



TERRY E. BRANSTAD  
GOVERNOR

## OFFICE OF THE GOVERNOR

KIM REYNOLDS  
LT. GOVERNOR

May 30, 2014

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

Dear Mr. Secretary:

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

Senate File 2363 is hereby disapproved on this date.

I am unable to approve Senate File 2363 for the following reasons:

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

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

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

In 2013, the legislature and I made multi-year commitments with the \$4.4 billion property tax cut and education reform that included investing in our teachers and students. These were historic commitments to the people of Iowa and commitments we must keep to Iowa taxpayers, schools

and local governments. Signing this spending bill could jeopardize our ability to fund those commitments in the future.

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

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

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

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is written in a cursive style with a large, stylized initial "T".

TERRY E. BRANSTAD

Governor



Senate File 2363

AN ACT

RELATING TO STATE AND LOCAL FINANCES BY MAKING TRANSFERS AND APPROPRIATIONS, PROVIDING FOR PROPERLY RELATED MATTERS, AND INCLUDING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

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

DIVISION I

STATE BOND REPAYMENT FUND

Section 1. STATE BOND REPAYMENT FUND.

1. Notwithstanding section 8.55, subsection 2, paragraph "b", if the Iowa economic emergency fund reaches its maximum balance in the fiscal year beginning July 1, 2014, after the designated portion of the excess moneys is transferred to the taxpayers trust fund pursuant to section 8.55, subsection 2,



paragraph "a", the next \$60,050,000 is transferred to the state bond repayment fund created in section 8.57F.

2. If the treasurer of state determines that the amount transferred pursuant to subsection 1 is not sufficient to defease or redeem the bonds specified in section 8.57F, subsection 2A, as enacted by this division of this Act, and to pay the costs relating to the defeasance or redemption, to the entire extent that the bonds may be defeased or redeemed, the treasurer of state may submit a written request to the department of management that the department certify the amount of the insufficiency as determined by the treasurer of state. The request shall detail the information needed by the department of management to determine whether the department concurs with the treasurer of state's determination. Upon issuance of the department of management's written certification of the insufficiency amount, there is transferred from the Iowa economic emergency fund, after the transfer made pursuant to subsection 1 to the state bond repayment fund, an amount equal to the insufficiency amount certified by the department of management. The treasurer of state's request, any documents relating to the request, and the department of management's certification shall also be submitted to the chairpersons and ranking members of the committees on appropriations of the senate and house of representatives and the legislative services agency at the time of submission or certification.

3. To the extent the vision Iowa program bonds issued pursuant to section 12.71 are defeased or redeemed by moneys transferred or credited to the state bond repayment fund created in section 8.57F, there is transferred to the rebuild Iowa infrastructure fund from the revenue source otherwise designated by law or existing practice for payment of the vision Iowa program bonds, an amount equal to that which otherwise would have been paid in connection with the vision Iowa program bonds issued pursuant to section 12.71 from such revenue source for the fiscal year beginning July 1, 2014, and each fiscal year thereafter as provided in section 8.57, subsection 5, paragraph "e".

Sec. 2. Section 8.57F, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. The moneys credited to and available in the fund for the fiscal year beginning July 1, 2014, are appropriated to the treasurer of state for the defeasance or

redemption of the vision Iowa program bonds issued pursuant to section 12.71 and for the costs relating to the defeasance or redemption, to the extent the bonds can be defeased or redeemed and costs paid within the amount appropriated.

Sec. 3. Section 8.57F, subsection 3, Code 2014, is amended to read as follows:

3. Any bonds listed in ~~subsection~~ subsections 2 and 2A that are not defeased or redeemed in accordance with this section shall continue to be payable from their original payment source.

Sec. 4. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 5. APPLICABILITY. The section of this division of this Act providing for transfer of moneys from the Iowa economic emergency fund to the state bond repayment fund instead of the general fund of the state applies to transfers made from the Iowa economic emergency fund after the effective date of this division of this Act.

DIVISION II

MISCELLANEOUS APPROPRIATIONS

Sec. 6. GENERAL FUND APPROPRIATIONS — FY 2013-2014. There is appropriated from the general fund of the state to the following departments and agencies for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

a. For deposit in the agricultural drainage well water quality assistance fund created in section 460.303 to be used for purposes of supporting the agricultural drainage well water quality assistance program as provided in section 460.304:

..... \$ 1,240,000

b. For deposit in the water quality initiative fund created in section 466B.45 for purposes of supporting special projects associated with a water quality initiative administered by the soil conservation division as provided in section 466B.42:

..... \$ 3,500,000

c. For deposit in the watershed improvement fund created in section 466A.2:

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

d. For use by the department in providing for soil and water conservation administration, the conservation of soil and



water resources, and the support of soil and water conservation district commissioners:

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

e. For support of the silos and smokestacks national heritage area to provide continued agricultural-related education and preservation:

..... \$ 200,000

2. DEPARTMENT OF CULTURAL AFFAIRS

a. For preservation of civil war muster rolls:

..... \$ 90,000

b. For restoration of the grave of governor Samuel Merrill:

..... \$ 50,000

c. For the funding of an oral history of civil rights at a museum located in a county with a population between 200,000 and 300,000 in the latest preceding certified federal census:

..... \$ 300,000

d. (1) For the planning, design, construction, and renovation of the state historical building:

..... \$ 3,800,000

(2) By October 15, 2014, the department shall submit a report to the general assembly on the results of the planning and study of the building including the use of and anticipated cash flow needs for the final building design.

3. ECONOMIC DEVELOPMENT AUTHORITY

a. For purposes of the midwest United States-Japan conference:

..... \$ 100,000

b. For the strategic infrastructure program if enacted by 2014 Iowa Acts, House File 2445, or 2014 Iowa Acts, Senate File 2359:

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

c. For the home base Iowa initiative:

..... \$ 400,000

(1) Moneys appropriated in this lettered paragraph shall be used to conduct a professional and occupational licensure analysis for connecting military occupations with Iowa's professional and occupational licensure rules. The analysis shall assist licensing boards in developing policies providing veterans with credit in the licensing process for military education, training, and service and shall identify military occupations that are most closely aligned with Iowa's professional and occupational licensures.

(2) Moneys appropriated in this lettered paragraph shall

be used to mitigate costs incurred by licensing boards in implementing policies providing veterans with credit in the professional and occupational licensing process for military education, training, and service.

(3) Moneys appropriated in this lettered paragraph shall be used to support increased workforce-related data capabilities for veterans in Iowa. The data capabilities shall allow the department to effectively track the progress of assisting veterans with workforce issues.

4. DEPARTMENT OF EDUCATION

For purposes of providing reimbursement to public school districts that conduct radon testing pursuant to section 280.30, as enacted in this Act:

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

5. DEPARTMENT OF HUMAN RIGHTS

To supplement the appropriation made for the low-income home energy assistance program in 2013 Iowa Acts, chapter 136, section 10:

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

6. DEPARTMENT OF HUMAN SERVICES

a. For the costs of compensatory education to address the reviews of special education of certain children placed at the Iowa juvenile home conducted by the department of education in fall 2013 and reported to the department of human services on October 7 and December 20, 2013:

..... \$ 1,220,000

b. For a study to assess placement of sex offenders or other hard-to-place persons in the state requiring the type of personal and medical care provided by a nursing facility, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 100,000

(1) From the moneys appropriated in this lettered paragraph, the department of human services shall utilize a request for proposals process to select a private entity to study the implementation of facilities in other states that provide care for sex offenders and other hard-to-place persons needing the type of care provided by a nursing facility, to develop projections of the need for this type of facility in the state over the next twenty years, and to develop cost projections and financing considerations for facility options in the state. The department of human services shall issue a request for proposals within thirty days after the date of



enactment of this division of this Act.

(2) The study and report following the conclusion of the study shall include all of the following information:

(a) A summary of long-term care facilities operated in other states for the purpose of caring for sex offenders or other hard-to-place persons, whether the facility is operated by a governmental entity or through a contract with a private entity. The summary of the facilities shall include an overview of ownership and operations, populations served, financing sources and average costs per patient, public financing limitations, security or staff training policies, and other considerations deemed appropriate. The summary shall focus on models that may be adaptable to Iowa.

(b) A projection of the number of persons in the state who, in the next twenty years, would require the services of such a facility due to sex offender status, a history of abusive or violent behavior in previous nursing facility placements, or other unmet psychiatric needs.

(c) An analysis of options for the state based on the research of out-of-state models and projected need. The analysis shall identify potential ownership structures and public or private facility options, including an identification of state-owned facilities that may be underutilized and could be reconfigured. The analysis shall also include management structures, whether public or private, potential sources of revenue and limitations on those sources, the need for enhanced security or staff training for safety, and other considerations deemed appropriate.

(3) A report on the results of the study produced pursuant to this lettered paragraph shall be submitted to the governor, the general assembly, and the department of human services by November 1, 2014.

(4) The departments of human services, corrections, inspections and appeals, and aging, the state public defender, the office of ombudsman, the office of the state long-term care ombudsman, and the judicial branch shall provide information for purposes of the study as requested by the private entity conducting the study. However, any information which is confidential shall continue to be maintained as confidential.

(5) Notwithstanding section 8.33, moneys appropriated in this lettered paragraph that remain unencumbered or unobligated at the close of the fiscal year for which appropriated shall not revert but shall remain available for expenditure for the



purposes designated until the close of the succeeding fiscal year.

c. For the public purpose of providing grants to community mental health centers in accordance with this lettered paragraph:

..... \$ 800,000

The appropriation made in this lettered paragraph shall be distributed as grants of up to \$100,000 to those nonprofit community mental health centers designated by the department under chapter 230A as of January 1, 2014. The grants shall be used by the centers for the costs of implementing an electronic health record system. The electronic health record systems implemented pursuant to a grant shall comply with the electronic health information provisions implemented pursuant to section 135.156 and with the mental health and disabilities services system central data repository implemented pursuant to section 225C.6A and other data requirements under chapter 225C. Each recipient of a grant shall have the electronic health record system fully operational on or before July 1, 2018. Notwithstanding section 8.33, moneys appropriated in this lettered paragraph that remain unencumbered or unobligated at the close of the fiscal year for which appropriated shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

d. To be used for payment of verified costs for previously uncompensated medical and surgical treatment provided during the period beginning July 1, 2013, and ending December 31, 2013, to individuals who met the eligibility requirements pursuant to chapter 249J, Code 2013, but were not members of the expansion population pursuant to chapter 249J, Code 2013, during such period:

..... \$ 10,900,000

(1) Applicants for moneys appropriated in this lettered paragraph include a publicly owned acute care teaching hospital located in a county with a population over 350,000, and the university of Iowa hospitals and clinics. All applicants shall receive moneys appropriated under this lettered paragraph in an amount to be determined by the department.

(2) In order to receive moneys under this lettered paragraph, an applicant must submit claim documentation to the department verifying the costs for previously uncompensated medical and surgical treatment provided during the period

beginning July 1, 2013, and ending December 31, 2013, to the individuals specified in this lettered paragraph.

e. For use by an Iowa-based nonprofit organization that is a grantee of the department for expanding the usage of the earned income tax credit to evaluate the need to assist low-income Iowans in preparing tax returns for electronic filing:

..... \$ 10,000

f. For implementation costs to contract with a third-party vendor to establish an asset, income, and identity eligibility verification system for the purposes of determining or redetermining eligibility of an individual who is an applicant for or recipient of medical assistance under the Medicaid program state plan on the basis of being aged, blind, or disabled in accordance with 42 U.S.C. §1396w, as provided in 2014 Iowa Acts, House File 2463, if enacted:

..... \$ 400,000

g. For development and initial implementation of an inpatient psychiatric bed tracking system in accordance with this lettered paragraph:

..... \$ 200,000

(1) In developing the requirements for procurement of the system, the department of human services shall engage the group of magistrates and hospital personnel that assisted the department in developing the hospital bed tracking system report submitted to the general assembly in December 2013, pursuant to 2013 Iowa Acts, chapter 130, section 56. The department shall also engage representatives of other portions of the mental health system, including representatives of the regional mental health and disability services system, the state mental health institutes, the Iowa behavioral health association, and the Iowa association of community providers. The procedural issues addressed by the group shall include but are not limited to the responsibility for data entry and verification, timeliness of data entry, confidentiality requirements associated with the data needed to ensure the usefulness of the system, and key characteristics and capacity information about the beds in the system.

(2) The department shall base the procurement requirements on the recommendation option contained in the December 2013 report that projected the lowest annual maintenance and operating costs than the other option.

(3) Notwithstanding section 8.33, moneys appropriated in this lettered paragraph that remain unencumbered or unobligated



at the close of the fiscal year for which appropriated shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

7. DEPARTMENT OF PUBLIC HEALTH

For the public purpose of providing a grant on behalf of substance-related disorder treatment providers in accordance with this section:

..... \$ 2,800,000

The appropriation made in this lettered paragraph shall be distributed as a grant to an association representing the majority of the nonprofit substance-related disorder treatment providers licensed under section 125.13 by the department as of January 1, 2014, that receive federal prevention and treatment of substance abuse block grant funding through the department. The grant shall be used for bulk purchasing and to implement an electronic health record system in the providers that receive that federal grant. The electronic health record system implemented with the grant shall comply with the electronic health information provisions implemented pursuant to section 135.156 and with the mental health and disabilities services system central data repository implemented pursuant to section 225C.6A and other data requirements under chapter 225C. Each of the providers shall have the electronic health record system fully operational on or before July 1, 2018. Notwithstanding section 8.33, moneys appropriated in this lettered paragraph that remain unencumbered or unobligated at the close of the fiscal year for which appropriated shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

8. DEPARTMENT OF PUBLIC SAFETY

For the fire service training bureau for the purchase of equipment including mobile training units and an interior fire attack simulator:

..... \$ 450,000

9. IOWA JUDICIAL BRANCH

For costs associated with the electronic document management system and other technology-related projects:

..... \$ 1,650,000

10. STATE BOARD OF REGENTS

a. For the Iowa flood center at the state university of Iowa:

..... \$ 1,200,000

(1) Of the moneys appropriated in this lettered paragraph, \$200,000 shall be used for purposes of a groundwater monitoring network.

(2) Of the moneys appropriated in this lettered paragraph, \$1,000,000 shall be used for purposes of a soil monitoring network.

b. For the advanced manufacturing center at the university of northern Iowa:

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

(1) Of the moneys appropriated in this lettered paragraph, \$2,000,000 shall be used to purchase advanced manufacturing equipment.

(2) Of the moneys appropriated in this lettered paragraph, \$1,000,000 shall be used for infrastructure costs at the center.

c. For the veterinary diagnostic laboratory at the college of veterinary medicine at Iowa state university of science and technology for the purchase of cancer-related equipment:

..... \$ 300,000

d. For construction, renovation, and related improvements for phase II of the agricultural and biosystems engineering complex, including classrooms, laboratories, and offices at Iowa state university of science and technology:

..... \$ 18,600,000

e. For the renovation and related improvements to the dental science building at the state university of Iowa including but not limited to renovation of clinical spaces and development of a multidisciplinary clinical area:

..... \$ 8,000,000

f. For renovation and related improvements for Bartlett hall at the university of northern Iowa including providing faculty offices, seminar rooms, and laboratories in the building and the associated demolition of Baker hall:

..... \$ 1,947,000

Sec. 7. REAP. Notwithstanding the amount of the standing appropriation from the general fund of the state to the Iowa resources enhancement and protection fund as provided in section 455A.18, and in addition to moneys appropriated in 2014 Iowa Acts, House File 2458, and 2014 Iowa Acts, Senate File 2349, there is appropriated from the general fund of the state to the Iowa resources enhancement and protection fund for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, to be allocated as provided in section



455A.19:

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

Sec. 8. 2011 Iowa Acts, chapter 133, section 1, subsection 10, paragraphs d through f, as amended by 2012 Iowa Acts, chapter 1140, section 15, are amended to read as follows:

d. For construction, renovation, and related improvements for phase II of the agricultural and biosystems engineering complex, including classrooms, laboratories, and offices at Iowa state university of science and technology:

FY 2011-2012.....	\$ 1,000,000
FY 2012-2013.....	\$ 19,050,000
FY 2013-2014.....	\$ 21,750,000
FY 2014-2015.....	\$ <del>18,600,000</del>

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e. For the renovation and related improvements to the dental science building at the state university of Iowa including but not limited to renovation of clinical spaces and development of a multidisciplinary clinical area:

FY 2011-2012.....	\$ 1,000,000
FY 2012-2013.....	\$ 10,250,000
FY 2013-2014.....	\$ 9,750,000
FY 2014-2015.....	\$ <del>8,000,000</del>

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f. For renovation and related improvements for Bartlett hall at the university of northern Iowa including providing faculty offices, seminar rooms, and laboratories in the building and the associated demolition of Baker hall:

FY 2011-2012.....	\$ 1,000,000
FY 2012-2013.....	\$ 7,786,000
FY 2013-2014.....	\$ 10,267,000
FY 2014-2015.....	\$ <del>1,947,000</del>

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Sec. 9. REPORTING.

1. On or before January 15 of each year, a state agency that received an appropriation in this division of this Act 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 progress of 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.

2. On or before December 31 of each year, a recipient of moneys appropriated in this division of this Act for any purpose shall report to the state agency to which the moneys are appropriated the status of all projects completed or in progress. The report shall include a description of the project, the progress of 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. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys from an appropriation made or amended 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 beginning July 1, 2017. However, if the project or projects for which such appropriation was made or amended are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.

Sec. 11. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION III

#### RADON CONTROL IN SCHOOLS

Sec. 12. NEW SECTION. 280.30 Radon testing.

1. For purposes of this section, "*short-term test*" means a test approved by the department of public health in which a testing device remains in an area for not less than two days and not more than ninety days to determine the amount of radon in the air that is acceptable for human inhalation.

2. The board of directors of each public school district may provide for short-term testing and retesting for radon gas to be performed at each attendance center under its control and following any new construction of an attendance center or additions, renovations, or repairs to an attendance center.

3. *a.* The department of public health and the department of education shall each adopt rules to jointly administer this section.

*b.* In consultation with appropriate stakeholders, the department of public health shall adopt rules establishing standards for radon testing at attendance centers. Such standards shall include but are not limited to training



requirements for persons to conduct such testing and best practices for conducting such testing.



PAM JOCHUM

President of the Senate



KRAIG PAULSEN

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2363, Eighty-fifth General Assembly.



MICHAEL E. MARSHALL

Secretary of the Senate

*Disapproved*  
Approved   M21 30  , 2014



TERRY E. BRANSTAD

Governor