

## OFFICE OF THE GOVERNOR

CHESTER J. CULVER  
GOVERNOR

PATTY JUDGE  
LT. GOVERNOR

April 29, 2010

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

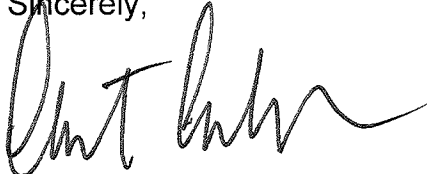
I hereby transmit House File 2531, an Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, and reducing appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, and providing for properly related matters, and including effective date and retroactive applicability provisions. House File 2531 is approved on this date, with the exceptions noted below, which I hereby disapprove.

I am unable to approve Section 106 of this bill in its entirety. This section requires the Office of Energy Independence to collect and report data on all grants and loans provided under the Iowa Power Fund. I am disapproving this language because it is unnecessary and duplicative. The Office of Energy Independence already collects and provides information about the effectiveness of the Power Fund, which is helping our state become more energy independent and creating jobs.

I am unable to approve Section 112 subsection 3, paragraph a, of this bill in its entirety. Current law requires pharmacy technicians to obtain national certification by July 1, 2010. In addition, current law provides that new technicians who register beginning July 1, 2009, are to be granted one year from the date of their registrations with the Iowa Board of Pharmacy to show proof of having obtained national certification. This one year period is critical because new registrants use this time to obtain on-the-job experience working with licensed pharmacists, which enhances the technicians' readiness to take the national certification examination. This provision eliminates the one year period until December 31, 2012; this means technicians who have registered since July 1, 2009 now must show proof of having obtained national certification by July 1, 2010, but no longer have the year to prepare for the national certification examination. This will likely affect up to 600 individuals. In addition, new pharmacy technicians would now need to be nationally certified prior to even registering with the board, which will likely affect up to 1,000 new technicians per year.

For the above reasons, I hereby respectfully disapprove the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in House File 2531 are hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver". The signature is fluid and cursive, with a large initial "C" and a long, sweeping tail.

Chester J. Culver  
Governor

cc: Secretary of the Senate  
Chief Clerk of the House

cjc:rc0



House File 2531

AN ACT

RELATING TO STATE AND LOCAL FINANCES BY PROVIDING FOR FUNDING OF PROPERTY TAX CREDITS AND REIMBURSEMENTS, BY MAKING, INCREASING, AND REDUCING APPROPRIATIONS, PROVIDING FOR SALARIES AND COMPENSATION OF STATE EMPLOYEES, PROVIDING FOR MATTERS RELATING TO TAX CREDITS, PROVIDING FOR FEES AND PENALTIES, AND PROVIDING FOR PROPERLY RELATED MATTERS, AND INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS.

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

DIVISION I

MH/MR/DD SERVICES ALLOWED GROWTH FUNDING — FY 2011-2012  
Section 1. ADULT MH/MR/DD SERVICES ALLOWED GROWTH FUNDING — FY 2011-2012. Notwithstanding section 331.439, subsection 3, the allowed growth factor adjustment for county mental

health, mental retardation, and developmental disabilities service expenditures for the fiscal year beginning July 1, 2011, shall be established by statute which shall be enacted within thirty calendar days of the convening of the Eighty-fourth General Assembly, 2011 Session, on January 10, 2011. The governor shall submit to the general assembly a recommendation for such allowed growth factor adjustment and the amounts of related appropriations to the general assembly on or before January 11, 2011.

DIVISION II  
STANDING APPROPRIATIONS  
AND RELATED MATTERS

Sec. 2. BUDGET PROCESS FOR FISCAL YEAR 2011-2012.

1. For the budget process applicable to the fiscal year beginning July 1, 2011, on or before October 1, 2010, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and paragraph "a", all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

Sec. 3. GENERAL ASSEMBLY.

1. 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, 2010, and ending June 30, 2011, are reduced by the following amount:

..... \$ 5,939,790

2. The budgeted amounts for the general assembly for the fiscal year beginning July 1, 2010, may be adjusted to reflect unexpended budgeted amounts from the previous fiscal year.

Sec. 4. LIMITATION OF STANDING APPROPRIATIONS.

Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2010,

and ending June 30, 2011, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

1. For operational support grants and community cultural grants under section 99F.11, subsection 3, paragraph "d", subparagraph (1):  
..... \$ 443,300

2. For regional tourism marketing under section 99F.11, subsection 3, paragraph "d", subparagraph (2):  
..... \$ 862,028

3. For the center for congenital and inherited disorders central registry under section 144.13A, subsection 4, paragraph "a":  
..... \$ 182,044

4. For primary and secondary child abuse prevention programs under section 144.13A, subsection 4, paragraph "a":  
..... \$ 217,772

5. For programs for at-risk children under section 279.51:  
..... \$ 11,493,891

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".

6. For payment for nonpublic school transportation under section 285.2:  
..... \$ 7,060,931

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this subsection, the department of education shall prorate the amount of each approved claim.

7. For mental health, mental retardation, and developmental disabilities services property tax relief under section 426B.1, subsection 2, as amended in this division of this Act:  
..... \$ 81,199,911

8. For the enforcement of chapter 453D relating to tobacco product manufacturers under section 453D.8:  
..... \$ 19,591

9. For the Iowa power fund under section 469.10, subsection 1:  
..... \$ 19,600,000

Sec. 5. STATE FOUNDATION AID FOR SCHOOLS — FY 2010-2011.

1. Notwithstanding the standing appropriation in section 257.16, subsection 1, for state foundation aid for the fiscal

year beginning July 1, 2010, and ending June 30, 2011, the amount appropriated from the general fund of the state pursuant to that section for the following designated purpose shall not exceed the following amount:

For state foundation aid under section 257.16, subsection 1:  
..... \$ 2,499,157,875

2. There is appropriated from the Iowa comprehensive petroleum underground storage tank fund for state foundation aid for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary to be used for the purposes designated:

In lieu of an equal amount appropriated from the general fund for state foundation aid under section 257.16, subsection 1, as limited by subsection 1 of this section, notwithstanding section 455G.3, subsection 1:  
..... \$ 5,100,000

3. a. Of the amount designated in this section for state foundation aid, \$314,894,787 is allocated for the teacher salary supplements, the professional development supplements, and the early intervention supplement in accordance with section 257.10, subsections 9 through 11, and section 257.37A. The department of management may adjust the amount allocated pursuant to this subsection in order to reflect any differences resulting from the budget certification process.

b. If the remaining balance of the moneys designated in subsection 1, after the allocation made in paragraph "a" is less than the amount required to pay the remainder of state foundation aid pursuant to section 257.16, subsection 1, the difference shall be deducted from the payments to each school district in the manner provided in section 257.16, subsection 4.

Sec. 6. INSTRUCTIONAL SUPPORT STATE AID — APPROPRIATION. In lieu of the appropriation provided in section 257.20, there is appropriated from the school infrastructure fund created in section 12.82, subsection 1, to the department of education for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For paying instructional support state aid for fiscal year 2010-2011:  
..... \$ 7,500,000

Notwithstanding section 257.20, subsection 3, the appropriation made in this lettered paragraph shall be allocated in the same manner as the allocation of the

appropriation was made for the same purpose in the previous fiscal year.

Sec. 7. VETERANS HOME MEDICAL CLINIC. Of moneys received on or after July 1, 2009, by the Iowa veterans home from the federal government relating to the costs to improve and renovate a medical clinic at the home in a previous fiscal year, the first \$727,000 shall be credited to the general fund of the state on or after July 1, 2010.

Sec. 8. PROPERTY TAX CREDIT FUND — PAYMENTS IN LIEU OF GENERAL FUND REIMBURSEMENT.

1. a. A property tax credit fund shall be created in the office of the treasurer of state to be used for the purposes of this section.

b. There is appropriated from the general fund of the state to the property tax credit fund created in paragraph "a" for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the sum of \$91,256,037.

c. Notwithstanding the requirements in section 8.56, subsections 3 and 4, there is appropriated from the cash reserve fund to the property tax credit fund created in paragraph "a" for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the sum of \$54,684,481.

d. Notwithstanding section 8.33, the surplus existing in the property tax credit fund created pursuant to 2009 Iowa Acts, chapter 179, section 9, at the conclusion of the fiscal year beginning July 1, 2009, and ending June 30, 2010, is transferred to the property tax credit fund created in paragraph "a".

2. In lieu of the appropriations in the following designated sections, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, there is appropriated from the property tax credit fund the following amounts for the following designated purposes:

a. For reimbursement for the homestead property tax credit under section 425.1:

..... \$ 87,757,913

b. For reimbursement for the family farm and agricultural land tax credits under sections 425A.1 and 426.1:

..... \$ 32,395,131

c. For reimbursement for the military service tax credit under section 426A.1A:

..... \$ 2,400,000

d. For implementing the elderly and disabled tax credit and reimbursement pursuant to sections 425.16 through 425.39:

..... \$ 23,400,000

If the director of revenue determines that the amount of claims for credit for property taxes due pursuant to paragraphs "a", "b", "c", and "d", plus the amount of claims for reimbursement for rent constituting property taxes paid which are to be paid during the fiscal year may exceed the total amount appropriated, the director shall estimate the percentage of the credits and reimbursements which will be funded by the appropriation. The county treasurer shall notify the director of the amount of property tax credits claimed by June 8, 2010. The director shall estimate the percentage of the property tax credits and rent reimbursement claims that will be funded by the appropriation and notify the county treasurer of the percentage estimate by June 15, 2010. The estimated percentage shall be used in computing for each claim the amount of property tax credit and reimbursement for rent constituting property taxes paid for that fiscal year. If the director overestimates the percentage of funding, claims for reimbursement for rent constituting property taxes paid shall be paid until they can no longer be paid at the estimated percentage of funding. Rent reimbursement claims filed after that point in time shall receive priority and shall be paid in the following fiscal year.

Sec. 9. FEDERAL RECOVERY AND REINVESTMENT FUND  
— ADDITIONAL FUNDING FOR FISCAL YEAR 2010-2011.

1. In lieu of 2010 Iowa Acts, House File 2519, section 19, if additional funding designated for education stabilization is made available for the fiscal year beginning July 1, 2010, through the state fiscal stabilization fund established pursuant to the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, such funding shall be credited to the federal recovery and reinvestment fund created in section 8.41A and is appropriated for the fiscal year beginning July 1, 2010, and ending June 30, 2011, to the departments and agencies that received the funding designated for education stabilization in 2009 Iowa Acts, chapter 183, section 61, subsection 1.

2. a. Except as otherwise provided in paragraph "b", the amounts of the individual appropriations made in subsection 1 shall be in the same proportion as the individual appropriations in 2009 Iowa Acts, chapter 183, section 61, subsection 1, bear to the total amount appropriated in that provision.

b. (1) The amount appropriated pursuant to subsection 1 for state foundation aid to schools shall not exceed the difference



between the amount determined for the standing appropriation for state foundation aid for the fiscal year pursuant to section 257.16, subsection 1, and the amount the standing appropriation was limited to pursuant to this division of this Act.

(2) The amount appropriated for the fiscal year pursuant to subsection 1 for instructional support state aid under section 257.20 shall not exceed \$5,609,950, shall be in addition to the appropriation made in this division of this Act for the same purpose from the school infrastructure fund, and shall be allocated as provided in the school infrastructure fund appropriation.

3. a. Except as provided in subsection 2 for instructional support state aid, the distribution of each appropriation made pursuant to subsection 1 to subunits of the departments and agencies shall also be in the same proportion as the distribution to subunits of the individual appropriations in 2009 Iowa Acts, chapter 183, section 61, subsection 1. However, state foundation aid to school districts shall be distributed based on 2010 Iowa Acts, House File 2519, section 20, subsection 1.

b. If good cause exists, as determined by the departments of education and management, in coordination with the office of the governor, adjustments may be made to distribution proportions to the subunits other than as provided in paragraph "a".

4. The department of management shall report to the chairpersons and ranking members of the appropriations committees of the senate and house of representatives and the legislative services agency concerning any appropriations and distributions made pursuant to this section, within two weeks of such appropriations and distributions being made.

Sec. 10. PERFORMANCE OF DUTY. There is appropriated from the cash reserve fund created in section 8.56 to the executive council for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For performance of duty by the executive council in sections 7D.29 and 29C.20:  
..... \$ 10,583,628

The funding from the appropriation made in this section shall be utilized before any funding from the general fund of the state.

Sec. 11. CASH RESERVE FUND APPROPRIATION REQUIREMENTS. Section 8.56, subsections 3 and 4, shall not apply to any

appropriation made in this division or any other division of this Act from the cash reserve fund created in section 8.56.

Sec. 12. CASH RESERVE FUND APPROPRIATION FOR FISCAL YEAR 2010-2011. For the fiscal year beginning July 1, 2010, and ending June 30, 2011, the appropriation to the cash reserve fund provided in section 8.57, subsection 1, paragraph "a", shall not be made.

Sec. 13. Section 257.35, subsection 5, Code Supplement 2009, is amended to read as follows:

5. 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 each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, ~~2010~~ 2011, shall be reduced by the department of management by two million five hundred thousand dollars. The reduction for each area education agency for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, ~~2010~~ 2011, shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

Sec. 14. Section 426B.1, subsections 2 and 3, Code 2009, are amended to read as follows:

2. There is appropriated on July 1 of each fiscal year to the property tax relief fund from the general fund of the state, ~~ninety-five~~ eighty-eight million four hundred thousand dollars.

~~3. There is annually appropriated from the property tax relief fund to the department of human services to supplement the medical assistance appropriation for the fiscal year beginning July 1, 1997, and for succeeding fiscal years, six million six hundred thousand dollars to be used for the nonfederal share of the costs of services provided to minors with mental retardation under the medical assistance program to meet the requirements of section 249A.12, subsection 4. The appropriation in this subsection shall be charged to the property tax relief fund prior to the distribution of moneys from the fund under section 426B.2 and the amount of moneys available for distribution shall be reduced accordingly. However, the appropriation in this subsection shall be considered to be a property tax relief payment for purposes of the combined amount of payments required to achieve fifty percent of the counties' base year expenditures as provided in section 426B.2, subsection 2.~~

CASH RESERVE FUND — PERFORMANCE OF DUTY

Sec. 15. 2009 Iowa Acts, chapter 179, section 10, 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 purposes designated until the close of the succeeding fiscal year.

Sec. 16. EFFECTIVE DATES AND RETROACTIVE APPLICABILITY.

1. The section of this division of this Act providing for crediting of certain moneys received by the Iowa veterans home to the general fund of the state, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to July 1, 2009, and is applicable on and after that date.

2. The section of this division of this Act creating the property tax credit fund, being deemed of immediate importance, takes effect upon enactment.

3. The section of this division of this Act amending 2009 Iowa Acts, chapter 179, section 10, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION III

#### SALARIES, COMPENSATION, AND RELATED MATTERS

Sec. 17. APPOINTED STATE OFFICERS.

1. The governor shall establish a salary for appointed nonelected persons in the executive branch of state government holding a position enumerated in and within the salary ranges provided in 2008 Iowa Acts, chapter 1191, section 14, by considering, among other items, the experience of the individual in the position, changes in the duties of the position, the incumbent's performance of assigned duties, and subordinates' salaries. However, the attorney general shall establish the salary for the consumer advocate, the chief justice of the supreme court shall establish the salary for the state court administrator, the ethics and campaign disclosure board shall establish the salary of the executive director, and the Iowa public broadcasting board shall establish the salary of the administrator of the public broadcasting division of the department of education, each within the salary range provided in 2008 Iowa Acts, chapter 1191, section 14.

2. The governor, in establishing salaries as provided in this section, shall take into consideration other employee benefits which may be provided for an individual including but not limited to housing.

3. A person whose salary is established pursuant to this section and who is a full-time, year-round employee of the state shall not receive any other remuneration from the state or from any other source for the performance of that person's duties unless the additional remuneration is first approved by the governor or authorized by law. However, this provision does not exclude the reimbursement for necessary travel and expenses incurred in the performance of duties or fringe benefits normally provided to employees of the state.

Sec. 18. COLLECTIVE BARGAINING AGREEMENTS FUNDED. The various state departments, boards, commissions, councils, and agencies, including the state board of regents, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, 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.