



OFFICE OF THE GOVERNOR

CHESTER J. CULVER
GOVERNOR

PATTY JUDGE
LT. GOVERNOR

April 26, 2010

The Honorable Michael Mauro
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit Senate File 2389, an Act relating to and making, reducing, and transferring appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, the technology reinvestment fund, the revenue bonds capitals fund, the revenue bonds capitals II fund, the FY 2009 prison bonding fund, and other funds, creating the Iowa jobs II program, and the revenue bonds federal subsidy holdback fund, providing for related matters, and providing an effective date. Senate File 2389 is approved on this date, with the exception noted below, which I hereby disapprove.

I am unable to approve paragraph 2 of section 49 of this bill in its entirety. This paragraph imposes certain time restrictions on the ability of the Department of Administrative Services (DAS) to relocate certain state agencies to space in the Mercy Capitol building. I am supportive of those sections of this bill that obligate DAS to undertake cost-benefit analyses before making certain agency relocation decisions, as presented under this section of the bill. However, if paragraph 2 of section 49 of this bill were to be implemented, taxpayer money would not be used in the most efficient manner possible, and certain administrative actions and expenses that had been undertaken prior to the passage of this bill would be unduly interfered with, resulting in the waste of taxpayer funds. For example, DAS has already expended funds and entered into agreements to purchase new telephones and to install new telephone lines into Mercy Capitol. A state agency that has already budgeted for its move to this building will save \$143,000 in annual rental payments, but would be prevented from doing so under this paragraph. The disapproval action I have described will allow DAS to save taxpayer money while prudently investing in Mercy Capitol and in the tenancies of state agencies that will reside there, on a cost-beneficial basis, in coming years.

For the above reasons, I respectfully disapprove the designated item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in Senate File 2389 are hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver".

Chester J. Culver
Governor

CJC:ycl

Cc: Secretary of the Senate
Chief Clerk of the House



Senate File 2389

AN ACT

RELATING TO AND MAKING, REDUCING, AND TRANSFERRING APPROPRIATIONS TO STATE DEPARTMENTS AND AGENCIES FROM THE REBUILD IOWA INFRASTRUCTURE FUND, THE TECHNOLOGY REINVESTMENT FUND, THE REVENUE BONDS CAPITALS FUND, THE REVENUE BONDS CAPITALS II FUND, THE FY 2009 PRISON BONDING FUND, AND OTHER FUNDS, CREATING THE IOWA JOBS II PROGRAM, AND THE REVENUE BONDS FEDERAL SUBSIDY HOLDBACK FUND, PROVIDING FOR RELATED MATTERS, AND PROVIDING AN EFFECTIVE DATE.

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

DIVISION I

REBUILD IOWA INFRASTRUCTURE FUND

Section 1. There is appropriated from the rebuild Iowa infrastructure fund to the following departments and agencies for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

a. For distribution to other governmental entities for the payment of services related to the integrated information for

Iowa system, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 3,700,000

Moneys appropriated in this lettered paragraph shall be separately accounted for in a distribution account and shall be distributed to other governmental entities based upon a formula established by the department to pay for services associated with the integrated information for Iowa system provided during the fiscal year by the department.

During the fiscal year, the department may use up to \$1,000,000 of unexpended or unobligated funds in the information technology operations fund established under the provisions of section 8A.123 to provide funding for costs associated with the integrated information for Iowa system. By October 31, 2011, the department shall report to the department of management and the legislative services agency regarding any moneys that are used for this purpose.

b. For costs associated with Mercy capitol hospital building operations, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 1,083,175

c. For the state's share of support in conjunction with the city of Des Moines and local area businesses to provide a free shuttle service to the citizens of Iowa that includes transportation between the capitol complex and the downtown Des Moines area, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 200,000

Details for the shuttle service, including the route to be served, shall be determined pursuant to an agreement to be entered into by the department with the Des Moines area regional transit authority (DART) and any other participating entities.

Of the amount appropriated in this lettered paragraph, up to \$50,000 shall be used to encourage state employees to utilize transit services provided by the Des Moines area regional transit authority.

2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

For the administration of the watershed improvement review board established in section 466A.3, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 50,000

3. DEPARTMENT FOR THE BLIND

For costs associated with universal access to audio

information over the phone on demand for blind and print handicapped Iowans, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 20,000

4. DEPARTMENT OF CULTURAL AFFAIRS

a. 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 6, paragraph "c":

..... \$ 60,000

b. For purposes of maintenance and repairs of historic sites:

..... \$ 40,000

5. DEPARTMENT OF ECONOMIC DEVELOPMENT

a. For deposit in the workforce training and economic development funds for each community college in section 260C.18A, notwithstanding section 8.57, subsection 6, paragraph "c":

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

b. To the 6th avenue corridor for improvements to the streetscape associated with the national mainstreet conference and for additional architectural and engineering design plans for economic development and community revitalization, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 100,000

c. To develop site plans for the southeast Iowa regional economic and port authority including plans for infrastructure for economic development, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 50,000

d. For equal distribution to regional sports authority districts certified by the department pursuant to section 15E.321, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 500,000

e. For administration and support of the world food prize including the Borlaug/Ruan scholar program, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 100,000

6. DEPARTMENT OF EDUCATION

To provide resources for structural and technological improvements to local libraries and for the enrich Iowa program, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 500,000

Of the moneys appropriated in this subsection, \$50,000 shall be allocated equally to each library service area.

7. DEPARTMENT OF NATURAL RESOURCES

a. For floodplain management and dam safety, notwithstanding section 8.57, subsection 6, paragraph "c":

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

Of the amounts appropriated in this lettered paragraph, up to \$400,000 is authorized for stream gages to be used for tracking and predicting flood events and for compiling necessary data relating to flood frequency analysis.

b. For costs associated with the construction of a permanent structure for handicapped persons and senior citizens in a county with a population between 37,150 and 37,250:

..... \$ 40,000

c. For costs associated with the hiring and employment of an asset manager at Honey creek resort state park, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 100,000

The department shall issue a request for proposals to competitively procure the services of an asset manager which shall be selected by the natural resource commission. The asset manager shall have hospitality management experience of at least five years including at least three years asset management experience in a setting similar in size and quality to the Honey creek resort state park with a similar type of market. The duties and job responsibilities of the asset manager shall include but are not limited to reviewing and commenting on the resort's sales and marketing plan, providing for the operation of the resort in a manner consistent with the requirements and limitations set forth in the resort's operating agreement, monitoring and supervising the resort including site visits, and negotiating and recommending an annual operating budget and budget plan. The asset manager shall report to bond counsel, the governor, the Honey creek authority, the department of natural resources, and the legislative services agency.

8. DEPARTMENT OF PUBLIC DEFENSE

a. For major maintenance projects at national guard armories and facilities:

..... \$ 1,500,000

b. For renovation and facility improvements at the Iowa Falls readiness center:

..... \$ 500,000

c. For renovation and facility improvements at the Cedar Rapids armed forces readiness center:
..... \$ 200,000

d. For renovation and facility improvements at the Middletown readiness center:
..... \$ 100,000

9. DEPARTMENT OF PUBLIC HEALTH

For a grant to an existing national affiliated volunteer eye organization that has an established program for children and adults and that is solely dedicated to preserving sight and preventing blindness through education, nationally certified vision screening and training, community and patient service programs, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 100,000

10. IOWA FINANCE AUTHORITY

For transfer to the Polk county housing trust fund for the construction of facilities to meet the specialized needs of adult persons with severe and profound disabilities who have high medical needs:

..... \$ 250,000

11. STATE BOARD OF REGENTS

a. 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 the operating funds resulting from the pledging of tuition, 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 6, paragraph "c":

..... \$ 24,305,412

b. For the Iowa flood center at the state university of Iowa for use by the university's college of engineering, pursuant to section 466C.1, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 1,300,000

c. To Iowa state university of science and technology to purchase veterinary surgical and other equipment to modernize the animal care facilities at the blank park zoo as part of a cooperative effort of blank park zoo and the college of veterinary medicine, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 400,000

12. 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:

..... \$ 1,060,000

13. DEPARTMENT OF TRANSPORTATION

For infrastructure improvements at general aviation airports within the state:

..... \$ 750,000

14. DEPARTMENT OF VETERANS AFFAIRS

For transfer to the Iowa finance authority for the continuation of the home ownership assistance program for persons who are or were eligible members of the armed forces of the United States, pursuant to section 16.54, notwithstanding section 8.57, subsection 6, paragraph "c":

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

Sec. 2. There is appropriated from the rebuild Iowa infrastructure fund to the following departments and agencies for the following fiscal years, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF CORRECTIONS

For project management costs at Fort Madison and Mitchellville prisons, associated with construction projects at the department, notwithstanding section 8.57, subsection 6, paragraph "c":

FY 2011-2012..... \$ 4,500,000

FY 2012-2013..... \$ 1,000,000

FY 2013-2014..... \$ 200,000

2. DEPARTMENT OF NATURAL RESOURCES

For state park infrastructure improvements:

FY 2011-2012..... \$ 5,000,000

FY 2012-2013..... \$ 5,000,000

FY 2013-2014..... \$ 5,000,000

FY 2014-2015..... \$ 5,000,000

3. DEPARTMENT OF TRANSPORTATION

For deposit into the passenger rail service revolving fund created in section 327J.2 for matching federal funding available through the federal Passenger Rail Investment and Improvement Act of 2008 for passenger rail service, notwithstanding section 8.57, subsection 6, paragraph "c":

FY 2011-2012..... \$ 6,500,000

It is the intent of the general assembly to fund up to \$20 million over a four-year period to fully fund the state commitment for matching federal funding available through the federal Passenger Rail Investment and Improvement Act of 2008.

Sec. 3. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation was made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

DIVISION II

TECHNOLOGY REINVESTMENT FUND

Sec. 4. There is appropriated from the technology reinvestment fund created in section 8.57C to the following departments and agencies for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

For technology improvement projects:

..... \$ 3,793,654

2. DEPARTMENT OF CORRECTIONS

For costs associated with the Iowa corrections offender network data system:

..... \$ 500,000

3. DEPARTMENT OF EDUCATION

a. For maintenance and lease costs associated with connections for Part III of the Iowa communications network:

..... \$ 2,727,000

b. For the implementation of an educational data warehouse that will be utilized by teachers, parents, school district administrators, area education agency staff, department of education staff, and policymakers:

..... \$ 600,000

The department may use a portion of the moneys appropriated in this lettered paragraph for an e-transcript data system capable of tracking students throughout their education via interconnectivity with multiple schools.

4. DEPARTMENT OF PUBLIC HEALTH

For deposit in the county mental health, mental retardation, and developmental disabilities services fund created by section 331.424A in a county with a population over 350,000 for a community mental health center created under chapter 230A which serves only adults:

..... \$ 250,000

5. IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

For replacement of equipment for the Iowa communications network:

..... \$ 2,244,956

The commission may continue to enter into contracts pursuant to section 8D.13 for the replacement of equipment and for operations and maintenance costs of the network.

In addition to moneys appropriated in this subsection, the commission may use a financing agreement entered into by the treasurer of state in accordance with section 12.28 for the replacement of equipment for the network. For purposes of this subsection, the treasurer of state is not subject to the maximum principal limitation contained in section 12.28, subsection 6. Repayment of any amounts financed shall be made from receipts associated with fees charged for use of the network.

Sec. 5. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation was made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

DIVISION III

REVENUE BONDS CAPITALS FUND — APPROPRIATIONS

Sec. 6. There is appropriated from the revenue bonds capitals fund created in section 12.88, to the following departments and agencies for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF ADMINISTRATIVE SERVICES

For projects related to major repairs and major maintenance for state buildings and facilities:

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

Moneys appropriated in this subsection shall not be used for purposes of the renovation of the Mercy capitol hospital building.

2. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

a. To the soil conservation division of the department established in section 161A.4 to provide financial assistance for the establishment of permanent soil and water conservation practices:

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

b. Not more than 5 percent of the moneys appropriated in paragraph "a" may be allocated for cost sharing to abate complaints filed under section 161A.47.

c. Of the moneys appropriated in paragraph "a", 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.

d. Not more than 30 percent of a soil and water conservation 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.

e. The state soil conservation committee created in section 161A.4 may allocate moneys appropriated in paragraph "a" to conduct research and demonstration projects to promote conservation tillage and nonpoint source pollution control practices.

f. The allocation of moneys as financial incentives as provided in section 161A.73 may be used in combination with moneys allocated by the department of natural resources.

g. Moneys appropriated in this subsection shall not be used for administrative or planning purposes.

3. DEPARTMENT OF CULTURAL AFFAIRS

For grants for Iowa great places program projects:

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

4. DEPARTMENT OF CORRECTIONS

a. For one-time costs associated with the opening of community-based corrections facilities including the purchase of equipment:

..... \$ 1,519,048

b. For use by a city with a population between 198,000 and

199,000 for a safety barrier to be constructed in the natural environment between the fifth judicial district facility and the blank park zoo:

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

c. For project management costs at Fort Madison and Mitchellville prisons associated with construction projects at the department:

..... \$ 2,200,000

5. DEPARTMENT OF ECONOMIC DEVELOPMENT

To the Des Moines area regional transit authority (DART) for construction of a regional transit hub for economic development purposes and for providing public transportation in a city with a population between 198,000 and 199,000 in the last preceding certified federal census:

..... \$ 4,000,000

6. DEPARTMENT OF NATURAL RESOURCES

For implementation of lake projects that have established watershed improvement initiatives and community support in accordance with the department's annual lake restoration plan and report:

..... \$ 7,000,000

Of the amount appropriated in this subsection, \$250,000 shall be allocated for dredging, reconstruction, and related improvements of twin ponds adjacent to a nature center in a county with a population between 13,050, and 13,100.

Of the amount appropriated in this subsection, \$2,000,000 shall be allocated for costs associated with dam construction; shoreline protection; boat ramp, parking, and road construction; and an in-lake fishing habitat development project for a new state recreation area on a lake located in a county with a population between 155,000 and 160,000.

Of the amount appropriated in this subsection, \$100,000 shall be allocated for lake dredging and related improvements including ongoing dam maintenance and operation on a lake with public access that has the support of a benefited lake district located in a county with a population between 18,350 and 18,450 in the last preceding federal census.

7. STATE BOARD OF REGENTS

For phase II of the construction and renovation of the veterinary medical facilities at Iowa state university of science and technology, specifically the renovation and modernization of the area formerly occupied by the large animal area of the teaching hospital for expanded clinical services:

..... \$ 13,000,000

8. IOWA STATE FAIR

For infrastructure improvements to the Iowa state fairgrounds including but not limited to the construction of an agricultural exhibition center on the Iowa state fairgrounds:

..... \$ 2,500,000

9. IOWA FINANCE AUTHORITY

For grants for purposes of the housing trust fund created in section 16.181:

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

Sec. 7. TAX-EXEMPT STATUS — USE OF APPROPRIATIONS.

1. Payment of moneys from the appropriations in this division of this Act shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the treasurer of state.

2. Payment of moneys from the appropriations in this division of this Act shall not be used for administrative or planning purposes.

Sec. 8. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends three years after the end of the fiscal year for which the appropriation was made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

DIVISION IV

REVENUE BONDS CAPITALS II FUND — APPROPRIATIONS

Sec. 9. NEW SECTION. 12.88A Revenue bonds capitals II fund.

1. A revenue bonds capitals II fund is created and established as a separate and distinct fund in the state treasury. The treasurer of state shall act as custodian of the fund and disburse moneys contained in the fund.

2. Revenue for the revenue bonds capitals II fund shall include but is not limited to the following, which shall be deposited with the treasurer of state or the treasurer of state's designee as provided by any bond or security documents and credited to the fund:

a. The net proceeds of bonds issued after April 1, 2010, pursuant to section 12.87 other than bonds issued for the purpose of refunding such bonds, and investment earnings on the

net proceeds.

b. Interest attributable to investment of moneys in the fund or an account of the fund.

c. 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.

3. Moneys in the revenue bonds capitals II 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. Annually, on or before January 15 of each year, a state agency that received an appropriation from the revenue bonds capitals II fund shall report to the legislative services agency and the department of management the status of all projects completed or in progress. The report shall include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of funds expended, the amount of funds obligated, and the date the project was completed or an estimated completion date of the project, where applicable.

Sec. 10. There is appropriated from the revenue bonds capitals II fund created in section 12.88A to the following departments and agencies for the fiscal year beginning July 1, 2010, and ending June 30, 2011, 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. To the soil conservation division of the department established in section 161A.4 to provide financial assistance for the establishment of permanent soil and water conservation practices:

..... \$ 5,950,000

(1) Not more than 5 percent of the moneys appropriated in this paragraph "a" may be allocated for cost sharing to abate complaints filed under section 161A.47.

(2) Of the moneys appropriated in this paragraph "a", 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 soil and water