



KIM REYNOLDS  
GOVERNOR

**OFFICE OF THE GOVERNOR**

ADAM GREGG  
LT GOVERNOR

March 28, 2018

The Honorable Paul Pate  
Secretary of State of Iowa  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 2117, an Act relating to public funding and regulatory matters and making, reducing, transferring, and supplementing appropriations for expenditures in the fiscal year beginning July 1, 2017, and including effective date provisions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim Reynolds".

Kim Reynolds  
Governor

cc: Secretary of the Senate  
Clerk of the House



Senate File 2117

AN ACT

RELATING TO PUBLIC FUNDING AND REGULATORY MATTERS AND MAKING,  
REDUCING, TRANSFERRING, AND SUPPLEMENTING APPROPRIATIONS FOR  
EXPENDITURES IN THE FISCAL YEAR BEGINNING JULY 1, 2017, AND  
INCLUDING EFFECTIVE DATE PROVISIONS.

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

DIVISION I

APPROPRIATION REDUCTIONS

Section 1. EXECUTIVE BRANCH APPROPRIATION REDUCTIONS.

1. For the period beginning on the effective date of this section and ending on June 30, 2018, the following departments and agencies and the judicial branch are subject to a reduction in expenditures made from appropriations from the general fund in the following amounts:

a. Department of administrative services	\$	62,560
b. Auditor of state	\$	8,062
c. Department of commerce	\$	12,433
d. Executive council	\$	777
e. Governor's office	\$	20,888
f. Governor's office of drug control policy	\$	2,058
g. Department of human rights	\$	21,228
h. Department of inspections and appeals	\$	102,374
<p>In identifying and implementing the reduction pursuant to this paragraph, the director of the department shall be authorized to make allocations between department divisions in the manner and to the extent as the director determines appropriate, in consultation with the department of management.</p>		
i. State public defender	\$	236,041
j. Department of management	\$	22,629
k. Department of revenue	\$	528,271
l. Secretary of state	\$	31,525
m. Treasurer of state	\$	9,256
n. Department of agriculture and land stewardship	\$	188,688
o. Department of natural resources	\$	123,373
p. Department of economic development	\$	157,960
q. Iowa workforce development	\$	166,960

r. Department for the blind	\$	19,720
.....		
s. College aid commission	\$	94,172
.....		
t. Department of education	\$	784,830
.....		
In identifying and implementing the reduction pursuant to this paragraph, the department shall not reduce the standing appropriation under section 285.2, subsection 1, paragraph "b", for purposes of nonpublic school transportation.		
u. Community colleges	\$	500,000
.....		
v. Vocational rehabilitation	\$	54,472
.....		
w. Iowa public television	\$	68,421
.....		
x. Board of regents	\$	10,933,070
.....		
In identifying and implementing the reduction pursuant to this paragraph, the board shall not reduce expenditures made from appropriations for the university of northern Iowa, the state school for the deaf, and the Iowa braille and sight saving school.		
y. Department on aging	\$	110,012
.....		
z. Department of public health	\$	662,871
.....		
aa. Department of human services	\$	4,316,042
.....		
In identifying and implementing the reduction pursuant to this paragraph, the department shall not reduce benefits available under the Medicaid state plan and approved waivers.		
ab. Department of veterans affairs	\$	36,877
.....		
ac. Iowa veterans home	\$	65,164
.....		
ad. Department of justice	\$	378,471
.....		

In identifying and implementing the reduction pursuant to

this paragraph, the department shall not reduce expenditures made from appropriations for victim assistance grants.

ae. Iowa civil rights commission	.....	\$	10,431
af. Department of corrections	.....	\$	3,405,688
ag. Law enforcement academy	.....	\$	8,607
ah. Department of public defense	.....	\$	59,193
ai. Department of homeland security and emergency management	.....	\$	19,130
aj. Department of public safety	.....	\$	200,000

The department shall not apply any reduction to expenditures made from appropriations to the division of the state patrol.

ak. Judicial branch	.....	\$	1,611,815
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2. The department of management, in consultation with the departments and agencies and the judicial branch listed in subsection 1, shall identify and implement the reductions in subsection 1 with respect to the appropriate general fund appropriations. Within fifteen days of the effective date of this section, the department of management shall transmit a report to the general assembly and legislative services agency listing the appropriation reductions applied.

3. In order to implement the reductions in subsection 1, the departments and agencies and the judicial branch may adjust allocations made from appropriations that are being reduced.

4. In order to implement the reductions in subsection 1, the department of management may reduce a standing appropriation to a department or agency required to reduce expenditures pursuant to subsection 1.

Sec. 2. TRANSFER — IOWA SKILLED WORKER AND JOB CREATION FUND. There is transferred from the Iowa skilled worker and job creation fund created in section 8.75 to the general fund of the state for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount:

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

Sec. 3. 2017 Iowa Acts, chapter 169, section 17, subsection 1, paragraph a, subparagraph (1), is amended to read as follows:

(1) For the purposes of providing assistance under the high quality jobs program as described in section 15.335B:

..... \$ ~~15,900,000~~  
5,900,000

Sec. 4. 2017 Iowa Acts, chapter 170, section 5, subsection 1, is amended to read as follows:

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, 2017, and ending June 30, 2018, are reduced by the following amount:

..... \$ ~~400,000~~  
687,318

Sec. 5. 2017 Iowa Acts, chapter 174, section 31, subsection 1, paragraph c, subparagraph (3), is amended to read as follows:

(3) (a) For the fiscal year beginning July 1, 2017, the graduate medical education and disproportionate share hospital fund shall remain at the amount in effect on June 30, 2017, ~~except that the portion of the fund attributable to graduate medical education shall be reduced in an amount that reflects the elimination of graduate medical education payments made to out-of-state hospitals.~~

(b) Effective May 1, 2018, a hospital that is located in Iowa, is classified as state government-owned or nonstate government-owned, and qualifies for graduate medical education or disproportionate share hospital payments shall transfer to the medical assistance program an amount equal to provide the nonfederal share for a graduate medical education and disproportionate share hospital payment. Distribution of the payments shall be made on a monthly basis. A hospital that meets the specified conditions shall receive and retain one hundred percent of the total graduate medical education and disproportionate share hospital payments.

Sec. 6. REPEAL. 2017 Iowa Acts, chapter 170, section 18, is repealed.

DIVISION II  
SUPPLEMENTAL APPROPRIATIONS

Sec. 7. INDIGENT DEFENSE. There is appropriated from the general fund of the state to the office of the state public defender of the department of inspections and appeals for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary to supplement appropriations made for the following designated purpose:

For payments on behalf of eligible adults and juveniles from the indigent defense fund in accordance with section 815.11:

..... \$ 1,700,000

Sec. 8. UTILITY COSTS. There is appropriated from the general fund of the state to the department of administrative services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary to supplement appropriations made for the following designated purpose:

For payment of utility costs:

..... \$ 451,871

Sec. 9. 2017 Iowa Acts, chapter 174, section 36, is amended to read as follows:

SEC. 36. PHARMACEUTICAL SETTLEMENT ACCOUNT. There is appropriated from the pharmaceutical settlement account created in section 249A.33 to the department of human services for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding any provision of law to the contrary, to supplement the appropriations made in this Act for medical contracts under the medical assistance program for the fiscal year beginning July 1, 2017, and ending June 30, 2018:

..... \$ ~~800,000~~

864,257

DIVISION III  
IOWA ECONOMIC EMERGENCY FUND

Sec. 10. Section 8.55, subsection 3, paragraph c, Code 2018, is amended by striking the paragraph and inserting in lieu thereof the following:

c. There is appropriated from the Iowa economic emergency fund to the general fund of the state for the fiscal year in which moneys in the fund were used for cash flow purposes, for the purposes of reducing or preventing any overdraft on or deficit in the general fund of the state, the amount from the Iowa economic emergency fund that was used for cash flow purposes pursuant to paragraph "b" and that was not returned to the Iowa economic emergency fund by June 30 of the fiscal year. The appropriation in this paragraph shall not exceed one percent of the adjusted revenue estimate for the fiscal year for which the appropriation is made and is contingent upon all of the following having occurred:

(1) Prior to an appropriation being made pursuant to this paragraph, the balance of the general fund of the state at the end of the fiscal year for which the appropriation is made is negative.

(2) The governor issues an official proclamation and notifies the legislative fiscal committee and the legislative services agency that the balance of the general fund is negative and that an appropriation made pursuant to this paragraph brings the general fund of the state into balance.

Sec. 11. APPROPRIATION IN LIEU OF STANDING APPROPRIATION.

1. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the general fund of the state for the fiscal year beginning July 1, 2017, and ending June 30, 2018, the following amount:

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


2. The appropriation made pursuant to this section is in lieu of the standing appropriation implemented under section 8.55 by the department of management pursuant to the official proclamation issued by the governor on September 28, 2017.

Sec. 12. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to September 28, 2017:

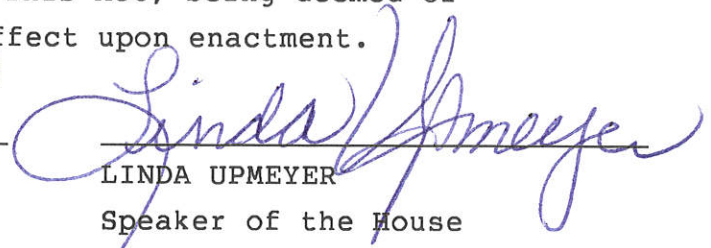
The section of this division of this Act appropriating moneys from the Iowa economic emergency fund to the general fund in lieu of a prior standing appropriation.



Sec. 13. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.



CHARLES SCHNEIDER  
President of the Senate



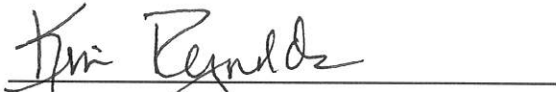
LINDA UPMEYER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2117, Eighty-seventh General Assembly.



W. CHARLES SMITHSON  
Secretary of the Senate

Approved March 28<sup>th</sup>, 2018



KIM REYNOLDS  
Governor