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SENATE FILE 2276

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Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act creating an early childhood programs endowment fund.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 8.54, subsection 1, unnumbered
2 paragraph 1, Code Supplement 2001, is amended to read as
3 follows:

4 For the purposes of section 8.22A, this section, and
5 sections 8.55 through ~~8.57~~ 8.57B:

6 Sec. 2. Section 8.54, subsection 5, Code Supplement 2001,
7 is amended by striking the subsection.

8 Sec. 3. Section 8.55, subsection 2, Code Supplement 2001,
9 is amended to read as follows:

10 2. The maximum balance of the fund is the amount equal to
11 five percent of the adjusted revenue estimate for the fiscal
12 year. If the amount of moneys in the Iowa economic emergency
13 fund is equal to the maximum balance, moneys in excess of this
14 amount shall be transferred to the ~~general-fund~~ early
15 childhood programs endowment fund created in section 8.57B.

16 Sec. 4. NEW SECTION. 8.57B EARLY CHILDHOOD PROGRAMS
17 ENDOWMENT FUND.

18 1. The early childhood programs endowment fund is created.
19 The fund shall be separate from the general fund of the state
20 and the balance in the fund shall not be considered part of
21 the balance of the general fund of the state. Notwithstanding
22 section 12C.7, subsection 2, interest or earnings on moneys
23 deposited in the fund shall be credited to the fund. The
24 moneys credited to the fund are not subject to section 8.33
25 and shall not be transferred, used, obligated, appropriated,
26 or otherwise encumbered except as provided in this section.

27 2. a. Except as provided in paragraph "b", the interest
28 and earnings on moneys in the early childhood programs
29 endowment fund shall only be used pursuant to an annual
30 appropriation made by the general assembly for purposes of
31 enhancing preschool and early education programs for young
32 children and their families. Otherwise, moneys credited to
33 the early childhood programs endowment fund are not subject to
34 appropriation unless the bill or joint resolution making the
35 appropriation complies with all of the following requirements:

1 (1) The appropriation is contained in a bill or joint
2 resolution in which the appropriation is the only subject
3 matter of the bill or joint resolution.

4 (2) The bill or joint resolution states the reasons the
5 appropriation is necessary.

6 (3) The bill or joint resolution is approved by vote of at
7 least three-fifths of the members of both chambers of the
8 general assembly and is signed by the governor.

9 b. Moneys in the fund may be used for cash flow purposes
10 during a fiscal year provided that any moneys so allocated are
11 returned to the fund by the end of that fiscal year.

12 c. Except as provided in section 8.58, the early childhood
13 programs endowment fund shall be considered a special account
14 for the purposes of section 8.53 in determining the cash
15 position of the general fund of the state for the payment of
16 state obligations.

17 Sec. 5. Section 8.58, Code 2001, is amended to read as
18 follows:

19 8.58 EXEMPTION FROM AUTOMATIC APPLICATION.

20 To the extent that moneys appropriated under section 8.57
21 or transferred to the early childhood programs endowment fund
22 under section 8.55, subsection 2, do not result in moneys
23 being credited to the general fund ~~under section 8.55,~~
24 ~~subsection-2,~~ moneys appropriated under section 8.57 and
25 moneys contained in the cash reserve fund, rebuild Iowa
26 infrastructure fund, environment first fund, early childhood
27 programs endowment fund, and Iowa economic emergency fund
28 shall not be considered in the application of any formula,
29 index, or other statutory triggering mechanism which would
30 affect appropriations, payments, or taxation rates, contrary
31 provisions of the Code notwithstanding.

32 To the extent that moneys appropriated under section 8.57
33 or transferred to the early childhood programs endowment fund
34 do not result in moneys being credited to the general fund
35 under section 8.55, subsection 2, moneys appropriated under

1 section 8.57 and moneys contained in the cash reserve fund,
2 rebuild Iowa infrastructure fund, environment first fund,
3 early childhood programs endowment fund, and Iowa economic
4 emergency fund shall not be considered by an arbitrator or in
5 negotiations under chapter 20.

6 EXPLANATION

7 This bill creates an early childhood programs endowment
8 fund in the state treasury.

9 Moneys remaining at the close of the fiscal year, after
10 both the cash reserve fund and the Iowa economic emergency
11 fund have achieved their maximum balances, are credited to the
12 endowment fund.

13 Moneys in the endowment fund may be used for cash flow
14 purposes, provided the moneys are returned to the fund by the
15 end of the fiscal year. The interest and earnings on the fund
16 can only be used through an annual appropriation for purposes
17 of enhancing preschool and early education programs for young
18 children and their families. Otherwise, other moneys in the
19 fund are not subject to appropriation unless the appropriation
20 meets all of these conditions: the appropriation is the only
21 subject of the bill or joint resolution making the
22 appropriation, the reasons the appropriation is necessary are
23 stated, and at least three-fifths of the members of both
24 chambers of the general assembly vote for approval and the
25 bill or joint resolution is approved by the governor.

26 The bill includes conforming changes in Code section 8.54
27 to strike the transfer of general fund ending balance moneys
28 back to the general fund once the cash reserve and Iowa
29 economic emergency funds have achieved their maximum balance,
30 and to provide in Code section 8.58, the endowment fund moneys
31 are not considered in any formula or other statutory
32 triggering mechanism or in collective bargaining negotiations
33 or arbitration.

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