



THOMAS J. VILSACK  
GOVERNOR

## OFFICE OF THE GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

June 1, 2006

The Honorable Chester Culver  
Secretary of State  
State Capitol  
LOCAL

Dear Mr. Secretary:

I hereby transmit **House File 2527**, an Act relating to the funding of, the operation of, and appropriation of moneys to the college student aid commission, the department for the blind, the department of cultural affairs, the department of education, and the state board of regents and including effective and retroactive applicability dates.

The best legislative efforts occur when people work together. Thanks to the leadership and collaboration of the executive branch and legislators, the 2006 Legislative Session delivered results for all sectors of education.

House File 2527 is approved on this date, with the following exceptions, which I hereby disapprove:

I am unable to approve the item designated as Section 10 in its entirety. This section should have been removed from the bill when the Teacher Quality language was moved to HF 2792. Vetoing this section is a corrective action to remove the conflict with language in HF 2792.

I am unable to approve the item designated as Section 14 in its entirety. Not only does this language create an unnecessary bureaucratic step in the efficient operation of state government, but it also calls into question the cost-savings produced by the state motor pool while disregarding the benefits that the state of Iowa derives from maintaining a state motor pool.

The cost-savings of maintaining a state motor pool are clear. In meetings with legislators and the private sector this legislative session and prior legislative sessions, the Department of Administrative Services (DAS) has continually shown that it provides a cost-effective service and the private sector has not shown that they can provide a similar service for the same or a lesser amount. It should also be noted that the state motor pool



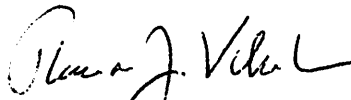
is a marketplace service that currently competes with the private sector for its state customer business.

In addition, this language only addresses the fiscal impact of the state motor pool and does not recognize other benefits of maintaining a state motor pool. The State of Iowa benefits greatly from having accessibility to a full service, on-site motor pool team with the sole responsibility of maintaining the state motor pool, which ensures convenience to the motor pool's customers, state agencies. In signing Executive Order 41, I requested that DAS take the initiative to move its fleet towards flexible fuel vehicles (vehicles that can either use E-85 or soy biodiesel). By December of 2007, 90% of eligible motor pool vehicles will be flexible fuel vehicles, which will encourage and contribute to the use of renewable fuels.

The state motor pool consistently provides cost-effective services to state agencies that enhance the ability of state government to operate efficiently and promotes Iowa's image as a leader in renewable energy.

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 **House File 2527** are hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Vilsack", with a stylized flourish at the end.

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House



HOUSE FILE 2527

AN ACT

RELATING TO THE FUNDING OF, THE OPERATION OF, AND APPROPRIATION OF MONEYS TO THE COLLEGE STUDENT AID COMMISSION, THE DEPARTMENT FOR THE BLIND, THE DEPARTMENT OF CULTURAL AFFAIRS, THE DEPARTMENT OF EDUCATION, AND THE STATE BOARD OF REGENTS AND INCLUDING EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

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

DIVISION I

DEPARTMENT FOR THE BLIND

Section 1. ADMINISTRATION. There is appropriated from the general fund of the state to the department for the blind for the fiscal year beginning July 1, 2006, and ending June 30, 2007, 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:

.....	\$	1,954,105
.....	FTEs	109.50

COLLEGE STUDENT AID COMMISSION

Sec. 2. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2006, and ending June 30, 2007, 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:

..... \$ 364,640  
..... 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

a. For forgivable loans to Iowa students attending the Des Moines university -- osteopathic medical center under the forgivable loan program pursuant to section 261.19:

..... \$ 100,000

To receive funds appropriated pursuant to this paragraph, Des Moines university -- osteopathic medical center shall match the funds with institutional funds on a dollar-for-dollar basis.

b. 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:

..... \$ 346,451

4. NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM

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

..... \$ 3,725,000

5. TEACHER SHORTAGE FORGIVABLE LOAN PROGRAM

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

..... \$ 285,000

Sec. 3. WORK-STUDY APPROPRIATION FOR FY 2006-2007.

Notwithstanding section 261.85, for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the amount appropriated from the general fund of the state to the college student aid commission for the work-study program under section 261.85 shall be \$140,000, and from the moneys appropriated in this section, \$76,365 shall be allocated to institutions of higher education under the state board of regents and community colleges and the remaining dollars appropriated in this section shall be allocated by the college student aid commission on the basis of need as determined by the portion of the federal formula for distribution for work-study funds that relates to the current need of institutions.



Sec. 4. REGISTERED NURSE RECRUITMENT PROGRAM FUNDS. From the funds appropriated for tuition grants pursuant to section 261.25, subsection 1, as amended in this Act, for the fiscal year beginning July 1, 2006, up to fifty thousand dollars shall be used to provide forgivable loans as provided in section 261.23 to residents of Iowa who are registered nurses and who are seeking to become qualified as nursing faculty in Iowa and to teach in Iowa schools. To qualify for a forgivable loan pursuant to this section, in addition to the requirements of section 261.23, a person shall be enrolled as a full-time or part-time student at a not-for-profit accredited school of nursing located in this state. Moneys allocated for purposes of this section shall be allocated only to the extent that the state moneys are matched on a dollar-for-dollar basis from other sources. The college student aid commission shall submit in a report to the chairpersons and ranking members of the joint subcommittee on education appropriations by January 1, 2007, the number of students who received forgivable loans in the fiscal year beginning July 1, 2006, pursuant to this section, which institutions the students were enrolled in, and the amount paid to each of the institutions on behalf of the students who received forgivable loans pursuant to this section.

DEPARTMENT OF CULTURAL AFFAIRS

Sec. 5. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2006, and ending June 30, 2007, 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:

.....	\$	240,195
.....	FTEs	2.10

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:

..... \$ 3,239,269

..... FTEs 57.09

4. HISTORIC SITES

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

..... \$ 534,676

..... FTEs 8.25

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:

..... \$ 1,181,329

..... FTEs 10.01

6. GREAT PLACES

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

..... \$ 300,000

..... FTEs 1.70

7. ARCHIVE IOWA GOVERNORS' RECORDS

For archiving the records of Iowa governors and for not more than the following full-time equivalent position:

..... \$ 75,000

..... FTEs 1.00

DEPARTMENT OF EDUCATION

Sec. 6. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2006, and ending June 30, 2007, 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:

.....	\$	5,643,607
.....	FTEs	75.37

From the funds appropriated in this subsection, \$225,000 shall be allocated for purposes of conducting, supporting, and managing the accreditation of school districts and for purposes of various other duties such as conducting reorganization feasibility studies.

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:

.....	\$	530,429
.....	FTEs	13.50

3. VOCATIONAL REHABILITATION SERVICES DIVISION

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

.....	\$	5,034,655
.....	FTEs	273.50

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, 2007, 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:

.....	\$	54,421
.....	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:

.....	\$	1,420,694
.....	FTEs	18.00

b. For the enrich Iowa program:

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

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:

..... \$ 7,966,113

..... FTEs 88.00

7. REGIONAL TELECOMMUNICATIONS COUNCILS

For state aid:

..... \$ 1,240,478

The regional telecommunications councils established in section 8D.5 shall use the funds appropriated in this subsection 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, miscellaneous purposes, and for not more than the following full-time equivalent positions:

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

..... FTEs 17.43

10. IOWA EMPOWERMENT FUND

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

..... \$ 23,781,594

a. From the moneys deposited in the school ready children grants account for the fiscal year beginning July 1, 2006, and ending June 30, 2007, not more than \$300,000 is allocated for the community empowerment office and other technical assistance activities and of that amount, not more than \$50,000 shall be used to administer the early childhood coordinator's position pursuant to section 28.3, subsection 7, and not more than \$50,000 shall be used to implement an early childhood Iowa website for wide dissemination of early care and early childhood learning information and assistance. 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.

d. Of the amount appropriated in this subsection for deposit in the school ready children grants account of the Iowa empowerment fund that is used for distribution to areas, \$4,650,000 shall be used to assist low-income parents with preschool tuition.

e. Of the amount appropriated in this subsection for deposit in the school ready children grants account of the Iowa empowerment fund, \$1,000,000 shall be used for professional development for the system of early care, health, and education.

f. Of the amount appropriated in this subsection for deposit in the school ready children grants account of the Iowa empowerment fund, \$100,000 shall be allocated to the public broadcasting division of the department of education for support of community empowerment as a ready-to-learn-coordinator.

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:

..... \$ 638,620

12. 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:

..... \$ 600,000

13. VOCATIONAL AGRICULTURE YOUTH ORGANIZATION

To assist a vocational agriculture youth organization sponsored by the schools to support the foundation established by that vocational agriculture youth organization and for other youth activities:

..... \$ 50,000

Funds appropriated in this subsection shall be allocated only to the extent that the state moneys are matched from other sources by the organization on a dollar-for-dollar basis.

14. READING INSTRUCTION PILOT PROJECT GRANT PROGRAM

For the implementation of the reading instruction pilot project grant program, if enacted by this Act:

..... \$ 250,000

15. PARENT LIAISON PROGRAM

For the establishment of a parent liaison program:

..... \$ 44,000

The department of education shall develop and implement a pilot parental involvement liaison project. The department shall study successful state and national programs and use this information to develop a parental involvement liaison pilot project in which school districts and schools throughout the state may apply to participate. The department shall determine a timeline for the implementation of a parental involvement liaison pilot project and other mechanisms as identified, the necessary resources, measures to publicize the project and other mechanisms, and shall submit its findings and recommendations in a report to the chairpersons and ranking members of the senate and house of representatives standing committees on education by January 15, 2008.

16. CORE CURRICULUM REQUIREMENTS

To implement core curriculum requirements established pursuant to section 256.7, subsection 26, as amended by 2006 Iowa Acts, Senate File 2272, if enacted:

..... \$ 270,000

17. COMMUNITY COLLEGES

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

..... \$159,579,244

Notwithstanding the allocation formula in section 260C.18C, the funds appropriated in this subsection shall be allocated as follows:



a. Merged Area I .....	\$ 7,786,416
b. Merged Area II .....	\$ 8,746,545
c. Merged Area III .....	\$ 8,076,172
d. Merged Area IV .....	\$ 3,965,756
e. Merged Area V .....	\$ 8,716,683
f. Merged Area VI .....	\$ 7,697,799
g. Merged Area VII .....	\$ 11,295,091
h. Merged Area IX .....	\$ 13,968,730
i. Merged Area X .....	\$ 23,342,242
j. Merged Area XI .....	\$ 23,626,432
k. Merged Area XII .....	\$ 9,256,058
l. Merged Area XIII .....	\$ 9,349,224
m. Merged Area XIV .....	\$ 4,015,573
n. Merged Area XV .....	\$ 12,611,064
o. Merged Area XVI .....	\$ 7,125,459

Sec. 7. COMMUNITY COLLEGE DATA COLLECTION. By October 1, 2007, the department of education shall compile and submit to the chairpersons and ranking members of the joint appropriations subcommittee on education and the legislative services agency the following information for the 2006-2007 fiscal year, which each community college shall submit to the department by a date specified by the department:

1. Total revenue received from each local school district as a result of high school students enrolled in community college courses under the postsecondary enrollment options Act.

2. Total revenue received from each local school district as a result of high school students enrolled in community college courses through shared supplementary weighting plans.

3. Unduplicated headcount of high school students enrolled in community college courses under the postsecondary enrollment options Act.

4. Unduplicated headcount of high school students enrolled in community college courses through shared supplementary weighting plans.

5. Total credits earned by high school students enrolled in community college courses under the postsecondary enrollment options Act, broken down by vocational-technical or career program and arts and sciences program.

6. Number of courses in which high school students are enrolled under shared supplementary weighting plans and the portions of those courses that are taught by an instructor who is employed by the local school district for a portion of the school day.

Sec. 8. DEPARTMENT OF EDUCATION -- HIGH SCHOOL GRADUATE ACADEMIC EXPERIENCE DATA COLLECTION STUDY. The department of education, in collaboration with the institutions of higher education governed by the state board of regents and representatives of the community colleges, shall study the development and collection of summary data on the academic experiences of Iowa high school graduates that enroll in an Iowa public postsecondary institution. The study shall identify the types of data to be compiled from postsecondary institutions, including but not limited to the hours attempted or completed during a student's first semester, or the quarter or trimester equivalent, or first year of study at a postsecondary institution; a student's grade point average earned during the first semester, or the quarter or trimester equivalent, or first year of study at a postsecondary institution; the high school rank of a student, if known; indicators of whether the student was assigned to a developmental or remedial course in English, mathematics, or reading; and an indicator for whether the student returned for the second year to the institution. The study shall consider the limitations imposed by the federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, 34 C.F.R. Part 99, regarding the disclosure by a school of information from a student's education record. The department shall submit its findings, and a recommendation for a timeline of implementation, in a report to the chairpersons and ranking members of the joint appropriations subcommittee on education by January 1, 2007.

Sec. 9. STATEWIDE TEACHER INTERN PROGRAM -- FEDERAL GRANT APPLICATION COORDINATION. 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. The department shall submit a progress report to the chairpersons



and ranking members of the joint appropriations subcommittee on education by January 1, 2007.

Sec. 10. MINIMUM TEACHER SALARY REQUIREMENTS -- FY 2006-2007.

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, 2006, and ending June 30, 2007, 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 2005-2006 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, 2006, and ending June 30, 2007, 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.

Disapproved  
on  
6.1.06

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, 2006, and ending June 30, 2007, 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.

STATE BOARD OF REGENTS

Sec. 11. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2006, and ending June 30, 2007, 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:

.....	\$	1,167,137
.....	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, 2006, the amount that needs to be appropriated for tuition replacement for the fiscal year beginning July 1, 2007.

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.

The state board of regents shall not circumvent the requirements of section 270.10 and as the board develops any plan regarding the Iowa braille and sight saving school, it shall comply with the requirements of section 270.10 and shall



report monthly to the legislative standing committee on government oversight during the legislative interim.

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:

..... \$ 13,975,431

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 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

f. For funds for regents universities general operating budgets:

..... \$ 11,000,000

The funds appropriated for purposes of this lettered paragraph are subject to the following allocations and requirements:

(1) The partnership for transformation and excellence is a four-year partnership plan created by the state board of regents for the purpose of enhancing the regents' strategic priorities for educational quality and public accountability. Under the plan, Iowa students and families will be subject to moderate student tuition increases, and a clear and concise reallocation plan that may be audited will exist to strengthen the academic focus at the regents universities. The

reallocation plan will enhance the quality of the regents universities and provide both an incentive and an opportunity for university-wide reprioritization and reallocation of resources to the most important strategic areas.

(2) The funds shall be distributed by the board as outlined in the state board of regents partnership for transformation and excellence. The funds may be used for any of the following purposes:

- (a) Supporting new strategic initiatives.
- (b) Meeting enrollment increases.
- (c) Meeting the demand for new courses and services.
- (d) Funding new but unavoidable or mandated cost increases.
- (e) Supporting any other initiatives important to the core functions of the university.

The funds may also be used for pay adjustments, expense reimbursements, and related benefits for state board of regents employees covered by a collective bargaining agreement and for state board of regents employees not covered by a collective bargaining agreement. The board shall provide from other available sources any additional funding needed for such pay adjustments, expense reimbursements, and related benefits.

(3) The state board of regents shall annually set a target dollar amount or percentage figure of expected reallocation of resources for each university. The universities shall report to the board on a semiannual basis regarding the actions taken relating to the reallocations. Once funds have been reallocated, that amount shall not be redirected to the original entity or purpose unless extraordinary circumstances exist and an equivalent reallocation amount is increased for the same fiscal year. A reallocation of resources may be made for any of the following purposes:

- (a) Supporting new strategic initiatives.
- (b) Meeting enrollment increases.
- (c) Meeting the demand for new courses and services.
- (d) Funding new but unavoidable or mandated cost increases.
- (e) Supporting any other initiatives important to the core functions of the university.



(4) For the purposes of this lettered paragraph:

(a) "Entity" means a president, vice president, or a college, academic or nonacademic department, division, program, or other unit.

(b) "Reallocation of resources" means funds within the base budget of a university entity are removed by the administrator of that entity and redirected to another university entity or purpose.

(5) The state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa shall each generate matching internal reallocations in an amount equal to 50 percent of the amounts received by the universities pursuant to this lettered paragraph.

(6) Consider Iowa pilot program

From the moneys allocated pursuant to this lettered paragraph, an amount equal to \$250,000 shall be used for the development and implementation of a consider Iowa pilot program at the state university of Iowa to retain Iowa's college graduates. The pilot program shall be developed with the intent of expanding the program in future years to the Iowa state university of science and technology and to the university of northern Iowa. The pilot program shall be developed in cooperation with representatives from the state's community colleges and businesses, shall focus on transitional students, current students, and alumni, and shall provide for the following:

(a) An interactive internet web presence tying in all aspects of the program.

(b) Career development opportunities for target markets.

(c) A consulting service for alumni of Iowa's community colleges and the institutions of higher education governed by the state board of regents.

(d) Virtual career fairs for Iowa's businesses.

(e) Organization and sponsorship of Iowa employer immersion programs, which may include but are not limited to opportunities for students to tour Iowa businesses and visit with employers and employees in the workplace.

(f) Employer strategy forums that encourage recruitment in Iowa, assist community college students with career

development issues, and emphasize the benefits of working within the state.

(g) Funding for research on why graduates leave Iowa and which defines and implements methods to retain Iowa's graduates and encourage those who have migrated to return.

(h) Work with the leadership Iowa program to expand the program at the collegiate level.

The university shall submit a progress report to the general assembly by January 15, 2007, and shall submit its findings and recommendations in a report to the general assembly by January 14, 2008.

g. For funds to be distributed to the midwestern higher education compact to pay Iowa's member state annual obligation:

..... \$ 90,000

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:

..... \$226,306,403

..... FTEs 5,058.55

b. 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 269.65

c. 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 130.37

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



d. Oakdale campus

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

.....	\$	2,657,335
.....	FTEs	38.25

e. State hygienic laboratory

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

.....	\$	3,849,461
.....	FTEs	102.50

f. 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	190.40

g. 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	57.97

h. Statewide cancer registry

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

.....	\$	178,739
.....	FTEs	2.10

i. 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 position:

.....	\$	64,871
.....	FTEs	1.00

j. Center for biocatalysis

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

.....	\$	881,384
.....	FTEs	6.28

k. 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	5.89

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.

1. Birth defects registry

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

.....	\$	44,636
.....	FTEs	1.00

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:

.....	\$	177,328,346
.....	FTEs	3,647.42

b. Agricultural experiment station

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

.....	\$	32,117,925
.....	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:

.....	\$	20,569,125
.....	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:

.....	\$	80,638,563
.....	FTEs	1,514.11

## 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:

.....	\$	9,162,890
.....	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:

.....	\$	5,127,507
.....	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. 12. For the fiscal year beginning July 1, 2006, and ending June 30, 2007, 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. 13. 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, 2006, 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. 14. TRAVEL POLICY.

1. For the fiscal year beginning July 1, 2006, each department or independent agency receiving an appropriation in this Act shall review the employee policy for daily or short-term travel including but not limited to the usage of motor pool vehicles under the department of administrative services, employee mileage reimbursement for the use of a personal vehicle, and the usage of private automobile rental companies. Following the review, the department or agency shall implement revisions in the employee policy for daily or short-term travel as necessary to maximize cost savings.

2. Each department or independent agency subject to subsection 1 shall report to the general assembly's standing committees on government oversight regarding the policy revisions implemented and the savings realized from the changes. An initial report shall be submitted on or before December 1, 2006, and a follow-up report shall be submitted on or before December 1, 2007.

Sec. 15. NEW SECTION. 256.25 READING INSTRUCTION PILOT PROJECT GRANT PROGRAM.

1. Subject to an appropriation of sufficient funds by the general assembly, the department shall establish a reading instruction pilot project grant program that provides for conducting at least two direct reading instruction pilot

Disapproved  
on  
6.1.06



projects and at least two comprehensive reading instruction pilot projects to demonstrate the ability of both approaches to positively affect student learning for any or all grades from kindergarten through grade three in selected school district attendance centers.

2. Each pilot project shall be conducted for a minimum of one year, subject to an appropriation by the general assembly to the department for that purpose. The department, in consultation with experts in the delivery of direct reading and comprehensive reading instruction, shall establish a pilot project grant application process that specifies the design and implementation expectations of each grantee, criteria for the selection of pilot project participant school districts, and a system of assessments which all grantees will use to assist teachers and the department in measuring student growth in reading accuracy, fluency, phonemic awareness, oral reading ability, and comprehension skills, including but not limited to the dynamic indicator of basic early literacy. Grantees shall be evenly distributed between urban and rural school districts.

3. The department and the experts consulted in accordance with subsection 2 shall jointly develop and agree upon the evaluation criteria and the system of assessments used to evaluate effectiveness of the instruction methods to achieve reading success. The evaluation criteria and the system of assessments shall employ specifically designed evaluation models employing objective, valid, and reliable assessments.

4. Grant moneys shall be distributed to qualifying school districts by the department no later than September 1, 2006. Grantees shall use moneys received pursuant to this section to provide for ongoing support and training of the teachers implementing the pilot projects. Grant amounts shall be distributed as determined by the department.

5. The department shall retain one hundred thousand dollars annually from the amount appropriated for the pilot project grant program for the administration of the program and one hundred thousand dollars annually for the development and implementation of an independent, external program and results evaluation.

6. The department, in collaboration with an independent, external evaluator, shall submit a final report summarizing the results of the pilot projects, including student achievement results, to the chairpersons and ranking members of the senate and house of representatives standing committees on education by January 15, 2008.

7. Notwithstanding section 8.33, unencumbered or unobligated funds remaining on June 30 of the fiscal year for which the funds were appropriated for the pilot project grant program shall not revert but shall be available for expenditure for the following fiscal year for purposes of this section.

8. This section is repealed effective June 30, 2008.

Sec. 16. NEW SECTION. 256.57 ENRICH IOWA PROGRAM.

1. An enrich Iowa program is established in the division to provide direct state assistance to public libraries, to support the open access and access plus programs, to provide public libraries with an incentive to improve library services, and that are in compliance with performance measures, and to reduce inequities among communities in the delivery of library services based on performance measures adopted by rule by the commission. The commission shall adopt rules governing the allocation of funds appropriated by the general assembly for purposes of this section to provide direct state assistance to eligible public libraries. A public library is eligible for funds under this chapter if it is in compliance with the commission's performance measures.

2. The amount of direct state assistance distributed to each eligible public library shall be based on the following:

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

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.

3. Moneys received by a public library pursuant to this section shall supplement, not supplant, any other funding received by the library.



4. 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:

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

(2) 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".

(3) 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.

5. Each eligible public library shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this subsection, and shall annually submit this listing to the division.

6. By January 15, annually, 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 section.

7. A public library that receives funds in accordance with this section 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.

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

9. Funds appropriated for purposes of this section shall not be used by the division for administrative purposes.

Sec. 17. Section 260C.14, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 21. Annually, by October 1, submit to the department of education through the management information

system, at a minimum, in the manner prescribed by the department the following information for the previous fiscal year:

a. Total revenue received from each local school district as a result of high school students enrolled in community college courses under the postsecondary enrollment options Act.

b. Total revenue received from each local school district as a result of high school students enrolled in community college courses through shared supplementary weighting plans.

c. Unduplicated headcount of high school students enrolled in community college courses under the postsecondary enrollment options Act.

d. Unduplicated headcount of high school students enrolled in community college courses through shared supplementary weighting plans.

e. Total credits earned by high school students enrolled in community college courses under the postsecondary enrollment options Act, broken down by vocational-technical or career program and arts and sciences program.

f. Number of courses in which high school students are enrolled under shared supplementary weighting plans and the portions of those courses that are taught by an instructor who is employed by the local school district for a portion of the school day.

The department of education shall define the annual supplemental financial reporting required of all community colleges regarding revenues received through the delivery of college credit courses to high school students. The board of directors of each community college shall incorporate into their student management information systems the unique student identifier used by school districts as provided by the department of education to school districts.

Sec. 18. Section 261.25, subsection 1, Code Supplement 2005, is 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-nine~~ forty-six million ~~six~~ five hundred ~~seventy-three~~ six thousand ~~five~~ two hundred ~~seventy-five~~ eighteen dollars for tuition grants. ~~From-the-funds-appropriated-in-this~~



~~subsection, an amount equal to ten percent of the funds appropriated in this subsection shall be reserved for distribution to students attending 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. -- A for-profit institution which, effective March 9, 2005, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an eligible institution under the Iowa tuition grant program. -- In the case of a qualified student who was enrolled in such accredited private institution that was purchased by the for-profit institution effective March 9, 2005, and who continues to be enrolled in the eligible institution in succeeding years, the amount the student qualifies for under this subsection shall be not less than the amount the student qualified for in the fiscal year beginning July 1, 2004.~~

Sec. 19. Section 261.25, Code Supplement 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of five million one hundred sixty-seven thousand three hundred fifty-eight dollars for proprietary tuition grants.

Sec. 20. Section 261.35, subsection 2, Code 2005, is amended to read as follows:

2. "Eligible borrower" means a person, or the parent of a person, who is ~~a resident of this state and is~~ enrolled or will be enrolled at an eligible institution ~~within or without the state or who is a nonresident of this state and is~~ enrolled or will be enrolled at an eligible institution within the state, ~~or who is a resident of another state and is~~ borrowing from an Iowa-based eligible lender and is enrolled or will be enrolled at an eligible institution within or without the state, ~~or who has previously received a loan guaranteed by the commission.~~ All eligible borrowers must meet the eligibility requirements established by the commission. ~~The commission shall establish the qualifications for being a resident of this state; however, the~~

~~qualifications shall not be more stringent than those established by the state board of regents.~~

Sec. 21. Section 261.111, subsection 5, Code 2005, is amended to read as follows:

5. The annual amount of a teacher shortage forgivable loan shall not exceed ~~three thousand dollars annually~~ the resident tuition rate established for institutions of higher education governed by the state board of regents, or the amount of the student's established financial need, whichever is less.

Sec. 22. Section 261.111, Code 2005, is amended by adding the following new subsections:

NEW SUBSECTION. 9. The commission shall submit in a report to the chairpersons and ranking members of the joint appropriations subcommittee on education by January 1, annually, the number of students who received forgivable loans pursuant to this section, which institutions the students were enrolled in, and the amount paid to each of the institutions on behalf of the students who received forgivable loans pursuant to this section.

NEW SUBSECTION. 10. Moneys appropriated by the general assembly for purposes of this section shall be allocated only to the extent that the state moneys are matched from other sources by the commission on a dollar-for-dollar basis.

Sec. 23. Section 272.10, Code Supplement 2005, is amended to read as follows:

272.10 FEES.

1. It is the intent of the general assembly that licensing fees established by the board of educational examiners be sufficient to finance the activities of the board under this chapter.

2. Licensing fees are payable to the treasurer of state and shall be deposited with the executive director of the board. The executive director shall deposit twenty-five percent of the fees collected annually with the treasurer of state and the fees shall be credited to the general fund of the state. The remaining licensing fees collected during the fiscal year shall be retained by and are appropriated to the board for the purposes related to the board's duties. Notwithstanding section 8.33, licensing fees retained by and appropriated to the board pursuant to 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 activities of the board as provided in this chapter until the close of the succeeding fiscal year.

3. The executive director shall keep an accurate and detailed account of fees received ~~and~~, including fees paid to the treasurer of state and fees retained by the board.

4. The board shall submit a detailed annual financial report by January 1 to the chairpersons and ranking members of the joint appropriations subcommittee on education and the legislative services agency.

Sec. 24. FUTURE EFFECTIVE DATE. The section of this Act, that amends section 260C.14, takes effect July 1, 2008.

DIVISION II

2005-2006 TECHNICAL CORRECTION

STATE PROGRAM ALLOCATION FORMULA

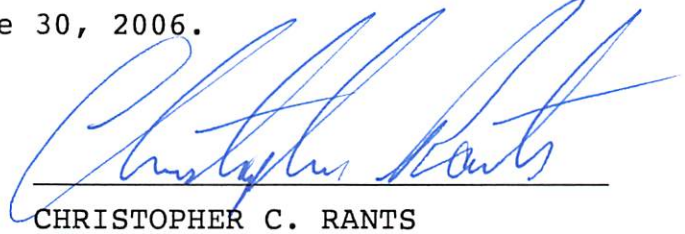
Sec. 25. ALLOCATION TRANSFER. Notwithstanding section 284.13, subsection 1, paragraphs "a" and "b", Code Supplement 2005, the director of the department of education may transfer, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, without the prior written consent and approval of the governor and the director of the department of management, up to \$200,000 allocated under section 284.13, subsection 1, paragraph "a", for purposes of the issuance of national board certification awards, to supplement moneys allocated pursuant to section 284.13, subsection 1, paragraph "b", for purposes of the beginning teacher mentoring and induction programs.

Sec. 26. Section 284.13, subsection 1, paragraph d, unnumbered paragraph 1, Code Supplement 2005, is amended to read as follows:

For each fiscal year in which funds are appropriated for purposes of this chapter, the moneys remaining after distribution as provided in paragraphs "a" through "c", "f", and ~~"e"~~ "g" shall be allocated to school districts for salaries and career development in accordance with the following formula:

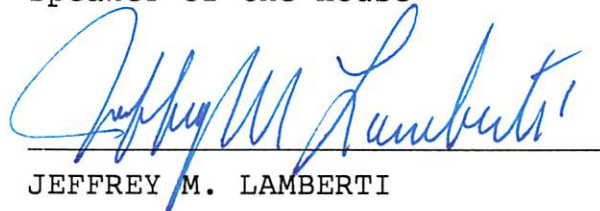
Sec. 27. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies

retroactively to July 1, 2005, for the fiscal year beginning July 1, 2005, and ending June 30, 2006.



CHRISTOPHER C. RANTS

Speaker of the House



JEFFREY M. LAMBERTI

President of the Senate

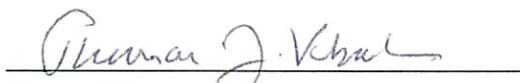
I hereby certify that this bill originated in the House and is known as House File 2527, Eighty-first General Assembly.



MARGARET THOMSON

Chief Clerk of the House

with exceptions noted  
Approved June 1, 2006



THOMAS J. VILSACK

Governor