution as part of judgments in criminal cases, and consent decrees entered into as part of civil or regulatory enforcement actions. However, if the funds received during the fiscal year are in excess of \$20,000, the excess funds shall be deposited in the general fund of the state.

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purpose designated until the close of the succeeding fiscal year.

Sec. 182. OFFICE OF CONSUMER ADVOCATE. There is appropriated from the general fund of the state to the office of consumer advocate of the department of justice for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,803,862
.....	FTEs	27.00

Sec. 183. DEPARTMENT OF CORRECTIONS -- FACILITIES.

1. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For the operation of adult correctional institutions, reimbursement of counties for certain confinement costs, and federal prison reimbursement, to be allocated as follows:

a. For the operation of the Fort Madison correctional facility, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 38,009,504

b. For the operation of the Anamosa correctional facility, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 26,913,551

Moneys are provided within this appropriation for one full-time substance abuse counselor for the Luster Heights facility, for the purpose of certification of a substance abuse program at that facility.

c. For the operation of the Oakdale correctional facility, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 23,536,936

d. For the operation of the Newton correctional facility, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 24,533,794

e. For the operation of the Mt. Pleasant correctional facility, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 22,464,361

f. For the operation of the Rockwell City correctional facility, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 7,772,369

g. For the operation of the Clarinda correctional facility, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 22,518,204

Moneys received by the department of corrections as reimbursement for services provided to the Clarinda youth corporation are appropriated to the department and shall be used for the purpose of operating the Clarinda correctional facility.

h. For the operation of the Mitchellville correctional facility, including salaries, support, maintenance, and miscellaneous purposes:



..... \$ 13,190,260

i. For the operation of the Fort Dodge correctional facility, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 25,880,530

j. For reimbursement of counties for temporary confinement of work release and parole violators, as provided in sections 901.7, 904.908, and 906.17 and for offenders confined pursuant to section 904.513:

..... \$ 674,954

k. For federal prison reimbursement, reimbursements for out-of-state placements, and miscellaneous contracts:

..... \$ 241,293

The department of corrections shall use funds appropriated in this subsection to continue to contract for the services of a Muslim imam.

Sec. 184. DEPARTMENT OF CORRECTIONS -- ADMINISTRATION.

1. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For general administration, including salaries, support, maintenance, employment of an education director to administer a centralized education program for the correctional system, and miscellaneous purposes:

..... \$ 2,784,393

(1) It is the intent of the general assembly that as a condition of receiving the appropriation provided in this lettered paragraph, the department of corrections shall not, except as otherwise provided in subparagraph (3), enter into a new contract, unless the contract is a renewal of an existing contract, for the expenditure of moneys in excess of \$100,000 during the fiscal year beginning July 1, 2004, for the privatization of services performed by the department using state employees as of July 1, 2004, or for the privatization of new services by the department, without prior consultation with any applicable state employee organization affected by the proposed new contract and prior notification of the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system.

(2) It is the intent of the general assembly that each lease negotiated by the department of corrections with a

private corporation for the purpose of providing private industry employment of inmates in a correctional institution shall prohibit the private corporation from utilizing inmate labor for partisan political purposes for any person seeking election to public office in this state and that a violation of this requirement shall result in a termination of the lease agreement.

(3) It is the intent of the general assembly that as a condition of receiving the appropriation provided in this lettered paragraph, the department of corrections shall not enter into a lease or contractual agreement pursuant to section 904.809 with a private corporation for the use of building space for the purpose of providing inmate employment without providing that the terms of the lease or contract establish safeguards to restrict, to the greatest extent feasible, access by inmates working for the private corporation to personal identifying information of citizens.

b. For educational programs for inmates at state penal institutions:

..... \$ 1,008,358

It is the intent of the general assembly that moneys appropriated in this lettered paragraph shall be used solely for the purpose indicated and that the moneys shall not be transferred for any other purpose. In addition, it is the intent of the general assembly that the department shall consult with the community colleges in the areas in which the institutions are located to utilize moneys appropriated in this lettered paragraph to fund the high school completion, high school equivalency diploma, adult literacy, and adult basic education programs in a manner so as to maintain these programs at the institutions.

To maximize the funding for educational programs, the department shall establish guidelines and procedures to prioritize the availability of educational and vocational training for inmates based upon the goal of facilitating an inmate's successful release from the correctional institution.

The director of the department of corrections may transfer moneys from Iowa prison industries for use in educational programs for inmates.

Notwithstanding section 8.33, moneys appropriated in this lettered paragraph that remain unobligated or unexpended at the close of the fiscal year shall not revert but shall remain available for expenditure only for the purpose designated in



this lettered paragraph until the close of the succeeding fiscal year.

c. For the development of the Iowa corrections offender network (ICON) data system:

..... \$ 427,700

2. It is the intent of the general assembly that the department of corrections shall continue to operate the correctional farms under the control of the department at the same or greater level of participation and involvement as existed as of January 1, 2004, shall not enter into any rental agreement or contract concerning any farmland under the control of the department that is not subject to a rental agreement or contract as of January 1, 2004, without prior legislative approval, and shall further attempt to provide job opportunities at the farms for inmates. The department shall attempt to provide job opportunities at the farms for inmates by encouraging labor-intensive farming or gardening where appropriate, using inmates to grow produce and meat for institutional consumption, researching the possibility of instituting food canning and cook-and-chill operations, and exploring opportunities for organic farming and gardening, livestock ventures, horticulture, and specialized crops.

3. The department shall work to increase produce gardening by inmates under the control of the correctional institutions, and, if appropriate, may use the central distribution network at the Woodward state resource center. The department shall file a report with the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system by December 1, 2004, regarding the feasibility of expanding the number of acres devoted to organic gardening and to the growing of organic produce for sale.

4. The department of corrections shall submit a report to the general assembly by January 1, 2005, concerning moneys recouped from inmate earnings for the reimbursement of operational expenses of the applicable facility during the fiscal year beginning July 1, 2003, for each correctional institution and judicial district department of correctional services. In addition, each correctional institution and judicial district department of correctional services shall continue to submit a report to the legislative services agency on a monthly basis concerning moneys recouped from inmate earnings pursuant to sections 904.702, 904.809, and 905.14.

5. The department of corrections, in consultation with the board of parole, shall study the feasibility of establishing a mentoring program using unpaid volunteers to mentor persons who are on probation or parole. The department of corrections shall file a report regarding the study with the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system, and the legislative services agency by December 15, 2004. The report shall detail the feasibility of establishing such a mentoring program.

Sec. 185. JUDICIAL DISTRICT DEPARTMENTS OF CORRECTIONAL SERVICES.

1. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be allocated as follows:

a. For the first judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 10,090,207

b. For the second judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 7,755,402

c. For the third judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 4,631,423

d. For the fourth judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 4,248,965

e. For the fifth judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from



the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 12,982,837

f. For the sixth judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 10,064,717

g. For the seventh judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 5,677,314

h. For the eighth judicial district department of correctional services, including the treatment and supervision of probation and parole violators who have been released from the department of corrections violator program, the following amount, or so much thereof as is necessary:

..... \$ 5,574,865

2. Each judicial district department of correctional services, within the funding available, shall continue programs and plans established within that district to provide for intensive supervision, sex offender treatment, diversion of low-risk offenders to the least restrictive sanction available, job development, and expanded use of intermediate criminal sanctions.

3. Each judicial district department of correctional services shall provide alternatives to prison consistent with chapter 901B. The alternatives to prison shall ensure public safety while providing maximum rehabilitation to the offender. A judicial district department may also establish a day program.

4. The governor's office of drug control policy shall consider federal grants made to the department of corrections for the benefit of each of the eight judicial district departments of correctional services as local government grants, as defined pursuant to federal regulations.

Sec. 186. INTENT -- REPORTS.

1. The department of corrections shall submit a report on inmate labor to the general assembly, to the cochairpersons and the ranking members of the joint appropriations

subcommittee on the justice system, and to the legislative services agency by January 15, 2005. The report shall specifically address the progress the department has made in implementing the requirements of section 904.701, inmate labor on capital improvement projects, community work crews, inmate produce gardening, and private-sector employment.

2. The department in cooperation with townships, the Iowa cemetery associations, and other nonprofit or governmental entities may use inmate labor to restore or preserve rural cemeteries and historical landmarks. The department in cooperation with the counties may also use inmate labor to clean up roads, major water sources, and other water sources around the state. Any governmental entity or nonprofit agency using inmate labor pursuant to this subsection shall be immune from civil or employer liability.

3. The department shall provide a report that details the inmate capacity for each county jail, detention facility, or municipal jail. The report shall also include population data of the jails and detention facilities, and options for integrating jails and detention facilities into the department of corrections. The department shall file the report with the cochairpersons and ranking members of the joint appropriations subcommittee on the justice system and the legislative services agency by December 15 of each year. The department shall also coordinate and provide information to the counties regarding available inmate bed space in each county jail, detention facility, or municipal jail.

4. Each month the department shall provide a status report regarding private-sector employment to the legislative services agency beginning on July 1, 2004. The report shall include the number of offenders employed in the private sector, the combined number of hours worked by the offenders, and the total amount of allowances, and the distribution of allowances pursuant to section 904.702, including any moneys deposited in the general fund of the state.

Sec. 187. STATE AGENCY PURCHASES FROM PRISON INDUSTRIES.

1. As used in this section, unless the context otherwise requires, "state agency" means the government of the state of Iowa, including but not limited to all executive branch departments, agencies, boards, bureaus, and commissions, the judicial branch, the general assembly and all legislative agencies, institutions within the purview of the state board of regents, and any corporation whose primary function is to act as an instrumentality of the state.

Disapproval  
5/19/04  
GW



2. State agencies are hereby encouraged to purchase products from Iowa state industries, as defined in section 904.802, when purchases are required and the products are available from Iowa state industries. State agencies shall obtain bids from Iowa state industries for purchases of office furniture exceeding \$5,000 or in accordance with applicable administrative rules related to purchases for the agency.

Sec. 188. STATE PUBLIC DEFENDER. There is appropriated from the general fund of the state to the office of the state public defender of the department of inspections and appeals for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be allocated as follows for the purposes designated:

1. For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 16,663,446  
..... FTEs 202.00

2. For the fees of court-appointed attorneys for indigent adults and juveniles, in accordance with section 232.141 and chapter 815:

..... \$ 19,355,297

Sec. 189. IOWA LAW ENFORCEMENT ACADEMY.

1. There is appropriated from the general fund of the state to the Iowa law enforcement academy for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, including jailer training and technical assistance, and for not more than the following full-time equivalent positions:

..... \$ 1,066,890  
..... FTEs 30.05

It is the intent of the general assembly that the Iowa law enforcement academy may provide training of state and local law enforcement personnel concerning the recognition of and response to persons with Alzheimer's disease.

2. The Iowa law enforcement academy may select at least five automobiles of the department of public safety, division of the Iowa state patrol, prior to turning over the automobiles to the department of administrative services to be disposed of by public auction and the Iowa law enforcement

academy may exchange any automobile owned by the academy for each automobile selected if the selected automobile is used in training law enforcement officers at the academy. However, any automobile exchanged by the academy shall be substituted for the selected vehicle of the department of public safety and sold by public auction with the receipts being deposited in the depreciation fund to the credit of the department of public safety, division of the Iowa state patrol.

Sec. 190. BOARD OF PAROLE. There is appropriated from the general fund of the state to the board of parole for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,067,910
.....	FTEs	16.50

Sec. 191. DEPARTMENT OF PUBLIC DEFENSE. There is appropriated from the general fund of the state to the department of public defense for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. MILITARY DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,084,143
.....	FTEs	310.80

If there is a surplus in the general fund of the state for the fiscal year ending June 30, 2005, within 60 days after the close of the fiscal year, the military division may incur up to an additional \$500,000 in expenditures from the surplus prior to transfer of the surplus pursuant to section 8.57.

2. HOMELAND SECURITY AND EMERGENCY MANAGEMENT DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,123,400
.....	FTEs	25.25

Sec. 192. DEPARTMENT OF PUBLIC SAFETY. There is appropriated from the general fund of the state to the



department of public safety for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the department's administrative functions, including the criminal justice information system, and for not more than the following full-time equivalent positions:

.....	\$	2,654,732
.....	FTEs	37.00

2. For the division of criminal investigation and bureau of identification, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, to meet federal fund matching requirements, and for not more than the following full-time equivalent positions:

.....	\$	14,058,510
.....	FTEs	221.50

The department of public safety, with the approval of the department of management, may employ no more than two special agents and four gaming enforcement officers for each additional riverboat regulated after July 1, 2004, and one special agent for each racing facility which becomes operational during the fiscal year which begins July 1, 2004. One additional gaming enforcement officer, up to a total of four per riverboat, may be employed for each riverboat that has extended operations to 24 hours and has not previously operated with a 24-hour schedule. Positions authorized in this paragraph are in addition to the full-time equivalent positions otherwise authorized in this subsection.

3. a. For the division of narcotics enforcement, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, to meet federal fund matching requirements, and for not more than the following full-time equivalent positions:

.....	\$	3,930,089
.....	FTEs	59.00

b. For the division of narcotics enforcement for undercover purchases:

.....	\$	123,343
-------	----	---------

4. a. For the state fire marshal's office, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, and for not more than the following full-time equivalent positions:

..... \$ 2,181,998  
..... FTEs 39.00

b. For the state fire marshal's office, for fire protection services as provided through the state fire service and emergency response council as created in the department, and for not more than the following full-time equivalent positions:

..... \$ 638,021  
..... FTEs 12.00

5. For the division of the Iowa state patrol of the department of public safety, for salaries, support, maintenance, workers' compensation costs, and miscellaneous purposes, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of 17 percent of the salaries for which the funds are appropriated, and for not more than the following full-time equivalent positions:

..... \$ 42,517,133  
..... FTEs 536.00

It is the intent of the general assembly that members of the Iowa state patrol be assigned to patrol the highways and roads in lieu of assignments for inspecting school buses for the school districts.

It is the intent of the general assembly that approximately one-half of the members of the Iowa state patrol assigned to District 16 be reassigned to patrol duties on the highways and roads, and that candidates from the department of public safety's training school fill vacant positions at District 16 due to the reassignment.

In addition to the amount appropriated in this subsection, there is transferred from the moneys credited during the fiscal year beginning July 1, 2004, to the depreciation fund maintained by the department of administrative services pursuant to section 8A.365, for purposes of the motor pool, to the vehicle depreciation account maintained by the department of public safety for vehicles utilized by the division of the Iowa state patrol. During the fiscal year the department of

Disapproved  
5.17.04  
ow



administrative services shall credit to the depreciation fund at least \$475,000 for purposes of the motor pool. The moneys shall be transferred to the department of public safety on a monthly basis. Moneys transferred pursuant to this paragraph are appropriated to the department of public safety for purposes of vehicle replacement for the division of the Iowa state patrol. Notwithstanding section 8.33, moneys transferred in this paragraph that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure from the department of public safety's vehicle depreciation account for the purposes designated until the close of the fiscal year that begins July 1, 2005.

6. For deposit in the public safety law enforcement sick leave benefits fund established under section 80.42, for all departmental employees eligible to receive benefits for accrued sick leave under the collective bargaining agreement:  
..... \$ 316,179

An employee of the department of public safety who retires after July 1, 2004, but prior to June 30, 2005, is eligible for payment of life or health insurance premiums as provided for in the collective bargaining agreement covering the public safety bargaining unit at the time of retirement if that employee previously served in a position which would have been covered by the agreement. The employee shall be given credit for the service in that prior position as though it were covered by that agreement. The provisions of this subsection shall not operate to reduce any retirement benefits an employee may have earned under other collective bargaining agreements or retirement programs.

7. For costs associated with the training and equipment needs of volunteer fire fighters and for not more than the following full-time equivalent position:  
..... \$ 559,587  
..... FTEs 1.00

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unobligated or unexpended at the close of the fiscal year shall not revert but shall remain available for expenditure only for the purpose designated in this subsection until the close of the succeeding fiscal year.

Sec. 193. CIVIL RIGHTS COMMISSION. There is appropriated from the general fund of the state to the Iowa state civil rights commission for the fiscal year beginning July 1, 2004,

and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	825,752
.....	FTEs	28.00

The Iowa state civil rights commission may enter into a contract with a nonprofit organization to provide legal assistance to resolve civil rights complaints.

Sec. 194. Section 8D.9, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A community college receiving federal funding to conduct first responder training and testing regarding homeland security first responder communication and technology-related research and development projects shall be authorized to utilize the network for testing purposes.

Sec. 195. Section 13B.4, subsection 2, Code Supplement 2003, as amended by 2004 Iowa Acts, House File 2138, section 1, if enacted, is amended to read as follows:

2. The state public defender shall file a notice with the clerk of the district court in each county served by a public defender designating which public defender office shall receive notice of appointment of cases. The state public defender may also designate a nonprofit organization which ~~contracts~~ has a contract with the state public defender to provide legal services to eligible indigent persons prior to July 1, 2004. Except as otherwise provided, in each county in which the state public defender files a designation, the state public defender's designee shall be appointed by the court to represent all eligible indigents, in all of the cases and proceedings specified in the designation. The appointment shall not be made if the state public defender notifies the court that the public defender designee will not provide legal representation in certain cases as identified in the designation by the state public defender.

Sec. 196. Section 85.66, Code 2003, is amended to read as follows:

85.66 SECOND INJURY FUND -- CREATION -- CUSTODIAN.

The "Second Injury Fund" is hereby established under the custody of the treasurer of state and shall consist of payments to the fund as provided by this division and any



accumulated interest and earnings on moneys in the second injury fund. The treasurer of state is charged with the conservation of the assets of the second injury fund. Moneys collected in the "Second Injury Fund" shall be disbursed only for the purposes stated in this division, and shall not at any time be appropriated or diverted to any other use or purpose. The treasurer of state shall invest any surplus moneys of the fund in securities which constitute legal investments for state funds under the laws of this state, and may sell any of the securities in which the fund is invested, if necessary, for the proper administration or in the best interests of the fund. Disbursements from the fund shall be paid by the treasurer of state only upon the written order of the workers' compensation commissioner. The attorney general shall be reimbursed up to fifty thousand dollars annually from the fund for services provided related to the fund. The treasurer of state shall quarterly prepare a statement of the fund, setting forth the balance of moneys in the fund, the income of the fund, specifying the source of all income, the payments out of the fund, specifying the various items of payments, and setting forth the balance of the fund remaining to its credit. The statement shall be open to public inspection in the office of the treasurer of state.

Sec. 197. Section 85.67, Code 2003, is amended to read as follows:

85.67 ADMINISTRATION OF FUND -- SPECIAL COUNSEL -- PAYMENT OF AWARD.

The attorney general shall appoint a staff member to represent the treasurer of state and the fund in all proceedings and matters arising under this division. The attorney general shall be reimbursed up to fifty thousand dollars annually from the fund for services provided related to the fund. The commissioner of insurance shall consider the reimbursement to the attorney general as an outstanding liability when making a determination of funding availability under section 85.65A, subsection 2. In making an award under this division, the workers' compensation commissioner shall specifically find the amount the injured employee shall be paid weekly, the number of weeks of compensation which shall be paid by the employer, the date upon which payments out of the fund shall begin, and, if possible, the length of time the payments shall continue.

Disapproved  
5/1/01  
m

Sec. 198. NEW SECTION. 564.9 DEPARTMENT OF NATURAL RESOURCES -- ACCESS.

1. The department of natural resources shall grant the owner of a parcel of land access to a public road if any of the following applies:

a. It is otherwise impossible for the owner to access the public road because the parcel is surrounded by land held by the department.

b. The parcel is otherwise surrounded by land with a topography that makes access unreasonable.

c. Access by another way would cause degradation or destroy the integrity of the land.

2. The department may grant access to the owner by the sale, exchange, or other transfer of land or by the grant of an easement.

3. A person entitled to access as provided in this section may construct a road for automobile traffic from the parcel to the public road. The owner shall be responsible for constructing and maintaining any private road from the parcel to the public road which shall not be more than twenty feet in width unless otherwise agreed to by the parties.

Sec. 199. Section 602.8107, subsection 4, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

All fines, penalties, court costs, fees, surcharges, and restitution for court-appointed attorney fees or for expenses of a public defender which are deemed delinquent by the clerk pursuant to subsection 3 may be collected by the county attorney or the county attorney's designee. Thirty-five percent of the amounts collected by the county attorney or the person procured or designated by the county attorney shall be deposited in the general fund of the county if the county attorney has filed the notice required in section 331.756, subsection 5, unless the county attorney has discontinued collection efforts on a particular delinquent amount. The Up to one million two hundred thousand dollars of the remainder shall be paid each fiscal year to the clerk clerks for distribution under section 602.8108. If the threshold amount of one million two hundred thousand dollars has been distributed under section 602.8108, the remainder shall be distributed as provided in subsection 4A. The state court administrator shall notify the clerks that the threshold amount has been distributed under section 602.8108, and that



the distribution of any additional moneys collected by the county attorney shall be as provided in subsection 4A.

Sec. 200. Section 602.8107, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. After the threshold amount has been distributed under section 602.8108 as provided in subsection 4, thirty-five percent of any additional moneys collected by the county attorney or the person procured or designated by the county attorney shall be deposited in the general fund of the county, and thirty-three percent of any additional moneys collected by the county attorney or the person procured or designated by the county attorney shall be deposited with the office of the county attorney. The remainder shall be paid to the clerk for distribution under section 602.8108.

Sec. 201. Section 815.9, subsection 1, paragraphs a and b, Code 2003, are amended to read as follows:

a. A person is entitled to an attorney appointed by the court to represent the person if the person has an income level at or below one hundred ~~twenty-five~~ percent of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, unless the court determines that the person is able to pay for the cost of an attorney to represent the person on the pending case. In making the determination of a person's ability to pay for the cost of an attorney, the court shall consider not only the person's income, but also the availability of any assets subject to execution, including but not limited to cash, stocks, bonds, and any other property which may be applied to the satisfaction of judgments, and the seriousness of the charge or nature of the case.

b. A person with an income level greater than one hundred ~~twenty-five percent, but at or below two hundred percent,~~ of the most recently revised poverty income guidelines published by the United States department of health and human services shall not be entitled to an attorney appointed by the court, unless the court makes a written finding that not appointing counsel on the pending case would cause the person substantial hardship. In determining whether substantial hardship would result, the court shall consider not only the person's income, but also the availability of any assets subject to execution, including but not limited to cash, stocks, bonds, and any other property which may be applied to the satisfaction of

Disapproved  
5.19.04  
on

judgments, and the seriousness of the charge or nature of the case.

Sec. 202. NEW SECTION. 904.118 IOWA CORRECTIONS OFFENDER NETWORK -- FUND.

An Iowa corrections offender network fund is established under the control of the department. All sales, gifts, and donations related to the Iowa offender network data system shall be credited to the fund and the moneys in the fund are appropriated to the department to be used for further development and general maintenance of the Iowa corrections offender network data system. Notwithstanding section 8.33, moneys credited to the fund shall not revert to any other fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

Sec. 203. Section 904.809, subsection 5, paragraph c, Code 2003, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (2A) The department may retain up to fifty percent of any remaining balance after deductions made under subparagraphs (1) and (2) if the remaining balance is from an inmate employed in a new job created on or after July 1, 2004. The funds shall be used to staff supervision costs of private sector employment of inmates at correctional institutions. Funds retained pursuant to this subparagraph shall not be used for administrative costs of the Iowa state industries.

Sec. 204. Section 904.809, subsection 5, paragraph c, subparagraph (3), Code 2003, is amended to read as follows:

(3) Any balance remaining after the deductions made under subparagraphs (1), and (2), and (2A) shall represent the costs of the inmate's incarceration and shall be deposited, ~~effective July 1, 2000,~~ in the general fund of the state.

Sec. 205. Section 907.9, subsections 1, 2, and 4, Code Supplement 2003, are amended to read as follows:

1. At any time that the court determines that the purposes of probation have been fulfilled and the any fees imposed under section sections 815.9 and 905.14 have been paid ~~or on condition that unpaid supervision fees be paid~~, the court may order the discharge of a person from probation.

2. At any time that a probation officer determines that the purposes of probation have been fulfilled and the any fees imposed under section sections 815.9 and 905.14 have been paid ~~or on condition that unpaid supervision fees be paid~~, the



officer may order the discharge of a person from probation after approval of the district director and notification of the sentencing court and the county attorney who prosecuted the case.

4. At the expiration of the period of probation and if the fees imposed under ~~section~~ sections 815.9 and 905.14 have been paid or on condition that unpaid supervision fees be paid, the court shall order the discharge of the person from probation, and the court shall forward to the governor a recommendation for or against restoration of citizenship rights to that person. A person who has been discharged from probation shall no longer be held to answer for the person's offense. Upon discharge from probation, if judgment has been deferred under section 907.3, the court's criminal record with reference to the deferred judgment shall be expunged. The record maintained by the state court administrator as required by section 907.4 shall not be expunged. The court's record shall not be expunged in any other circumstances.

Sec. 206. 1998 Iowa Acts, chapter 1101, section 15, subsection 2, as amended by 1999 Iowa Acts, chapter 202, section 25, as amended by 2000 Iowa Acts, chapter 1229, section 25, as amended by 2001 Iowa Acts, chapter 186, section 21, as amended by 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 170, and as amended by 2003 Iowa Acts, chapter 174, section 17, is amended to read as follows:

2. a. There is appropriated from surcharge moneys received by the E911 administrator and deposited into the wireless E911 emergency communications fund, for each fiscal year in the fiscal period beginning July 1, 1998, and ending June 30, ~~2004~~ 2005, an amount not to exceed two hundred thousand dollars to be used for the implementation, support, and maintenance of the functions of the E911 administrator. The amount appropriated in this paragraph includes any amounts necessary to reimburse the division of emergency management of the department of public defense pursuant to paragraph "b".

b. Notwithstanding the distribution formula in section 34A.7A, as enacted in this Act, and prior to any such distribution, of the initial surcharge moneys received by the E911 administrator and deposited into the wireless E911 emergency communications fund, for each fiscal year in the fiscal period beginning July 1, 1998, and ending June 30, ~~2004~~ 2005, an amount is appropriated to the division of emergency

management of the department of public defense as necessary to reimburse the division for amounts expended for the implementation, support, and maintenance of the E911 administrator, including the E911 administrator's salary.

Sec. 207. IOWA LAW ENFORCEMENT ACADEMY -- FEES.

Notwithstanding section 80B.11B, the Iowa law enforcement academy may charge more than one-half the cost of providing the basic training course if a majority of the Iowa law enforcement academy council authorizes charging more than one-half of the cost of providing basic training. This section is repealed on June 30, 2005.

Sec. 208. STATE PUBLIC DEFENDER STUDY. The state public defender in consultation with the indigent defense advisory commission, the supreme court, the Iowa state bar association, the Iowa association of criminal defense lawyers, and other interested organizations, shall study cost saving methods that can be implemented to deliver legal representation to indigent defendants in a more efficient manner. The state public defender, in cooperation with the entities consulted with, shall file a report with the general assembly by December 15, 2004. The report shall include recommendations for achieving efficiencies in the delivery of indigent defense services including but not limited to the advisability of the state public defender entering into indigent defense contracts for a predetermined fee in specific types of cases.

Sec. 209. EFFECTIVE DATE. The provisions of this division of this Act amending sections 85.66, 85.67, and 904.118, and 1998 Iowa Acts, chapter 1101, being deemed of immediate importance, take effect upon enactment.

DIVISION X  
STANDING APPROPRIATIONS, SALARIES,  
AND MISCELLANEOUS PROVISIONS

Sec. 210. GENERAL ASSEMBLY. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and legislative agencies for the fiscal year beginning July 1, 2004, and ending June 30, 2005, are reduced by the following amount:

..... \$ 2,000,000

Sec. 211. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the amounts appropriated from the general fund of the state pursuant to those sections for the following designated purposes shall not exceed the following amounts:



1. For compensation of officers and enlisted persons and their expenses while on state active duty as authorized in section 29A.27:  
..... \$ 421,639
2. For payment for nonpublic school transportation under section 285.2:  
..... \$ 7,955,541
- If total approved claims for reimbursement for nonpublic school pupil transportation claims exceed the amount appropriated in this section, the department of education shall prorate the amount of each claim.
3. For printing cigarette tax stamps under section 453A.7:  
..... \$ 107,304
4. For the state's share of the cost of the peace officers' retirement benefits under section 411.20:  
..... \$ 2,745,784
5. For payment of livestock production credit refunds under section 422.121:  
..... \$ 1,770,342
6. For instructional support state aid under section 257.20:  
..... \$ 14,428,271
7. For at-risk children programs under section 279.51, subsection 1:  
..... \$ 11,271,000
- The amount of any reduction in this subsection shall be prorated among the programs specified in section 279.51, subsection 1, paragraphs "a", "b", and "c".
8. For paying claims against the state under section 25.2:  
..... \$ 4,387,500
9. For administration expenses of the state unemployment compensation law under chapter 96:  
..... \$ 538,750
10. For payment of certain interest costs due the federal government under the federal Cash Management and Improvement Act under section 421.31:  
..... \$ 436,250
11. For funding the state's deferred compensation program established for state employees under section 509A.12:  
..... \$ 55,088
12. For the educational excellence program under section 294A.25, subsection 1:  
..... \$ 55,469,053

Sec. 212. HELP US STOP HUNGER. There is appropriated from the general fund of the state of the department of natural resources for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used as follows:

To expand the help us stop hunger pilot project:

..... \$ 17,000

Sec. 213. STATE APPEAL BOARD STREAMLINING. For the fiscal year beginning July 1, 2004, the state appeal board may pay out of any moneys in the state treasury not otherwise appropriated for costs associated with streamlining and improving the state appeal board process.

Sec. 214. Section 8.22A, subsection 3, Code Supplement 2003, is amended to read as follows:

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.

Sec. 215. Section 8.54, subsection 2, Code 2003, is amended to read as follows:

2. There is created a state general fund expenditure limitation for each fiscal year ~~beginning-on-or-after-July-1,~~ ~~1993,~~ 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.

Sec. 216. Section 8.55, subsection 2, paragraph d, Code Supplement 2003, is amended to read as follows:

d. 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 and after the appropriate amounts have been transferred pursuant to paragraphs "b" and "c" shall not be transferred to the general fund of the state but shall be transferred to the endowment for Iowa's health account of the tobacco settlement trust fund. The total amount transferred, in the aggregate, under this paragraph for all fiscal years shall not exceed the difference between one hundred ~~one~~ thirty-one million ~~seven~~ five hundred ~~fifty-one~~ thirty-six thousand dollars and the amounts transferred to the endowment for Iowa's health account to repay the amounts transferred or appropriated from the endowment for Iowa's health account in 2002 Iowa Acts, chapter 1165, 2002 Iowa Acts, chapter 1166, 2002 Iowa Acts, chapter 1167, 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, and 2003 Iowa Acts, chapter 183, and 2004 Iowa Acts, Senate File 2298.

Sec. 217. Section 8.62, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Notwithstanding any provision of this section and sections 8.33 and 8.39 to the contrary, if a full-time equivalent position budgeted for within an appropriation from the general fund of the state to a department or establishment other than the state board of regents is vacant for all or a portion of the fiscal year, an amount equal to the salary and benefits associated with the time of vacancy of the position shall be considered to be encumbered for the period of the vacancy, shall not be used for any other purpose, and the encumbered amount shall revert to the general fund of the state at the close of the fiscal year.

Sec. 218. Section 10C.5, Code 2003, is amended to read as follows:

10C.5 REPEAL.

Disapproval  
5/19/04  
aw

Sections 10C.1 through 10C.4 and this section are repealed July 1, ~~2004~~ 2008.

Sec. 219. Section 10C.6, subsection 1, paragraph a, unnumbered paragraph 1, Code 2003, is amended to read as follows:

A life science enterprise may acquire or hold agricultural land, notwithstanding section 10C.5 as that section exists in the ~~2003~~ 2005 Code ~~or-2003-Code-Supplement~~, if all of the following apply:

Sec. 220. Section 10C.6, subsection 1, paragraph a, subparagraphs (1) and (2), Code 2003, are amended to read as follows:

(1) The life science enterprise acquires the agricultural land on or before June 30, ~~2004~~ 2008.

(2) The enterprise acquires or holds the agricultural land pursuant to chapter 10C as that chapter exists in the ~~2003~~ 2005 Code ~~or-2003-Code-Supplement~~.

Sec. 221. Section 28.3, subsection 2, Code 2003, is amended to read as follows:

2. The Iowa board shall consist of ~~seventeen~~ eighteen voting members with thirteen citizen members and ~~four~~ five state agency members. The ~~four~~ five state agency members shall be the directors of the following departments: economic development, education, human rights, human services, and public health. The thirteen citizen members shall be appointed by the governor, subject to confirmation by the senate. The governor's appointments of citizen members shall be made in a manner so that each of the state's congressional districts is represented by two citizen members and so that all the appointments as a whole reflect the ethnic, cultural, social, and economic diversity of the state. The governor's appointees shall be selected from individuals nominated by community empowerment area boards. The nominations shall reflect the range of interests represented on the community boards so that the governor is able to appoint one or more members each for education, health, human services, business, faith, and public interests. At least one of the citizen members shall be a service consumer or the parent of a service consumer. Terms of office of all citizen members are three years. A vacancy on the board shall be filled in the same manner as the original appointment for the balance of the unexpired term.



Sec. 222. Section 35A.2, Code 2003, is amended to read as follows:

35A.2 COMMISSION OF VETERANS AFFAIRS.

1. A commission of veterans affairs is created consisting of ~~seven~~ nine persons who shall be appointed by the governor, subject to confirmation by the senate. Members shall be appointed to staggered terms of four years beginning and ending as provided in section 69.19. The governor shall fill a vacancy for the unexpired portion of the term.

2. ~~Six~~ Eight commissioners shall be honorably discharged members of the armed forces of the United States. The American legion of Iowa, disabled American veterans department of Iowa, veterans of foreign wars department of Iowa, American veterans of World War II, Korea, and Vietnam, the Vietnam veterans of America, and the military order of the purple heart, through their department commanders, shall submit two names respectively from their organizations to the governor. The adjutant general and the Iowa affiliate of the reserve officers association shall submit names to the governor of persons to represent the Iowa national guard and the association. The governor shall appoint from the group of names submitted by the adjutant general and reserve officers association two representatives and from each of the other organizations one representative to serve as a member of the commission, unless the appointments would conflict with the bipartisan and gender balance provisions of sections 69.16 and 69.16A. In addition, the governor shall appoint one member of the public, knowledgeable in the general field of veterans affairs, to serve on the commission.

Sec. 223. Section 35A.3, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 14. To establish and operate a state veterans cemetery and to make application to the government of the United States or any subdivision, agency, or instrumentality thereof, for funds for the purpose of establishing such a cemetery. The state may enter into agreements with any subdivision of the state for assistance in operating the cemetery. The state shall own the land on which the cemetery is located. The commission shall have the authority to accept federal grant funds, funding from state subdivisions, donations from private sources, and federal "plot allowance" payments. All such funds shall be deposited into an account dedicated to the establishment, operation, and

maintenance of a veterans cemetery and these funds shall be expended only for those purposes. The commission through the executive director shall have the authority to accept suitable cemetery land, in accordance with federal veterans cemetery grant guidelines, from the federal government, state government, state subdivisions, private sources, and any other source wishing to transfer land for use as a veterans cemetery.

Sec. 224. Section 35D.13, subsection 2, Code 2003, is amended by striking the subsection and inserting in lieu thereof the following:

2. The commandant shall be a resident of the state of Iowa who served in the armed forces of the United States and was honorably discharged, and is a licensed nursing home administrator.

Sec. 225. Section 85.36, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. In the case of a school district employee who is employed pursuant to a contract for a specific period of time, and whose earnings are paid pursuant to a contract for a different period of time than the period of time during which the services are performed, the employee's weekly earnings shall be based on the period of time for which the earnings are paid rather than on the period of time during which the services are performed.

Sec. 226. Section 135C.31A, Code Supplement 2003, is amended to read as follows:

135C.31A ASSESSMENT OF RESIDENTS -- PROGRAM ELIGIBILITY.

Beginning July 1, 2003, a health care facility receiving reimbursement through the medical assistance program under chapter 249A shall assist the Iowa commission of veterans affairs in identifying, upon admission of a resident, the resident's eligibility for benefits through the federal department of veterans affairs. The health care facility shall also assist the Iowa commission of veterans affairs in determining such eligibility for residents residing in the facility on July 1, 2003. The department of inspections and appeals, in cooperation with the department of human services, shall adopt rules to administer this section, including a provision that ensures that if a resident is eligible for benefits through the federal department of veterans affairs or other third-party payor, the payor of last resort for reimbursement to the health care facility is the medical

Disapproval  
5.19.04  
pw



assistance program. This section shall not apply to the admission of an individual to a state mental health institute for acute psychiatric care or to the admission of an individual to the Iowa veterans home.

Sec. 227. NEW SECTION. 153.40 MOBILE DENTAL DELIVERY SYSTEM.

The Iowa department of public health shall establish and implement a mobile dental delivery system to make available dental supplies, portable dental equipment, and vans to be used in transporting the equipment to provide oral health services to and improve the oral health of low-income persons who live in federal or state-designated health professional shortage areas and have the least access to oral health services. The department shall coordinate the program. Funds available for improving oral health may also be used for loan forgiveness for dental providers or to develop oral health training modules for nursing home staff or other suitable staff who provide oral health services to persons described in this section.

Sec. 228. Section 208.16, subsection 2, Code 2003, is amended to read as follows:

2. The division may establish procedures for transferring the responsibility for reclamation of a mine site to a state agency or political subdivision, or to a private entity, which intends to use the site for other purposes. The division, with agreement from the receiving agency or subdivision, or from a private entity, to complete adequate reclamation, may approve the transfer of responsibility, release the bond or security, and terminate or amend the operator's authorization to conduct mining on the site.

Sec. 229. Section 256.7, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 26. Adopt rules directing the school districts and area education agencies to submit annually data regarding the salaries and benefits of administrators and from the most recent contract settlement increases for salaries and group health insurance plans provided under collective bargaining agreements negotiated pursuant to chapter 20. The department shall compile the data in a report to be submitted by January 15 of each year to the chairpersons and ranking members of the house and senate standing committees on education and appropriations and of the joint appropriations subcommittee on education.

Disapproved  
5.17.04  
OW

Sec. 230. Section 256D.3, subsection 3, Code 2003, is amended to read as follows:

3. Beginning January 15, ~~2004~~ 2005, the department shall submit an annual report to the chairpersons and ranking members of the senate and house education committees that includes the statewide average school district class size in basic skills instruction in kindergarten through grade three, by grade level and by district size, and describes school district progress toward achieving early intervention block grant program goals and the ways in which school districts are using moneys received pursuant to ~~section 256D.4~~ this chapter and expended as provided in section 256D.2.

Sec. 231. Section 256D.4, subsection 2, Code Supplement 2003, is amended to read as follows:

2. Moneys appropriated pursuant to section 256D.5, subsection 3 4, shall be allocated to school districts as follows:

a. Allocation of the sum of twenty nineteen million five hundred thousand dollars shall be based upon the proportion that the kindergarten through grade three enrollment of a district bears to the sum of the kindergarten through grade three enrollments of all school districts in the state as reported for the base year.

b. Allocation of the sum of ten nine million seven hundred fifty thousand dollars shall be based upon the proportion that the number of children who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, in grades one through three of a school district bears to the sum of the number of children who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, in grades one through three in all school districts in the state for the base year.

Sec. 232. Section 256D.5, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 4. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the sum of twenty-nine million two hundred fifty thousand dollars.

Sec. 233. Section 256D.9, Code Supplement 2003, is amended to read as follows:

256D.9 FUTURE REPEAL.

This chapter is repealed effective July 1, ~~2004~~ 2005.

Disapproved  
5.19.04  
Or



Sec. 234. Section 257.8, subsection 1, Code Supplement 2003, is amended to read as follows:

1. STATE PERCENT OF GROWTH. ~~The state percent of growth for the budget year beginning July 1, 2003, is two percent.~~ The state percent of growth for the budget year beginning July 1, 2004, is two percent. The state percent of growth for the budget year beginning July 1, 2005, is four percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.

Sec. 235. Section 257.14, subsection 3, unnumbered paragraph 1, Code 2003, is amended to read as follows:

For the budget year commencing July 1, 2004, and succeeding budget years, ~~if the department of management determines that the regular program district cost of a school district for a budget year is less than one hundred one percent of the regular program district cost for the base year for that school district,~~ a district shall be eligible for a budget adjustment corresponding to the following schedule:

Sec. 236. Section 257.35, Code Supplement 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 4. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2004, shall be reduced by the department of management by eleven million seven hundred ninety-eight thousand seven hundred three dollars. The reduction for each area education agency shall be equal to the reduction that the agency received in the fiscal year beginning July 1, 2003.

NEW SUBSECTION. 5. Notwithstanding section 257.37, an area education agency may use the funds determined to be available under this section in a manner which the area education agency determines is appropriate to best maintain the level of required area education agency special education services. An area education agency may also use unreserved fund balances for media services or education services in a manner which the area education agency determines is

appropriate to best maintain the level of required area education agency special education services.

Sec. 237. Section 261.9, subsection 1, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

"Accredited private institution" means an institution of higher learning located in Iowa which is operated privately and not controlled or administered by any state agency or any subdivision of the state, ~~except for county hospitals as provided in paragraph "e" of this subsection,~~ and which meets at least one of the criteria in paragraphs "a" through "e" and "b" and all of the criteria in paragraphs "d" through "g", except that institutions defined in paragraph "c" of this subsection are exempt from the requirements of paragraphs "a" and "b":

Sec. 238. Section 261.9, subsection 1, paragraphs b and c, Code Supplement 2003, are amended by striking the paragraphs and inserting in lieu thereof the following:

b. Is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements, are exempt from taxation under section 501(c)(3) of the Internal Revenue Code, and annually provide a matching aggregate amount of institutional financial aid equal to at least seventy-five percent of the amount received in a fiscal year by the institution's students for Iowa tuition grant assistance under this chapter. Commencing with the fiscal year beginning July 1, 2005, the matching aggregate amount of institutional financial aid shall increase by the percentage of increase each fiscal year of funds appropriated for Iowa tuition grants under section 261.25, subsection 1, to a maximum match of one hundred percent. The institution shall file annual reports with the commission prior to receipt of tuition grant moneys under this chapter. An institution whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant money in the fiscal year beginning July 1, 2003, shall meet the match requirements of this paragraph no later than June 30, 2005.

c. Is a specialized college that is accredited by the north central association of colleges and secondary schools accrediting agency, and which offers health professional programs that are affiliated with health care systems located in Iowa.



Sec. 239. Section 273.3, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 23. Submit annually to the department of education data regarding the salaries and benefits of administrators and from the most recent contract settlement increases for salaries and group health insurance plans provided under collective bargaining agreements negotiated pursuant to chapter 20.

Sec. 240. Section 279.12, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

The board shall carry into effect any instruction from the regular election upon matters within the control of the voters, and shall elect all teachers and make all contracts necessary or proper for exercising the powers granted and performing the duties required by law, and may establish and pay all or any part thereof from school district funds the cost of group health insurance plans, nonprofit group hospital service plans, nonprofit group medical service plans and group life insurance plans adopted by the board for the benefit of employees of the school district, but the board may authorize any subdirector to employ teachers for the school in the subdirector's subdistrict; but no such employment by a subdirector shall authorize a contract, the entire period of which is wholly beyond the subdirector's term of office. The board shall submit annually to the department of education data regarding the salaries and benefits of administrators and from the most recent contract settlement increases for salaries and group health insurance plans provided under collective bargaining agreements negotiated pursuant to chapter 20.

Sec. 241. Section 280.14, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 3. The board of directors of each school district shall annually review school district expenditures and identify and examine potential cost savings that can be achieved in the delivery of administrative services and other costs involved in the operation of the school district, including but not limited to health insurance, maintenance of facilities and buses, the acquisition of and distribution of materials and supplies used by the school district, and the delivery of transportation, human resource and financial services, computer support services, and data management. The school district shall consider cost saving partnership

Disapproval  
5.19.04  
aw

Disapproval  
5.19.04  
aw

Disapproval  
5.19.04  
aw

opportunities with other school districts, area education agencies, community colleges, libraries, cities, counties, or other public or private entities. The results of the study shall be presented to the public at a regularly scheduled board meeting. The school district shall annually report the cost savings to the department of education in a manner prescribed by the department. The department shall annually compile the information submitted by the school districts in a report which the department shall submit to the general assembly by December 31.

Sec. 242. NEW SECTION. 280A.1 IOWA LEARNING TECHNOLOGY INITIATIVE.

1. INITIATIVE. The Iowa learning technology initiative is created to provide training and learning opportunities to public and accredited nonpublic school students in grade seven and their administrators and teachers.

2. PILOT PROGRAM. The Iowa learning technology commission created in section 280A.2 shall develop and administer the Iowa learning technology initiative, which shall include a pilot program. Upon the receipt or pledge of sufficient moneys, as determined by the commission, for deposit in the Iowa learning technology fund created in section 280A.4, the pilot program shall be implemented. A school district or accredited nonpublic school may submit an application to participate in the pilot program to the commission no later than sixty days following receipt or pledge of moneys into the Iowa learning technology fund. The application shall include a written statement that indicates a dedicated willingness to participate. School districts or accredited nonpublic schools chosen to participate in the pilot program shall have demonstrated to the commission administrative leadership, teacher willingness to participate, and community support, and shall represent geographically distinct rural, urban, and suburban areas of the state. The commission shall notify applicants of approval or disapproval of applications no later than seventy-five days after the application deadline.

3. PUBLIC-PRIVATE PARTNERSHIP.

a. The Iowa learning technology commission shall, in consultation with the department of education and the department of administrative services, develop and issue no later than forty-five days after the receipt or pledge of moneys into the Iowa learning technology fund, a request for proposals for one or more private providers who shall partner

Disapproval  
5/19/07  
m



with the state to implement the pilot program phase of the initiative. No later than forty-five days after the issuance of the request for proposals, the commission shall select finalists from among the proposals submitted. No later than forty-five days after the selection of finalists, the commission shall select one or more private providers.

b. One or more private providers shall be selected by the commission through a request for proposals process for a total solutions learning technology package that includes, but is not limited to, hardware, software, professional development, and service and support, which shall be managed by a single point of contact responsible for the overall implementation. The proposal selected by the commission shall achieve significant efficiencies and economies of scale, be interoperable with existing technologies, and be consistent with the state's economic development and education policies. In selecting a private provider, the commission shall consider all of the following with respect to the private provider:

(1) Experience in the development and successful implementation of large-scale, school-based wireless and other learning technology projects, and the technical ability to deliver a total solutions package of learning technology for elementary and secondary students and teachers.

(2) Demonstrated financial capability and long-term stability to partner with the state over the term of the private provider contract.

(3) Expertise, experience, and capabilities in education practice and evaluation methods.

c. The commission shall conduct, in cooperation with the attorney general, contract negotiations to establish a public-private partnership on behalf of the commission and enter into a contract negotiated with one or more private providers to establish a four-year learning technology pilot program to provide a wireless laptop computer to each student, teacher, and relevant administrator in a participating school and implement the use of software, on-line courses, and other appropriate learning technologies that have been shown to improve academic achievement and specified progress measures. The term of the contract shall include the deployment of computers to students and teachers in participating school districts and accredited nonpublic schools in accordance with subsection 2.

4. EVALUATION. To measure the effectiveness of the pilot program established pursuant to subsection 2, the Iowa learning technology commission shall, at a minimum, establish standards and methods of measuring progress in the areas of increased student engagement, decreased disciplinary problems, increased use of computers for writing, analysis, and research, movement toward student-centered classrooms, increased parental involvement, and increases in standardized test scores. The commission shall work cooperatively with the department of education and the state board of regents in establishing an evaluation process pursuant to this subsection.

Sec. 243. NEW SECTION. 280A.2 COMMISSION -- MEMBERS.

1. COMMISSION CREATED. An Iowa learning technology commission is created to establish the policies and determine the necessary budget for implementation of the Iowa learning technology initiative.

2. MEMBERS. The commission shall initially be appointed no later than July 1, 2004, and shall consist of eighteen members appointed as follows:

a. Nine voting members who shall be members of the general public and shall be appointed as follows:

(1) Two members shall be appointed by the governor.

(2) Two members shall be appointed by the president of the senate.

(3) One member shall be appointed by the minority leader of the senate.

(4) Two members shall be appointed by the speaker of the house of representatives.

(5) One member shall be appointed by the minority leader of the house of representatives.

(6) One member who is a member of the state board of education shall be appointed by the chairperson of the state board.

b. Nine ex officio, nonvoting members who shall be appointed as follows:

(1) One member representing public postsecondary education institutions who is employed by a public postsecondary education institution shall be appointed by the governor.

(2) Three members representing three different school districts shall be appointed by the governor as follows:

(a) One member shall be a teacher employed by a school district or area education agency who is appointed from a list



of three names submitted by a certified employee organization representing teachers licensed under chapter 272.

(b) One member shall be an administrator employed by a school district who is appointed from a list of three names submitted by a statewide organization representing administrators licensed under chapter 272.

(c) One member shall be a member of a board of directors of a school district who is appointed by a statewide organization representing school boards.

(3) One member representing area education agencies shall be appointed by the governor from a list of three names submitted by area education agency administrators.

(4) One member who is a member of the senate shall be appointed by the president of the senate.

(5) One member who is a member of the senate shall be appointed by the minority leader of the senate.

(6) One member who is a member of the house of representatives shall be appointed by the speaker of the house of representatives.

(7) One member who is a member of the house of representatives shall be appointed by the minority leader of the house.

3. EXPERIENCE AND SPECIAL KNOWLEDGE. In appointing members to the commission, proper consideration shall be given to persons with experience or special knowledge in one or more of the following areas: education, business, economic development, technology, and finance.

4. BALANCE. Commission members shall be appointed in compliance with sections 69.16 and 69.16A. Appointments of public members shall be made to provide broad representation of the various geographical areas of the state insofar as possible.

5. CHAIRPERSONS. The commission shall elect a chairperson and a vice chairperson annually from among the voting members of the commission. A member shall not serve as a chairperson or vice chairperson for more than three consecutive years.

6. MEETINGS. The commission shall meet at least three times each year.

7. QUORUM. A majority of the voting members constitutes a quorum for the transaction of any official business.

8. TERMS OF MEMBERS. The members shall be appointed to three-year staggered terms and the terms shall commence and end as provided by section 69.19. If a vacancy occurs, a

successor shall be appointed to serve the unexpired term. A successor shall be appointed in the same manner and subject to the same qualifications as the original appointment to serve the unexpired term.

9. EXPENSES. Members of the commission are entitled to receive reimbursement for actual expenses incurred while engaged in the performance of official duties from the Iowa learning technology fund created in section 280A.4, except that legislators' expenses shall be paid from funds appropriated by section 2.12.

Sec. 244. NEW SECTION. 280A.3 COMMISSION PLAN -- GUIDING PRINCIPLES.

1. The Iowa learning technology commission created in section 280A.2 shall develop a learning technology plan to achieve the goal of preparing students for an economy that is increasingly dependent on technology and innovation. The commission shall examine the use of technology in Iowa's and the nation's elementary and secondary classrooms.

2. The plan developed by the commission shall include, but not be limited to, the following:

- a. The costs and benefits of each component of the plan.
- b. The professional development needed to integrate learning technology into classroom technology.
- c. Strategies for implementation of the plan, including, at a minimum, phasing in the plan over a term of years.
- d. Strategies that coordinate the learning technology in kindergarten through grade twelve with the initiatives and resources of the department of education, Iowa communications network, area education agencies, higher education institutions providing approved practitioner preparation programs, and other accredited postsecondary institutions in the state.
- e. Procedures for data tracking and assessment of the progress in implementing the goals of the initiative and the plan.

f. Strategies to establish a public-private partnership between state government and a private sector business having relevant knowledge and experience.

3. The plan shall be consistent with the following guiding principles:

- a. The plan shall promote equal opportunity for and provide meaningful access to wireless and other learning technology resources for all Iowa students regardless of geographic location or economic means.



b. The plan shall support student achievement through the integration of learning technologies that are content-focused and that add value to existing instructional methods.

c. The plan shall provide for the future sustainability of learning technology resources by adapting to future educational needs and technological changes.

d. The plan shall provide professional development and training programs for administrators, teachers and other educators in the use and integration of learning technology tools in curriculum development, instructional methods, and student assessment systems.

e. The plan shall foster economic development across all regions of the state and the preparation of students for an economy that embraces technology and innovation.

4. The plan shall be submitted to the general assembly on or before December 15, 2004.

Sec. 245. NEW SECTION. 280A.4 FUND.

1. An Iowa learning technology fund is created in the state treasury. The fund shall consist of moneys including, but not limited to, moneys in the form of a devise, gift, bequest, donation, federal or other grant, reimbursement, repayment, judgment, transfer, payment, or appropriation from any source intended to be used for the purposes of the fund.

2. Moneys in the fund are appropriated to the Iowa learning technology commission created in section 280A.2 for purposes of an Iowa learning technology initiative created pursuant to section 280A.1. Moneys in the fund shall not be subject to appropriation for any other purpose by the general assembly. However, moneys in the fund may be used for necessary audit services, legal expenses, investment management fees and services, and general administrative expenses related to the management and administration of the Iowa learning technology initiative.

3. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

4. The fund shall be administered by the commission, which shall make expenditures from the fund consistent with the purposes of the initiative without further appropriation. The fund shall be administered in a manner that provides for the financially sustainable support, use, and integration of learning technology in Iowa schools through a public-private

partnership. Expenditures from the fund shall be made consistent with the purposes of the Iowa learning technology initiative to ensure one-to-one access to and ubiquitous use of fully configured laptop computers in grade seven in public and accredited nonpublic school classrooms located initially in a number of school districts and accredited nonpublic schools in Iowa as determined by the Iowa learning technology commission.

Sec. 246. NEW SECTION. 280A.5 REPEAL.

This chapter is repealed effective July 1, 2009.

Sec. 247. Section 346.27, subsection 10, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

After the incorporation of an authority, and before the sale of any issue of revenue bonds, except refunding bonds, the authority shall call an election to decide the question of whether the authority shall issue and sell revenue bonds. The ballot shall state the amount of the bonds and the purposes for which the authority is incorporated. ~~Registered-voters-of-the-city-and-the-unincorporated-area~~ All registered voters of the county shall be entitled to vote on the question. The question may be submitted at a general election or at a special election. An affirmative vote of a majority of the votes cast on the question is required to authorize the issuance and sale of revenue bonds.

Sec. 248. Section 346.27, subsection 25, unnumbered paragraph 2, Code Supplement 2003, is amended to read as follows:

The question of whether a conveyance shall be made shall be submitted to the registered voters of the ~~city-and-the-unincorporated-area-of-the~~ county. An affirmative vote equal to at least a majority of the total votes cast on the question shall be required to authorize the conveyance. If the question does not carry, the authority shall continue to operate, maintain, and manage the building under a lease arrangement with the incorporating units.

Sec. 249. Section 372.13, subsection 10, Code 2003, is amended to read as follows:

10. A council member, during the term for which that member is elected, is not precluded from holding the office of chief of the volunteer fire department if the fire department serves an area with a population of not more than two thousand~~7-and-if-no-other-candidate-who-is-not-a-city-council~~



~~member-is-available-to-hold-the-office-of-chief-of-the~~  
~~volunteer-fire-department.~~ A person holding the office of  
chief of such a volunteer fire department at the time of the  
person's election to the city council may continue to hold the  
office of chief of the fire department during the city council  
term for which that person was elected.

Sec. 250. Section 404A.2, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The amount of the credit equals twenty-five percent of the qualified rehabilitation costs made to eligible property. In the case of commercial property, rehabilitation costs must equal at least fifty percent of the assessed value of the property, excluding the land, prior to the rehabilitation. In the case of residential property or barns, the rehabilitation costs must equal at least twenty-five thousand dollars or twenty-five percent of the fair market value, excluding the land, prior to the rehabilitation, whichever is less. In computing the tax credit for eligible property that is classified as residential or as commercial with multifamily residential units, the rehabilitation costs used shall not exceed one hundred thousand dollars per residential unit. In computing the tax credit, the only costs which may be included are the rehabilitation costs incurred between the period ending on the project completion date and beginning on the ~~later-of-either-the-date-of-issuance-of-the-approval-of-the~~  
~~project-as-provided-in-section-404A.3-or~~ date two years prior to the project completion date, provided that any qualified rehabilitation costs incurred prior to the date of approval of the project as provided in section 404A.3 must be qualified rehabilitation expenditures under the federal rehabilitation credit in section 47 of the Internal Revenue Code.

Sec. 251. Section 422E.1, subsection 2, Code Supplement 2003, is amended to read as follows:

2. The maximum rate of tax shall be one percent. The tax shall be imposed without regard to any other local sales and services tax authorized in chapter 422B, and is repealed at the expiration of a period of ten years of imposition or a shorter period as provided in the ballot proposition unless the period is extended as provided in section 422E.2, subsection 5. However, all local option sales and services taxes for school infrastructure purposes are repealed December 31, 2022.

Sec. 252. Section 422E.2, subsection 4, paragraph a, Code Supplement 2003, is amended to read as follows:

a. Each school district located within the county may submit a revenue purpose statement to the county commissioner of elections no later than sixty days prior to the election indicating the specific purpose or purposes for which the local sales and services tax for school infrastructure revenue and supplemental school infrastructure amount revenue will be expended. The revenues received pursuant to this chapter shall be expended for the purposes indicated in the revenue purpose statement. The revenue purpose statement may include information regarding the school district's use of the revenues to provide for property tax relief or debt reduction. A copy of the revenue purpose statement shall be made available for public inspection in accordance with chapter 22, shall be posted at the appropriate polling places of each school district during the hours that the polls are open, and be published in a newspaper of general circulation in the school district no sooner than twenty days and no later than ten days prior to the election. Notwithstanding the requirements for a revenue purpose statement in this paragraph, for elections occurring after April 1, 2003, but before August 1, 2003, a revenue purpose statement submitted not later than April 1, 2004, shall be considered to have met the requirements of this paragraph.

Sec. 253. Section 422E.2, subsection 5, paragraphs a and b, Code Supplement 2003, are amended to read as follows:

a. The tax may be repealed, the period of imposition of the tax may be extended for additional periods up to ten years each, or the rate increased, but not above one percent, or decreased, or the use of the revenues changed after an election at which a majority of those voting on the question of repeal, extension, rate change, or change in use favored the repeal, extension, rate change, or change in use. The election at which the question of repeal, extension, rate change, or change in use is offered shall be called and held in the same manner and under the same conditions as provided in this section for the election on the imposition of the tax. However, an election on the change in use shall only be held in the school district where the change in use is proposed to occur. The election may be held at any time but not sooner than sixty days following publication of the ballot proposition. However, the tax shall not be repealed before it has been in effect for one year.



b. Within ten days of the election at which a majority of those voting on the question favors the imposition, repeal, extension, or change in the rate of the tax, the county auditor shall give written notice of the result of the election by sending a copy of the abstract of the votes from the favorable election to the director of revenue. Election costs shall be apportioned among school districts within the county on a pro rata basis in proportion to the number of registered voters in each school district who reside within the county and the total number of registered voters within the county.

Sec. 254. Section 422E.3, subsection 1, Code Supplement 2003, is amended to read as follows:

1. If a majority of those voting on the question of imposition of a local sales and services tax for school infrastructure purposes favors imposition of the tax, the tax shall be imposed by the county board of supervisors within the county pursuant to section 422E.2, at the rate specified for a ~~ten-year-duration~~ the period provided in section 422E.1, subsection 2 on the gross receipts taxed by the state under chapter 422, division IV.

Sec. 255. Section 422E.3A, subsection 2, paragraph a, Code Supplement 2003, is amended to read as follows:

a. A school district that is located in whole or in part in a county that voted on and approved prior to April 1, 2003, the local sales and services tax for school infrastructure purposes and that has a sales tax capacity per student above the guaranteed school infrastructure amount shall receive for the remainder of the unextended term of the tax an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 422E.3, subsection 5, paragraph "d", unless the school board passes a resolution by October 1, 2003, agreeing to receive a distribution pursuant to paragraph "b", subparagraph (1).

Sec. 256. Section 422E.3A, subsection 2, paragraph b, subparagraphs (1) and (3), Code Supplement 2003, are amended to read as follows:

(1) A school district that is located in whole or in part in a county that voted on and approved prior to April 1, 2003, the local sales and services tax for school infrastructure purposes and that has a sales tax capacity per student below its guaranteed school infrastructure amount shall receive for the remainder of the unextended term of the tax an amount

equal to its pro rata share of the local sales and services tax receipts as provided in section 422E.3, subsection 5, paragraph "d", plus an amount equal to its supplemental school infrastructure amount, unless the school district passes a resolution by October 1, 2003, agreeing to receive only an amount equal to its pro rata share as provided in section 422E.3, subsection 5, paragraph "d", in all subsequent years.

(3) A school district that is located in whole or in part in a county that voted on and approved the continuation extension of the tax pursuant to section 422E.2, subsection 5, on or after April 1, 2003, the local sales and services tax for school infrastructure purposes shall receive for any extended period an amount equal to its pro rata share of the local sales and services tax receipts as provided in section 422E.3, subsection 5, paragraph "d", not to exceed its guaranteed school infrastructure amount. However, if the school district's pro rata share is less than its guaranteed school infrastructure amount, the district shall receive an additional amount equal to its supplemental school infrastructure amount.

Sec. 257. Section 422E.3A, subsection 2, paragraph b, subparagraph (4), Code Supplement 2003, is amended by striking the subparagraph.

Sec. 258. Section 422E.4, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

The board of directors of a school district shall be authorized to issue negotiable, interest-bearing school bonds, without election, and utilize tax receipts derived from the sales and services tax for school infrastructure purposes and the supplemental school infrastructure amount distributed pursuant to section 422E.3A, subsection 2, paragraph "b", for principal and interest repayment. Proceeds of the bonds issued pursuant to this section shall be utilized solely for school infrastructure needs as school infrastructure is defined in section 422E.1, subsection 3. ~~Issuance-of-bonds pursuant-to-this-section-shall-be-permitted-only-in-a-district which-has-imposed-a-local-sales-and-services-tax-for-school infrastructure-purposes-pursuant-to-section-422E.2.--The provisions-of-sections-298.22-through-298.24-shall-apply regarding-the-form,rate-of-interest,registration, redemption,and-recording-of-bond-issues-pursuant-to-this section,with-the-exception-that-the-maximum-period-during which-principal-on-the-bonds-is-payable-shall-not-exceed-the~~



~~date-of-repeal-stated-on-the-ballot-proposition:~~ Bonds issued under this section may be sold at public or private sale as provided in chapter 75 without notice and hearing as provided in section 73A.12. Bonds may bear dates, bear interest at rates not exceeding that permitted by chapter 74A, mature in one or more installments, be in registered form, carry registration and conversion privileges, be payable as to principal and interest at times and places, be subject to terms of redemption prior to maturity with or without premium, and be in one or more denominations, all as provided by the resolution of the board of directors authorizing their issuance. The resolution may also prescribe additional provisions, terms, conditions, and covenants which the board of directors deems advisable, including provisions for creating and maintaining reserve funds, the issuance of additional bonds ranking on a parity with such bonds and additional bonds junior and subordinate to such bonds, and that such bonds shall rank on a parity with or be junior and subordinate to any bonds which may be then outstanding. Bonds may be issued to refund outstanding and previously issued bonds under this section. Local option sales and services tax revenue bonds are a contract between the school district and holders, and the resolution issuing the bonds and pledging local option sales and services tax revenues to the payment of principal and interest on the bonds is a part of the contract. Bonds issued pursuant to this section shall not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to any other law relating to the authorization, issuance, or sale of bonds.

Sec. 259. PAYMENTS IN LIEU OF GENERAL FUND REIMBURSEMENT. Notwithstanding the amount of the standing appropriation from the general fund of the state in the following designated sections and notwithstanding any conflicting provisions or voting requirements of section 8.56, there is appropriated from the cash reserve fund in lieu of the appropriations in the following designated sections for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts for the following designated purposes:

1. For reimbursement for the homestead property tax credit under section 425.1:

..... \$102,945,379

2. For reimbursement for the agricultural land and family farm tax credits under sections 425A.1 and 426.1:  
..... \$ 34,610,183

3. For reimbursement for the military service tax credit under section 426A.1A:  
..... \$ 2,568,402

4. For implementing the elderly and disabled credit and reimbursement pursuant to sections 425.16 through 425.40:  
..... \$ 19,540,000

If the sum of the amount of claims for credit for property taxes due plus the amount of claims for reimbursement for rent constituting property tax paid which are to be paid during the fiscal year beginning July 1, 2004, exceeds the amount appropriated in this subsection, the director of revenue shall prorate the payments for the property tax credit and for reimbursement for rent constituting property tax paid. In order for the director to carry out the requirements of this subsection, notwithstanding any provision to the contrary in chapter 425, claims for reimbursement for rent constituting property taxes paid filed before May 1, 2005, shall be eligible to be paid during the fiscal year ending June 30, 2005, and those claims filed on or after May 1, 2005, shall be eligible to be paid during the fiscal year beginning July 1, 2005, and the director is not required to make payments to counties for the property tax credit before June 15, 2005.

Sec. 260. Section 455B.174, subsection 4, Code 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. If a public water supply has a groundwater source that contains petroleum, a fraction of crude oil, or their degradation products, or is located in an area deemed by the department as likely to be contaminated by such materials, and after consultation with the public water supply and consideration of all applicable rules relating to remediation, the department may require the public water supply to replace that groundwater source in order to receive a permit to operate. The requirement to replace the source shall only be made by the department if the public water supply is fully compensated for any additional design, construction, operation, and monitoring costs from the Iowa comprehensive petroleum underground storage tank fund created by chapter 455G or from any other funds that do not impose a financial obligation on the part of the public water supply. Funds available to or provided by the public water supply may



be used for system improvements made in conjunction with replacement of the source. The department cannot require a public water supply to replace its water source with a less reliable water source or with a source that does not meet federal primary, secondary, or other health-based standards unless treatment is provided to ensure that the drinking water meets these standards. Nothing in this paragraph shall affect the public water supply's right to pursue recovery from a responsible party.

Sec. 261. Section 455B.310, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 10. Nonmetallic material processed by an industrial shredder, and commonly referred to as shredder fluff, which is disposed of as solid waste or otherwise used by a sanitary landfill is exempt from the imposition of the tonnage fee under this section.

Sec. 262. Section 535.8, subsection 2, paragraph b, unnumbered paragraph 2, Code 2003, as amended by 2004 Iowa Acts, House File 2484, if enacted, is amended to read as follows:

The lender shall not charge the borrower for the cost of revenue stamps or real estate commissions which are paid by the seller.

The collection of any costs other than as expressly permitted by this paragraph "b" is prohibited. However, additional costs incurred in connection with a loan under this paragraph "b", if bona fide and reasonable, may be collected by a state-chartered financial institution licensed under chapter 524, 533, or 534, to the extent permitted under applicable federal law as determined by the office of the comptroller of the currency of the United States department of treasury, the national credit union ~~association~~ administration, or the office of thrift supervision of the United States department of treasury. Such costs shall apply only to the same type of ~~state-chartered~~ state-chartered entity as the federally chartered entity affected and to an insurer organized under chapter 508 or 515, or otherwise authorized to conduct the business of insurance in this state.

Sec. 263. Section 668B.2, subsection 1, if enacted by 2004 Iowa Acts, House File 2440, section 2, is amended to read as follows:

1. "Health care provider" means a physician as defined in section 135.1, a licensed physician assistant as defined in

Disapproval  
5.17.04  
aw

Disapproval  
5.17.04  
aw

section 148C.1, a nurse, including an advanced registered nurse practitioner, licensed pursuant to chapter 152, a hospital as defined in section 135B.1, and a health care facility as defined in section 135C.1, and a federally licensed, regulated, or registered nonprofit blood bank, blood center, or plasma center that is collecting, processing, or distributing whole human blood, blood components, plasma, blood fractions, or blood derivatives for use by a licensed health care provider.

Sec. 264. COLLECTIVE BARGAINING AGREEMENTS FUNDED -- GENERAL FUND. The various state departments, boards, commissions, councils, and agencies, including the state board of regents, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, shall provide from available sources pay adjustments, expense reimbursements, and related benefits to fully fund the following:

1. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.

2. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the public safety bargaining unit.

3. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.

4. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.

5. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional fiscal and staff bargaining unit.

6. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the clerical bargaining unit.

7. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional social services bargaining unit.

8. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the community-based corrections bargaining unit.

9. The collective bargaining agreements negotiated pursuant to chapter 20 for employees in the judicial branch of government bargaining units.

10. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the patient care bargaining unit.



11. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the science bargaining unit.

12. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the university of northern Iowa faculty bargaining unit.

13. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the state university of Iowa graduate student bargaining unit.

14. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the state university of Iowa hospital and clinics tertiary health care bargaining unit.

15. The annual pay adjustments, related benefits, and expense reimbursements referred to in section 265 of this division of this Act for employees not covered by a collective bargaining agreement.

Sec. 265. NONCONTRACT STATE EMPLOYEES -- GENERAL.

1. a. For the fiscal year beginning July 1, 2004, the maximum salary levels of all pay plans provided for in section 8A.413, subsection 2, as they exist for the fiscal year ending June 30, 2004, shall be increased by 2 percent for the pay period beginning December 31, 2004, and any additional changes in the pay plans shall be approved by the governor.

b. For the fiscal year beginning July 1, 2004, employees may receive a step increase or the equivalent of a step increase.

2. The pay plans for state employees who are exempt from chapter 8A, Article 4, and who are included in the department of administrative service's centralized payroll system shall be increased in the same manner as provided in subsection 1, and any additional changes in any executive branch pay plans shall be approved by the governor.

3. This section does not apply to members of the general assembly, board members, commission members, salaries of persons set by the general assembly pursuant to this division of this Act or set by the governor, employees designated under section 8A.412, subsection 5, and employees covered by 11 IAC 53.6(3).

4. The pay plans for the bargaining eligible employees of the state other than the employees of the state board of regents shall be increased in the same manner as provided in subsection 1, and any additional changes in such executive

branch pay plans shall be approved by the governor. As used in this section, "bargaining eligible employee" means an employee who is eligible to organize under chapter 20, but has not done so.

5. The policies for implementation of this section shall be approved by the governor.

Sec. 266. APPROPRIATIONS FROM ROAD FUNDS.

1. There is appropriated from the road use tax fund to the salary adjustment fund for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:

..... \$ 3,000,000

2. There is appropriated from the primary road fund to the salary adjustment fund, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:

..... \$ 12,000,000

3. Except as otherwise provided in this division of this Act, the amounts appropriated in subsections 1 and 2 shall be used to fund the annual pay adjustments, expense reimbursements, and related benefits for public employees as provided in this division of this Act.

Sec. 267. SPECIAL FUNDS -- AUTHORIZATION. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental expenditure authorization is provided, unless otherwise provided, in an amount necessary to fund salary adjustments as otherwise provided in this division of this Act.

Sec. 268. FEDERAL FUNDS APPROPRIATED. All federal grants to and the federal receipts of the agencies affected by this division of this Act which are received and may be expended for purposes of pay adjustments and related benefits as covered in this division of this Act are appropriated for those purposes and as set forth in the federal grants or receipts.



Sec. 269. STATE TROOPER MEAL ALLOWANCE. The sworn peace officers in the department of public safety who are not covered by a collective bargaining agreement negotiated pursuant to chapter 20 shall receive the same per diem meal allowance as the sworn peace officers in the department of public safety who are covered by a collective bargaining agreement negotiated pursuant to chapter 20.

Sec. 270. 2001 Iowa Acts, chapter 174, section 1, subsection 2, as amended by 2002 Iowa Acts, chapter 1174, section 8, and 2003 Iowa Acts, chapter 179, section 38, is amended to read as follows:

2. There is appropriated from the general fund of the state to the endowment for Iowa's health account of the tobacco settlement trust fund created in section 12E.12, for the designated fiscal years, the following amounts, to be used for the purposes specified in section 12E.12 for the endowment for Iowa's health account:

FY 2001-2002 .....	\$ 7,248,000
FY 2003-2004 .....	\$ 0
FY 2004-2005 .....	\$ 29,785,000
	<u>0</u>
FY 2005-2006 .....	\$ 29,562,000
FY 2006-2007 .....	\$ 17,773,000

Sec. 271. 2003 Iowa Acts, chapter 178, section 28, unnumbered paragraph 3, is amended to read as follows:

Notwithstanding section 8.64, subsection 4, as enacted by this division of this Act, the local government innovation fund committee may provide ~~up-to-20-percent-of-the~~ any amount appropriated in this section in the form of forgivable loans or as grants for those projects that propose a new and innovative sharing initiative that would serve as an important model for cities and counties.

Sec. 272. Notwithstanding section 8.33, moneys appropriated in 2003 Iowa Acts, chapter 178, section 62, and 2003 Iowa Acts, chapter 181, section 11, subsection 3, which remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2003, shall not revert but shall remain available for expenditure for the purposes for which they were appropriated for the fiscal year beginning July 1, 2004.

Sec. 273. 2004 Iowa Acts, House File 2490, section 8, if enacted, is repealed.

Sec. 274. 2003 Iowa Acts, chapter 179, section 21, unnumbered paragraph 5, is amended to read as follows:

Notwithstanding section 8.33, unencumbered or unobligated funds remaining on June 30, 2003, from the appropriation made in this section shall not revert but shall remain available to be used for the purposes designated ~~in-the-following-fiscal year~~ until the end of the fiscal year beginning July 1, 2004. Funds appropriated in this section remaining unencumbered or unobligated at the end of the fiscal year beginning July 1, 2004, shall not revert but shall remain available to be used for the purposes designated and for a home ownership assistance program for eligible members of the national guard and reserves of the armed forces of the United States and the members' immediate families.

Sec. 275. 2003 Iowa Acts, First Extraordinary Session, chapter 2, section 4, unnumbered paragraph 3, is amended to read as follows:

Notwithstanding section 8.64, subsection 4, if enacted by 2003 Iowa Acts, Senate File 453, section 27, the local government innovation fund committee may provide ~~up-to-20 percent-of-the~~ any amount appropriated in this section in the form of forgivable loans or as grants for those projects that propose a new and innovative sharing initiative that would serve as an important model for cities and counties.

Sec. 276. UNFILLED VACANCIES -- STATE BOARD OF REGENTS. The state board of regents shall report on the policies of the institutions under the authority of the state board for addressing the budget ramifications associated with unfilled vacant positions. If a policy does not exist, the state board shall provide for implementation of such a policy and report concerning the policy to the government oversight committees of the senate and house of representatives. The report shall be submitted on or before December 15, 2004.

Sec. 277. STATE BOARD OF REGENTS BONDING.

1. FINDINGS. The general assembly finds that:

a. Pursuant to section 262A.3, the state board of regents prepared and within seven days after the convening of the Eightieth General Assembly of the State of Iowa, Second Session, submitted to the Eightieth General Assembly, Second Session, for approval the proposed five-year building program for each institution of higher learning under the jurisdiction of the board, containing a list of the buildings and facilities which the board deems necessary to further the educational objectives of the institutions, together with an estimate of the cost of each of the buildings and facilities

Disapproved  
S.M. 01  
sw



and an estimate of the maximum amount of revenue bonds which the board expects to issue under chapter 262A to finance the costs of the projects.

b. The projects contained in the capital improvement program are deemed necessary for the proper performance of the instructional, research, and service functions of the institutions.

c. Section 262A.4 provides that the state board of regents, after authorization by a constitutional majority of each house of the general assembly and approval by the governor, may undertake and carry out at the institutions of higher learning under the jurisdiction of the board any project as defined in chapter 262A.

d. Chapter 262A authorizes the state board of regents to borrow moneys and to issue and sell negotiable revenue bonds to pay all or any part of the cost of carrying out projects at any institution payable solely from and secured by an irrevocable pledge of a sufficient portion of the student fees and charges and institutional income received by the particular institution.

e. To further the educational objectives of the institutions, the state board of regents requests authorization to undertake and carry out certain projects at this time and to finance their costs by borrowing moneys and issuing negotiable bonds under chapter 262A in a total amount as provided in this section, with the remaining costs of the projects to be financed by appropriations or by federal or other funds lawfully available.

## 2. APPROVAL -- LIMITS.

a. The proposed five-year building program submitted by the state board of regents for each institution of higher learning under its jurisdiction is approved and no commitment is implied or intended by approval to fund any portion of the proposed five-year building program submitted by the state board of regents beyond the portion that is financed and approved by the Eightieth General Assembly, Second Session, and the governor.

b. The maximum amount of bonds which the state board of regents expects to issue under chapter 262A, unless additional bonding is authorized, is set forth in this section, and this plan of financing is approved.

3. PROJECTS. The state board of regents is authorized to undertake, plan, construct, improve, repair, remodel, furnish,

and equip, and otherwise carry out the following projects at the institutions of higher learning under the jurisdiction of the board, and the general assembly authorizes the state board of regents to borrow moneys and to issue and sell negotiable revenue bonds in the amount of \$120,000,000 in the manner provided in sections 262A.5 and 262A.6 in order to pay all or any part of the costs of carrying out the projects at the institutions as follows:

- a. Iowa state university of science and technology  
For the veterinary teaching hospital -- diagnostic lab, Coover hall -- information science, and for fire safety costs:  
..... \$ 48,000,000
  - b. State university of Iowa  
For the chemistry building renovation, phase II of the art building renovation, and for fire safety costs:  
..... \$ 50,000,000
  - c. University of northern Iowa  
For the science buildings renovation project and for the Russell hall renovation:  
..... \$ 22,000,000
- Total ..... \$120,000,000

4. Notwithstanding the limitation established in subsection 3, the amount of bonds issued as authorized in subsection 3 may be exceeded by the amount the state board of regents determines to be necessary to capitalize bond reserves, interest during construction, and issuance costs.

Sec. 278. COMMERCIAL VEHICLE REGISTRATION FEES -- REFUND. Notwithstanding the provisions relating to the registration of commercial vehicles, as defined in section 321.1, the requirement of the return of the registration plate and registration receipt to the state department of transportation, and the time limit for applying for a refund, any person that sold a commercial vehicle between January 1, 2002, and April 1, 2002, shall receive a refund of any registration fees, penalties, or interest assessed related to the registration of such vehicle for a registration year beginning in the 2002 calendar year if all of the following apply:

- 1. The person failed to register the commercial vehicle for the registration year beginning in the 2002 calendar year.
- 2. The commercial vehicle was sold by the person to another during the period beginning January 1, 2002, and ending April 1, 2002, and the purchaser registered the vehicle

Disapproved  
5.17.04  
on



for all or part of the registration year beginning in the 2002 calendar year.

3. A claim for refund pursuant to this section is filed with the state department of transportation after the effective date of this section and prior to August 1, 2004.

Sec. 279. ACCESS TO NECESSARY PRESCRIPTION DRUGS -- FREE CLINIC TEST PROGRAM FOR PERSONS WHO ARE UNINSURED OR UNDERINSURED. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the bureau of health care access to issue a grant in accordance with this section:

..... \$ 10,000

The entire amount appropriated in this section shall be issued by the bureau as a grant to a free clinic, as defined in section 135.24, operating in one county. The grant shall be used by the free clinic to establish a partnership and test program for a buying cooperative approach for purchasing prescription drugs at a price less than retail. The prescription drugs purchased through the approach shall be provided to patients of the free clinic who are uninsured or underinsured.

Sec. 280. MODIFIED ADDITIONAL ALLOWABLE GROWTH. For the fiscal year beginning July 1, 2004, and ending June 30, 2005, notwithstanding anything contrary in section 257.18, subsection 2, if the board adopts a resolution, not later than April 15, 2004, to increase its participation in the instructional support program under section 257.18 and a petition is not filed or if the question is submitted to the registered voters of the school district and the question is approved, the school budget review committee shall establish modified allowable growth for the school district for the fiscal year beginning July 1, 2004, for the amount of increased spending authority. The modified allowable growth shall equal the sum of the increased state aid, income surtax, and property tax portion of the instructional support program requested by the district. The district is not eligible for state aid as determined under section 257.20 due to increased participation percent.

Sec. 281. CHARTER AGENCIES -- FULL-TIME EQUIVALENT EMPLOYEE LIMITS -- REVERSIONS.

1. Notwithstanding any limitation on the number of full-time equivalent employees for the fiscal year beginning July 1, 2004, and ending June 30, 2005, stated in this Act or any other Act, the personnel management provisions of section 7J.1, subsection 4, shall remain applicable to those state departments or agencies designated as a charter agency under chapter 7J.

2. The provisions of section 7J.1, subsection 3, paragraph "c", relating to reversions, are not applicable to any appropriation made to a charter agency that this Act or any other Act provides is not subject to reversion.

Sec. 282. PREVAILING LEGISLATION. If 2004 Iowa Acts, Senate File 399 is enacted and includes a provision increasing the criminal penalty surcharge to thirty-two percent of a fine or forfeiture, the following shall be the consequence:

1. The thirty percent surcharge set out in the amendment to section 911.1, Code 2003, in 2004 Iowa Acts, House File 2530, section 10, if enacted, is null and void, and 2004 Iowa Acts, House File 2530, section 10, if enacted, is amended to provide for the surcharge at thirty-two percent to conform to the thirty-two percent provision included in 2004 Iowa Acts, Senate File 399.

2. As a result of including the thirty-two percent provision in 2004 Iowa Acts, House File 2530, section 10, if enacted, the section of 2004 Iowa Acts, Senate File 399 amending section 911.2, Code 2003, is null and void.

Sec. 283. Section 266.31, Code 2003, is repealed.

Sec. 284. Section 266.39D, Code Supplement 2003, is repealed.

Sec. 285. STATE PERCENT OF GROWTH DEADLINES AND RESTRICTIONS -- INAPPLICABILITY. The thirty-day deadline and restrictions for the enactment of the state percent of growth provided in section 257.8 do not apply to this Act.

Sec. 286. APPOINTMENTS. The new appointees to the commission of veterans affairs, pursuant to the increase in the membership of the commission as provided in this division of this Act, shall be appointed by the governor, with one member being appointed for an initial term of two years and one member being appointed for an initial term of four years.

Sec. 287. EFFECTIVE AND APPLICABILITY DATE PROVISIONS.

1. The section of this division of this Act enacting section 153.40 takes effect upon receipt of the Iowa department of public health of federal funding to establish a

Disapproved  
5.17.04  
sw



mobile dental delivery system. The director of public health shall notify the Iowa code editor that the funding has been received.

2. The sections of this division of this Act amending sections 257.8 and 257.35 are applicable for computing state aid under the state school foundation program for the school budget year beginning July 1, 2004.

3. The sections of this division of this Act amending sections 257.14, 346.27, and 422E.2, being deemed of immediate importance, take effect upon enactment.

4. The section relating to the refund for commercial vehicle registration fees, penalties, and interest, being deemed of immediate importance takes effect upon enactment.

5. The section of this division of this Act amending section 404A.2, being deemed of immediate importance, takes effect upon enactment and applies retroactively to July 1, 2002.

6. The section of this division of this Act providing modified allowable growth for school districts to participate in an instructional support program, being deemed of immediate importance, takes effect upon enactment.

7. The section of the division of this Act amending 2003 Iowa Acts, chapter 179, section 21, being deemed of immediate importance, takes effect upon enactment.

8. The section of this division of this Act relating to the nonreversion of moneys appropriated pursuant to 2003 Iowa Acts, chapter 178, section 62, and 2003 Iowa Acts, chapter 181, section 11, being deemed of immediate importance, takes effect upon enactment.

9. The sections of this division of this Act relating to the increase in membership of the commission of veterans affairs, being deemed of immediate importance, take effect upon enactment.

10. The section of this division of this Act repealing 2004 Iowa Acts, House File 2490, section 8, if enacted, being deemed of immediate importance, takes effect upon enactment.

11. The sections of this division of this Act amending sections 8.22A and 8.54, being deemed of immediate importance, take effect upon enactment.

#### DIVISION XI

#### REBUILD IOWA INFRASTRUCTURE FUND

Sec. 288. There is appropriated from the rebuild Iowa infrastructure fund to the following departments and agencies

Disapproved  
5.19.04  
PW

for the designated fiscal years, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

a. For routine maintenance of state buildings and facilities, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 2,000,000

b. For relocation costs directly associated with remodeling projects on the capitol complex and for facility lease payments for the department of corrections, the Iowa department of public health, and the department of public safety, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 2,271,617

c. For technology improvement projects, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 1,861,496

Of the amount appropriated in this lettered paragraph, \$288,496 is allocated to maintain and operate the enterprise warehouse technology project and \$73,000 is allocated to the division of criminal and juvenile justice planning of the department of human rights for 1.00 full-time equivalent position to provide support for the justice data warehouse technology project.

d. For major renovation and major repair needs, including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state buildings and facilities under the purview of the department:

FY 2004-2005..... \$ 4,300,000

(1) Of the amount appropriated in this lettered paragraph, up to \$375,000 may be used for costs associated with project management services in the division of design and construction within the general services enterprise of the department, notwithstanding section 8.57, subsection 5, paragraph "c".

(2) Of the amount appropriated in this lettered paragraph, \$200,000 may be used for costs associated with the vertical infrastructure program, notwithstanding section 8.57, subsection 5, paragraph "c".

e. For costs associated with the remodeling of the records and property center:

FY 2004-2005..... \$ 5,000,000

FY 2005-2006..... \$ 4,700,000



f. For accent lighting systems for the soldiers and sailors monument and the Allison monument on the capitol complex:

FY 2004-2005..... \$ 35,000

g. For capitol interior restoration:

FY 2004-2005..... \$ 1,770,000

h. For costs associated with the purchase of laboratory equipment for and the maintenance and operation of the state laboratories facility located in Ankeny, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 355,500

2. DEPARTMENT FOR THE BLIND

For the remodeling of the orientation center:

FY 2004-2005..... \$ 67,000

3. STATE BOARD OF REGENTS

For maintenance at the Iowa school for the deaf and the Iowa braille and sight saving school:

FY 2004-2005..... \$ 500,000

4. DEPARTMENT OF CORRECTIONS

a. For costs of entering into a lease-purchase agreement to connect the electrical system supporting the special needs unit at Fort Madison:

FY 2004-2005..... \$ 333,168

b. For construction of a community-based correctional facility, including district offices, in Davenport:

FY 2004-2005..... \$ 3,000,000

FY 2005-2006..... \$ 3,750,000

FY 2006-2007..... \$ 3,750,000

It is the intent of the general assembly that the department of management allocate the entire appropriation for the fiscal year beginning July 1, 2006, to the department of corrections by July 31, 2006.

5. DEPARTMENT OF CULTURAL AFFAIRS

a. For historical site preservation grants, to be used for the restoration, preservation, and development of historical sites:

FY 2004-2005..... \$ 500,000

Historical site preservation grants shall only be awarded for projects which meet the definition of "vertical infrastructure" in section 8.57, subsection 5, paragraph "c".

In making grants pursuant to this lettered paragraph, the department shall consider the existence and amount of other funds available to an applicant for the designated project. A

Disapproved  
S. 19.04  
on

grant awarded from moneys appropriated in this lettered paragraph shall not exceed \$100,000 per project. Not more than two grants may be awarded in the same county.

b. For continuation of the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 100,000

6. DEPARTMENT OF ECONOMIC DEVELOPMENT

a. For accelerated career education program capital projects at community colleges that are authorized under chapter 260G and that meet the definition of "vertical infrastructure" in section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 5,500,000

The moneys appropriated in this paragraph shall be allocated equally among the community colleges in the state. If any portion of the equal allocation to a community college is not obligated or encumbered by April 1, 2005, the unobligated and unencumbered portions shall be available for use by other community colleges.

b. For sole source grant costs associated with the hosting of the national special Olympics in Iowa by a special Olympics nonprofit entity, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 500,000

c. To provide a grant for the planning, design, and construction of a not-for-profit family recreational facility that will also include a cardiac rehabilitation center and a family indoor aquatic center and which will be located in a county with a population between 150,000 and 185,000:

FY 2004-2005..... \$ 200,000

d. To be used for the Iowa Lewis and Clark bicentennial commission established pursuant to section 15.221, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 50,000

7. DEPARTMENT OF EDUCATION

a. To provide resources for structural and technological improvements to local libraries and for the enrich Iowa program, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 600,000

Funds allocated for purposes of the enrich Iowa program as provided in this lettered paragraph shall be distributed by



the division of libraries and information services to provide support for Iowa's libraries.

b. For maintenance and lease costs associated with part III connections, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 2,727,000

c. For costs associated with the remodeling of the Jessie Parker building:

FY 2004-2005..... \$ 303,632

d. For allocation to the public broadcasting division for costs of installation of digital and analog television for Iowa public television facilities, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 8,000,000

FY 2005-2006..... \$ 8,000,000

FY 2006-2007..... \$ 2,300,000

8. DEPARTMENT OF HUMAN SERVICES

To provide a grant for the planning, design, and construction of a residential treatment facility for youth with emotional and behavioral disorders located in a central Iowa county with a population of approximately 80,000:

FY 2004-2005..... \$ 250,000

9. IOWA STATE FAIR AUTHORITY

For vertical infrastructure projects on the state fairgrounds:

FY 2004-2005..... \$ 250,000

For purposes of this subsection, "vertical infrastructure" means the same as defined in section 8.57, subsection 5, paragraph "c".

10. NATIONAL PROGRAM FOR PLAYGROUND SAFETY AT THE UNIVERSITY OF NORTHERN IOWA

For the Iowa safe surfacing initiative, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 500,000

Not more than 2.5 percent of the funds appropriated in this subsection shall be used by the national program for playground safety for administrative costs associated with the Iowa safe surfacing initiative.

The crumb rubber playground tiles for the initiative shall be international play equipment manufacturers association (IPEMA)-certified to the American society for testing and materials (ASTM) F1292 standard.

11. DEPARTMENT OF NATURAL RESOURCES

Disapproved  
5.19.04  
ow

For costs associated with the planning, design, and construction of a premier destination state park, notwithstanding section 8.57, subsection 5, paragraph "c":  
FY 2004-2005..... \$ 500,000

12. DEPARTMENT OF PUBLIC DEFENSE

a. For planning, design, and construction of a national guard readiness center in or near Iowa City:  
FY 2004-2005..... \$ 2,150,000

b. For maintenance and repair of national guard armories and facilities:  
FY 2004-2005..... \$ 1,269,636

c. For construction of a new national guard armory at Boone:  
FY 2004-2005..... \$ 1,096,000

13. DEPARTMENT OF PUBLIC SAFETY

a. For capitol building and judicial building security, notwithstanding section 8.57, subsection 5, paragraph "c":  
FY 2004-2005..... \$ 800,000

b. For capitol complex security notwithstanding section 8.57, subsection 5, paragraph "c":  
FY 2004-2005..... \$ 300,000

c. For costs of entering into a lease-purchase agreement to upgrade the automated fingerprint identification system, notwithstanding section 8.57, subsection 5, paragraph "c":  
FY 2004-2005..... \$ 550,000

d. For costs associated with improvements to Iowa's electronic criminal information records system to comply with national crime information center standards, notwithstanding section 8.57, subsection 5, paragraph "c":  
FY 2004-2005..... \$ 500,000

e. To the division of fire safety of the department for allocation to the fire service training bureau for the planning, design, and construction of regional training facilities in the state:  
FY 2004-2005..... \$ 150,000

f. To the division of fire safety of the department for allocation to the fire service training bureau to be used for the revolving loan program for equipment purchases by local fire departments, notwithstanding section 8.57, subsection 5, paragraph "c":  
FY 2004-2005..... \$ 500,000

14. STATE DEPARTMENT OF TRANSPORTATION



a. For operation and maintenance of the network of automated weather observation and data transfer systems associated with the Iowa aviation weather system, the runway marking program for public airports, the windsock program for public airports, and the aviation improvement program, notwithstanding section 8.57, subsection 5, paragraph "c":  
 FY 2004-2005..... \$ 500,000

b. For vertical infrastructure improvements at the commercial air service airports within the state:  
 FY 2004-2005..... \$ 1,100,000

One-half of the funds appropriated in this lettered paragraph shall be allocated equally between each commercial service airport, 40 percent of the funds shall be allocated based on the percentage that the number of enplaned passengers at each commercial service airport bears to the total number of enplaned passengers in the state during the previous fiscal year, and 10 percent of the funds shall be allocated based on the percentage that the air cargo tonnage at each commercial service airport bears to the total air cargo tonnage in the state during the previous fiscal year. In order for a commercial service airport to receive funding under this lettered paragraph, the airport shall be required to submit applications for funding of specific projects to the department for approval by the state transportation commission.

c. For a vertical infrastructure improvement grant program for improvements at general aviation airports within the state:  
 FY 2004-2005..... \$ 581,400

15. OFFICE OF TREASURER OF STATE

For county fair infrastructure improvements for distribution in accordance with chapter 174 to qualified fairs which belong to the association of Iowa fairs:

FY 2004-2005..... \$ 1,060,000

16. COMMISSION OF VETERANS AFFAIRS

For deposit in the veterans trust fund established in section 35A.13, notwithstanding section 8.57, subsection 5, paragraph "c":

FY 2004-2005..... \$ 1,000,000

Of the amount appropriated in this subsection, notwithstanding contrary provisions of section 35A.13, \$500,000 is appropriated to and shall be used by the commission of veterans affairs for the establishment and

operation of a veterans cemetery as required by section 35A.3, subsection 14, if enacted by this Act. Notwithstanding section 8.33, moneys appropriated in this unnumbered paragraph that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year or when the project is completed, whichever is later.

Sec. 289. PAYMENTS IN LIEU OF TUITION. There is appropriated from the rebuild Iowa infrastructure fund to the state board of regents for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 858,764

Sec. 290. REVERSION. Notwithstanding section 8.33, moneys appropriated from the rebuild Iowa infrastructure fund in this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2007, or until the project for which the appropriation was made is completed, whichever is earlier. This section does not apply to the sections in this division of this Act that were previously enacted and are amended in this division of this Act.

Sec. 291. 2003 Iowa Acts, chapter 177, section 6, subsection 2, is amended to read as follows:

2. For costs associated with the ~~planning-for-the-vacation and-demolition~~ disposition of the Wallace building:

..... \$ 50,000

The amount appropriated in this subsection shall be used to conduct a complete evaluation and analysis regarding the condition of the Wallace building, including structural, mechanical, and environmental systems and building air



quality, and to make a recommendation to the general assembly no later than January 31, 2005, as to whether the Wallace building should be renovated for future use or vacated and demolished. The recommendation shall include cost estimates for renovation of the building and for its demolition.

Sec. 292. 2003 Iowa Acts, chapter 177, section 14, is amended to read as follows:

SEC. 14. REVERSION. Notwithstanding section 8.33, moneys appropriated in this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, ~~2006~~ 2007, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 293. 2003 Iowa Acts, chapter 179, section 140, is amended to read as follows:

SEC. 140. Notwithstanding section 8.33, unencumbered and unobligated funds remaining from the appropriation made in 1996 Iowa Acts, chapter 1218, section 13, subsection 2, paragraph "a", subparagraph (2), as amended by 1997 Iowa Acts, chapter 215, section 3, and from the appropriation made in 1997 Iowa Acts, chapter 215, section 4, subsection 1, shall not revert but shall be available for the purposes designated in those provisions until the close of the fiscal year beginning July 1, ~~2003~~ 2004.

Of the amount of unencumbered and unobligated funds identified in this section, \$180,000 shall be used for the purposes described in 2003 Iowa Acts, chapter 177, section 6, subsection 2, as amended by this 2004 Act.

Sec. 294. 2002 Iowa Acts, chapter 1173, section 18, as amended by 2003 Iowa Acts, chapter 179, section 39, is amended to read as follows:

SEC. 18. POOLED TECHNOLOGY FUNDING -- PRIOR ALLOCATIONS -- NONREVERSION. Notwithstanding section 8.33, moneys appropriated and allocated in 2001 Iowa Acts, chapter 189, section 5, subsection 1, which remain unobligated or unexpended at the close of the fiscal year for which they were appropriated shall not revert, but shall remain available for expenditure for the purposes for which they were appropriated and allocated, for the fiscal period beginning July 1, 2002, and ending June 30, ~~2004~~ 2005. Notwithstanding the expenditure limitation in this section, the information technology enterprise within the department of administrative

services may expend available moneys in the pooled technology account established in the office of the treasurer of state to complete the comprehensive study required under 2003 Iowa Acts, chapter 145, section 290, subsection 2, paragraph "c".

Sec. 295. 2000 Iowa Acts, chapter 1225, section 2, as amended by 2001 Iowa Acts, chapter 185, section 2, is amended to read as follows:

SEC. 2. There is appropriated from the rebuild Iowa infrastructure fund to the department of corrections for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To supplement funds appropriated in 1998 Iowa Acts, chapter 1219, section 2, subsection 3, for construction of a 200-bed facility at the Iowa state penitentiary at Fort Madison:

..... \$ 3,000,000

2. For community-based corrections projects:

..... \$ 900,000

The first \$300,000 of the amount appropriated in this subsection shall be allocated for community-based corrections projects in Council Bluffs. The next \$600,000 of the amount appropriated in this subsection shall be allocated for community-based corrections projects in the judicial district in which the city of Davenport is located. These moneys may be used by the department to enter into lease-purchasing agreements or the payment of rent for such projects.

Notwithstanding section 8.33 and section 20 of this Act, moneys appropriated in subsection 2 that remain unencumbered or unobligated at the close of the fiscal year that begins July 1, 2003, shall revert at the close of the fiscal year that begins July 1, 2006. However, if the projects for which the moneys are appropriated are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that fiscal year.

Sec. 296. 2000 Iowa Acts, chapter 1225, section 19, unnumbered paragraph 2, is amended to read as follows:

To supplement moneys appropriated in prior fiscal years for construction of a new dining hall and food services facility and renovation of the former Sheeler food preparation area:

..... \$ 992,000

Sec. 297. 2000 Iowa Acts, chapter 1225, section 20, is amended to read as follows:



SEC. 20. REVERSION. Notwithstanding section 8.33, moneys appropriated in this division of this Act that remain unencumbered or unobligated at the close of the fiscal year that begins July 1, ~~2003~~ 2004, shall revert at the close of that fiscal year. However, if the projects for which the moneys are appropriated are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that fiscal year.

Sec. 298. EXAMINATION OF DEPARTMENT OF ADMINISTRATION -- FY 2003-2004. Notwithstanding section 11.5B, for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the auditor of state shall not be entitled to reimbursement for performing any examination of the department of administrative services or funds received by the department of administrative services, except for an examination of the information technology enterprise within the department of administrative services and funds received by the information technology enterprise.

Sec. 299. SECURE AN ADVANCED VISION FOR EDUCATION FUND. Notwithstanding the maximum amount of the appropriation from the rebuild Iowa infrastructure fund to the secure an advanced vision for education fund specified in section 8.57, subsection 5, paragraph "f", the maximum amount of such appropriation for the fiscal year beginning July 1, 2004, and ending June 30, 2005, shall not exceed \$8,160,000.

Sec. 300. The following sections of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section amending 2003 Iowa Acts, chapter 177, section 6.
2. The section amending 2003 Iowa Acts, chapter 179, section 140.
3. The section amending 2002 Iowa Acts, chapter 1173, section 18, as amended by 2003 Iowa Acts, chapter 179, section 39.
4. The section amending 2000 Iowa Acts, chapter 1225, section 2, as amended by 2001 Iowa Acts, chapter 185, section 2.
5. The section amending 2000 Iowa Acts, chapter 1225, section 19.
6. The section amending 2000 Iowa Acts, chapter 1225, section 20.

Disapproved  
5.19.04  
SW

7. The section addressing the examination of the department of administration in fiscal year 2003-2004.

DIVISION XII

ENVIRONMENT FIRST FUND

Sec. 301. There is appropriated from the environment first fund to the following departments and agencies for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

a. For the conservation reserve enhancement program to restore and construct wetlands for the purposes of intercepting tile line runoff, reducing nutrient loss, improving water quality, and enhancing agricultural production practices:

..... \$ 1,500,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

b. For continuation of a program that provides multiobjective resource protections for flood control, water quality, erosion control, and natural resource conservation:

..... \$ 2,700,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

c. For continuation of a statewide voluntary farm management demonstration program to demonstrate the effectiveness and adaptability of emerging practices in agronomy that protect water resources and provide other environmental benefits:

..... \$ 850,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

Of the amount appropriated in this lettered paragraph, \$400,000 shall be allocated to the Iowa soybean association's agriculture and environment performance program.

d. For deposit in the alternative drainage system assistance fund created in section 460.303 to be used for purposes of supporting the alternative drainage system assistance program as provided in section 460.304:

..... \$ 500,000



Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

e. To provide financial assistance for the establishment of permanent soil and water conservation practices:

..... \$ 5,500,000

(1) Not more than 5 percent of the moneys appropriated in this lettered paragraph may be allocated for cost-sharing to abate complaints filed under section 161A.47.

(2) Of the moneys appropriated in this lettered paragraph, 5 percent shall be allocated for financial incentives to establish practices to protect watersheds above publicly owned lakes of the state from soil erosion and sediment as provided in section 161A.73.

(3) Not more than 30 percent of a district's allocation of moneys as financial incentives may be provided for the purpose of establishing management practices to control soil erosion on land that is row-cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping as provided in section 161A.73.

(4) The state soil conservation committee created in section 161A.4 may allocate moneys appropriated in this lettered paragraph to conduct research and demonstration projects to promote conservation tillage and nonpoint source pollution control practices.

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

(6) Not more than 10 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

f. To encourage and assist farmers in enrolling in and the implementation of federal conservation programs and work with them to enhance their revegetation efforts to improve water quality and habitat:

..... \$ 2,000,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for costs of administration and implementation of soil and water conservation practices.

g. For deposit in the loess hills development and conservation fund created in section 161D.2:

..... \$ 600,000

Of the amount appropriated in this lettered paragraph, \$400,000 shall be allocated to the hungry canyons account and \$200,000 shall be allocated to the loess hills alliance account, to be used for the purposes for which the moneys in those accounts are authorized to be used under chapter 161D. No more than 5 percent of the moneys allocated to each account in this lettered paragraph may be used for administrative costs.

h. For deposit in the southern Iowa development and conservation fund created in section 161D.12:  
..... \$ 300,000

Not more than 5 percent of the moneys appropriated in this lettered paragraph may be used for administrative costs.

2. DEPARTMENT OF ECONOMIC DEVELOPMENT

For deposit in the brownfield redevelopment fund created in section 15.293 to provide assistance under the brownfield redevelopment program:

..... \$ 500,000

3. DEPARTMENT OF NATURAL RESOURCES

a. To provide local watershed managers with geographic information system data for their use in developing, monitoring, and displaying results of their watershed work:

..... \$ 195,000

b. For statewide coordination of volunteer efforts under the water quality and keepers of the land programs:

..... \$ 100,000

c. For continuing the establishment and operation of water quality monitoring stations:

..... \$ 2,955,000

d. For deposit in the administration account of the water quality protection fund, to carry out the purposes of that account:

..... \$ 500,000

e. For air quality monitoring equipment:

..... \$ 500,000

f. For the dredging of lakes, including necessary preparation for dredging, in accordance with the department's classification of Iowa lakes restoration report:

..... \$ 1,000,000

The department shall consider the following criteria for funding lake dredging projects as provided in this lettered paragraph, and shall prioritize projects based on the following:



(1) Documented efforts to address watershed protection, considering testing, conservation efforts, and amount of time devoted to watershed protection.

(2) Protection of a natural resource and natural habitat.

(3) Percentage of public access and undeveloped lakefront property.

(4) Continuation of current projects partially funded by state resources to achieve department recommendations.

g. For purposes of funding capital projects for the purposes specified in section 452A.79, and for expenditures for the local cost share grants to be used for capital expenditures to local governmental units for boating accessibility:

..... \$ 2,300,000

h. For regular maintenance of state parks and staff time associated with these activities:

..... \$ 2,000,000

RESOURCES ENHANCEMENT AND PROTECTION FUND

Sec. 302. Notwithstanding the amount of the standing appropriation from the general fund of the state under section 455A.18, subsection 3, there is appropriated from the environment first fund to the Iowa resources enhancement and protection fund, in lieu of the appropriation made in section 455A.18, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, to be allocated as provided in section 455A.19:

..... \$ 11,000,000

Sec. 303. REVERSION.

1. Except as provided in subsection 2, and notwithstanding section 8.33, moneys appropriated in this division of this Act that remain unencumbered or unobligated shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year beginning July 1, 2005, or until the project for which the appropriation was made is completed, whichever is earlier.

2. Notwithstanding section 8.33, moneys appropriated in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the establishment of permanent soil and water conservation practices that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2007.

DIVISION XIII  
TOBACCO SETTLEMENT TRUST FUND

Sec. 304. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the following departments and agencies for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

a. For the payment of claims relating to the purchase and implementation of an integrated information for Iowa system, notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1):

..... \$ 6,049,284

b. For capitol interior restoration:

..... \$ 3,500,000

The department shall consult with the leaders of the senate and house of representatives prior to planning or implementing any capitol interior restoration project or other activity.

2. TAX-EXEMPT STATUS -- USE OF APPROPRIATIONS. Payment of moneys from the appropriations in this section shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the tobacco settlement authority.

3. REVERSION. Notwithstanding section 8.33, moneys appropriated in this section shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2006, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 305. PAYMENTS IN LIEU OF TUITION. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund of the state to the state board of regents for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in their operating funds

Disappeared  
5.17.04



resulting from the pledging of tuitions, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions, notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1):  
..... \$ 10,437,174

Sec. 306. IOWA COMMUNICATIONS NETWORK DEBT SERVICE. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the office of the treasurer of state for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For debt service for the Iowa communications network, notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1):  
..... \$ 13,039,778

Funds appropriated in this section shall be deposited in a separate fund established in the office of the treasurer of state to be used solely for debt service for the Iowa communications network. The Iowa telecommunications and technology commission shall certify to the treasurer of state when a debt service payment is due, and upon receipt of the certification, the treasurer shall make the payment. The commission shall pay any additional amount due from funds deposited in the Iowa communications network fund.

Sec. 307. PRISON DEBT SERVICE. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the office of the treasurer of state for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For repayment of prison infrastructure bonds under section 16.177, notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1):  
..... \$ 5,413,324

Sec. 308. ENDOWMENT FOR IOWA'S HEALTH ACCOUNT -- TRANSFER TO REBUILD IOWA INFRASTRUCTURE FUND. Notwithstanding 2001 Iowa Acts, chapter 174, section 1, subsection 1, as amended by 2002 Iowa Acts, chapter 1167, section 4, 2002 Iowa Acts, chapter 1174, section 8, and 2002 Iowa Acts, chapter 1175, section 95, there is transferred from the endowment for Iowa's

health account of the tobacco settlement trust fund created in section 12E.12 to the rebuild Iowa infrastructure fund for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount:

..... \$ 10,966,960

Notwithstanding section 8.33, moneys transferred in this section shall not revert.

Sec. 309. 2003 Iowa Acts, chapter 177, section 23, subsection 3, is amended to read as follows:

3. Notwithstanding section 8.33, moneys appropriated in this section shall not revert at the close of the fiscal year for which they were appropriated, but shall remain available for the purpose designated until the close of the fiscal year that begins July 1, ~~2008~~ 2006, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 310. 2002 Iowa Acts, chapter 1173, section 1, subsection 7, paragraph a, is amended to read as follows:

a. For parking improvements and provision of street access for the judicial building:

FY 2002-2003 .....	\$	700,000
FY 2003-2004 .....	\$	0
FY 2004-2005 .....	\$	0
FY 2005-2006 .....	\$	0

Of the amount appropriated in this lettered paragraph for FY 2002-2003, up to \$330,000 may be used for costs associated with operation of the judicial building, notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1).

DIVISION XIV

MISCELLANEOUS FUNDS

Sec. 311. HELP AMERICA VOTE ACT. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the purchase and installation of voting machines to implement the federal Help America Vote Act (HAVA):

..... \$ 765,000

Of the federal funds drawn down pursuant to HAVA, not less than 80 percent shall be distributed to counties for the implementation of that Act.

The state commissioner of elections shall report to the general assembly regarding the expenditure of the moneys

Disapproved  
5.17.04  
ON



appropriated in this section by January 2, 2005, and July 1, 2005.

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 312. GENERAL FUND APPROPRIATIONS.

1. There is appropriated from the general fund of the state to the state department of transportation for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For operation and maintenance of the network of automated weather observation and data transfer systems associated with the Iowa aviation weather system, the runway marking program for public airports, the windsock program for public airports, and the aviation improvement program:

..... \$ 64,792

b. For the rail assistance program and to provide economic development project funding:

..... \$ 35,959

2. There is appropriated from the general fund of the state to the racing and gaming commission within the department of inspections and appeals for the fiscal year beginning July 1, 2004, and ending June 30, 2005, in addition to any other appropriation made by the general assembly, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for the regulation of pari-mutual racetracks:

..... \$ 217,161

The funds appropriated in this subsection shall be used for one additional gaming representative at each of the three licensed racetracks.

Sec. 313. PRIMARY ROAD FUND APPROPRIATION. There is appropriated from the primary road fund to the department of administrative services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for distribution to the state department of transportation:

..... \$ 465,491

Moneys appropriated in this section shall be separately accounted for in a distribution account and shall be distributed to the state department of transportation to pay for services provided the state department of transportation by the department of administrative services as described in chapter 8A.

Sec. 314. ROAD USE TAX FUND APPROPRIATION. There is appropriated from the road use tax fund to the department of administrative services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for distribution to the state department of transportation:

..... \$ 76,059

Moneys appropriated in this section shall be separately accounted for in a distribution account and shall be distributed to the state department of transportation to pay for services provided the state department of transportation by the department of administrative services as described in chapter 8A.

Sec. 315. TRANSFER AND DEPOSIT OF SURPLUS MONEYS IN LOCAL HOUSING ASSISTANCE PROGRAM FUND. The sum of \$800,000 is transferred from moneys declared by the Iowa finance authority under section 16.10 to be surplus moneys to the housing trust fund created in section 16.181 for the fiscal year beginning July 1, 2004, and ending June 30, 2005.

Disapproved  
5.17.04  
ow

Sec. 316. 2003 Iowa Acts, chapter 171, section 2, is amended by inserting the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, moneys appropriated in subsection 1 that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure until the close of the fiscal year that begins July 1, 2004, for the purpose of restocking the department's salt storage.

Sec. 317. EFFECTIVE DATE.

1. The section of this division of this Act providing an appropriation for implementation of the federal Help America Vote Act, being deemed of immediate importance, takes effect upon enactment.

2. The section of this division of this Act, amending 2003 Iowa Acts, chapter 171, section 2, being deemed of immediate importance, takes effect upon enactment.



Sec. 318. Section 15.109, subsection 2, Code 2003, is amended to read as follows:

2. Apply for, receive, administer, and use federal or other funds available for achieving the purposes of this chapter. For purposes of this subsection, the term "federal funds" includes federal tax credits, grants, or other economic benefits allocated or provided by the United States government to encourage investment in low-income or other specified areas or to otherwise promote economic development. The department may enter into an agreement pursuant to chapter 28E, or any other agreement, with a person, including for-profit and nonprofit legal entities, in order to directly or indirectly apply for, receive, administer, and use federal funds. As part of such agreements and in furtherance of this public purpose and in addition to powers and duties conferred under other provisions of law, the department may, including for or on behalf of for-profit or nonprofit legal entities, appoint, remove, and replace board members and advisors; provide oversight; make its personnel and resources available to perform administrative, management, and compliance functions; coordinate investments; and engage in other acts as reasonable and necessary to encourage investment in low-income or other areas or to promote economic development. The department, including department officials and employees in their official and personal capacities, are immune from liability for all acts or omissions under this subsection.

[Sec. 319. Section 80.9, subsection 2, paragraph f, Code 2003, is amended to read as follows:

f. Provide protection and security for persons and property on the grounds of the state capitol complex. Notwithstanding chapter 8A or any other provision of law, the department shall be solely responsible for the purchase, installation, and maintenance of, including making any improvements or additions to, executive branch capitol complex security systems or equipment, including the changing of locks and issuance of keys, access cards, and identification badges. The department of administrative services shall cooperate with the department of public safety in executing the department's duties under this paragraph.

Sec. 320. Section 423.3, subsections 2 and 37, as enacted by 2003 Iowa Acts, First Extraordinary Session, chapter 2, section 96, are amended to read as follows:

Disapproved  
5.19.04  
ow



2. The sales price of sales for resale of tangible personal property or taxable services, or for resale of tangible personal property in connection with the furnishing of taxable services except for sales, other than leases or rentals, which are sales, of machinery, equipment, attachments, and replacement parts specifically enumerated in subsection 37 and used in the manner described in subsection 37.

37. The sales price of services on or connected with new construction, reconstruction, alteration, expansion, remodeling, or the services of a general building contractor, architect, or engineer. The exemption in this subsection also applies to the sales price on the lease or rental of self-propelled building equipment, self-constructed cranes, pile drivers, structural concrete forms, regular and motorized scaffolding, generators, or attachments customarily drawn or attached to self-propelled building equipment, self-constructed cranes, pile drivers, structural concrete forms, regular and motorized scaffolding, and generators, including auxiliary attachments which improve the performance, safety, operation, or efficiency of the equipment and replacement parts and are directly and primarily used by contractors, subcontractors, and builders for new construction, reconstruction, alterations, expansion, or remodeling of real property or structures.

#### DIVISION XVI

#### MISCELLANEOUS PROVISIONS

Sec. 321. Section 8.57, subsection 5, Code Supplement 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. 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.

Sec. 322. NEW SECTION. 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 fifty million dollars.

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

d. For the fiscal year beginning July 1, 2008, and each fiscal year thereafter, the sum of one hundred million dollars.

Sec. 323. Section 8D.13, subsection 12, Code Supplement 2003, is amended to read as follows:

12. The commission, on its own or as recommended by an advisory committee of the commission and approved by the commission, shall permit a fee to be charged by a receiving site to the originator of the communication provided on the network. The fee charged shall be for the purpose of recovering the operating costs of a receiving site. The fee charged shall be reduced by an amount received by the receiving site pursuant to a state appropriation for such costs, or federal assistance received for such costs. Fees established under this subsection shall be paid by the originator of the communication directly to the receiving

Disapproved  
5.19.04  
aw

site. In the event that an entity requests a receiving site location in a video classroom facility which is authorized by, but not funded by, the originator of the communication, the requesting entity shall be directly billed by the video classroom facility for operating costs relating to the communication. For purposes of this section, "operating costs" include the costs associated with the management or coordination, operations, utilities, classroom, equipment, maintenance, and other costs directly related to providing the receiving site.

Sec. 324. Section 15E.208, subsection 3, paragraph b, subparagraph (2), Code Supplement 2003, is amended by adding the following new subparagraph subdivisions:

NEW SUBPARAGRAPH SUBDIVISION. (c) Notwithstanding any provision of this division to the contrary, payments on the principal balance of the loan granted by the corporation to an eligible person and assigned to the department pursuant to this subparagraph during calendar year 2003 shall be deferred until October 1, 2007. The eligible person shall make principal payments to the department in the amount of one million dollars for each year on October 1, 2007, October 1, 2008, and October 1, 2009. The eligible person shall pay the department four hundred eighty-two thousand seven hundred sixty-one dollars in interest, which shall be deemed to be the total amount of interest accruing on the principal amount of the loan. The eligible person shall pay the interest amount on October 1, 2010. Upon the payment of the principal balance of the loan and the accrued interest, the debt shall be retired.

NEW SUBPARAGRAPH SUBDIVISION. (d) Notwithstanding any provision of this division to the contrary, the corporation shall repay the department the principal balance of the Iowa agricultural industry finance loan beginning on October 1, 2007. The principal balance of the loan equals twenty-one million five hundred seventeen thousand two hundred thirty-nine dollars. The corporation shall repay the department five hundred seventeen thousand two hundred thirty-nine dollars by October 1, 2007, and for each subsequent year the corporation shall repay the department at least one million dollars by October 1 until the total principal balance of the loan is repaid. This subparagraph subdivision shall not be construed to limit the department's authority to negotiate the payment of interest accruing on the principal balance which shall be



paid to the department as provided by an agreement executed by the department and the corporation.

Sec. 325. Section 28M.1, if enacted by 2004 Iowa Acts, Senate File 2284, section 1, is amended by adding the following new subsection:

NEW SUBSECTION. 3. "Transportation" means the movement of individuals in a four or more wheeled motorized vehicle designed to carry passengers, including a car, van, or bus, or the carrying of individuals upon cars operated upon stationary rails, between one geographic point and another geographic point. "Transportation" does not include emergency or incidental transportation or transportation conducted by the department of human services at its institutions.

Sec. 326. Section 28M.2, subsections 1 and 3, if enacted by 2004 Iowa Acts, Senate File 2284, section 2, are amended to read as follows:

1. A county with a population in excess of ~~three~~ one hundred ~~seventy-five~~ thousand and participating cities may create, by chapter 28E agreement, a regional transit district in the county pursuant to this chapter. Two or more contiguous counties and participating cities may create, by chapter 28E agreement, a regional transit district pursuant to this chapter if one of the counties has a population in excess of ~~three~~ one hundred ~~seventy-five~~ thousand. A district shall consist of the unincorporated area of any participating county and the incorporated area of any city in the county that does not have an urban transit system. However, a city without an urban transit system may decline, by resolution forwarded to the board of supervisors, to participate in a regional transit district.

3. A city that is located in a nonparticipating county that is contiguous to a county with a population in excess of ~~three~~ one hundred ~~seventy-five~~ thousand that is creating a regional transit district may notify that county, by resolution forwarded to the board of supervisors of that county, that the city wishes to participate.

Sec. 327. Section 28M.5, subsection 1, unnumbered paragraph 2, if enacted by 2004 Iowa Acts, Senate File 2284, section 5, is amended to read as follows:

The amount of the regional transit district levy that is the responsibility of a participating county shall be deducted from the maximum rates of taxes authorized to be levied by the county pursuant to section 331.423, subsections 1 and 2, as

applicable. However, for a regional transit district that includes a county with a population of less than three hundred thousand, the amount of the regional transit district levy that is the responsibility of a participating county shall be deducted from the maximum rate of taxes authorized to be levied by the county pursuant to section 331.423, subsection 1.

Sec. 328. Section 99F.7, subsection 13, Code 2003, as amended by 2004 Iowa Acts, House File 2302, if enacted, is amended to read as follows:

13. ~~An~~ When applicable, an excursion gambling boat operated on inland waters of this state or an excursion boat that has been removed from navigation and is designated as a permanently moored vessel by the United States coast guard shall be subject to the exclusive jurisdiction of the department of natural resources and meet all of the requirements of chapter 462A and is further subject to an inspection of its sanitary facilities to protect the environment and water quality before a certificate of registration is issued by the department of natural resources or a license is issued or renewed under this chapter.

Sec. 329. Section 165B.5, subsection 3, if enacted by 2004 Iowa Acts, House File 2476, section 6, is amended to read as follows:

3. a. A person who owns or operates a restricted concentration point is subject to a civil penalty of ~~not less than~~ five thousand dollars for the first violation and ~~not less than~~ twenty-five thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

b. A person who has a legal interest in infected poultry or has custody of infected poultry which are located at a restricted concentration point is subject to a civil penalty of ~~not less than~~ five thousand dollars for the first violation and ~~not less than~~ twenty-five thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

c. A person who transports poultry to or from a restricted concentration point is subject to a civil penalty of ~~not less than~~ one thousand dollars for the first violation and ~~not less than~~ five thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.



d. A person who purchases, offers to purchase, barter, or offers to barter for poultry at a restricted concentration point is subject to a civil penalty of ~~not-less-than~~ one hundred dollars for the first violation and ~~not-less-than~~ one thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

e. A person who charges admission for entry into a restricted concentration point where a contest occurs or otherwise holds, advertises, or conducts the contest is subject to a civil penalty of ~~not-less-than~~ one thousand dollars for the first violation and ~~not-less-than~~ five thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

f. A person who attends or participates in a contest at a restricted concentration point where a contest occurs is subject to a civil penalty of ~~not-less-than~~ one hundred dollars for the first violation and ~~not-less-than~~ one thousand dollars for each subsequent violation. Each day that a violation continues constitutes a separate violation.

Sec. 330. Section 260C.18A, subsection 3, Code Supplement 2003, is amended to read as follows:

3. Of the moneys appropriated in this section, for the fiscal period beginning July 1, 2003, and ending June 30, ~~2006~~ 2007, the following amounts shall be designated for the purposes of funding job retention projects under section 260F.9:

a. One million dollars for the fiscal year beginning July 1, 2003.

b. One million dollars for the fiscal year beginning July 1, 2004.

c. One million dollars for the fiscal year beginning July 1, 2005.

d. One million dollars for the fiscal year beginning July 1, 2006. However, this paragraph only applies if moneys allocated under paragraph "a" were distributed to community colleges as provided under subsection 8.

Sec. 331. Section 260C.18A, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 8. If moneys allocated under subsection 3, paragraph "a", are unobligated and unencumbered on June 30, 2004, those moneys shall be distributed to community colleges in accordance with subsection 5 for the fiscal year beginning July 1, 2004, and ending June 30, 2005.

Sec. 332. Section 306.46, as enacted by 2004 Iowa Acts, Senate File 2118, section 1, is amended by adding the following new subsection:

NEW SUBSECTION. 3. This section shall not impair or interfere with a city's authority to grant, amend, extend, or renew a franchise as provided in section 364.2, and shall not impair or interfere with a city's existing general police powers to control the use of its right-of-way.

Sec. 333. Section 321.34, subsection 11, paragraphs c and d, Code Supplement 2003, are amended to read as follows:

c. The special natural resources fee for letter number designated natural resources plates is ~~thirty-five~~ forty-five dollars. The fee for personalized natural resources plates is forty-five dollars which shall be paid in addition to the special natural resources fee of ~~thirty-five~~ forty-five dollars. The fees collected by the director under this subsection shall be paid monthly to the treasurer of state and credited to the road use tax fund. Notwithstanding section 423.24, and prior to the crediting of revenues to the road use tax fund under section 423.24, subsection 1, paragraph "b", the treasurer of state shall credit monthly from those revenues to the Iowa resources enhancement and protection fund created pursuant to section 455A.18, the amount of the special natural resources fees collected in the previous month for the natural resources plates.

From the moneys credited to the Iowa resources enhancement and protection fund under this paragraph "c", ten dollars of the fee collected for each natural resources plate issued, and fifteen dollars from each renewal fee, shall be allocated to the department of natural resources wildlife bureau to be used for nongame wildlife programs.

d. Upon receipt of the special registration plates, the applicant shall surrender the current registration receipt and plates to the county treasurer. The county treasurer shall validate the special registration plates in the same manner as regular registration plates are validated under this section. The annual special natural resources fee for letter number designated plates is ~~ten~~ twenty-five dollars which shall be paid in addition to the regular annual registration fee. The annual fee for personalized natural resources plates is five dollars which shall be paid in addition to the annual special natural resources fee and the regular annual registration fee. The annual special natural resources fee shall be credited as provided under paragraph "c".



Sec. 334. NEW SECTION. 327F.38 FIRST AID AND MEDICAL TREATMENT FOR EMPLOYEES.

The department shall adopt rules requiring railroad corporations within the state to provide reasonable and adequate access to first aid and medical treatment for employees injured in the course of employment. A railroad corporation found guilty of a rule adopted pursuant to this section shall, upon conviction, be subject to a schedule "one" penalty.

Sec. 335. Section 331.362, subsection 5, Code Supplement 2003, is amended to read as follows:

5. The Notwithstanding any provision of law to the contrary, the board may enter into agreements with the department of transportation as provided in section 313.2, including but not limited to agreements for the disposition of county property in accordance with section 331.361, subsection 2.

Sec. 336. Section 422.11J, subsection 5, paragraph a, if enacted by 2004 Iowa Acts, Senate File 2295, is amended to read as follows:

a. "Disabled student" means a child requiring special education, as defined in section 256B.2, subsection 1, or a student with disabilities who qualifies for educational services under section 504 of the federal Rehabilitation Act of 1973, as amended and codified in 29 U.S.C. § 794.

Sec. 337. Section 432.1, subsection 6, paragraph b, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

In addition to the prepayment amount in paragraph "a", each life insurance company or association which is subject to tax under subsection 1 of this section and each mutual health service corporation which is subject to tax under section 432.2 shall remit on or before ~~June-30~~ August 15, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

Sec. 338. Section 432.1, subsection 6, paragraph c, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

In addition to the prepayment amount in paragraph "a", each insurance company or association, other than a life insurance company or association, which is subject to tax under subsection 3 shall remit on or before ~~June-30~~ August 15, on a

Disapproval  
5.19.04  
aw

Disapproval  
5.19.04  
aw

prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

Sec. 339. Section 518.18, subsection 3, paragraph b, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

In addition to the prepayment amount in paragraph "a", each association shall remit on or before ~~June-30~~ August 15, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

Sec. 340. Section 518A.35, subsection 3, paragraph b, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

In addition to the prepayment amount in paragraph "a", each association shall remit on or before ~~June-30~~ August 15, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

Sec. 341. 2004 Iowa Acts, Senate File 2257, section 1, subsection 10, if enacted, is amended to read as follows:

10. APPLICABILITY DATE. This section applies to personal insurance contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after ~~April-17-2005~~ October 1, 2004.

Sec. 342. 2003 Iowa Acts, chapter 145, section 290, subsection 2, paragraph c, is amended to read as follows:

c. By ~~September~~ December 1, 2004, the department of administrative services, with the assistance of the department of management, shall conduct a comprehensive study of the impact of transferring all state agency employees delivering information technology services to the department of administrative services and of the impact of physically merging the data centers of the department, the state department of transportation, and the department of workforce development, into one data center. The study shall include an assessment of advantages and disadvantages, economies of scale, cost, and space availability, and shall solicit input from outside vendors, both public and private. The department shall report to the legislative ~~fiscal-bureau~~ services agency and the committees on government oversight of the senate and house of representatives on the department's findings and recommendations by ~~November-17~~ December 15, 2004.



Sec. 343. 2004 Iowa Acts, House File 2562, section 11, subsection 1, if enacted, is amended to read as follows:

1. This Act, except for the provision of this Act enacting section 99B.10, subsection 5B, being deemed of immediate importance, takes effect upon enactment.

Sec. 344. MENTAL HEALTH INSTITUTE AT CHEROKEE. If building space located at the state mental health institute at Cherokee being used by an organization other than the state will be vacated by the organization, the department of human services shall reserve the space to be available for the purposes described in this section. The department shall develop a plan for using vacant building space at the institute for a program to address the treatment needs of persons with a developmental disability who exhibit sexually violent behavior and are residents at state resource centers or other residential settings.

Sec. 345. EFFECTIVE DATE. The sections of this division of this Act amending section 260C.18A, Code Supplement 2003, being deemed of immediate importance, take effect upon enactment.

Sec. 346. EFFECTIVE DATE. The section of this division of this Act amending section 306.46, being deemed of immediate importance, takes effect upon enactment.

Sec. 347. REAP PLATES -- EFFECTIVE DATE. The section of this division of this Act amending section 321.34, subsection 11, paragraphs "c" and "d", takes effect January 1, 2005.

Sec. 348. EFFECTIVE DATE. The sections of this division of this Act amending sections 432.1, 518.18, and 518A.35, being deemed of immediate importance, take effect upon enactment.

#### DIVISION XVII

#### CORRECTIVE PROVISIONS

Sec. 349. Section 9E.6A, unnumbered paragraph 1, Code 2003, as amended by 2004 Iowa Acts, House File 2516, section 1, if enacted, is amended to read as follows:

Each person performing a notarial act pursuant to section 9E.10 must acquire and use a stamp or seal as provided in this chapter. However, this section shall not apply to a notarial act performed by a judicial officer as defined in section 602.1101, if the notarial act is performed in accordance with state or federal statutory authority, or-is and shall not apply to a certification by a chief officer or a chief officer's designee of a peace officer's verification of a

Disapproved  
5.19.04  
sw

uniform citation and complaint pursuant to section 805.6, subsection 5.

Sec. 350. Section 9H.1, subsection 17, Code Supplement 2003, is amended to read as follows:

17. "Limited partnership" means a limited partnership as defined in section ~~487.101, subsection 7, and~~ or 488.102, or a limited liability limited partnership under section 487.1301 or chapter 488, which owns or leases agricultural land or is engaged in farming.

Sec. 351. Section 9H.1, subsection 17, Code Supplement 2003, as amended by this division of this Act to take effect January 1, 2005, is amended to read as follows:

17. "Limited partnership" means a limited partnership as defined in section ~~487.101 or~~ 488.102, or a limited liability limited partnership under ~~section 487.1301 or~~ chapter 488, which owns or leases agricultural land or is engaged in farming.

Sec. 352. Section 10B.1, subsection 8, Code Supplement 2003, is amended to read as follows:

8. "Limited partnership" means a foreign or domestic limited partnership, including a limited partnership as defined in section ~~487.101, subsection 7~~ or 488.102, and a domestic or foreign limited liability limited partnership under section 487.1301 or 487.1303, or chapter 488.

Sec. 353. Section 10B.1, subsection 8, Code Supplement 2003, as amended by this division of this Act to take effect January 1, 2005, is amended to read as follows:

8. "Limited partnership" means a foreign or domestic limited partnership, including a limited partnership as defined in section ~~487.101 or~~ 488.102, and a domestic or foreign limited liability limited partnership under ~~section 487.1301 or 487.1303, or~~ chapter 488.

Sec. 354. Section 34A.7A, subsection 2, paragraph f, if enacted by 2004 Iowa Acts, House File 2434, is amended by striking the paragraph and inserting in lieu thereof the following:

f. (1) The program manager shall allocate an amount up to one hundred twenty-seven thousand dollars per calendar quarter equally to the joint E911 service boards and the department of public safety that have submitted an annual written request to the program manager in a form approved by the program manager by May 15 of each year.

Disapproved  
5.19.04  
or



(2) Upon retirement of outstanding obligations referred to in paragraph "e", the amount allocated under this paragraph "f" shall be an amount up to four hundred thousand dollars per calendar quarter allocated as follows:

(a) Sixty-five percent of the total dollars available for allocation shall be allocated in proportion to the square miles of the service area to the total square miles in this state.

(b) Thirty-five percent of the total dollars available for allocation shall be allocated in proportion to the wireless E911 calls taken at the public safety answering point in the service area to the total number of wireless E911 calls originating in this state.

(c) Notwithstanding subparagraph subdivisions (a) and (b), the minimum amount allocated to each joint E911 service board and to the department of public safety shall be no less than one thousand dollars for each public safety answering point within the service area of the department of public safety or joint E911 service board.

(3) The funds allocated in this paragraph "f" shall be used for communication equipment located inside the public safety answering points for the implementation and maintenance of wireless E911 phase 2. The joint E911 service boards and the department of public safety shall provide an estimate of phase 2 implementation costs to the program manager by January 1, 2005.

Sec. 355. Section 48A.11, subsection 1, paragraph e, Code 2003, as amended by 2004 Iowa Acts, Senate File 2269, section 8, if enacted, is amended to read as follows:

e. Iowa driver's license number if the registrant has a current and valid Iowa driver's license, Iowa nonoperator's identification card if the registrant has a current and valid Iowa nonoperator's identification card, or the last four numerals of the registrant's social security number. If the registrant does not have an Iowa driver's license number, an Iowa nonoperator's identification card number, or a social security number, the form shall provide space for a number to be assigned as provided in subsection 7.

Sec. 356. Section 48A.25A, unnumbered paragraph 1, if enacted by 2004 Iowa Acts, Senate File 2269, section 13, is amended to read as follows:

Upon receipt of an application for voter registration by mail, the state registrar of voters shall compare the driver's

license number, the Iowa nonoperator's identification card number, or the last four numerals of the social security number provided by the registrant with the records of the state department of transportation. To be verified, the voter registration record shall contain the same name, date of birth, and driver's license number or Iowa nonoperator's identification card number or whole or partial social security number as the records of the department of transportation. If the information cannot be verified, the application shall be rejected and the registrant shall be notified of the reason for the rejection. If the information can be verified, a record shall be made of the verification and the application shall be accepted.

Sec. 357. Section 48A.37, subsection 2, Code 2003, as amended by 2004 Iowa Acts, Senate File 2269, section 18, if enacted, is amended to read as follows:

2. Electronic records shall include a status code designating whether the records are active, inactive, local, or pending. Inactive records are records of registered voters to whom notices have been sent pursuant to section 48A.28, subsection 3, and who have not returned the card or otherwise responded to the notice, and those records have been designated inactive pursuant to section 48A.29. Local records are records of applicants who did not answer either "yes" or "no" to the question in section 48A.11, subsection 2A, paragraph "a". Pending records are records of applicants whose applications have not been verified pursuant to section 48A.25A. All other records are active records. An inactive record shall be made active when the registered voter votes at an election, registers again, or reports a change of name, address, telephone number, or political party affiliation. A pending record shall be made active upon verification. A local record shall be valid for any election for which no candidates for federal office appear on the ballot~~7-but-the~~. A registrant may with only a local record shall not vote in a federal election unless the registrant submits a new voter registration application before election day indicating that the applicant is a citizen of the United States.

Sec. 358. Section 49.81, subsection 2, unnumbered paragraph 3, if enacted by 2004 Iowa Acts, Senate File 2269, section 20, is amended to read as follows:

You must show identification before your ballot can be counted. Please bring or mail a copy of a current and valid



photo identification card to the county ~~commissioners~~  
commissioner's office or bring or mail a copy of one of the  
following current documents that show your name and address:

Sec. 359. Section 52.7, unnumbered paragraph 4, Code 2003,  
as amended by 2004 Iowa Acts, Senate File 2269, section 27, if  
enacted, is amended to read as follows:

Such machine shall be so constructed as to accurately  
account for every vote cast upon it. The machine shall be so  
constructed as to remove information from the ballot  
identifying the voter before the ballot is recorded and  
counted. If the machine is a direct ~~electronic~~ recording  
electronic device, the machine shall be so constructed as to  
store each ballot cast separate from the ballot tabulation  
function, which ballot may be reproduced on paper in the case  
of a recount, manual audit, or machine malfunction.

Sec. 360. Section 53.3, subsection 7, if enacted by 2004  
Iowa Acts, Senate File 2269, section 30, is amended to read as  
follows:

7. A statement that an absentee ballot will ~~by~~ be mailed  
to the applicant within twenty-four hours after the ballot for  
the election is available.

Sec. 361. Section 53.17, subsection 1, paragraph a, if  
enacted by 2004 Iowa Acts, Senate File 2269, section 33, is  
amended to read as follows:

a. The sealed carrier envelope may be delivered by the  
registered voter, by the special precinct election officials  
designated pursuant to section 53.22, subsection 1, or by the  
voter's designee if the absentee ballot is voted by a voter  
described in section 53.22, subsection 5, to the  
commissioner's office no later than the time the polls are  
closed on election day, ~~except as otherwise provided in~~  
subsection-4.

Sec. 362. Section 53.17, subsection 4, paragraph d,  
subparagraph (2), if enacted by 2004 Iowa Acts, Senate File  
2269, section 33, is amended to read as follows:

(2) The date and time the ~~voted~~ completed absentee ballot  
was received from the voter.

Sec. 363. Section 68A.402, subsection 7, paragraph b, as  
amended by 2004 Iowa Acts, House File 2319, section 1, if  
enacted, is amended to read as follows:

b. COUNTY ELECTIONS. A political committee expressly  
advocating the nomination, election, or defeat of candidates  
for county office shall file reports on the same dates as a a

candidate's committee is required to file reports under subsection 2, paragraph "a" and subsection 5, paragraph "b".

Sec. 364. Section 68A.503, subsection 4, unnumbered paragraph 1, as amended by 2004 Iowa Acts, House File 2318, section 7, if enacted, is amended to read as follows:

The prohibitions in ~~sections~~ subsections 1 and 2 shall not apply to an insurance company, savings and loan association, bank, credit union, or corporation engaged in any of the following activities:

Sec. 365. Section 99B.11, subsection 2, paragraph c, Code 2003, as amended by 2004 Iowa Acts, Senate File 2249, section 1, is amended to read as follows:

c. Contests or exhibitions of cooking, horticulture, livestock, poultry, fish or other animals, artwork, hobbywork or craftwork, except those prohibited by chapter 717A ~~or section-725.11~~.

Sec. 366. Section 174.1, subsection 0B, paragraph a, as enacted by House File 2403, section 8, is amended to read as follows:

a. The organization owns or leases at least ten acres of fairgrounds. ~~A society~~ An organization may meet the requirement of owning or leasing land, buildings, and improvements through ownership by a joint entity under chapter 28E.

Sec. 367. Section 174.12, subsection 2, unnumbered paragraph 1, Code 2003, as amended by 2004 Iowa Acts, House File 2403, section 16, is amended to read as follows:

A district director of the association representing the district in which the county is located, and the director of the Iowa state fair board representing the state fair board district in which the county is located, certify to the association that the fair had an accredited delegate in attendance at at least one of the district meetings, and at the association's annual meeting.

Sec. 368. Section 229.27, subsection 1, Code 2003, is amended to read as follows:

1. Hospitalization of a person under this chapter, either voluntarily or involuntarily, does not constitute a finding of nor equate with nor raise a presumption of incompetency, nor cause the person so hospitalized to be deemed a person of unsound mind nor a person under legal disability for any purpose, including but not limited to any circumstances to which sections 6B.15, 447.7, 487.402, subsection 5, paragraph



"b", section 488.603, subsection 6, paragraph "c", sections 487.705, 488.704, 597.6, 600B.21, 614.8, 614.19, 614.22, 614.24, 614.27, and 633.244 are applicable.

Sec. 369. Section 229.27, subsection 1, Code 2003, as amended by this division of this Act to take effect January 1, 2005, is amended to read as follows:

1. Hospitalization of a person under this chapter, either voluntarily or involuntarily, does not constitute a finding of nor equate with nor raise a presumption of incompetency, nor cause the person so hospitalized to be deemed a person of unsound mind nor a person under legal disability for any purpose, including but not limited to any circumstances to which sections 6B.15, 447.7, ~~487.4027-subsection-57-paragraph "b"~~ section 488.603, subsection 6, paragraph "c", sections 487.705, 488.704, 597.6, 600B.21, 614.8, 614.19, 614.22, 614.24, 614.27, and 633.244 are applicable.

Sec. 370. Section 260C.18A, subsection 2, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

On July 1 of each year for the fiscal year beginning July 1, 2003, and for every fiscal year thereafter, moneys from the grow Iowa values fund created in section 15G.108 are appropriated to the department of economic development for deposit in the workforce training and economic development funds in amounts determined pursuant to subsection 3 4. Moneys deposited in the funds and disbursed to community colleges for a fiscal year shall be expended for the following purposes, provided seventy percent of the moneys shall be used on projects in the areas of advanced manufacturing, information technology and insurance, and life sciences which include the areas of biotechnology, health care technology, and nursing care technology:

Sec. 371. Section 321I.10, if enacted by 2004 Iowa Acts, Senate File 297, section 53, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. Cities may designate streets under the jurisdiction of cities within their respective corporate limits which may be used for the sport of driving all-terrain vehicles.

Sec. 372. Section 331.606B, subsection 4, paragraph a, if enacted by 2004 Iowa Acts, Senate File 371, section 3, is amended to read as follows:

a. A document or instrument that was signed before July 1, ~~2004~~ 2005.

Sec. 373. Section 488.102, subsection 10, paragraph a, subparagraph (2), as enacted by 2004 Iowa Acts, House File 2347, section 2, is amended to read as follows:

(2) A person that was a general partner in a limited partnership when the limited partnership became subject to this chapter under section ~~488.1206~~ 488.1204, subsection 1 or 2.

Sec. 374. Section 488.102, subsection 12, paragraph a, subparagraph (2), as enacted by 2004 Iowa Acts, House File 2347, section 2, is amended to read as follows:

(2) A person that was a limited partner in a limited partnership when the limited partnership became subject to this chapter under section ~~488.1206~~ 488.1204, subsection 1 or 2.

Sec. 375. Section 488.102, subsection 13, as enacted by 2004 Iowa Acts, House File 2347, section 2, is amended to read as follows:

13. "Limited partnership", except in the phrases "foreign limited partnership" and "foreign limited liability limited partnership", means an entity, having one or more general partners and one or more limited partners, which is formed under this chapter by two or more persons or becomes subject to this chapter under article 11 or section ~~488.1206~~ 488.1204, subsection 1 or 2. The term includes a limited liability limited partnership.

Sec. 376. Section 488.202, subsection 3, unnumbered paragraph 1, as enacted by 2004 Iowa Acts, House File 2347, section 20, is amended to read as follows:

A general partner that knows that any information in a filed certificate of limited partnership was false when the certificate was filed or has become false due to changed circumstances shall promptly do at least one of the following:

Sec. 377. Section 488.209, subsection 1, paragraph c, as enacted by 2004 Iowa Acts, House File 2347, section 27, is amended to read as follows:

c. Whether all fees, taxes, and penalties under this chapter or other law due ~~to~~ the secretary of state have been paid.

Sec. 378. Section 488.209, subsection 2, paragraph c, as enacted by 2004 Iowa Acts, House File 2347, section 27, is amended to read as follows:



c. Whether all fees, taxes, and penalties under this chapter or other law due to the secretary of state have been paid.

Sec. 379. Section 488.508, subsection 6, as enacted by 2004 Iowa Acts, House File 2347, section 50, is amended to read as follows:

6. A limited partnership's indebtedness, including indebtedness issued in connection with or as part of a distribution, is not considered a liability for purposes of subsection 2 if the terms of the indebtedness provide that payment of principal and interest ~~are~~ is made only to the extent that a distribution could then be made to partners under this section.

Sec. 380. Section 488.703, subsection 1, as enacted by 2004 Iowa Acts, House File 2347, section 61, is amended to read as follows:

1. On application to a court of competent jurisdiction by any judgment creditor of a partner or transferee, the court may charge the transferable interest of the judgment debtor with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of a transferee. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.

Sec. 381. Section 488.809, subsection 1, paragraph a, as enacted by 2004 Iowa Acts, House File 2347, section 72, is amended to read as follows:

a. Pay any fee, tax, or penalty under this chapter or other law due to the secretary of state.

Sec. 382. Section 488.906, subsection 1, paragraph a, as enacted by 2004 Iowa Acts, House File 2347, section 81, is amended to read as follows:

a. Pay, within sixty days after the due date, any fee, tax or penalty under this chapter or other law due to the secretary of state.

Sec. 383. Section 488.1106, subsection 1, paragraph a, as enacted by 2004 Iowa Acts, House File 2347, section 94, is amended to read as follows:

a. The governing statute of each of the other organizations authorizes the merger.

Sec. 384. Section 504.304, subsection 1, if enacted by 2004 Iowa Acts, Senate File 2274, section 27, is amended to read as follows:

1. Except as provided in subsection 2, the validity of corporate action ~~may~~ shall not be challenged on the ground that the corporation lacks or lacked power to act.

Sec. 385. Section 504.854, subsection 3, paragraph b, if enacted by 2004 Iowa Acts, Senate File 2274, section 104, is amended to read as follows:

b. By the members, but the director who, at the time does not qualify as a disinterested director, ~~may~~ shall not vote as a member or on behalf of a member.

Sec. 386. Section 504.1422, subsection 3, if enacted by 2004 Iowa Acts, Senate File 2274, section 145, is amended to read as follows:

3. A corporation that is administratively dissolved continues its corporate existence but ~~may~~ shall not carry on any activities except those necessary to wind up and liquidate its affairs pursuant to section 504.1406 and notify its claimants pursuant to sections 504.1407 and 504.1408.

Sec. 387. Section 614.37, Code 2003, as amended by 2004 Iowa Acts, House File 2450, section 8, if enacted, is amended to read as follows:

614.37 LIMITATION STATUTES NOT EXTENDED.

Nothing contained in this chapter shall be construed to extend the period for the bringing of an action or for the doing of any other required act under any statutes of limitations, nor, except as herein specifically provided, to effect the operation of any statutes governing the effect of the recording or the failure to record any instrument affecting land. It is intended that nothing contained in this ~~division~~ chapter be interpreted to revive or extend the period of filing a claim or bringing an action that may be limited or barred by any other statute.

Sec. 388. Section 669.14, subsection 11, unnumbered paragraph 1, Code Supplement 2003, as amended by 2004 Iowa Acts, House File 2347, section 116, is amended to read as follows:

Any claim for financial loss based upon an act or omission in financial regulation, including but not limited to examinations, inspections, audits, or other financial oversight responsibilities, pursuant to chapters 87, 203, 203C, 203D, 421B, 486, ~~or-the-figure-"487"~~ 487, 488, and 490



through 553, excluding chapters 540A, 542, 542B, 543B, 543C, 543D, 544A, and 544B.

Sec. 389. Section 709A.1, subsection 2, paragraph c, Code 2003, as amended by 2004 Iowa Acts, Senate File 2249, section 2, is amended to read as follows:

c. Any premises the use of which constitutes a violation of chapter 717A, or section 725.57 or 725.107-~~or-725.11~~.

Sec. 390. Section 714.26, subsection 1, paragraph c, if enacted by 2004 Iowa Acts, House File 2395, is amended to read as follows:

c. "Retail value" means the highest value of an item determined by any reasonable standard at the time the item bearing or identified by a counterfeit mark is seized. If a seized item bearing or identified by a counterfeit mark is a component of a finished product, "retail value" also means the highest value, determined by any reasonable standard, of the finished product on which the component would have been utilized. The retail value shall be the retail value of the aggregate quantity of all items seized which bear or are identified by a counterfeit mark. For purposes of this paragraph, reasonable standard includes but is not limited ~~the~~ to the market value within the community, actual value, replacement value, or the counterfeiter's regular selling price for the item bearing or identified by a counterfeit mark, or the intellectual property owner's regular selling price for an item similar to the item bearing or identified by a counterfeit mark.

Sec. 391. Section 717E.1, subsection 3, paragraph a, if enacted by 2004 Iowa Acts, House File 2480, section 1, is amended to read as follows:

a. The annual fair and exposition held by the Iowa state fair board pursuant to chapter 173 or any fair held event conducted by a ~~county-or-district~~ fair ~~or-agricultural-society~~ under the provisions of chapter 174.

Sec. 392. Section 812.6, subsection 2, unnumbered paragraph 1, if enacted by 2004 Iowa Acts, Senate File 2272, section 8, is amended to read as follows:

If the court finds by clear and convincing evidence that the defendant poses a danger to the public peace or safety, or that the defendant is otherwise not qualified for pretrial release, or the defendant refuses to cooperate with treatment, the court shall commit the defendant to an appropriate inpatient treatment facility as provided in paragraphs

paragraph "a" and or "b". The defendant shall receive mental health treatment designed to restore the defendant to competency.

Sec. 393. Sections 7D.15, 10D.1, 15.114, 15.221, 15E.64, 18A.11, 84A.1C, 225C.13, 303.3, 331.441, 357A.2, 357A.11, 357A.20, 357A.21, 357A.22A, 357A.23, 357A.24, 425.11, 476.1, 476.27, 480.3, 499.5, 499.5A, 500.3, 504C.1, 514.19, 514.23, and 515.1, Code 2003, are amended by inserting before the figure "504A" the following: "504 or", if 2004 Iowa Acts, Senate File 2274 is enacted.

Sec. 394. Sections 9H.1, 9H.4, 10B.1, 190C.6, 304A.21, 331.427, 357A.15, 422.45, 490.1701, 504B.1, 504B.6, 513C.10, 514.1, 514.2, 514.5, 616.10, 633.63, and 716.6B, Code Supplement 2003, are amended by inserting before the figure "504A" the following: "504 or", if 2004 Iowa Acts, Senate File 2274 is enacted.

Sec. 395. 2004 Iowa Acts, House File 401, section 1, is amended by striking the section and inserting in lieu thereof the following:

SECTION 1. Section 404A.4, subsection 4, Code Supplement 2003, is amended to read as follows:

4. The total amount of tax credits that may be approved for a fiscal year under this chapter shall not exceed two million four hundred thousand dollars. For the fiscal years beginning July 1, 2005, and July 1, 2006, an additional five hundred thousand dollars of tax credits may be approved each fiscal year for purposes of projects located in cultural and entertainment districts certified pursuant to section 303.3B. Any of the additional tax credits allocated for projects located in certified cultural and entertainment districts that are not approved during a fiscal year may be carried over to the succeeding fiscal year. ~~Tax-credit-certificates-shall-be-issued-on-the-basis-of-the-earliest-awarding~~ The department of cultural affairs shall establish by rule the procedures for the application, review, selection, and awarding of certifications of completion ~~as-provided-in-subsection-1.~~ The departments of economic development, cultural affairs, and revenue shall each adopt rules to jointly administer this subsection and shall provide by rule for the method to be used to determine for which fiscal year the tax credits are ~~approved~~ available.

Sec. 396. 2004 Iowa Acts, House File 2562, section 10, subsection 2, if enacted, is amended to read as follows:



2. On and after July 1, 2005, an owner of an electrical and mechanical amusement device as described in subsection 1 shall not offer the device for use by the public. However, the owner of a device shall be permitted to sell the device to a distributor, as defined in section 99B.1, as amended by this Act, or to a person authorized to offer the device to the public pursuant to section 99B.10, subsection 4, as amended by this Act for which a class "A", class "B", class "C", or class "D" liquor control license ~~or class "B" or class "C" beer permit~~ has been issued pursuant to chapter 123.

Sec. 397. 2004 Iowa Acts, Senate File 2070, section 35, subsection 1, is amended to read as follows:

1. Except as provided in subsections 2 through ~~4~~ 6, this Act takes effect January 1, 2005.

Sec. 398. The section of 2004 Iowa Acts, House File 2489, amending section 523A.502, subsection 7, is repealed if 2004 Iowa Acts, House File 2269, is enacted.

Sec. 399. 2004 Iowa Acts, Senate File 2282, section 1, if enacted, is amended to read as follows:

SECTION 1. LOESS HILLS STUDY AND REPORT. The loess hills development and conservation authority, in consultation with the state advisory board for preserves, shall conduct a comprehensive study to determine the archaeological and paleontological significance and the significance of the flora and fauna of the loess hills and to determine the feasibility of designating land in the loess hills for dedication as a state native prairie preserve and of other various uses of the loess hills. ~~The natural-resource-commission~~ loess hills development and conservation authority may accept gifts, grants, bequests, and other private contributions, as well as federal, state, or local funds for the purposes of conducting the study. The loess hills development and conservation authority and the state advisory board for preserves shall file a joint report containing their findings and recommendations with the legislative services agency by December 15, 2006, for distribution to the general assembly.

Sec. 400. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1. The sections of this division of this Act amending sections 9H.1 and 10B.1, Code Supplement 2003, and 229.27, Code 2003, take effect January 1, 2005. The sections of this division of this Act further amending sections 9H.1 and 10B.1, Code Supplement 2003, and 229.27, Code 2003, as amended by this division of this Act to take effect January 1, 2005, take effect January 1, 2006.

2. The section of this division of this Act amending section 260C.18A, being deemed of immediate importance, takes effect upon enactment and applies retroactively to July 1, 2003.

3. The section of this division of this Act amending 2004 Iowa Acts, Senate File 2070, being deemed of immediate importance, takes effect upon enactment and applies retroactively to the date of enactment of Senate File 2070.

DIVISION XVIII

COMMUNITY ATTRACTION AND TOURISM FUND

Sec. 401. Section 15F.204, subsection 3, Code 2003, is amended to read as follows:

3. The fund shall be used to provide assistance only from funds, rights, and assets legally available to the board in the form of grants, loans, forgivable loans, and credit enhancements and financing instruments under the community attraction and tourism program established in section 15F.202. A project with a total cost exceeding twenty million dollars may receive financial assistance under the program. An applicant under the community attraction and tourism program shall not receive financial assistance from the fund in an amount exceeding fifty percent of the total cost of the project.

Sec. 402. Section 15F.204, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 8. a. There is appropriated from the rebuild Iowa infrastructure fund to the community attraction and tourism fund, the following amounts:

(1) For the fiscal year beginning July 1, 2004, and ending June 30, 2005, the sum of twelve million dollars.

(2) For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the sum of five million dollars.

(3) For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of five million dollars.

(4) For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of five million dollars.

(5) For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of five million dollars.

(6) For the fiscal year beginning July 1, 2009, and ending June 30, 2010, the sum of five million dollars.

b. There is appropriated from the franchise tax revenues deposited in the general fund of the state to the community attraction and tourism fund, the following amounts:



(1) For the fiscal year beginning July 1, 2005, and ending June 30, 2006, the sum of seven million dollars.

(2) For the fiscal year beginning July 1, 2006, and ending June 30, 2007, the sum of seven million dollars.

(3) For the fiscal year beginning July 1, 2007, and ending June 30, 2008, the sum of seven million dollars.

(4) For the fiscal year beginning July 1, 2008, and ending June 30, 2009, the sum of seven million dollars.

(5) For the fiscal year beginning July 1, 2009, and ending June 30, 2010, the sum of seven million dollars.

Notwithstanding the allocation requirements in subsection 5, the board may make a multiyear commitment to an applicant of up to four million dollars in any one fiscal year.

DIVISION XIX

REGULATORY EFFICIENCY COMMISSION

Sec. 403. REGULATORY EFFICIENCY COMMISSION.

1. A regulatory efficiency commission is established for purposes of identifying unneeded regulations, fines, and fees that hinder business development. The commission shall also identify methods for streamlining access to regulatory information.

2. The commission shall consist of eight voting members appointed by the governor and four ex officio members.

a. The eight voting members appointed by the governor are subject to the requirements of sections 69.16, 69.16A, and 69.19. The eight members shall consist of the following:

(1) Two members shall be economic development representatives from two different chambers of commerce. One shall be from a metropolitan area with more than fifty thousand people and one shall be from a metropolitan area with fifty thousand people or less.

(2) Two members representing agricultural interests.

(3) One member representing the Iowa association of business and industry.

(4) Two members representing commercial-based and manufacturing-based businesses.

(5) One member representing the Iowa environmental council.

b. The four ex officio members shall be members of the general assembly. Two members shall be from the senate and two members shall be from the house of representatives, with not more than one member from each chamber being from the same political party. The two senators shall be designated by the

Disapproved  
5.19.04  
m

president of the senate after consultation with the majority and minority leaders of the senate. The two representatives shall be designated by the speaker of the house of representatives after consultation with the majority and minority leaders of the house of representatives. Legislative members shall serve in an ex officio, nonvoting capacity.

3. Meetings of the commission are subject to the provisions of chapter 21.

4. By January 10, 2005, the commission shall submit a written report to the governor and the general assembly. The report shall include the findings and legislative recommendations of the commission. The report shall be distributed by the secretary of the senate and the chief clerk of the house of representatives to the chairpersons and members of the administrative rules review committee and the economic growth committees in the senate and the house of representatives.

#### DIVISION XX

##### WIND ENERGY TAX CREDITS

Sec. 404. NEW SECTION. 422.11J WIND ENERGY PRODUCTION TAX CREDIT.

The taxes imposed under this division, less the credits allowed under sections 422.12 and 422.12B, shall be reduced by a wind energy production tax credit allowed under chapter 476B.

Sec. 405. Section 422.33, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 16. The taxes imposed under this division shall be reduced by a wind energy production tax credit allowed under chapter 476B.

Sec. 406. Section 422.60, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 9. The taxes imposed under this division shall be reduced by a wind energy production tax credit allowed under chapter 476B.

Sec. 407. NEW SECTION. 432.12E WIND ENERGY PRODUCTION TAX CREDIT.

The taxes imposed under this chapter shall be reduced by a wind energy production tax credit allowed under chapter 476B.

Sec. 408. Section 437A.6, subsection 1, paragraph c, Code 2003, is amended to read as follows:

c. Wind energy conversion property subject to section 427B.26 or eligible for a tax credit under chapter 476B.

Sec. 409. NEW SECTION. 476B.1 DEFINITIONS.



For purposes of this chapter, unless the context otherwise requires:

1. "Board" means the utilities board within the utilities division of the department of commerce.
2. "Department" means the department of revenue.
3. "Qualified electricity" means electricity produced from wind at a qualified facility.
4. "Qualified facility" means an electrical production facility that meets all of the following:
  - a. Produces electricity from wind.
  - b. Is located in Iowa.
  - c. Was originally placed in service on or after July 1, 2004, but before July 1, 2007.

Sec. 410. NEW SECTION. 476B.2 GENERAL RULE.

The owner of a qualified facility shall, for each kilowatt-hour of qualified electricity that the owner sells during the ten-year period beginning on the date the qualified facility was originally placed in service, be allowed a wind energy production tax credit to the extent provided in this chapter against the tax imposed in chapter 422, divisions II, III, and V, and chapter 432.

Sec. 411. NEW SECTION. 476B.3 CREDIT AMOUNT.

1. Except as limited by subsection 2, the wind energy production tax credit allowed under this chapter equals the product of one cent multiplied by the number of kilowatt-hours of qualified electricity sold by the owner during the taxable year.

2. a. The maximum amount of tax credit which a group of qualified facilities operating as one unit may receive for a taxable year equals the rate of credit times thirty-two percent of the total number of kilowatts of nameplate generating capacity.

b. However, if for the previous taxable year the amount of the tax credit for the group of qualified facilities operating as one unit is less than the maximum amount available as provided in paragraph "a", the maximum amount for the next taxable year shall be increased by the amount of the previous year's unused maximum credit.

Sec. 412. NEW SECTION. 476B.4 LIMITATIONS.

1. a. The wind energy production tax credit shall not be allowed for any kilowatt-hour of electricity produced on wind energy conversion property for which the owner has claimed or otherwise received for that property the benefit of special

valuation under section 427B.26 or section 441.21, subsection 8, or the exemption from retail sales tax under section 422.45, subsection 48, or section 423.3, subsection 53, as applicable.

b. The disallowance of the tax credit pursuant to paragraph "a" does not apply to an owner of a qualified facility that owns, directly or indirectly, in the aggregate, a total annual turbine nameplate capacity of all such property of less than one megawatt. A qualified facility under this paragraph shall not be owned by more than one person.

2. The wind energy production tax credit shall not be allowed for any kilowatt-hour of electricity that is sold to a related person. For purpose of this subsection, persons shall be treated as related to each other if such persons would be treated as a single employer under the regulations prescribed under section 52(b) of the Internal Revenue Code. In the case of a corporation that is a member of an affiliated group of corporations filing a consolidated return, such corporation shall be treated as selling electricity to an unrelated person if such electricity is sold to such a person by another member of such group.

Sec. 413. NEW SECTION. 476B.5 APPLICATION FOR TAX CREDIT CERTIFICATES.

1. a. To be eligible to receive the wind energy production tax credit, the owner must first receive approval of the board of supervisors of the county in which the qualified facility is located. The application for approval may be submitted prior to commencement of the construction of the qualified facility but shall be submitted no later than the close of the owner's first taxable year for which the credit is to be applied for. The application must contain the owner's name and address, the address of the qualified facility, and the dates of the owner's first and last taxable years for which the credit will be applied for. Within forty-five days of the receipt of the application for approval, the board of supervisors shall either approve or disapprove the application. After the forty-five-day limit, the application is deemed to be approved.

b. Upon approval of the application, the owner may apply for the tax credit as provided in subsection 2. In addition, approval of the application is acceptance by the applicant for the assessment of the qualified facility for property tax purposes for a period of twelve years and approval by the



board of supervisors for the payment of the property taxes levied on the qualified property to the state. For purposes of property taxation, the qualified facility shall be centrally assessed and shall be exempt from any replacement tax under section 437A.6 for the period during which the facility is subject to property taxation. The property taxes to be paid to the state are those property taxes which make up the consolidated tax levied on the qualified facility and which are due and payable in the twelve-year period beginning with the first fiscal year beginning on or after the end of the owner's first taxable year for which the credit is applied for. Upon approval of the application, the board of supervisors shall notify the county treasurer to state on the tax statement which lists the taxes on the qualified facility that the amount of the property taxes shall be paid to the department. Payment of the designated property taxes to the department shall be in the same manner as required for the payment of regular property taxes and failure to pay designated property taxes to the department shall be treated the same as failure to pay property taxes to the county treasurer.

c. Once the owner of the qualified facility receives approval under paragraph "a", subsequent approval under paragraph "a" is not required for the same qualified facility for subsequent taxable years.

2. To receive the wind energy production tax credit, an owner of the qualified facility must submit an application for a tax credit certificate to the board not later than thirty days after the close of the taxable year for which the credit is applied for. The owner's application must contain, but need not be limited to, all of the following information: the owner's name, tax identification number, and address, the number of kilowatt-hours of qualified electricity sold by the owner during the preceding taxable year, the address of the qualified facility at which the qualified electricity was produced, and the denomination that each tax credit certificate is to carry. For the first taxable year for which the credit is applied for, there shall be attached to the application a notarized copy of the board of supervisors' approval as required in subsection 1.

3. The board shall, in conjunction with the department, prescribe appropriate forms, including board of supervisors' approval forms, and instructions to enable owners to claim the

tax credit allowed under this chapter. If the board prescribes these forms and instructions, an owner's application for a tax credit certificate shall not be valid unless made on and in accordance with these forms and instructions.

Sec. 414. NEW SECTION. 476B.6 ISSUANCE OF TAX CREDIT CERTIFICATES.

1. If the owner meets the criteria for eligibility for the wind energy production tax credit, the board shall determine the validity of the application and if valid, shall approve the application for credit. Once approval of the credit for a qualified facility is granted, subsequent approval is not required for the same qualified facility. However, application is required to be filed as provided in section 476B.5, subsection 2, for purposes of the issuance of credit certificates. The board shall issue one or more tax credit certificates to the owner not later than thirty days after the application is submitted to the board. Each tax credit certificate must contain the owner's name, address, and tax identification number, amount of tax credits, the first taxable year the certificates may be used, which shall not be for a taxable year beginning prior to July 1, 2005, and the expiration date of the tax credit certificate, which shall be seven years from its date of issuance and any other information required by the department. Once issued by the board, the tax credit certificate shall be binding on the board and the department and shall not be modified, terminated, or rescinded. The board shall notify the department and identify the qualified facility for which the owner received tax credit certificates that property taxes levied on the qualified facility are to be paid to the department.

2. If the tax credit application is filed by a partnership, limited liability company, S corporation, estate, trust, or other reporting entity all of the income of which is taxed directly to its equity holders or beneficiaries, the tax credit certificate may, at the election of the owner, be issued directly to equity holders or beneficiaries of the owner in proportion to their pro rata share of the income of such entity. If the owner elects to have the tax credit certificate issued directly to its equity holders or beneficiaries, the owner must, in the application made under section 476B.5, identify its equity holders or beneficiaries,



and the amount of such entity's income that is allocable to each equity holder or beneficiary.

Sec. 415. NEW SECTION. 476B.7 TRANSFER OF TAX CREDIT CERTIFICATES.

Wind energy production tax credit certificates issued under this chapter may be transferred to any person or entity. Within thirty days of transfer, the transferee must submit the transferred tax credit certificate to the board along with a statement containing the transferee's name, tax identification number, and address, and the denomination that each replacement tax credit certificate is to carry and any other information required by the department. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the board shall issue one or more replacement tax credit certificates to the transferee. Each replacement certificate must contain the information required under section 476B.6 and must have the same effective taxable year and the same expiration date that appeared in the transferred tax credit certificate. Tax credit certificate amounts of less than the minimum amount established by rule of the board shall not be transferable. A tax credit shall not be claimed by a transferee under this chapter until a replacement tax credit certificate identifying the transferee as the proper holder has been issued.

The tax credit shall only be transferred once. The transferee may use the amount of the tax credit transferred against the taxes imposed under chapter 422, divisions II, III, and V, and chapter 432 for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V.

Sec. 416. NEW SECTION. 476B.8 USE OF TAX CREDIT CERTIFICATES.

To claim a wind energy production tax credit under this chapter, a taxpayer must attach one or more tax credit certificates to the taxpayer's tax return. A tax credit certificate shall not be used or attached to a return filed for a taxable year beginning prior to July 1, 2005. The tax credit certificate or certificates attached to the taxpayer's tax return shall be issued in the taxpayer's name, expire on

or after the last day of the taxable year for which the taxpayer is claiming the tax credit, and show a tax credit amount equal to or greater than the tax credit claimed on the taxpayer's tax return. Any tax credit in excess of the taxpayer's tax liability for the taxable year may be credited to the taxpayer's tax liability for the following seven taxable years or until depleted, whichever is the earlier.

Sec. 417. NEW SECTION. 476B.9 REGISTRATION OF TAX CREDIT CERTIFICATES.

The board shall, in conjunction with the department, develop a system for the registration of the wind energy production tax credit certificates issued or transferred under this chapter and a system that permits verification that any tax credit claimed on a tax return is valid and that transfers of the tax credit certificates are made in accordance with the requirements of this chapter. The tax credit certificates issued under this chapter shall not be classified as a security pursuant to chapter 502.

Sec. 418. EFFECTIVE AND APPLICABILITY DATES. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to taxable years beginning on or after January 1, 2004.

DIVISION XXI

LICENSED INTERPRETER FOR THE HEARING IMPAIRED

Sec. 419. Section 147.1, subsection 2, paragraph c, Code 2003, is amended to read as follows:

c. "Licensed" or "certified" when applied to a physician and surgeon, podiatric physician, osteopath, osteopathic physician and surgeon, physician assistant, psychologist or associate psychologist, chiropractor, nurse, dentist, dental hygienist, optometrist, speech pathologist, audiologist, pharmacist, physical therapist, occupational therapist, respiratory care practitioner, practitioner of cosmetology arts and sciences, practitioner of barbering, funeral director, dietitian, marital and family therapist, mental health counselor, social worker, massage therapist, athletic trainer, ~~or acupuncturist~~, or interpreter for the hearing impaired, means a person licensed under this subtitle.

Sec. 420. Section 147.1, subsection 2, paragraph f, Code 2003, is amended to read as follows:

f. "Profession" means medicine and surgery, podiatry, osteopathy, osteopathic medicine and surgery, practice as a physician assistant, psychology, chiropractic, nursing,



dentistry, dental hygiene, optometry, speech pathology, audiology, pharmacy, physical therapy, occupational therapy, respiratory care, cosmetology arts and sciences, barbering, mortuary science, marital and family therapy, mental health counseling, social work, dietetics, massage therapy, athletic training, ~~or~~ acupuncture, or interpreting for the hearing impaired.

Sec. 421. Section 147.2, unnumbered paragraph 1, Code 2003, is amended to read as follows:

A person shall not engage in the practice of medicine and surgery, podiatry, osteopathy, osteopathic medicine and surgery, psychology, chiropractic, physical therapy, nursing, dentistry, dental hygiene, optometry, speech pathology, audiology, occupational therapy, respiratory care, pharmacy, cosmetology, barbering, social work, dietetics, marital and family therapy or mental health counseling, massage therapy, mortuary science, ~~or~~ acupuncture, or interpreting for the hearing impaired, or shall not practice as a physician assistant as defined in the following chapters of this subtitle, unless the person has obtained from the department a license for that purpose.

Sec. 422. Section 147.13, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 21. For interpreters, interpreter for the hearing impaired examiners.

Sec. 423. Section 147.14, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 21. For interpreting for the hearing impaired, four members licensed to practice interpreting, three of whom shall be practicing interpreters at the time of appointment to the board and at least one of whom is employed in an educational setting; and three members who are consumers of interpreting services as defined in section 154E.1, each of whom shall be deaf. A majority of members of the board constitutes a quorum.

Sec. 424. Section 147.74, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 21A. An interpreter licensed under chapter 154E and this chapter may use the title "licensed interpreter" or the letters "L.I." after the person's name.

Sec. 425. Section 147.80, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 28A. License to practice interpreting, license to practice interpreting under a reciprocal license, or renewal of a license to practice interpreting.

Sec. 426. NEW SECTION. 154E.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Board" means the board of interpreter for the hearing impaired examiners established in chapter 147.

2. "Consumer" means an individual utilizing interpreting services who uses spoken English, American sign language, or a manual form of English.

3. "Department" means the Iowa department of public health.

4. "Interpreter training program" means a post-secondary education program training individuals to interpret or transliterate.

5. "Interpreting" means facilitating communication between individuals who communicate via American sign language and individuals who communicate via spoken English.

6. "Licensee" means any person licensed to practice interpreting or transliterating for deaf, hard-of-hearing, and hearing individuals in the state of Iowa.

7. "Transliterating" means facilitating communication between individuals who communicate via a manual form of English and individuals who communicate via spoken English.

Sec. 427. NEW SECTION. 154E.2 DUTIES OF THE BOARD.

The board shall administer this chapter. The board's duties shall include, but are not limited to, the following:

1. Adopt rules consistent with this chapter and with chapter 147 which are necessary for the performance of its duties.

2. Act on matters concerning licensure and the process of applying for, granting, suspending, imposing supervisory or probationary conditions upon, reinstating, and revoking a license.

3. Establish and collect licensure fees. The board shall establish the amounts of license and renewal fees based upon the actual costs of sustaining the board and the actual costs of issuing the licenses, and all fees collected shall be deposited with the treasurer of state who shall deposit them in the general fund of the state.

4. Administer the provisions of this chapter regarding documentation required to demonstrate competence as an



interpreter, and the processing of applications for licenses and license renewals.

5. Establish and maintain as a matter of public record a registry of interpreters licensed pursuant to this chapter.

6. Develop continuing education requirements as a condition of license renewal.

7. Evaluate requirements for licensure in other states to determine if reciprocity may be granted.

Sec. 428. NEW SECTION. 154E.3 REQUIREMENTS FOR LICENSURE.

On or after July 1, 2005, every person providing interpreting or transliterating services in this state shall be licensed pursuant to this chapter. The board shall adopt rules pursuant to chapters 17A, 147, and 272C establishing procedures for the licensing of new and existing interpreters. Prior to obtaining licensure, an applicant shall successfully pass an examination prescribed and approved by the board, demonstrating the following:

1. VOICE-TO-SIGN INTERPRETATION. An applicant shall demonstrate proficiency at:

a. Message equivalence, producing a true and accurate signed form of the spoken message, maintaining the integrity of content and meaning, and exhibiting few omissions, substitutions, or other errors.

b. Affect, producing nonmanual grammar consistent with the intent and emotion of the speaker, and exhibiting no distracting mannerisms.

c. Vocabulary choice, making correct sign choices appropriate to the setting and consumers, applying facial grammar consistent with sign choice, selecting signs that remain true to speaker's intent, and demonstrating lexical variety.

d. Fluency, displaying confidence in production, exhibiting a strong command of American sign language or manual codes for English, applying nonmanual behaviors consistent with the speaker's intent, and demonstrating understanding of and sensitivity to cultural differences.

2. SIGN-TO-VOICE INTERPRETATION. An applicant shall demonstrate proficiency at:

a. Message equivalence, producing a true and accurate spoken form of the signed message, maintaining the integrity of content and meaning, and exhibiting few omissions, substitutions, or other errors.

b. Affect, producing inflection consistent with the intent and emotion of the speaker, and exhibiting no distracting mannerisms.

c. Vocabulary choice, making correct word choices appropriate to the setting and consumers, using vocal inflection consistent with word choice, selecting words that remain true to the speaker's intent, and demonstrating lexical variety.

d. Fluency, displaying confidence in production, exhibiting a strong command of English in both spoken and written forms, applying vocal inflections consistent with the speaker's intent, and demonstrating understanding of and sensitivity to cultural differences.

3. PROFESSIONAL CONDUCT. An applicant shall demonstrate:

a. Proficiency in functioning as a communicator of messages between the sender and receiver, and educating consumers of services about the functions and logistics of the interpreting process.

b. An impartial demeanor, refraining from interjecting opinions or advice and from aligning with one party over another. An applicant shall treat all people fairly and respectfully regardless of their relationship to the interpreting assignment, and present a professional appearance that is not visually distracting and is appropriate to the setting. An applicant shall exhibit knowledge and application of federal and state laws pertaining to the interpreting profession.

c. Integrity, and shall be proficient in understanding and applying ethical behavior appropriate for a licensee. An applicant shall demonstrate discretion in accepting and meeting interpreter services requests, and shall engage actively in lifelong learning.

Sec. 429. NEW SECTION. 154E.4 EXCEPTIONS.

1. A person shall not practice interpreting or transliterating, or represent oneself to be an interpreter, unless the person is licensed under this chapter.

2. This chapter does not prohibit any of the following:

a. Any person residing outside of the state of Iowa holding a current license from another state that meets the state of Iowa's requirements from providing interpreting or transliterating services in this state for up to fourteen days per calendar year without a license issued pursuant to this chapter.



b. Any person who interprets or transliterates solely in a religious setting with the exception of those working in schools that receive government funding.

c. Volunteers working without compensation, including emergency situations, until a licensed interpreter is obtained.

d. Any person working as a substitute for a licensed interpreter in an early childhood, elementary, or secondary education setting for no more than thirty school days in a calendar year.

Sec. 430. Section 272C.1, subsection 6, Code 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. ad. The board of interpreter for the hearing impaired examiners, created pursuant to chapter 154E.

Sec. 431. INTERPRETER STANDARDS AND REGULATIONS. There is appropriated from the general fund of the state to the Iowa department of public health, for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, for the purpose designated:

For protecting the health and safety of the public through establishing standards and enforcing regulations of interpreters for the deaf, hard-of-hearing, and hearing impaired, and for not more than the following full-time equivalent positions:

.....	\$	60,390
.....	FTEs	1.00

Sec. 432. TRANSITION PROVISIONS.

1. The board of interpreter for the hearing impaired examiners shall be provisionally established as provided in section 147.14, as amended in this division of this Act, effective July 1, 2004, for the sole purpose of appointment of members and organizing, planning, and adopting rules, as described in section 154E.2, as enacted in this division of this Act, which rules shall be effective July 1, 2005. The board shall become fully operational July 1, 2007, as provided in this division of this Act.

2. Applicants for licensure under chapter 154E who have not passed a licensure examination approved by the board by July 1, 2005, shall be issued a temporary license to practice interpreting for a period of two years, commencing on July 1, 2005.

3. Applicants issued a temporary license pursuant to this section shall pass a licensure examination approved by the board on or before July 1, 2007, in order to remain licensed as an interpreter.

Sec. 433. EFFECTIVE DATE. This division of this Act providing for the licensing of interpreters by amending chapters 147 and 272C and enacting chapter 154E takes effect July 1, 2005.

DIVISION XXII  
INCOME TAX CHECKOFFS

Sec. 434. NEW SECTION. 100B.13 VOLUNTEER FIRE FIGHTER PREPAREDNESS FUND.

1. A volunteer fire fighter preparedness fund is created as a separate and distinct fund in the state treasury under the control of the division of fire protection of the department of public safety.

2. Revenue for the volunteer fire fighter preparedness fund shall include, but is not limited to, the following:

a. Moneys credited to the fund pursuant to section 422.12F.

b. Moneys in the form of a devise, gift, bequest, donation, or federal or other grant intended to be used for the purposes of the fund.

3. Moneys in the volunteer fire fighter preparedness fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

4. Moneys in the volunteer fire fighter preparedness fund are appropriated to the division of fire protection of the department of public safety to be used annually to pay the costs of providing volunteer fire fighter training around the state and to pay the costs of providing volunteer fire fighting equipment.

Sec. 435. Section 314.28, Code 2003, is reenacted to read as follows:

314.28 KEEP IOWA BEAUTIFUL FUND.

A keep Iowa beautiful fund is created in the office of the treasurer of state. The fund is composed of moneys appropriated or available to and obtained or accepted by the treasurer of state for deposit in the fund. The fund shall include moneys credited to the fund as provided in section 422.12A. All interest earned on moneys in the fund shall be credited to and remain in the fund. Section 8.33 does not apply to moneys in the fund.



Moneys in the fund are subject to appropriation by the general assembly annually for the purposes of educating and encouraging Iowans to take greater responsibility for improving their community environment and enhancing the beauty of the state through litter prevention, improving waste management and recycling efforts, and beautification projects.

The department may authorize payment of moneys appropriated from the fund to the department upon approval of an application from a private or public organization. The applicant shall submit a plan for litter prevention, improving waste management and recycling efforts, or a beautification project along with its application. The department shall establish standards relating to the type of projects available for assistance.

Sec. 436. Section 422.12A, Code Supplement 2003, is reenacted to read as follows:

422.12A INCOME TAX REFUND CHECKOFF FOR KEEP IOWA BEAUTIFUL FUND.

1. A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate one dollar or more to be paid to the keep Iowa beautiful fund as created in section 314.28. If the refund due on the return or the payment remitted with the return is insufficient to pay the additional amount designated by the taxpayer to the keep Iowa beautiful fund, the amount designated shall be reduced to the remaining amount of refund or the remaining amount remitted with the return. The designation of a contribution to the keep Iowa beautiful fund under this section is irrevocable.

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the keep Iowa beautiful fund on the tax return. The department of revenue, on or before January 31, shall certify the total amount designated on the tax return forms due in the preceding calendar year and shall report the amount to the treasurer of state. The treasurer of state shall credit the amount to the keep Iowa beautiful fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of revenue and accounts identified as owing under section 421.17 and the political contribution allowed under section 68A.601 shall be satisfied.

3. Moneys in the fund are subject to appropriation as provided in section 314.28.

4. The department of revenue shall adopt rules to administer this section.

5. This section is subject to repeal under section 422.12E.

Sec. 437. Section 422.12E, Code Supplement 2003, is amended to read as follows:

422.12E INCOME TAX RETURN CHECKOFFS LIMITED.

For tax years beginning on or after January 1, ~~1995~~ 2004, there shall be allowed no more than ~~three~~ four income tax return checkoffs on each income tax return. When the same ~~three~~ four income tax return checkoffs have been provided on the income tax return for ~~three~~ two consecutive years, the ~~checkoff~~ two checkoffs for which the least amount has been contributed, in the aggregate for the first ~~two~~ tax years ~~year~~ and through March 15 of the ~~third~~ second tax year, ~~shall be~~ are repealed. This section does not apply to the income tax return checkoff provided in section 68A.601.

If more checkoffs are enacted in the same session of the general assembly than there is space for inclusion on the individual tax return form, the earliest enacted checkoffs for which there is space for inclusion on the return form shall be included on the return form, and all other checkoffs enacted during that session of the general assembly are repealed.

Sec. 438. NEW SECTION. 422.12F INCOME TAX CHECKOFF FOR VOLUNTEER FIRE FIGHTER PREPAREDNESS.

1. A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate one dollar or more to be paid to the volunteer fire fighter preparedness fund as created in section 100B.13. If the refund due on the return or the payment remitted with the return is insufficient to pay the additional amount designated by the taxpayer to the volunteer fire fighter preparedness fund, the amount designated shall be reduced to the remaining amount of refund or the remaining amount remitted with the return. The designation of a contribution to the volunteer fire fighter preparedness fund under this section is irrevocable.

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the volunteer fire fighter preparedness fund on the tax return. The department of revenue, on or before January 31, shall certify the total amount designated on the tax return forms due in the preceding calendar year and shall report the amount to the



treasurer of state. The treasurer of state shall credit the amount to the volunteer fire fighter preparedness fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of revenue and accounts identified as owing under section 421.17 and the political contribution allowed under section 68A.601 shall be satisfied.

3. The department of revenue shall adopt rules to administer this section.

4. This section is subject to repeal under section 422.12E.

Sec. 439. EFFECTIVE AND APPLICABILITY DATES.

1. The section of this division of this Act amending section 422.12E, being deemed of immediate importance, takes effect upon enactment.

2. The sections of this division of this Act reenacting section 422.12A and enacting section 422.12F apply retroactively to tax years beginning on or after January 1, 2004.

DIVISION XXIII

STATE TAX IMPLEMENTATION COMMITTEE

Sec. 440. STATE TAX IMPLEMENTATION COMMITTEE.

1. On or before July 1, 2004, the department of revenue, in consultation with the department of management, shall initiate and coordinate the establishment of a state tax implementation committee. The department of revenue and the department of management shall provide staffing assistance to the committee.

The state tax implementation committee shall include four members of the general assembly, one each appointed by the majority leader of the senate, the speaker of the house of representatives, the minority leader of the senate, and the minority leader of the house of representatives. The committee shall also include members appointed by the department of revenue. One member shall be appointed to represent each of the following:

- a. The department of revenue.
- b. The department of management.
- c. Counties.
- d. Cities.
- e. School districts.
- f. Local assessors.
- g. County auditors.

Disapproved  
5.17.04  
no

- h. Commercial property taxpayers.
- i. Industrial property taxpayers.
- j. Residential property taxpayers.
- k. Agricultural property taxpayers.
- l. Chapter 437A taxpayers.

One additional stakeholder shall be appointed jointly by the majority leader of the senate and the speaker of the house of representatives.

Any vacancy shall be filled in the same manner as regular appointments are made.

The chairpersons of the committee shall be those members of the general assembly appointed by the majority leader of the senate and the speaker of the house of representatives.

The members of the committee representing the department of revenue and the department of management are nonvoting, ex officio members.

The committee shall meet quarterly and at other times as necessary at the call of the chairpersons. Written notice of the time and place of each meeting shall be given to each member of the committee. The only vote taken by the committee shall be the vote approving the final report in subsection 2.

2. The committee shall review and analyze the following:

a. Revenue sources available to local governments and school districts, including taxes, payments in lieu of property taxes, fees, state appropriations, and federal moneys.

b. Revenue sources available to the state, including taxes, fees, and federal moneys, and the portion of state revenues annually appropriated, or otherwise disbursed, to local governments.

c. Exemptions, credits, deductions, exclusions, and other reductions in state or local taxes made available, by state statute or local ordinance, to state and local taxpayers; and state reimbursement of any property tax credits and exemptions.

d. Services provided by local governments, including those provided at the discretion of a local government and those mandated by federal or state statutes and regulations.

e. The role of property taxes in funding local government services, the types of services currently funded by property taxes, and the property tax financing portion of the school funding formula.



f. Alternative systems of property taxation, alternative procedures for protesting property assessments, and various methods of controlling property tax revenues and expenditures.

In conducting its review and analysis, the committee shall study state and local taxes from the standpoint of neutrality; competitiveness; simplicity; stability; and equity, including maintenance of equity among classes of taxpayers and among taxpayers within the same class.

The committee may hold public hearings to allow persons and organizations to be heard.

The committee shall submit a final report to the general assembly no later than final adjournment of the 2005 regular legislative session. The report shall summarize the committee's activities to date, analyze issues studied to date, and may include such other information that the committee deems relevant and necessary.

3. The committee may request from any state agency or official the information and assistance as needed to perform the review and analysis required in subsection 2. A state agency or official shall furnish the information or assistance requested within the authority and resources of the state agency or official. This subsection does not allow the examination or copying of any public record required by law to be kept confidential.

Sec. 441. FUTURE REPEAL. The section of this division of this Act establishing the state tax implementation committee is repealed effective June 30, 2005.

Sec. 442. 2003 Iowa Acts, First Extraordinary Session, chapter 1, section 41, is repealed.

Sec. 443. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION XXIV

#### 911 EMERGENCY

Sec. 444. Section 34A.1, Code 2003, is amended to read as follows:

##### 34A.1 PURPOSE.

The ~~legislature~~ general assembly finds that enhanced 911 emergency telephone communication systems and other emergency 911 notification devices further the public interest and protect the health, safety, and welfare of the people of Iowa. The purpose of this chapter is to enable the orderly development, installation, and operation of enhanced 911

emergency telephone communication systems and other emergency 911 notification devices statewide. These systems are to be operated under governmental management and control for the public benefit.

Sec. 445. Section 34A.2, Code 2003, is amended to read as follows:

34A.2 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Access line" means ~~a local~~ an exchange access line that has the ability to access ~~local~~ dial tone and reach a ~~local~~ public safety agency answering point.

2. "Administrator" means the ~~E911~~ administrator appointed pursuant to section 34A.2A of the homeland security and emergency management division of the department of public defense.

3. "Competitive local exchange service provider" means the same as defined in section 476.96.

4. "Emergency 911 notification device" means a product capable of accessing a public safety answering point through the 911 system.

~~3-~~ 5. "Enhanced 911" or "E911" means a service ~~which that~~ provides the user of a ~~public-telephone-system~~ communications service with the ability to reach a public safety answering point by dialing the digits 911, and ~~which that~~ has the following additional features:

a. Routes an incoming 911 call to the appropriate public safety answering point ~~selected from the public safety answering points operating in a 911 service area.~~

b. Automatically provides voice, displays the name, address or location, and telephone number of an incoming 911 call and public safety agency servicing the ~~address on a video monitor at the appropriate public safety answering point~~ location.

~~4-~~ 6. "Enhanced 911 service area" means the geographic area to be serviced, or currently serviced under an enhanced 911 service plan, provided that an enhanced 911 service area must at minimum encompass one entire county. The enhanced 911 service area may encompass more than one county, and need not be restricted to county boundaries.

~~5-~~ 7. "Enhanced 911 service plan" means a plan that includes the following information:

a. A description of the enhanced 911 service area.



b. A list of all public and private safety agencies within the enhanced 911 service area.

c. The number of public safety answering points within the enhanced 911 service area.

d. Identification of the agency responsible for management and supervision of the enhanced 911 emergency telephone communication system.

e. A statement of estimated costs to be incurred by the joint E911 service board or the department of public safety, including separate estimates of the following:

(1) Nonrecurring costs, including, but not limited to, public safety answering points, network equipment, software, database, addressing, initial training, and other capital and start-up expenditures, including the purchase or lease of subscriber names, addresses, and telephone information from the local exchange service provider.

(2) Recurring costs, including, but not limited to, network access fees and other telephone charges, software, equipment, and database management, and maintenance, including the purchase or lease of subscriber names, addresses, and telephone information from the local exchange service provider. Recurring costs shall not include personnel costs for a public safety answering point.

Funds deposited in an E911 service fund ~~shall be~~ are appropriated and shall be used for the payment of costs ~~which that~~ are limited to nonrecurring and recurring costs directly attributable to the provision of 911 emergency telephone communication service and may include costs for portable and vehicle radios, communication towers and associated equipment, and other radios and associated equipment permanently located at the public safety answering point and as directed by either the joint E911 service board or the department of public safety. Costs do not include expenditures for any other purpose, and specifically exclude costs attributable to other emergency services or expenditures for buildings or personnel, except for the costs of personnel for database management and personnel directly associated with addressing.

f. Current equipment operated by affected local exchange service providers, and central office equipment and technology upgrades necessary for the provider to implement enhanced 911 service within the enhanced 911 service area ~~on or before July 17, 1992~~.

g. A schedule for implementation of the plan throughout the E911 service area. The schedule may provide for phased implementation. ~~However, a joint 911 service board may decide not to implement E911 service.~~

h. The number of telephone access lines capable of access to 911 in the enhanced 911 service area.

i. The total property valuation in the enhanced 911 service area.

~~6. -- "Enhanced 911 service surcharge" is a charge set by the E911 service area operating authority and assessed on each access line which physically terminates within the E911 service area.~~

8. "Local exchange carrier" means the same as defined in section 476.96.

~~7.~~ 9. "Local exchange service provider" means a person vendor engaged in providing telecommunications service between points within an exchange and includes but is not limited to a competitive local exchange service provider and a local exchange carrier.

10. "Program manager" means the E911 program manager appointed pursuant to section 34A.2A.

~~8.~~ 11. "Provider" means a person vendor who provides, or offers to provide, E911 equipment, installation, maintenance, or exchange access services within the enhanced 911 service area.

~~9.~~ 12. "Public or private safety agency" means a unit of state or local government, a special purpose district, or a private firm which provides or has the authority to provide fire fighting, police, ambulance, or emergency medical services, or hazardous materials response.

~~10.~~ 13. "Public safety answering point" means a twenty-four-hour local jurisdiction twenty-four-hour public safety communications facility which that receives enhanced 911 service calls and directly dispatches emergency response services or relays calls to the appropriate public or private safety agency.

14. "Wireless E911 phase 1" means a 911 call made from a wireless device in which the wireless service provider delivers the call-back number and address of the tower that received the call to the appropriate public safety answering point.

15. "Wireless E911 phase 2" means a 911 call made from a wireless device in which the wireless service provider



delivers the call-back number and the latitude and longitude coordinates of the wireless device to the appropriate public safety answering point.

16. "Wire-line E911 service surcharge" is a charge set by the E911 service area operating authority and assessed on each wire-line access line which physically terminates within the E911 service area.

Sec. 446. Section 34A.2A, Code 2003, is amended to read as follows:

34A.2A ~~ADMINISTRATOR~~ PROGRAM MANAGER -- APPOINTMENT -- DUTIES.

1. The administrator of the division of homeland security and emergency management division of the department of public defense shall appoint an E911 ~~administrator~~ program manager to administer this chapter.

2. The E911 ~~administrator~~ program manager shall act under the supervisory control of the administrator of the ~~division of homeland security and emergency management division~~ of the department of public defense, and in consultation with the E911 communications council, and perform the duties specifically set forth in this chapter and as assigned by the administrator.

Sec. 447. Section 34A.3, Code 2003, is amended to read as follows:

34A.3 ~~JOINT 911~~ E911 SERVICE BOARD -- 911 SERVICE PLAN -- IMPLEMENTATION -- WAIVERS.

1. ~~JOINT 911~~ E911 SERVICE BOARDS ~~TO-SUBMIT~~ -- PLANS.

a. The board of supervisors of each county shall establish maintain a joint ~~911~~ E911 service board ~~not-later-than-January 17-1989.~~

(1) Each political subdivision of the state having a public safety agency serving territory within the county is entitled to voting membership on the joint ~~911~~ E911 service board. Each private safety agency operating within the area is entitled to nonvoting membership on the board.

(2) A township ~~which~~ that does not operate its own public safety agency, but contracts for the provision of public safety services, is not entitled to membership on the joint ~~911~~ E911 service board, but its contractor is entitled to membership according to the contractor's status as a public or private safety agency.

b. The joint ~~911~~ E911 service board shall ~~develop~~ maintain an enhanced 911 service plan encompassing at minimum the

entire county, unless an exemption is granted by the administrator program manager permitting a smaller E911 service area.

(1) The administrator program manager may grant a discretionary exemption from the single county minimum service area requirement based upon ~~an E911~~ a joint E911 service board's or other E911 service plan operating authority's presentation of evidence which supports the requested exemption if the administrator program manager finds that local conditions make adherence to the minimum standard unreasonable or technically infeasible, and that the purposes of this chapter would be furthered by granting an exemption. The minimum size requirement is intended to prevent unnecessary duplication of public safety answering points and minimize other administrative, personnel, and equipment expenses. ~~An E911 service area must encompass a geographically contiguous area. No exemption shall be granted from the contiguous area requirement.~~

(2) The administrator program manager may order the inclusion of a specific territory in an adjoining E911 service plan area to avoid the creation by exclusion of a territory smaller than a single county not serviced by surrounding E911 service plan areas upon request of the joint ~~911~~ E911 service board representing the territory.

c. The E911 service plan operating authority shall submit proposed changes to the plan on or before January 17, 1994 to all of the following:

a. (1) The administrator program manager.

b. (2) Public and private safety agencies in the enhanced 911 service area.

c. (3) Providers Local exchange service providers affected by the enhanced 911 service plan.

~~An E911 joint service board that has a state approved service plan in place prior to July 17, 1993, is exempt from the provisions of this section. The administrator shall establish, by July 17, 1994, E911 service plans for those E911 joint service boards which do not have a state approved service plan in place on or before January 17, 1994.~~

~~The administrator shall prepare a summary of the plans submitted and present the summary to the legislature on or before August 17, 1994.~~

2. COMPLIANCE WAIVERS AVAILABLE IN LIMITED CIRCUMSTANCES.



a. The administrator program manager may extend, ~~in whole or in part,~~ the time period for plan implementation by issuing for implementation of an enhanced 911 service plan beyond the scheduled plan of implementation, by issuance of a compliance waiver.

b. The compliance waiver shall be based upon a joint 911 E911 service board's presentation of evidence which supports an extension if the administrator program manager finds that local conditions make implementation financially unreasonable or technically infeasible by the originally scheduled plan of implementation.

c. The compliance waiver shall be for a set period of time, and subject to review and renewal or denial of renewal upon its expiration.

d. The waiver may cover all or a portion of a 911 service plan's enhanced 911 service area to facilitate phased implementation when possible.

e. The granting of a compliance waiver does not create a presumption that the identical or similar waiver will be extended in the future.

f. Consideration of compliance waivers shall be on a case-by-case basis.

3. CHAPTER 28E AGREEMENT -- ALTERNATIVE TO JOINT 911 E911 SERVICE BOARD. A legal entity created pursuant to chapter 28E by a county or counties, other political divisions, and public or private agencies to jointly plan, implement, and operate a countywide, or larger, enhanced 911 service system may be substituted for the joint 911 E911 service board required under subsection 1.

An alternative legal entity created pursuant to chapter 28E as a substitute for a joint 911 E911 service board, as permitted by this subsection, may be created by either:

a. Agreement of the parties entitled to voting membership on a joint 911 E911 service board.

b. Agreement of the members of a joint 911 E911 service board.

An alternative chapter 28E entity has all of the powers of a joint 911 E911 service board and any additional powers granted by the agreement. As used in this chapter, "joint 911 E911 service board" includes an alternative chapter 28E entity created for that purpose, except as specifically limited by the chapter 28E agreement or unless clearly provided otherwise in this chapter. A chapter 28E agreement related to E911

service shall permit the participation of a private safety agency or other persons allowed to participate in a joint ~~911~~ E911 service board, but the terms, scope, and conditions of participation are subject to the chapter 28E agreement.

4. PARTICIPATION IN JOINT E911 SERVICE BOARD REQUIRED. A political subdivision or state agency having a public safety agency within its territory or jurisdiction shall participate in a joint E911 service board and cooperate in ~~preparing~~ maintaining the E911 service plan.

Sec. 448. Section 34A.4, Code 2003, is amended to read as follows:

34A.4 REQUIRED-CONVERSION REQUIREMENTS OF PAY TELEPHONES AND OTHER TELECOMMUNICATIONS DEVICES TO ALLOW 911 CALLS WITHOUT DEPOSITING COINS OR OTHER CHARGE.

~~1.--CONVERSION-AND-NOTICE-REQUIRED.--When-an-enhanced-911 service-system-becomes-operational-or-as-soon-as-feasible thereafter, each provider or other owner or lessee of a pay station telephone to be operated within the enhanced-911 service area shall do the following:~~

~~a.--Convert each telephone to permit a caller to dial 911 without first inserting a coin or paying any other charge.~~

~~b.--Prominently display on each pay telephone a notice advising callers to dial 911 in an emergency and that deposit of a coin is not required.~~

~~2.--CERTAIN PAY PHONES PROHIBITED WITHIN SERVICE AREA.~~

After commencement of enhanced 911 service in In an enhanced 911 service area, a person shall not install or offer for use within the enhanced 911 service area a pay station telephone or other fixed device unless the telephone or device is capable of accepting making a 911 call without prior insertion of a coin or payment of any other charge, and unless the telephone or device displays notice of free 911 service.

Sec. 449. Section 34A.6, subsection 1, unnumbered paragraph 1, Code 2003, is amended to read as follows:

Before a joint E911 service board may request imposition of the surcharge by the administrator program manager, the board shall submit the following question to voters, as provided in subsection 2, in the proposed E911 service area, and the question shall receive a favorable vote from a simple majority of persons submitting valid ballots on the following question within the proposed E911 service area:

Sec. 450. Section 34A.7, unnumbered paragraph 1, Code 2003, is amended to read as follows:



When an E911 service plan is implemented, the costs of providing E911 service within an E911 service area are the responsibility of the joint E911 service board and the member political subdivisions. Costs in excess of the amount raised by imposition of the E911 service surcharge provided for under subsection 1, shall be paid by the joint E911 service board from such revenue sources allocated among the member political subdivisions as determined by the joint E911 service board. Funding is not limited to the surcharge, and surcharge revenues may be supplemented by other permissible local and state revenue sources. A joint ~~911~~ E911 service board shall not commit a political subdivision to appropriate property tax revenues to fund an E911 service plan without the consent of the political subdivision. A joint ~~911~~ E911 service board may approve ~~a-911~~ an E911 service plan, including a funding formula requiring appropriations by participating political subdivisions, subject to the approval of the funding formula by each political subdivision. However, a political subdivision may agree in advance to appropriate property tax revenues or other moneys according to a formula or plan developed by an alternative chapter 28E entity.

Sec. 451. Section 34A.7, subsections 1, 2, 3, and 4, Code 2003, are amended to read as follows:

1. LOCAL WIRE-LINE E911 SERVICE SURCHARGE IMPOSITION.

a. To encourage local implementation of E911 service, one source of funding for E911 emergency telephone communication systems shall come from a surcharge per month, per access line on each access line subscriber, except as provided in subsection 5, equal to the lowest amount of the following:

(1) One dollar.

(2) An amount less than one dollar, which would fully pay both recurring and nonrecurring costs of the E911 service system within five years from the date the maximum surcharge is imposed.

(3) The maximum monetary limitation approved by referendum.

b. The surcharge shall be imposed by order of the administrator program manager as follows:

(1) The administrator program manager shall notify a local exchange service provider scheduled to provide exchange access line service to an E911 service area, that implementation of an E911 service plan has been approved by the joint ~~911~~ E911 service board and by the service area referendum, and that

collection of the surcharge is to begin within one hundred days.

(2) ~~The notice shall be provided at least one hundred days before the surcharge must be billed for the first time~~ program manager shall also provide notice to all affected public safety answering points.

~~c. The surcharge shall terminate at the end of twenty-four months, unless either, or both, of the following conditions is met:~~

~~(1) E911 service is initiated for all or a part of the E911 service area.~~

~~(2) An extension is granted by the administrator for good cause.~~

~~d. The surcharge shall terminate at the end of twenty-four months if the joint E911 service plan has not been approved by the administrator within eighteen months of the original notice to the provider to impose the surcharge, and shall not be reimposed until a service plan is approved by the administrator and the administrator gives providers notice as required by paragraph "a", subparagraphs (1) and (2).~~

## 2. SURCHARGE COLLECTED BY LOCAL EXCHANGE SERVICE PROVIDERS.

a. The surcharge shall be collected as part of the access line service provider's periodic billing to a subscriber. In compensation for the costs of billing and collection, the local exchange service provider may retain one percent of the gross surcharges collected. If the compensation is insufficient to fully recover a local exchange service provider's costs for billing and collection of the surcharge, the deficiency shall be included in the local exchange service provider's costs for ratemaking purposes to the extent it is reasonable and just under section 476.6. The surcharge shall be remitted to the E911 service operating authority for deposit into the E911 service fund quarterly by the local exchange service provider. The total amount for multiple exchanges may be combined.

b. A local exchange service provider is not liable for an uncollected surcharge for which the local exchange service provider has billed a subscriber but not been paid. The surcharge shall appear as a single line item on a subscriber's periodic billing entitled, "E911 emergency telephone service surcharge". The E911 service surcharge is not subject to sales or use tax.



c. The joint E911 service board may request, not more than once each quarter, the following information from the local exchange service provider:

(1) The identity of the exchange from which the surcharge is collected.

(2) The number of lines to which the surcharge was applied for the quarter.

(3) The number of refusals to pay per exchange if applicable.

(4) Write-offs applied per exchange if applicable.

(5) The number of lines exempt per exchange.

(6) The amount retained by the local exchange service provider generated from the one percent administration fee.

d. Access line counts and surcharge remittances are confidential public records as provided in section 34A.8.

3. MAXIMUM LIMIT PER SUBSCRIBER BILLING FOR SURCHARGE. An individual subscriber shall not be required to pay on a single periodic billing the surcharge on more than one hundred access lines, or their equivalent, in an E911 service area. A subscriber shall pay the surcharge in each E911 service area in which the subscriber receives access line service.

4. E911 SERVICE FUND. Each joint E911 service board shall establish and maintain as a separate account an E911 service fund. Any funds remaining in the account at the end of each fiscal year shall not revert to the general funds of the member political subdivisions, except as provided in subsection 5, but shall remain in the E911 service fund. Moneys in an E911 service fund may only be used for nonrecurring and recurring costs of the E911 service plan as approved by the administrator program manager, as those terms are defined by section 34A.2.

Sec. 452. Section 34A.7, subsection 5, paragraph b, subparagraphs (2) and (3), Code 2003, are amended to read as follows:

(2) If money remains in the fund after fully paying for recurring costs incurred in the preceding year, the remainder may be spent to pay for nonrecurring costs, not to exceed actual nonrecurring costs as approved by the administrator program manager.

(3) If money remains in the fund after fully paying obligations under subparagraphs (1) and (2), the remainder may be accumulated in the fund as a carryover operating surplus. If the surplus is greater than twenty-five percent of the

approved annual operating budget for the next year, the ~~administrator~~ program manager shall reduce the surcharge by an amount calculated to result in a surplus of no more than twenty-five percent of the planned annual operating budget. After nonrecurring costs have been paid, if the surcharge is less than the maximum allowed and the fund surplus is less than twenty-five percent of the approved annual operating budget, the ~~administrator~~ program manager shall, upon application of the joint E911 service board, increase the surcharge in an amount calculated to result in a surplus of twenty-five percent of the approved annual operating budget. The surcharge may only be adjusted once in a single year, upon one hundred days' prior notice to the provider.

Sec. 453. Section 34A.7A, subsection 1, Code 2003, is amended to read as follows:

1. a. Notwithstanding section 34A.6, the administrator shall adopt by rule a monthly surcharge of up to ~~fifty~~ sixty-five cents to be imposed on each wireless communications service number provided in this state. The surcharge shall be imposed uniformly on a statewide basis and simultaneously on all wireless communications service numbers as provided by rule of the administrator.

b. The ~~administrator~~ program manager shall provide no less than one hundred days' notice of the surcharge to be imposed to each wireless communications service provider. The ~~administrator~~ program manager, subject to the ~~fifty~~ sixty-five cent limit in paragraph "a", may adjust the amount of the surcharge as necessary, but no more than once in any calendar year.

c. (1) The surcharge shall be collected as part of the wireless communications service provider's periodic billing to a subscriber. The surcharge shall appear as a single line item on a subscriber's periodic billing indicating that the surcharge is for E911 emergency telephone service. In the case of prepaid wireless telephone service, this surcharge shall be remitted based upon the address associated with the point of purchase, the customer billing address, or the location associated with the mobile telephone number for each active prepaid wireless telephone that has a sufficient positive balance as of the last days of the information, if that information is available. The wireless E911 service surcharge is not subject to sales or use tax.



(2) In compensation for the costs of billing and collection, the wireless communications service provider may retain one percent of the gross surcharges collected.

(3) The surcharges shall be remitted quarterly by the wireless communications service provider to the administrator program manager for deposit into the fund established in subsection 2.

(4) A wireless communications service provider is not liable for an uncollected surcharge for which the wireless communications service provider has billed a subscriber but which has not been paid. ~~The surcharge shall appear as a single line item on a subscriber's periodic billing indicating that the surcharge is for E911 emergency telephone service. The E911 service surcharge is not subject to sales or use tax.~~

Sec. 454. Section 34A.7A, subsection 2, Code 2003, is amended to read as follows:

2. Moneys collected pursuant to subsection 1 shall be deposited in a separate wireless E911 emergency communications fund within the state treasury under the control of the administrator program manager. Section 8.33 shall not apply to moneys in the fund. Moneys earned as income, including as interest, from the fund shall remain in the fund until expended as provided in this section. Moneys in the fund shall be expended and distributed ~~annually as follows~~ in the following priority order:

a. An amount as appropriated by the general assembly to the administrator shall be allocated to the administrator and program manager for implementation, support, and maintenance of the functions of the administrator and program manager and to employ the auditor of state to perform an annual audit of the wireless E911 emergency communications fund.

b. The program manager shall allocate twenty-one percent of the total amount of surcharge generated to wireless carriers to recover their costs to deliver E911 phase 1 services. If the allocation in this paragraph is insufficient to reimburse all wireless carriers for such carrier's eligible expenses, the program manager shall allocate a prorated amount to each wireless carrier equal to the percentage of such carrier's eligible expenses as compared to the total of all eligible expenses for all wireless carriers for the calendar quarter during which such expenses were submitted. When prorated expenses are paid, the remaining unpaid expenses shall no longer be eligible for payment under this paragraph.



c. The program manager shall reimburse wire-line carriers on a calendar quarter basis for carriers' eligible expenses for transport costs between the selective router and the public safety answering points related to the delivery of wireless E911 phase 1 services.

~~b. d. (1) The administrator shall retain funds necessary to reimburse wireless carriers for their costs to deliver E911 services. The administrator shall assure that wireless carriers recover all eligible costs associated with the implementation and operation of E911 services, including but not limited to hardware, software, and transport costs. The administrator shall adopt rules defining eligible costs which are consistent with federal law, regulations, and any order of a federal agency~~ program manager shall reimburse wire-line carriers and third-party E911 automatic location information database providers on a calendar quarterly basis for the costs of maintaining and upgrading the E911 components and functionalities beyond the input to the E911 selective router, including the E911 selective router and the automatic location information database.

~~(2) The administrator shall provide for the reimbursement of wireless carriers on a quarterly basis. If the total amount of moneys available in the fund for the reimbursement of wireless carriers pursuant to subparagraph (1) is insufficient to reimburse all wireless carriers for such carriers' eligible expenses, the administrator shall remit an amount to each wireless carrier equal to the percentage of such carrier's eligible expenses as compared to the total of all eligible expenses for all wireless carriers for the calendar quarter during which such expenses were submitted.~~

e. The program manager shall apply an amount up to five hundred thousand dollars per calendar quarter to any outstanding wireless E911 phase 1 obligations incurred pursuant to this chapter prior to July 1, 2004.

f. (1) The program manager shall allocate an amount up to one hundred fifty-nine thousand dollars per calendar quarter equally to the joint E911 service boards and the department of public safety that have submitted an annual written request to the program manager in a form approved by the program manager by May 15 of each year. The program manager shall allocate to each joint E911 service board and to the department of public safety a minimum of one thousand dollars per calendar quarter for each public safety answering point within the service area



of the department of public safety or joint E911 service board.

(2) Upon retirement of outstanding obligations referred to in paragraph "e", the amount allocated under this paragraph "f" shall be twenty-four percent of the total amount of surcharge generated per calendar quarter allocated as follows:

(a) Sixty-five percent of the total dollars available for allocation shall be allocated in proportion to the square miles of the service area to the total square miles in this state.

(b) Thirty-five percent of the total dollars available for allocation shall be allocated in proportion to the wireless E911 calls taken at the public safety answering point in the service area to the total number of wireless E911 calls originating in this state.

(c) Notwithstanding subparagraph subdivisions (a) and (b), the minimum amount allocated to each joint E911 service board and to the department of public safety shall be no less than one thousand dollars for each public safety answering point within the service area of the department of public safety or joint E911 service board.

(3) The funds allocated in this paragraph "f" shall be used for communication equipment located inside the public safety answering points for the implementation and maintenance of wireless E911 phase 2. The joint E911 service boards and the department of public safety shall provide an estimate of phase 2 implementation costs to the program manager by January 1, 2005.

~~c.--(1)--The-remainder-of-the-surcharge-collected-shall-be remitted-to-the-administrator-for-distribution-to-the-joint E911-service-boards-and-the-department-of-public-safety pursuant-to-subparagraph-(2)-to-be-used-for-the-implementation of-enhanced-wireless-communications-capabilities-~~

g. If moneys remain in the fund after fully paying all obligations under paragraphs "a" through "f", the remainder may be accumulated in the fund as a carryover operating surplus. This surplus shall be used to fund future phase 2 network and public safety answering point improvements and wireless carriers' transport costs related to wireless E911 services, if those costs are not otherwise recovered by wireless carriers through customer billing or other sources and approved by the program manager. Notwithstanding section 8.33, any moneys remaining in the fund at the end of each



fiscal year shall not revert to the general fund of the state but shall remain available for the purposes of the fund.

{2} h. The administrator, in consultation with the program manager and the E911 communications council, shall adopt rules pursuant to chapter 17A governing the distribution of the surcharge collected and distributed pursuant to this ~~lettered paragraph subsection~~. The rules shall include provisions that all joint E911 service boards and the department of public safety which answer or service wireless E911 calls are eligible to receive an equitable portion of the receipts.

~~A joint E911 service board or the department of public safety, to receive funds from the wireless E911 emergency communications fund, must submit a written request for such funds to the administrator in a form as approved by the administrator. A request shall be for funding under an approved E911 service plan for equipment which is directly related to the reception and disposition of incoming wireless E911 calls. The administrator may approve the distribution of funds pursuant to such request if the administrator finds that the requested funding is for equipment necessary for the reception and disposition of such calls and that sufficient funds are available for such distribution.~~

~~If insufficient funds are available to fund all requests, the administrator shall fund requests in an order deemed appropriate by the administrator after considering factors including, but not limited to, all of the following:~~

~~(a) Documented volume of wireless E911 calls received by each public safety answering point.~~

~~(b) The population served by each public safety answering point.~~

~~(c) The number of wireless telephones in the public safety answering point jurisdiction.~~

~~(d) The public safety of the citizens of this state.~~

~~(e) Any other factor deemed appropriate by the administrator, in consultation with the E911 communications council, and adopted by rule.~~

{3} 2A. a. The administrator program manager shall submit an annual report by January 15 of each year to the legislative government oversight committee advising the general assembly of the status of E911 implementation and operations, including both ~~land-line~~ wire-line and wireless services, and the distribution of surcharge receipts, and an accounting of the revenues and expenses of the E911 program.



b. The program manager shall submit a calendar quarter report of the revenues and expenses of the E911 program to the fiscal services division of the legislative services agency.

c. The legislative government oversight committee shall review the priorities of distribution of funds under this chapter at least every two years.

Sec. 455. Section 34A.7A, subsection 3, Code 2003, is amended to read as follows:

3. The amount collected from a wireless service provider and deposited in the fund, pursuant to section 22.7, subsection 6, information provided by a wireless service provider to the ~~administrator~~ program manager consisting of trade secrets, pursuant to section 22.7, subsection 3, and other financial or commercial operations information provided by a wireless service provider to the ~~administrator~~ program manager, shall be kept confidential as provided under section 22.7. This subsection does not prohibit the inclusion of information in any report providing aggregate amounts and information which does not identify numbers of accounts or customers, revenues, or expenses attributable to an individual wireless communications service provider.

Sec. 456. Section 34A.8, subsection 2, unnumbered paragraph 2, Code 2003, is amended to read as follows:

The program manager, joint E911 service board, the designated E911 service provider, and the public safety answering point, their agents, employees, and assigns shall use local exchange service information provided by the local exchange service provider solely for the purposes of providing E911 emergency telephone service, and it shall otherwise be kept confidential. A person who violates this section is guilty of a simple misdemeanor.

Sec. 457. Section 34A.9, Code 2003, is amended to read as follows:

34A.9 TELECOMMUNICATIONS DEVICES FOR THE DEAF SPEECH AND HEARING-IMPAIRED.

~~By January 17, 1997, each county~~ Each public safety answering point shall provide for the installation and use of ~~at least one~~ telecommunications device ~~devices~~ for the ~~deaf at a public safety answering point~~ speech and hearing-impaired.

Sec. 458. NEW SECTION. 34A.10 E911 SELECTIVE ROUTER.

On and after July 1, 2004, only the program manager shall approve access to the E911 selective router.

Sec. 459. Section 34A.15, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. The auditor of state or the auditor of state's designee shall serve as an ex officio nonvoting member.

Sec. 460. Section 34A.15, subsection 2, Code 2003, is amended to read as follows:

2. The council shall advise and make recommendations to the administrator and program manager regarding the implementation of this chapter. Such advice and recommendations shall be provided on issues at the request of the administrator or program manager or as deemed necessary by the council.

Sec. 461. Section 16.161, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The authority shall assist the administrator program manager, appointed pursuant to section 34A.2A, as provided in chapter 34A, subchapter II, and the authority shall have all of the powers delegated to it by a joint E911 service board or the department of public defense in a chapter 28E agreement with respect to the issuance and securing of bonds or notes and the carrying out of the purposes of chapter 34A.

#### DIVISION XXV

#### SEX OFFENDER REGISTRY

Sec. 462. Section 22.7, Code Supplement 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 48. Sex offender registry records under chapter 692A, except as provided in section 692A.13.

Sec. 463. Section 229A.8A, subsection 4, Code Supplement 2003, is amended to read as follows:

~~4. For purposes of registering as a sex offender under chapter 692A, a person placed in the transitional release program shall be classified a "high-risk" sex offender and public notification shall be as provided in section 692A.13A, subsection 2.~~ A committed person who refuses to register as a sex offender is not eligible for placement in a transitional release program.

Sec. 464. Section 692A.13, Code Supplement 2003, is amended by striking the section and inserting in lieu thereof the following:

#### 692A.13 AVAILABILITY OF RECORDS.

1. The department may provide relevant information from the sex offender registry to the following:



a. A criminal or juvenile justice agency, an agency of the state, any sex offender registry of another state, or the federal government.

b. The general public through the sex offender registry's web page, except that relevant information about an offender who was under twenty years of age at the time the offender committed a violation of section 709.4, subsection 2, paragraph "c", subparagraph (4), shall not be disclosed on the web page.

c. The single contact repository established pursuant to section 135C.33, in accordance with the rules adopted by the department.

2. A criminal or juvenile justice agency may provide relevant information from the sex offender registry to the following:

a. A criminal or juvenile justice agency, an agency of the state, or any sex offender registry of another state, or the federal government.

b. The general public, including public and private agencies, organizations, public places, public and private schools, child care facilities, religious and youth organizations, neighbors, neighborhood associations, community meetings, and employers. Registry information may be distributed to the public through printed materials, visual or audio press releases, or through a criminal or juvenile justice agency's web page.

3. Any member of the public may contact a county sheriff's office or police department to request relevant information from the registry regarding a specific person required to register under this chapter. The request for information shall be in writing, and shall include the name of the person and at least one of the following identifiers pertaining to the person about whom the information is sought:

- a. The date of birth of the person.
- b. The social security number of the person.
- c. The address of the person.

4. A county sheriff shall also provide to any person upon request access to a list of all registrants in that county. However, records of a person protected under 18 U.S.C. § 3521 shall not be disclosed.

5. Relevant information provided to the general public may include the offender's name, address, a photograph, locations frequented by the offender, relevant criminal history

information from the registry, and any other relevant information. Relevant information provided to the public shall not include the identity of any victim.

6. Notwithstanding sections 232.147 through 232.151, records concerning convictions which are committed by a minor may be released in the same manner as records of convictions of adults.

7. Sex offender registry records are confidential records pursuant to section 22.7 and shall only be released as provided in this section.

Sec. 465. Section 901.4, Code Supplement 2003, is amended to read as follows:

901.4 PRESENTENCE INVESTIGATION REPORT CONFIDENTIAL -- DISTRIBUTION.

The presentence investigation report is confidential and the court shall provide safeguards to ensure its confidentiality, including but not limited to sealing the report, which may be opened only by further court order. At least three days prior to the date set for sentencing, the court shall serve all of the presentence investigation report upon the defendant's attorney and the attorney for the state, and the report shall remain confidential except upon court order. However, the court may conceal the identity of the person who provided confidential information. The report of a medical examination or psychological or psychiatric evaluation shall be made available to the attorney for the state and to the defendant upon request. The reports are part of the record but shall be sealed and opened only on order of the court. If the defendant is committed to the custody of the Iowa department of corrections and is not a class "A" felon, a copy of the presentence investigation report shall be forwarded to the director with the order of commitment by the clerk of the district court and to the board of parole at the time of commitment. Pursuant to section 904.602, the presentence investigation report may also be released by the department of corrections or a judicial district department of correctional services to another jurisdiction for the purpose of providing interstate probation and parole compact services or evaluations, or to a substance abuse or mental health services provider when referring a defendant for services. The defendant or the defendant's attorney may file with the presentence investigation report, a denial or refutation of the allegations, or both, contained in the report. The denial



or refutation shall be included in the report. If the person is sentenced for an offense which requires registration under chapter 692A, the court shall release the report to the department ~~which is responsible under section 692A.13A for performing the assessment of risk.~~

Sec. 466. Section 692A.13A, Code 2003, is repealed.

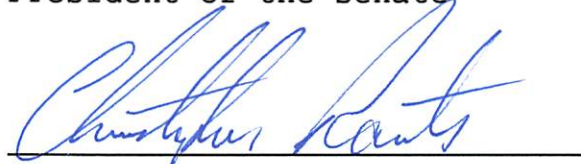
Sec. 467. APPLICABILITY OF AVAILABLE RECORDS IN THE SEX OFFENDER REGISTRY. Section 692A.13, as amended by this division of this Act, shall apply retroactively to all offenders on the registry.

Sec. 468. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.



---

JEFFREY M. LAMBERTI  
President of the Senate



---

CHRISTOPHER C. RANTS  
Speaker of the House

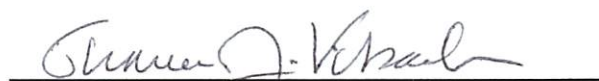
I hereby certify that this bill originated in the Senate and is known as Senate File 2298, Eightieth General Assembly.



---

MICHAEL E. MARSHALL  
Secretary of the Senate

*with exceptions noted*  
Approved May 19, 2004  
A



---

THOMAS J. VILSACK  
Governor