

Senate Study Bill 1199

SENATE FILE _____
BY (PROPOSED COMMITTEE ON STATE
GOVERNMENT BILL BY
CO=CHAIRPERSONS HORN and McKIBBEN)

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

A BILL FOR

1 An Act relating to the duties and responsibilities of the state
2 board of regents and the institutions under its control and
3 providing for the nonreversion of funds.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2364XC 81
6 kh/pj/5

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1 1 Section 1. Section 8D.9, subsection 2, paragraph a, Code
1 2 2005, is amended to read as follows:
1 3 a. A private or public agency, other than the state board
1 4 of regents and its institutions, which certifies to the
1 5 commission pursuant to subsection 1 that the agency is a part
1 6 of or intends to become a part of the network shall use the
1 7 network for all video, data, and voice requirements of the
1 8 agency unless the private or public agency petitions the
1 9 commission for a waiver and one of the following applies:
1 10 Sec. 2. Section 8D.9, subsection 2, Code 2005, is amended
1 11 by adding the following new paragraph:
1 12 NEW PARAGRAPH. c. The state board of regents and its
1 13 institutions, which are a part of the network, may use the
1 14 network for any or all video, data, and voice requirements of
1 15 the board and its institutions.
1 16 Sec. 3. Section 8D.10, Code 2005, is amended to read as
1 17 follows:
1 18 8D.10 REPORT OF SAVINGS BY STATE AGENCIES.
1 19 A state agency which is a part of the network shall
1 20 annually provide a written report to the general assembly
1 21 certifying the identified savings associated with the state
1 22 agency's use of the network. The report submitted by the
1 23 state board of regents and the institutions under its control
1 24 shall also include the identified excess costs associated with
1 25 use of the network by the board and its institutions. The
1 26 report shall be delivered on or before January 15 for the
1 27 previous fiscal year of the state agency.
1 28 Sec. 4. Section 11.2, subsection 2, Code 2005, is amended
1 29 to read as follows:
1 30 2. a. In conjunction with the audit of the state board of
1 31 regents required under this section, the auditor of state or a
1 32 certified public accountant as provided in paragraph "g", in
1 33 accordance with generally accepted auditing standards, shall
1 34 perform audit testing on the state board of regents'
1 35 investments. The auditor, or the certified public accountant,
2 1 shall report to the state board of regents concerning
2 2 compliance with state law and state board of regents'
2 3 investment policies. The state board of regents is
2 4 responsible for remedying any reported noncompliance with its
2 5 own policy or practices.
2 6 b. The state board of regents shall make available to the
2 7 auditor of state and treasurer of state, or a certified public
2 8 accountant as provided in paragraph "g", the most recent
2 9 annual report of any investment entity or investment
2 10 professional employed by an institution governed by the board.
2 11 c. All contracts or agreements with an investment entity
2 12 or investment professional employed by an institution governed
2 13 by the state board of regents shall require the investment
2 14 entity or investment professional employed by an institution
2 15 governed by the state board of regents to notify in writing

2 16 the state board of regents within thirty days of receipt of
2 17 all communication from an independent auditor or the auditor
2 18 of state or any regulatory authority of the existence of a
2 19 material weakness in internal control structure, or regulatory
2 20 orders or sanctions against the investment entity or
2 21 investment professional, with regard to the type of services
2 22 being performed under the contracts or agreements. This
2 23 provision shall not be limited or avoided by another
2 24 contractual provision.

2 25 d. The audit under this section shall not be certified
2 26 until the most recent annual reports of any investment entity
2 27 or investment professional employed by an institution governed
2 28 by the state board of regents are reviewed by the auditor of
2 29 state or by a certified public accountant as provided in
2 30 paragraph "g".

2 31 e. The review of the most recent annual report to
2 32 shareholders of an open-end management investment company or
2 33 an unincorporated investment company or investment trust
2 34 registered with the federal securities and exchange commission
2 35 under the federal Investment Company Act of 1940, 15 U.S.C. }
3 1 80(a), pursuant to 17 C.F.R. } 270.30d-1 or the review, by the
3 2 person performing the audit, of the most recent annual report
3 3 to shareholders, call reports, or the findings pursuant to a
3 4 regular examination under state or federal law, to the extent
3 5 the findings are not confidential, of a bank, savings and loan
3 6 association, or credit union shall satisfy the review
3 7 requirements of this paragraph.

3 8 f. As used in this subsection, "investment entity" and
3 9 "investment professional" exclude a bank, savings and loan
3 10 association, or credit union when acting as an approved
3 11 depository pursuant to chapter 12C.

3 12 g. Notwithstanding subsection 1, examinations of the books
3 13 and accounts of the state board of regents shall be made as
3 14 determined by the state board of regents either by the auditor
3 15 of state or by a certified public accountant, certified in the
3 16 state of Iowa. If the auditor of state makes the examination,
3 17 the auditor shall be reimbursed by the state board of regents
3 18 except as provided in paragraph "h".

3 19 If employing a certified public accountant for purposes of
3 20 this section, the state board of regents shall utilize
3 21 procedures that include a request for proposals. If utilizing
3 22 the auditor of state instead of a certified public accountant,
3 23 the state board of regents shall notify the auditor of state
3 24 by June 1 of the year to be audited. If the state board of
3 25 regents fails to notify the auditor of state of the decision
3 26 to use the auditor of state, the auditor of state may perform
3 27 the audit required in this section only if provisions are not
3 28 made by the state board of regents to contract for the audit.

3 29 h. In addition to the powers and duties under other
3 30 provisions of the Code, the auditor of state may at any time
3 31 cause to be made a complete or partial reaudit of the
3 32 financial condition and transactions of the state board of
3 33 regents, if one of the following conditions exists:

3 34 (1) The auditor of state has probable cause to believe
3 35 such action is necessary in the public interest because of a
4 1 material deficiency in an audit of the state board of regents
4 2 filed with the auditor of state or because of a substantial
4 3 failure of the audit to comply with the standards and
4 4 procedures established and published by the auditor of state.

4 5 (2) The auditor of state receives from an employee of the
4 6 state board of regents a written request for a complete or
4 7 partial reaudit of the state board of regents.

4 8 An audit performed as provided in this paragraph "h" shall
4 9 be paid from the proper public funds available in the office
4 10 of the auditor of state. In the event the audited state board
4 11 of regents recovers damages from a person performing a
4 12 previous audit due to negligent performance of that audit or
4 13 breach of the audit contract, the auditor of state shall be
4 14 entitled to reimbursement on an equitable basis for funds
4 15 expended from any recovery made by the state board of regents.

4 16 Sec. 5. Section 11.5B, subsection 5, Code 2005, is amended
4 17 by striking the subsection.

4 18 Sec. 6. Section 12B.10C, Code 2005, is amended by adding
4 19 the following new subsection:

4 20 NEW SUBSECTION. 10. The state board of regents governed
4 21 by chapter 262.

4 22 Sec. 7. Section 73A.1, subsection 2, Code 2005, is amended
4 23 to read as follows:

4 24 2. "Municipality" as used in this chapter means township,
4 25 school corporation, ~~and state fair board, and state board of~~
4 26 regents.

4 27 Sec. 8. Section 262.9, subsection 7, Code 2005, is amended
4 28 to read as follows:

4 29 ~~7. With the approval of the executive council, acquire~~
4 30 Acquire real estate for the proper uses of ~~said~~ institutions
4 31 under its control, and dispose of real estate belonging to
4 32 ~~said the~~ institutions when not necessary for their purposes.
4 33 ~~A The disposal of such~~ real estate shall be made upon such
4 34 terms, conditions, and consideration as the board may
4 35 recommend ~~and subject to the approval of the executive~~
5 1 ~~council~~. If real estate subject to sale ~~hereunder~~ has been
5 2 purchased or acquired from appropriated funds, the proceeds of
5 3 such sale shall be deposited with the treasurer of state and
5 4 credited to the general fund of the state. There is hereby
5 5 appropriated from the general fund of the state a sum equal to
5 6 the proceeds so deposited and credited to the general fund of
5 7 the state to the state board of regents, ~~which, with the prior~~
5 8 ~~approval of the executive council~~, may be used to purchase
5 9 other real estate and buildings, and for the construction and
5 10 alteration of buildings and other capital improvements. All
5 11 transfers shall be by state patent in the manner provided by
5 12 law. The board is also authorized to grant easements for
5 13 rights-of-way over, across, and under the surface of public
5 14 lands under its jurisdiction when in the board's judgment such
5 15 easements are desirable and will benefit the state of Iowa.

5 16 Sec. 9. Section 262.9, subsection 15, unnumbered paragraph
5 17 2, Code 2005, is amended by striking the unnumbered paragraph.

5 18 Sec. 10. Section 262.9, Code 2005, is amended by adding
5 19 the following new subsection:

5 20 NEW SUBSECTION. 30. In its discretion, employ or retain
5 21 attorneys or counsel for all matters for which legal services
5 22 are desired. This subsection shall supersede the provisions
5 23 of section 13.7.

5 24 Sec. 11. Section 262.10, unnumbered paragraph 1, Code
5 25 2005, is amended to read as follows:

5 26 No sale or purchase of real estate shall be made save upon
5 27 the order of the board, made at a regular meeting, or one
5 28 called for that purpose, and then in such manner and under
5 29 such terms as the board may prescribe ~~and only with the~~
5 30 ~~approval of the executive council~~. No member of the board or
5 31 any of its committees, offices or agencies nor any officer of
5 32 any institution, shall be directly or indirectly interested in
5 33 such purchase or sale.

5 34 Sec. 12. Section 262.28, Code 2005, is amended to read as
5 35 follows:

6 1 262.28 APPROPRIATIONS == MONTHLY INSTALLMENTS ==
6 2 NONREVERSION.

6 3 1. All appropriations made payable annually to each of the
6 4 institutions under the control of the board of regents shall
6 5 be paid in twelve equal monthly installments on the last day
6 6 of each month on order of ~~said the~~ board.

6 7 2. Notwithstanding section 8.33, moneys appropriated to
6 8 the board of regents or to an institution under the control of
6 9 the board which are unencumbered and unobligated at the close
6 10 of the fiscal year for which they were appropriated shall not
6 11 revert but shall remain available for expenditure for the same
6 12 purposes in the succeeding fiscal year.

6 13 Sec. 13. Section 262.33A, Code 2005, is amended to read as
6 14 follows:

6 15 262.33A FIRE AND ENVIRONMENTAL SAFETY == REPORT ==
6 16 EXPENDITURES.

6 17 It is the intent of the general assembly that each
6 18 institution of higher education under the control of the state
6 19 board of regents shall, in consultation with the state fire
6 20 marshal, identify and correct all critical fire and
6 21 environmental safety deficiencies. ~~The state fire marshal~~
6 22 ~~shall report annually to the joint subcommittee on education~~
6 23 ~~appropriations. The report shall include, but is not limited~~
6 24 ~~to, the identified deficiencies in fire and environmental~~
6 25 ~~safety at the institutions, and plans for correction of the~~
6 26 ~~deficiencies and for compliance with this section.~~ Commencing
6 27 July 1, 1993, each institution under the control of the state
6 28 board of regents shall expend annually for fire safety and
6 29 deferred maintenance at least the amount budgeted for these
6 30 purposes for the fiscal year beginning July 1, 1992, in
6 31 addition to any moneys appropriated from the general fund for
6 32 these purposes in succeeding years.

6 33 Sec. 14. Section 262.34, Code 2005, is amended to read as
6 34 follows:

6 35 262.34 IMPROVEMENTS == ADVERTISEMENT FOR BIDS ==
7 1 DISCLOSURES == PAYMENTS.

7 2 1. When the estimated cost of construction, repairs, or

7 3 improvement of buildings or grounds under charge of the state
7 4 board of regents exceeds ~~twenty-five~~ one hundred thousand
7 5 dollars, the board shall advertise for bids for the
7 6 contemplated improvement or construction and shall let the
7 7 work to the lowest responsible bidder. However, if in the
7 8 judgment of the board bids received are not acceptable, the
7 9 board may reject all bids and proceed with the construction,
7 10 repair, or improvement by a method as the board may determine.

7 11 All plans and specifications for repairs or construction,
7 12 together with bids on the plans or specifications, shall be
7 13 filed by the board and be open for public inspection. All
7 14 bids submitted under this section shall be accompanied by a
7 15 deposit of money, a certified check, or a credit union
7 16 certified share draft in an amount as the board may prescribe.

7 17 2. A bidder awarded a contract shall disclose the names of
7 18 all subcontractors, who will work on the project being bid,
7 19 within forty-eight hours after the award of the contract. If
7 20 a subcontractor named by a bidder awarded a contract is
7 21 replaced, or if the cost of work to be done by a subcontractor
7 22 is reduced, the bidder shall disclose the name of the new
7 23 subcontractor or the amount of the reduced cost.

7 24 3. Payments made by the board for the construction of
7 25 public improvements shall be made in accordance with the
7 26 provisions of chapter 573 except that:

7 27 a. Payments may be made without retention until ninety=
7 28 five percent of the contract amount has been paid. The
7 29 remaining five percent of the contract amount shall be paid as
7 30 provided in section 573.14, except that:

7 31 (1) At any time after all or any part of the work is
7 32 substantially completed in accordance with paragraph "b", the
7 33 contractor may require the release of all or part of the
7 34 retainage owed. Such request shall be accompanied by a waiver
7 35 of claim rights under the provisions of chapter 573 from any
8 1 person, firm, or corporation who has, under contract with the
8 2 principal contractor or with subcontractors performed labor,
8 3 or furnished materials, service, or transportation in the
8 4 construction of that portion of the work for which release of
8 5 the retainage is requested.

8 6 (2) Upon receipt of the request, the board shall release
8 7 all or part of the unpaid funds. Retainage that is approved
8 8 as payable shall be paid at the time of the next monthly
8 9 payment or within thirty days, whichever is sooner. If
8 10 partial retainage is released pursuant to a contractor's
8 11 request, no retainage shall be subsequently held based on that
8 12 portion of the work. If within thirty days of when payment
8 13 becomes due the board does not release the retainage due,
8 14 interest shall accrue on the retainage amount due as provided
8 15 in section 573.14 until that amount is paid.

8 16 (3) If at the time of the request for the retainage there
8 17 are remaining or incomplete minor items, an amount equal to
8 18 two hundred percent of the value of each remaining or
8 19 incomplete item, as determined by the board's authorized
8 20 contract representative, may be withheld until such item or
8 21 items are completed.

8 22 (4) An itemization of the remaining or incomplete items,
8 23 or the reason that the request for release of the retainage
8 24 was denied, shall be provided to the contractor in writing
8 25 within thirty calendar days of the receipt of the request for
8 26 release of retainage.

8 27 b. For purposes of this section, "authorized contract
8 28 representative" means the architect or engineer who is in
8 29 charge of the project and chosen by the board to represent its
8 30 interests, or if there is no architect or engineer, then such
8 31 other contract representative or officer as designated in the
8 32 contract documents as the party representing the board's
8 33 interest regarding administration and oversight of the
8 34 project.

8 35 c. For purposes of this section, "substantially completed"
9 1 means the first date on which any of the following occurs:

9 2 (1) Completion of the project or when the work has been
9 3 substantially completed in general accordance with the terms
9 4 and provisions of the contract.

9 5 (2) The work or the portion designated is sufficiently
9 6 complete in accordance with the requirements of the contract
9 7 so the board can occupy or utilize the work for its intended
9 8 purpose.

9 9 (3) The project is certified as having been substantially
9 10 completed by either of the following:

9 11 (a) The architect or engineer authorized to make such
9 12 certification.

9 13 (b) The contracting authority representing the board.

9 14 (4) Each contractor or subcontractor shall withhold
9 15 retainage, if at all, in the same manner as retainage is
9 16 withheld from the contractor or subcontractor; and each
9 17 subcontractor shall pass through all retainage payments to
9 18 lower tier subcontractors in accordance with the provisions of
9 19 chapter 573.

9 20 Sec. 15. Section 262.57, unnumbered paragraph 1, Code
9 21 2005, is amended to read as follows:

9 22 To pay all or any part of the cost of carrying out any
9 23 project at any institution the board is authorized to borrow
9 24 money and to issue and sell negotiable bonds or notes and to
9 25 refund and refinance bonds or notes heretofore issued or as
9 26 may be hereafter issued for any project or for refunding
9 27 purposes at a lower rate, the same rate or a higher rate or
9 28 rates of interest and from time to time as often as the board
9 29 shall find it to be advisable and necessary so to do. Such
9 30 bonds or notes may be sold by said board at public sale in the
9 31 manner prescribed by chapter 75 but if the board shall find it
9 32 to be advantageous and in the public interest to do so, such
9 33 bonds or notes may be sold by the board at private sale
9 34 without published notice of any kind and without regard to the
9 35 requirements of chapter 75 in such manner and upon such terms
10 1 as may be prescribed by the resolution authorizing the same
~~10 2 but such bonds or notes shall in any event be sold upon terms~~
~~10 3 of not less than par plus accrued interest.~~ Bonds or notes
10 4 issued to refund other bonds or notes heretofore or hereafter
10 5 issued by the board for residence hall or dormitory purposes
10 6 at any institution, including dining or other facilities and
10 7 additions, or heretofore or hereafter issued for refunding
10 8 purposes, may either be sold in the manner hereinbefore
10 9 specified and the proceeds thereof applied to the payment of
10 10 the obligations being refunded, or the refunding bonds or
10 11 notes may be exchanged for and in payment and discharge of the
10 12 obligations being refunded, and a finding by the board in the
10 13 resolution authorizing the issuance of such refunding bonds or
10 14 notes that the bonds or notes being refunded were issued for a
10 15 purpose specified in this division and constitute binding
10 16 obligations of the board shall be conclusive and may be relied
10 17 upon by any holder of any refunding bond or note issued under
10 18 the provisions of this division. The refunding bonds or notes
10 19 may be sold or exchanged in installments at different times or
10 20 an entire issue or series may be sold or exchanged at one
10 21 time. Any issue or series of refunding bonds or notes may be
10 22 exchanged in part or sold in parts in installments at
10 23 different times or at one time. The refunding bonds or notes
10 24 may be sold or exchanged at any time on, before, or after the
10 25 maturity of any of the outstanding notes, bonds or other
10 26 obligations to be refinanced thereby and may be issued for the
10 27 purpose of refunding a like or greater principal amount of
10 28 bonds or notes, except that the principal amount of the
10 29 refunding bonds or notes may exceed the principal amount of
10 30 the bonds or notes to be refunded to the extent necessary to
10 31 pay any premium due on the call of the bonds or notes to be
10 32 refunded or to fund interest in arrears or about to become
10 33 due.

10 34 Sec. 16. Section 262.78, subsection 6, Code 2005, is
10 35 amended by striking the subsection.

11 1 Sec. 17. Section 262A.5, unnumbered paragraph 1, Code
11 2 2005, is amended to read as follows:

11 3 The board is authorized to borrow money under this chapter,
11 4 and the board may issue and sell negotiable bonds to pay all
11 5 or any part of the cost of carrying out any project at any
11 6 institution and may refund and refinance bonds issued for any
11 7 project or for refunding purposes at the same rate or at a
11 8 higher or lower rate or rates of interest. Bonds issued under
11 9 the provisions of this chapter shall be sold by said board at
11 10 public sale on the basis of sealed proposals received pursuant
11 11 to a notice specifying the time and place of sale and the
11 12 amount of bonds to be sold which shall be published at least
11 13 once not less than seven days prior to the date of sale in a
11 14 newspaper published in the state of Iowa and having a general
11 15 circulation in said state. The provisions of chapter 75 shall
11 16 not apply to bonds issued under authority contained in this
11 17 chapter, ~~but such bonds shall be sold upon terms of not less~~
~~11 18 than par plus accrued interest.~~ Bonds issued to refund other
11 19 bonds issued under the provisions of this chapter may either
11 20 be sold in the manner hereinbefore specified and the proceeds
11 21 thereof applied to the payment of the obligations being
11 22 refunded, or the refunding bonds may be exchanged for and in
11 23 payment and discharge of the obligations being refunded. The
11 24 refunding bonds may be sold or exchanged in installments at

11 25 different times or an entire issue or series may be sold or
11 26 exchanged at one time. Any issue or series of refunding bonds
11 27 may be exchanged in part or sold in parts in installments at
11 28 different times or at one time. The refunding bonds may be
11 29 sold or exchanged at any time on, before, or after the
11 30 maturity of any of the outstanding bonds or other obligations
11 31 to be refinanced thereby and may be issued for the purpose of
11 32 refunding a like or greater principal amount of bonds, except
11 33 that the principal amount of the refunding bonds may exceed
11 34 the principal amount of the bonds to be refunded to the extent
11 35 necessary to pay any premium due on the call of the bonds to
12 1 be refunded or to fund interest in arrears or which is to
12 2 become due.

12 3 Sec. 18. Section 266.39F, subsection 2, unnumbered
12 4 paragraph 2, Code 2005, is amended to read as follows:

12 5 The provisions of section 262.9, subsection 7, ~~and section~~
~~12 6 262.10,~~ shall not apply to the sale of any portion of land to
12 7 be sold in accordance with this section or to the use of the
12 8 proceeds from the sale of the land.

12 9 Sec. 19. Section 573.14, unnumbered paragraph 2, Code
12 10 2005, is amended to read as follows:

12 11 The public corporation shall order payment of any amount
12 12 due the contractor to be made in accordance with the terms of
12 13 the contract. Except as provided in section 573.12 for
12 14 progress payments, failure to make payment pursuant to this
12 15 section, of any amount due the contractor, within forty days,
12 16 unless a greater time period not to exceed fifty days is
12 17 specified in the contract documents, after the work under the
12 18 contract has been completed and if the work has been accepted
12 19 and all required materials, certifications, and other
12 20 documentations required to be submitted by the contractor and
12 21 specified by the contract have been furnished the awarding
12 22 public corporation by the contractor, shall cause interest to
12 23 accrue on the amount unpaid to the benefit of the unpaid
12 24 party. Interest shall accrue during the period commencing the
12 25 thirty-first day following the completion of work and
12 26 satisfaction of the other requirements of this paragraph and
12 27 ending on the date of payment. The rate of interest shall be
12 28 determined by the period of time during which interest
12 29 accrues, and shall be ~~the same as the rate of interest that is~~
~~12 30 in effect under section 12C.6,~~ calculated as the prime rate
12 31 plus one percent per year as of the day interest begins to
12 32 accrue, ~~for a deposit of public funds for a comparable period~~
~~12 33 of time.~~ This paragraph does not abridge any of the rights
12 34 set forth in section 573.16. Except as provided in sections
12 35 573.12 and 573.16, interest shall not accrue on funds retained
13 1 by the public corporation to satisfy the provisions of this
13 2 section regarding claims on file. This chapter does not apply
13 3 if the public corporation has entered into a contract with the
13 4 federal government or accepted a federal grant which is
13 5 governed by federal law or rules that are contrary to the
13 6 provisions of this chapter. For purposes of this unnumbered
13 7 paragraph, "prime rate" means the prime rate charged by banks
13 8 on short-term business loans, as determined by the board of
13 9 governors of the federal reserve system and published in the
13 10 federal reserve bulletin.

13 11 Sec. 20. Sections 262.29, 262.64A, 262.67, 262A.3,
13 12 262A.6A, 263A.11, 265.6, and 473.12, Code 2005, are repealed.

13 13 EXPLANATION

13 14 This bill amends many Code provisions relating to the
13 15 duties and responsibilities of the state board of regents and
13 16 the institutions under its control, including the following:

13 17 Code section 8D.9, concerning the use of the Iowa
13 18 communications network (ICN) by authorized users, is amended
13 19 to allow, rather than require, the state board of regents and
13 20 its institutions to use the ICN for their video, data, and
13 21 voice requirements.

13 22 Code section 8D.10, requiring state agencies to report
13 23 annually savings associated with the ICN to the general
13 24 assembly, is amended to require the reports submitted by the
13 25 board and its institutions include the identified excess costs
13 26 associated with the use of the network.

13 27 Code section 11.2, which requires the auditor of state to
13 28 examine the books and accounts of every department of the
13 29 state at least once each year and requires the auditor further
13 30 to perform audit testing on the state board of regents'
13 31 investments, is amended by the bill. The bill amends the Code
13 32 section to allow the examination to be conducted by the
13 33 auditor of state or by certified public accountants, as
13 34 determined by the board. The Code section is also amended to
13 35 permit the auditor of state to cause to be made a complete or

14 1 partial reaudit of the financial condition and transactions of
14 2 the board under conditions specified in the bill.

14 3 Code section 11.5B, requiring state agencies to reimburse
14 4 the auditor of state for performing agency audits, is amended
14 5 to exempt the state board of regents from the requirement.

14 6 Code section 12B.10C, relating to the inclusion in public
14 7 funds custodial agreements of any provisions necessary to
14 8 prevent loss of public funds, is amended to exempt the state
14 9 board of regents.

14 10 Code section 73A.1, which provides the definitions for the
14 11 Code chapter that regulates public contracts and bonds, is
14 12 amended to eliminate a reference to the state board of regents
14 13 from the definition of "municipality", releasing the board
14 14 from the regulatory provisions of the chapter.

14 15 Code section 262.9, which lists the powers and duties of
14 16 the state board of regents, and Code section 262.10, which
14 17 relates to the sale or purchase of real estate by the board,
14 18 are amended to authorize the board to acquire or sell real
14 19 estate without the approval of the executive council. Code
14 20 section 266.39F is amended to strike a reference to Code
14 21 section 262.10. Section 262.9 is also amended to permit the
14 22 board to employ or retain attorneys for all legal matters and
14 23 to strike obsolete language.

14 24 Code section 262.28, which relates to the payment of annual
14 25 appropriations to the regents institutions, is amended to
14 26 permit the institutions to retain, rather than revert to the
14 27 general fund of the state, any moneys that remain at the close
14 28 of the fiscal year. The moneys must be used for the same
14 29 purposes for which they were appropriated.

14 30 Code section 262.33A, which states legislative intent that
14 31 the regents institutions consult with the state fire marshal
14 32 to identify and correct all critical fire and environmental
14 33 safety deficiencies, is amended to eliminate the requirement
14 34 that the state fire marshal report annually to the joint
14 35 subcommittee on education appropriations the identified
15 1 deficiencies in fire and environmental safety at the

15 2 institutions, and plans for correction of the deficiencies.
15 3 Code section 262.34, relating to the estimated costs
15 4 threshold at which the board must advertise for bids for the
15 5 construction, repair, or improvement of buildings or grounds,
15 6 is amended to raise the threshold from \$25,000 to \$100,000;
15 7 and to make changes relating to payments made, and the
15 8 retainage of payments, by the board for the construction of
15 9 public improvements.

15 10 Code section 262.57, relating to bonds or notes the board
15 11 is authorized to sell to pay all or any part of the cost of
15 12 carrying out any project at any regents institution, and Code
15 13 section 262A.5, relating to authorization for the board to
15 14 issue and sell negotiable bonds and to refund and refinance
15 15 bonds to carry out any project in its institutions, are
15 16 amended to eliminate language that requires that the bonds or
15 17 notes be sold upon terms of not less than par plus accrued
15 18 interest.

15 19 Code section 262.78, which provides for the establishment
15 20 of a center for agricultural health and safety at the
15 21 university of Iowa, is amended to eliminate the requirement
15 22 that the center submit an annual report of its activities to
15 23 the governor, the secretary of the senate, and the chief clerk
15 24 of the house of representatives annually.

15 25 The bill also repeals the following:

15 26 Code section 262.29, which requires all claims for the
15 27 actual necessary expenses of the board and of its committees,
15 28 offices, agencies, and employees to be filed with and allowed
15 29 by the director of the department of administrative services.

15 30 Code section 262.64A, relating to self-liquidating
15 31 dormitories, and Code section 263A.11, relating to medical and
15 32 hospital buildings at the university of Iowa, both of which
15 33 require that the board determine, in consultation with the
15 34 legislative services agency, the financial information to be
15 35 included in line item budget information for projects funded
16 1 by the issuance of bonds or notes, and that the board submit
16 2 the information to the general assembly quarterly.

16 3 Code section 262.67, which requires the board to have the
16 4 approval of the executive council in order to grant easements
16 5 for rights-of-way over, across, and under the surface of
16 6 public lands under its jurisdiction. The bill moves the
16 7 language authorizing the board to grant easements to Code
16 8 section 262.9, which lists the board's powers and duties.

16 9 Code section 262A.3, which requires the board to annually
16 10 prepare and submit to the general assembly for approval or
16 11 rejection a proposed five-year building program for each

16 12 institution, including an estimate of the maximum amount of
16 13 bonds the board expects to issue during each year of the
16 14 ensuing biennium.

16 15 Code section 262A.6A, relating to the Iowa college super
16 16 savings plan, which requires the board to issue capital
16 17 appreciation bonds designed to be marketed primarily to Iowans
16 18 to facilitate savings for future higher education costs.

16 19 Code section 265.6, which provides that if the board has
16 20 established a laboratory school, it shall receive aid under
16 21 the state school foundation program for each pupil enrolled in
16 22 the laboratory school.

16 23 Code section 473.12, which requires the board to cause to
16 24 be performed comprehensive engineering analyses of facilities
16 25 under its control by June 30, 1989; to implement economically
16 26 feasible energy conservation measures identified in the
16 27 analyses; and to annually report to the department of natural
16 28 resources the status of all energy conservation. The Code
16 29 section also permits the department to use funds in the state
16 30 of Iowa facilities improvement corporation to reduce the
16 31 board's cost of financing the implementation of the energy
16 32 conservation measures if the department requires, and the
16 33 board completes, an energy management plan.

16 34 Code section 573.14, which relates to a fund for the
16 35 payment of claims for materials furnished and labor performed
17 1 on the improvement by a public corporation, is amended to
17 2 change the manner in which interest is calculated on the
17 3 amount unpaid.

17 4 LSB 2364XC 81
17 5 kh:nh/pj/5.1