

**House Study Bill 221 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED GOVERNOR'S BILL)

**A BILL FOR**

1 An Act establishing a state biennial appropriations process and  
2 including effective and applicability date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 2.12, unnumbered paragraph 4, Code 2011,  
2 is amended to read as follows:

3 There is appropriated out of any funds in the state treasury  
4 not otherwise appropriated such sums as may be necessary for  
5 the fiscal ~~year~~ biennium budgets of the legislative services  
6 agency and the citizens' aide office for salaries, support,  
7 maintenance, and miscellaneous purposes to carry out their  
8 statutory responsibilities. The legislative services agency  
9 and the citizens' aide office shall submit their proposed  
10 budgets for the two years of the fiscal biennium to the  
11 legislative council not later than ~~September~~ October 1 of  
12 ~~each~~ the year preceding the first regular session of the  
13 general assembly. The legislative council shall review and  
14 approve the proposed budgets not later than December 1 of ~~each~~  
15 the year preceding the first regular session of a general  
16 assembly. The budget approved by the legislative council  
17 for each of its statutory legislative agencies shall be  
18 transmitted by the legislative council to the department of  
19 management on or before December 1 of ~~each~~ the year preceding  
20 the first regular session of a general assembly for the fiscal  
21 ~~year~~ biennium beginning July 1 of the following year. ~~The~~  
22 ~~department of management shall submit the approved budgets~~  
23 ~~received from the legislative council to the governor for~~  
24 ~~inclusion in the governor's proposed budget for the succeeding~~  
25 ~~fiscal year.~~ The approved budgets shall be submitted to the  
26 department of management in the form specified for budget  
27 submissions pursuant to section 8.23. The approved budgets  
28 shall also be submitted to the chairpersons of the committees  
29 on appropriations. ~~The committees on appropriations may~~  
30 ~~allocate from the funds appropriated by this section the funds~~  
31 ~~contained in the approved budgets, or such other amounts as~~  
32 ~~specified, pursuant to a concurrent resolution to be approved~~  
33 ~~by both houses of the general assembly.~~ ~~The director of the~~  
34 ~~department of administrative services shall issue warrants for~~  
35 ~~salaries, support, maintenance, and miscellaneous purposes~~

~~1 upon requisition by the administrative head of each statutory  
2 legislative agency. If the legislative council elects to  
3 change the approved budget for a legislative agency prior to  
4 July 1, the legislative council shall transmit the amount of  
5 the budget revision to the department of management prior to  
6 July 1 of the fiscal year, however, if the general assembly  
7 approved the budget it cannot be changed except pursuant to a  
8 concurrent resolution approved by the general assembly.~~

9     Sec. 2. NEW SECTION.   **2.12B Fiscal biennium —**  
10 **appropriations.**

11     1. In the first year of each general assembly the general  
12 assembly shall enact appropriations for each fiscal year of  
13 the ensuing fiscal biennium. An appropriation shall indicate  
14 the source from which the appropriation shall be paid. An  
15 appropriation need not be in greater detail than to indicate  
16 the total appropriation to be made for both of the following:

17     *a.* Administration, operation, and maintenance of each  
18 department and establishment, as defined in section 8.2, for  
19 each fiscal year of a fiscal biennium.

20     *b.* The cost of land, public improvements, and other capital  
21 outlays for each department and establishment, itemized by  
22 specific projects or classes of projects of the same general  
23 character.

24     2. The general assembly may enact appropriation bills for  
25 the second year of a fiscal biennium providing for supplemental  
26 appropriations to or appropriation reductions from the  
27 previously enacted fiscal biennium budget.

28     Sec. 3. Section 8.6, subsection 2, Code 2011, is amended to  
29 read as follows:

30     2. *Report of standing appropriations.* To annually  
31 biennially prepare a separate report containing a complete  
32 list of all standing appropriations showing the amount of each  
33 appropriation and the purpose for which the appropriation is  
34 made and furnish a copy of the report to each member of the  
35 general assembly on or before the first day of each the first

1 regular session of a new general assembly.

2 Sec. 4. Section 8.6, subsection 13, Code 2011, is amended  
3 to read as follows:

4 13. *Capital project budgeting requests.* To biennially  
5 compile ~~annually~~ all capital project budgeting requests of all  
6 state agencies, as defined in section 8.3A, and to consolidate  
7 the requests, with individual state agency priorities noted,  
8 into a report for submission with the budget documents by the  
9 governor pursuant to section 8.22. Any additional information  
10 regarding the capital project budgeting requests or priorities  
11 shall be compiled and submitted in the same report. Any  
12 changes to biennial capital project appropriations deemed to be  
13 appropriate by the director shall be submitted to the governor  
14 for inclusion in the budget documents submitted by the governor  
15 to the general assembly for consideration in the second year of  
16 a legislative biennium.

17 Sec. 5. Section 8.21, Code 2011, is amended to read as  
18 follows:

19 **8.21 Budget transmitted.**

20 1. Not later than February 1 of the first regular session of  
21 ~~each legislative session~~ general assembly, the governor shall  
22 transmit to the ~~legislature~~ general assembly a document to  
23 be known as a budget, setting forth the governor's financial  
24 program for each of the fiscal years of the ensuing fiscal  
25 ~~year~~ biennium and having the character and scope set forth in  
26 sections 8.22 through 8.29.

27 2. If the governor is required to use a lesser amount in  
28 the budget process because of a later meeting of the state  
29 revenue estimating conference under section 8.22A, subsection  
30 3, the governor shall transmit recommendations for a budget in  
31 conformance with that requirement within fourteen days of the  
32 later meeting of the state revenue estimating conference.

33 3. If the governor is required under section 8.22A,  
34 subsection 3, and section 8.54, subsection 2, to use a  
35 different amount in the budget process for the second year of

1 a fiscal biennium because the revenue estimating conference  
2 agrees to a different estimate for the second fiscal year than  
3 was used in the initial budget process for that fiscal year  
4 and the state general fund expenditure limitation for that  
5 fiscal year is readjusted, the governor shall transmit to the  
6 general assembly recommendations for revisions in revenue  
7 provisions and appropriations as necessary so that the budget  
8 for the second year of the fiscal biennium does not exceed the  
9 readjusted state general fund expenditure limitation. The  
10 recommendations for revisions shall be transmitted not later  
11 than February 1 of the second regular session of the general  
12 assembly.

13 Sec. 6. Section 8.22, Code 2011, is amended to read as  
14 follows:

15 **8.22 Nature and contents of budget.**

16 The budget shall consist of four parts, the nature and  
17 contents of which shall be as follows:

18 1. *Part I — Governor's budget message.*

19 a. Part I shall consist of the governor's budget message, in  
20 which the governor shall set forth:

21 (1) (a) The governor's program for meeting all the  
22 expenditure needs of the government for ~~the~~ each of the fiscal  
23 years of the ensuing fiscal year biennium, indicating the  
24 classes of funds, general or special, from which appropriations  
25 are to be made and the means through which the expenditures  
26 shall be financed.

27 (b) The governor's program shall include a single budget  
28 request for all capital projects proposed by the governor. The  
29 request shall include but is not limited to the following:

30 (i) The purpose and need for each capital project.

31 (ii) A priority listing of capital projects.

32 (iii) The costs of acquisition, lease, construction,  
33 renovation, or demolition of each capital project.

34 (iv) The identification of the means and source of funding  
35 of each capital project.

1 (v) The estimated operating costs of each capital project  
2 after completion.

3 (vi) The estimated maintenance costs of each capital  
4 project after completion.

5 (vii) The consequences of delaying or abandoning each  
6 capital project.

7 (viii) Alternative approaches to meeting the purpose or  
8 need for each capital project.

9 (ix) Alternative financing mechanisms.

10 (x) A cost-benefit analysis or economic impact of each  
11 capital project.

12 b. (1) Financial statements giving in summary form:

13 (a) The condition of the treasury at the end of the last  
14 completed fiscal year, the estimated condition of the treasury  
15 at the end of the year in progress, and the estimated condition  
16 of the treasury at the end of each of the following fiscal year  
17 fiscal years of the ensuing fiscal biennium if the governor's  
18 budget proposals are put into effect.

19 (b) Statements showing the bonded indebtedness of the  
20 government, debt authorized and unissued, debt redemption and  
21 interest requirements, and condition of the sinking funds, if  
22 any.

23 (c) A summary of appropriations recommended for each  
24 of the following fiscal year fiscal years of the ensuing  
25 fiscal biennium for each department and establishment and  
26 for the government as a whole, in comparison with the actual  
27 expenditures for the last completed fiscal year and the  
28 estimated expenditures for the year in progress.

29 (d) A summary of the revenue, estimated to be received  
30 by the government during each of the fiscal years of the  
31 following ensuing fiscal year biennium, classified according to  
32 sources, in comparison with the actual revenue received by the  
33 government during the last completed fiscal year and estimated  
34 income during the year in progress.

35 (e) A statement of federal funds received in the form

1 of block or categorical grants which were not included in  
2 the governor's budget for the ~~previous~~ fiscal year biennium  
3 in progress and a statement of anticipated block grants and  
4 categorical grants for each of the fiscal years of the ensuing  
5 fiscal biennium. The budget shall indicate how the federal  
6 funds will be used and the programs to which they will be  
7 allocated. The amount of state funds required to implement  
8 the programs to which the federal funds will apply shall also  
9 be indicated. The departments shall provide information to  
10 the director on the anticipated federal block grants and  
11 categorical grants to be received on or before November 1 of  
12 each year. The director shall use this information to develop  
13 an annual update of the statement of federal funds received  
14 which shall be provided to the general assembly.

15 (f) Other financial statements, data, and comments as in  
16 the governor's opinion are necessary or desirable in order to  
17 make known in all practicable detail the financial condition  
18 and operation of the government and the effect that each of the  
19 fiscal years of the biennial budget as proposed by the governor  
20 will have on the financial condition and operation.

21 (2) If the estimated revenues of the government for the  
22 ensuing fiscal year biennium as set forth in the budget on the  
23 basis of existing laws, plus the estimated ~~amounts~~ balances  
24 in the treasury at the close of the ~~year~~ fiscal biennium in  
25 progress, available for expenditure in the ensuing fiscal year  
26 biennium are less than the aggregate recommended appropriations  
27 for the ensuing fiscal year biennium as contained in the  
28 budget, the governor shall make recommendations to the  
29 legislature general assembly in respect to the manner in  
30 which the deficit shall be met, whether by an increase in the  
31 state tax or the imposition of new taxes, increased rates on  
32 existing taxes, or otherwise, and if the aggregate of the  
33 estimated revenues, plus estimated balances in the treasury,  
34 is greater than the recommended appropriations for each year  
35 of the ensuing fiscal year biennium, the governor shall make

1 recommendations in reference to the application of the surplus  
2 to the reduction of debt or otherwise, to the reduction in  
3 taxation, or to such other action as in the governor's opinion  
4 is in the interest of the public welfare.

5 2. *Part II — Recommended appropriations.*

6 a. Part II shall present in detail for each year of the  
7 ensuing fiscal year biennium the governor's recommendations  
8 for appropriations to meet the expenditure needs of the  
9 government from each general class of funds, in comparison with  
10 actual expenditures for each of the purposes during the last  
11 completed fiscal year and estimated expenditures for the year  
12 in progress, classified by departments and establishments and  
13 indicating for each the appropriations recommended for:

14 (1) Meeting the cost of administration, operation, and  
15 maintenance of the departments and establishments.

16 (2) Appropriations for meeting the cost of land, public  
17 improvements, and other capital outlays in connection with the  
18 departments and establishments.

19 b. Each item of expenditure, actual or estimated, and  
20 appropriations recommended for administration, operation,  
21 and maintenance of each department or establishment shall  
22 be supported by detailed statements showing the actual and  
23 estimated expenditures and appropriations classified by  
24 objects according to a standard scheme of classification to be  
25 prescribed by the director.

26 3. *Part III — Appropriation bills.* Part III shall  
27 include a draft or drafts of appropriation bills having for  
28 their purpose to give legal sanction to the appropriations  
29 recommended to be made in parts I and II. The appropriation  
30 bills shall indicate the funds, general or special, from which  
31 the appropriations shall be paid, but the appropriations  
32 need not be in greater detail than to indicate the total  
33 appropriation to be made for both of the following:

34 a. Administration, operation, and maintenance of each  
35 department and establishment for each year of the fiscal year



1 biennium.

2 *b.* The cost of land, public improvements, and other capital  
3 outlays for each department and establishment, itemized by  
4 specific projects or classes of projects of the same general  
5 character.

6 ~~4. *Part IV — Strategic plan.* Part IV shall include an~~  
7 ~~explanation that correlates the budget with the enterprise~~  
8 ~~strategic plan adopted pursuant to section 8E.204. The budget~~  
9 ~~shall provide an explanation of appropriations recommended for~~  
10 ~~the administration and maintenance of an agency as defined in~~  
11 ~~section 8E.103 with the general evaluation of the agency in~~  
12 ~~meeting enterprise strategic goals, including identifying goals~~  
13 ~~that require legislation.~~

14 The governor may submit appropriation bills in the  
15 second year of a fiscal biennium providing for supplemental  
16 appropriations to or appropriation reductions from the  
17 previously enacted fiscal biennium budget.

18 Sec. 7. Section 8.22A, subsections 3, 4, and 5, Code 2011,  
19 are amended to read as follows:

20 3. By December 15 of each fiscal year the conference shall  
21 agree to a revenue estimate for ~~the fiscal year beginning the~~  
22 following July 1. That each of the two following fiscal years.

23 *a.* In the fiscal year preceding a fiscal biennium, the  
24 estimate for each of the fiscal years of the ensuing fiscal  
25 biennium shall be used by the governor in the preparation of  
26 the budget message under section 8.22, and by the first regular  
27 session of the general assembly in the budget process for each  
28 of the fiscal years of that fiscal biennium, and in determining  
29 an adjusted revenue estimate under section 8.54 for each of the  
30 fiscal years of the fiscal biennium.

31 *b.* In the fiscal year in which the following fiscal year is  
32 the second year of the fiscal biennium, the conference shall  
33 agree by December 15 to another estimate for the second fiscal  
34 year and if this estimate is different from that which was  
35 used in the initial budget process for the second fiscal year,

1 the adjusted revenue estimate determined pursuant to section  
2 8.54 for that second fiscal year shall be revised based upon  
3 the different estimate. The different estimate shall be used  
4 by the governor in the preparation of the budget message under  
5 section 8.22, by the general assembly in the budget process,  
6 and in determining an adjusted revenue estimate under section  
7 8.54 for the second fiscal year.

8 c. If the conference agrees to a different estimate at  
9 a later meeting which projects a greater amount of revenue  
10 than the initial estimate amount for a fiscal year agreed to  
11 by December 15, the governor and the general assembly shall  
12 continue to use the initial estimate amount in the budget  
13 process for that fiscal year. However, if the conference  
14 agrees to a different estimate for a fiscal year at a later  
15 meeting which projects a lesser amount of revenue than the  
16 initial estimate amount, the governor and the general assembly  
17 shall use the lesser amount in the budget process for that  
18 fiscal year. As used in this ~~subsection~~ paragraph, "*later*  
19 *meeting*" means only those later meetings which are held prior to  
20 the conclusion of ~~the~~ a regular session of the general assembly  
21 and, if the general assembly holds an extraordinary session  
22 prior to the commencement of the fiscal year to which the  
23 estimate applies, those later meetings which are held before or  
24 during the extraordinary session.

25 4. At the meeting in which the conference agrees to  
26 the revenue estimate for ~~the following~~ a fiscal year in  
27 accordance with the provisions of subsection 3, which is used  
28 in determining an adjusted revenue estimate under section 8.54,  
29 the conference shall agree to an estimate for tax refunds  
30 payable from that estimated revenue. The estimates required  
31 by this subsection shall be used in determining the adjusted  
32 revenue estimate under section 8.54.

33 5. At the meeting in which the conference agrees to  
34 the revenue estimate for ~~the succeeding~~ a fiscal year in  
35 accordance with the provisions of subsection 3, which is used

1 in determining an adjusted revenue estimate under section 8.54,  
2 the conference shall also agree to the following estimates  
3 which shall be used by the governor in preparation of the  
4 budget message under section 8.22 and the general assembly in  
5 the budget process for the ~~succeeding~~ fiscal year:

6 a. The amount of lottery revenues for the ~~following~~ fiscal  
7 year to be available for disbursement following the deductions  
8 made pursuant to section 99G.39, subsection 1.

9 b. The amount of revenue for the ~~following~~ fiscal year from  
10 gambling revenues and from interest earned on the cash reserve  
11 fund and the economic emergency fund to be deposited in the  
12 rebuild Iowa infrastructure fund under section 8.57, subsection  
13 6, paragraph "e".

14 c. The amount of accruals of those revenues collected by or  
15 due from entities other than the state on or before June 30 of  
16 the fiscal year but not remitted to the state until after June  
17 30.

18 d. The amount of accrued lottery revenues collected on or  
19 before June 30 of the fiscal year but not transferred to the  
20 general fund of the state until after June 30.

21 Sec. 8. Section 8.23, Code 2011, is amended to read as  
22 follows:

23 **8.23 ~~Annual~~ Biennial departmental estimates.**

24 1. On or before October 1, prior to ~~each legislative~~ the  
25 first regular session of a general assembly, all departments  
26 and establishments of the government shall transmit to the  
27 director, on ~~blanks~~ forms to be furnished by the director,  
28 estimates of their expenditure requirements, including every  
29 proposed expenditure, for each fiscal year of the ensuing  
30 fiscal year biennium, classified so as to distinguish between  
31 expenditures estimated for administration, operation, and  
32 maintenance, and the cost of each project involving the  
33 purchase of land or the making of a public improvement or  
34 capital outlay of a permanent character, together with  
35 supporting data and explanations as called for by the director.

1 ~~a. The estimates of expenditure requirements shall be~~  
2 ~~based upon seventy-five percent of the funding provided for~~  
3 ~~the current fiscal year accounted for by program reduced by~~  
4 ~~the historical employee vacancy factor in form specified by~~  
5 ~~the director and the remainder of the estimate of expenditure~~  
6 ~~requirements prioritized by program. The estimates shall~~  
7 ~~be accompanied with performance measures for evaluating the~~  
8 ~~effectiveness of the program.~~

9 ~~b. The budget estimates for an agency as defined in section~~  
10 ~~8E.103 shall be based on achieving goals contained in the~~  
11 ~~enterprise strategic plan and the agency's strategic plan as~~  
12 ~~provided for in chapter 8E. The estimates shall be accompanied~~  
13 ~~by a description of the measurable and other results to~~  
14 ~~be achieved by the agency. Performance measures shall be~~  
15 ~~based on the goals developed pursuant to sections 8E.205,~~  
16 ~~8E.206, and 8E.208. The estimates shall be accompanied by an~~  
17 ~~explanation of the manner in which appropriations requested for~~  
18 ~~the administration and maintenance of the agency meet goals~~  
19 ~~contained in the enterprise strategic plan and the agency's~~  
20 ~~strategic plan, including identifying goals that require~~  
21 ~~legislation.~~

22 2. On or before October 1, prior to the second regular  
23 session of a general assembly, all departments and  
24 establishments shall transmit to the director, on forms  
25 furnished by the director, estimates of their requirements for  
26 supplemental appropriations or appropriations reductions for  
27 the fiscal biennium budget in progress.

28 3. The estimates of expenditure requirements shall be  
29 in a form specified by the director and the expenditure  
30 requirements shall include all proposed expenditures and shall  
31 be prioritized by program and identify the results to be  
32 achieved. The estimates shall be accompanied by performance  
33 targets for use in evaluating the effectiveness of the programs  
34 or results connected with the proposed expenditures.

35 ~~c.~~ 4. If a department or establishment fails to

1 submit estimates as required in subsection 1 within the  
2 time specified, the legislative services agency shall use  
3 the amounts of the appropriations to the department or  
4 establishment for the fiscal year in ~~process~~ progress at  
5 the time the estimates are required to be submitted as the  
6 amounts for the department's or establishment's request in the  
7 documents submitted to the general assembly for each fiscal  
8 year of the ensuing fiscal year biennium and the governor  
9 shall cause estimates to be prepared for that department or  
10 establishment as in the governor's opinion are reasonable and  
11 proper.

12 ~~d.~~ 5. The director shall furnish standard budget request  
13 forms to each department or agency of state government.

14 ~~2.~~ 6. On or before November 15 prior to each regular  
15 legislative session all departments and establishments of  
16 government and the judicial branch shall transmit to the  
17 department of management and the legislative services agency  
18 estimates of their receipts and expenditure requirements from  
19 federal or other nonstate grants, receipts, and funds for  
20 each of the two ensuing fiscal ~~year~~ years. The transmittal  
21 shall include the names of the grantor and the grant or the  
22 source of the funds, the estimated amount of the funds, and  
23 the planned expenditures and use of the funds. The format of  
24 the transmittal shall be specified by the legislative services  
25 agency.

26 Sec. 9. Section 8.30, Code 2011, is amended to read as  
27 follows:

28 **8.30 Availability of appropriations.**

29 The appropriations made are not available for expenditure  
30 until allotted as provided for in section 8.31. All  
31 appropriations are declared to be maximum and proportionate  
32 appropriations, the purpose being to make the appropriations  
33 payable in full in the amounts named if the estimated budget  
34 resources during the each fiscal year of the fiscal biennium  
35 for which the appropriations are made, are sufficient to pay

1 all of the appropriations in full. The governor shall restrict  
2 allotments only to prevent an overdraft or deficit in any  
3 fiscal year for which appropriations are made.

4 Sec. 10. Section 8.36, Code 2011, is amended to read as  
5 follows:

6 **8.36 Fiscal biennium — fiscal year.**

7 1. The fiscal biennium of the state ends on the thirtieth  
8 day of June in each odd-numbered fiscal year; the succeeding  
9 fiscal biennium begins on the day following.

10 2. The fiscal year of the government shall commence on the  
11 first day of July and end on the thirtieth day of June. This  
12 fiscal year shall be used for purposes of making appropriations  
13 and of financial reporting and shall be uniformly adopted by  
14 all departments and establishments of the government.

15 3. ~~However~~ Notwithstanding subsection 2, the department of  
16 workforce development may use the federal fiscal year instead  
17 of the fiscal year commencing on July 1.

18 Sec. 11. Section 8.41, subsection 2, Code 2011, is amended  
19 to read as follows:

20 2. Federal funds deposited in the state treasury as  
21 provided in subsection 1 shall either be included as part of  
22 the governor's budget required by section 8.22 or shall be  
23 included in a separate recommendation made by the governor  
24 to the general assembly. If federal funds received in the  
25 form of block grants or categorical grants have not been  
26 included in the governor's budget for the current fiscal year  
27 biennium because of time constraints or because a budget is not  
28 being submitted for the ~~next fiscal~~ second year of a fiscal  
29 biennium, the governor shall submit a supplemental statement  
30 to the general assembly listing the federal funds received and  
31 including the same information for the federal funds required  
32 by section 8.22, subsection 1, paragraph "b", subparagraph (1),  
33 subparagraph division (e), for the statement of federal funds  
34 in the governor's budget.

35 Sec. 12. Section 8.54, subsection 1, paragraph a, Code 2011,

1 is amended to read as follows:

2 *a. "Adjusted revenue estimate"* means the appropriate revenue  
3 estimate for the general fund for ~~the following~~ a fiscal year  
4 as determined by the revenue estimating conference under  
5 section 8.22A, subsection 3, adjusted by subtracting estimated  
6 tax refunds payable from that estimated revenue and as  
7 determined by the conference, adding any new revenues which may  
8 be considered to be eligible for deposit in the general fund.

9 Sec. 13. Section 8.54, subsections 2, 3, 5, and 7, Code  
10 2011, are amended to read as follows:

11 2. There is created a state general fund expenditure  
12 limitation for each fiscal year of the fiscal biennium  
13 calculated as provided in this section. An expenditure  
14 limitation shall be used for the portion of the budget process  
15 commencing on the date the revenue estimating conference  
16 agrees to a revenue estimate for the following fiscal year  
17 in accordance with section 8.22A, subsection 3, and ending  
18 with the governor's final approval or disapproval of the  
19 appropriations bills applicable to that fiscal year that were  
20 passed prior to July 1 of that fiscal year in a regular or  
21 extraordinary legislative session. The expenditure limitation  
22 shall apply to each of the fiscal years of the fiscal biennium  
23 as follows:

24 *a.* In the fiscal year preceding a fiscal biennium, a state  
25 general fund expenditure limitation shall be calculated for and  
26 shall apply to each of the fiscal years of the ensuing fiscal  
27 biennium.

28 *b.* However, if the adjusted revenue estimate for the  
29 second fiscal year of the fiscal biennium is revised due to  
30 a different estimate developed for that fiscal year under  
31 section 8.22A, subsection 3, paragraph "b", the state general  
32 fund expenditure limitation for that fiscal year shall be  
33 readjusted in accordance with the revision. The governor shall  
34 submit recommendations for and the general assembly shall pass  
35 revisions in revenue provisions and appropriations as necessary

1 so that the budget for the second fiscal year of the fiscal  
2 biennium does not exceed the readjusted state general fund  
3 expenditure limitation.

4 3. Except as otherwise provided in this section, the state  
5 general fund expenditure limitation for a fiscal year shall  
6 be ninety-nine percent of the appropriate adjusted revenue  
7 estimate.

8 5. For a fiscal years year in which section 8.55, subsection  
9 2, results in moneys being transferred to the general fund,  
10 the original state general fund expenditure limitation amount  
11 provided for in subsection 3 for that fiscal year shall be  
12 readjusted to include the moneys which are so transferred.

13 7. The governor shall transmit to the general assembly, in  
14 accordance with section 8.21, a budget which does not exceed  
15 the state general fund expenditure limitation for a fiscal  
16 year. The general assembly shall pass a budget which does  
17 not exceed the state general fund expenditure limitation for  
18 a fiscal year. The governor shall not transmit a budget with  
19 recommended appropriations in excess of the state general  
20 fund expenditure limitation for a fiscal year and the general  
21 assembly shall not pass a budget with appropriations in  
22 excess of the state general fund expenditure limitation for  
23 a fiscal year. The governor shall not approve or disapprove  
24 appropriation bills or items of appropriation bills passed by  
25 the general assembly in a manner that would cause the final  
26 budget approved by the governor to exceed the state general  
27 fund expenditure limitation for a fiscal year. In complying  
28 with the requirements of this subsection, the governor and the  
29 general assembly shall not rely on any anticipated reversion  
30 of appropriations in order to meet the state general fund  
31 expenditure limitation for a fiscal year.

32 Sec. 14. Section 8.57, subsection 6, Code 2011, is amended  
33 by adding the following new paragraph:

34 NEW PARAGRAPH. *j.* Appropriations from the rebuild Iowa  
35 infrastructure fund shall be made on a biennial basis.



1 Sec. 15. Section 8A.104, subsection 3, Code 2011, is amended  
2 to read as follows:

3 3. Prepare ~~an annual~~ a biennial budget for the department  
4 for submission pursuant to section 8.23.

5 Sec. 16. Section 99G.40, subsection 4, Code 2011, is amended  
6 to read as follows:

7 4. For informational purposes only, the chief executive  
8 officer shall submit to the department of management by October  
9 ~~1 of each year~~ of each even-numbered year, a proposed operating  
10 budget for the authority for ~~the succeeding~~ each fiscal year  
11 of the ensuing fiscal biennium. ~~This budget proposal shall~~  
12 ~~also be accompanied by an estimate of the net proceeds to be~~  
13 ~~deposited into the general fund during the succeeding fiscal~~  
14 ~~year.~~ This budget shall be ~~on forms prescribed~~ in the form  
15 specified by the department of management pursuant to section  
16 8.23. A copy of the information required to be submitted to  
17 the department of management pursuant to this subsection shall  
18 be submitted to the general assembly's standing committees on  
19 government oversight and the legislative services agency ~~by~~  
20 ~~October 1 of each year~~ at the same time.

21 Sec. 17. Section 100B.5, Code 2011, is amended to read as  
22 follows:

23 **100B.5 Budget.**

24 The state fire marshal and the state fire service and  
25 emergency response council shall prepare an ~~annual~~ biennial  
26 budget for the council and the fire service training bureau.  
27 The budget shall be transmitted to the commissioner of public  
28 safety for inclusion in that department's budget.

29 Sec. 18. Section 101C.3, subsection 9, Code 2011, is amended  
30 to read as follows:

31 9. At the beginning of each even-numbered fiscal year,  
32 the council shall prepare a budget plan for the next fiscal  
33 year biennium, including the probable cost of all programs,  
34 projects, and contracts to be undertaken for each fiscal year  
35 of the biennium. The council shall submit the proposed budget

1 to the fire marshal for review and comment. The fire marshal  
2 may recommend appropriate programs, projects, and activities to  
3 be undertaken by the council.

4 Sec. 19. Section 237.14, Code 2011, is amended to read as  
5 follows:

6 **237.14 Enhanced foster care services.**

7 The department shall provide for enhanced foster  
8 care services by establishing supplemental per diem or  
9 performance-based contracts which include payment of costs  
10 relating to payments of principal and interest for bonds  
11 and notes issued pursuant to section 16.155 with facilities  
12 licensed under this chapter which provide special services to  
13 children who would otherwise be placed in a state juvenile  
14 institution or an out-of-state program. Before completion of  
15 the department's budget estimate as required by section 8.23,  
16 the department shall determine and include in the estimate the  
17 ~~amount~~ amounts which should be appropriated for enhanced foster  
18 care services for each fiscal year of the forthcoming fiscal  
19 ~~year~~ biennium in order to provide sufficient services.

20 Sec. 20. Section 249J.10, subsection 2, Code 2011, is  
21 amended to read as follows:

22 2. The department may include in its ~~annual~~ biennial budget  
23 submission pursuant to section 8.23, recommendations relating  
24 to a disproportionate share hospital and graduate medical  
25 education allocation plan that maximizes the availability  
26 of federal funds for payments to hospitals for the care and  
27 treatment of indigent patients.

28 Sec. 21. Section 256.84, subsection 9, Code 2011, is amended  
29 to read as follows:

30 9. The board shall approve for submission the ~~annual~~  
31 biennial budget request and any supplementary budget request  
32 for the public broadcasting division of the department of  
33 education.

34 Sec. 22. Section 260C.17, unnumbered paragraph 1, Code  
35 2011, is amended to read as follows:

1 The board of directors of each merged area shall prepare an  
2 ~~annual~~ a biennial budget designating the proposed expenditures  
3 for operation of the community college for each fiscal year  
4 of the upcoming fiscal biennium. The board shall further  
5 designate the amounts which are to be raised by local taxation  
6 and the amounts which are to be raised by other sources of  
7 revenue for the operation. The biennial budget of each merged  
8 area shall be submitted to the state board no later than May  
9 ~~1 preceding the next fiscal~~ of each even-numbered year for  
10 approval. The state board shall review the proposed budget and  
11 shall, prior to June 1, either grant its approval or return the  
12 budget without approval with the comments of the state board  
13 attached to it. Any unapproved budget shall be resubmitted  
14 to the state board for final approval. Upon approval of the  
15 budget by the state board, the board of directors shall certify  
16 the amount to the respective county auditors and the boards of  
17 supervisors annually shall levy a tax of twenty and one-fourth  
18 cents per thousand dollars of assessed value on taxable  
19 property in a merged area for the operation of a community  
20 college. Taxes collected pursuant to the levy shall be paid by  
21 the respective county treasurers to the treasurer of the merged  
22 area as provided in section 331.552, subsection 29.

23 Sec. 23. Section 262.9, subsection 34, Code 2011, is amended  
24 to read as follows:

25 34. Submit its ~~annual~~ biennial budget request broken down  
26 by budget unit.

27 Sec. 24. Section 273.3, subsection 12, Code 2011, is amended  
28 to read as follows:

29 12. Prepare ~~an annual~~ a biennial budget estimating income  
30 and expenditures for programs and services for each fiscal  
31 year of the fiscal biennium as provided in sections 273.1 to  
32 273.9 and chapter 256B within the limits of funds provided  
33 under section 256B.9 and chapter 257. The board shall  
34 give notice of a public hearing on the proposed budget by  
35 publication in an official county newspaper in each county

1 in the territory of the area education agency in which the  
2 principal place of business of a school district that is a  
3 part of the area education agency is located. The notice  
4 shall specify the date, which shall be not later than March  
5 1 of each even-numbered year, the time, and the location of  
6 the public hearing. The proposed budget as approved by the  
7 board shall then be submitted to the state board of education,  
8 on forms provided by the department, no later than March 15  
9 preceding the next fiscal year for approval. The state board  
10 shall review the proposed budget of each area education agency  
11 and shall before April 1, either grant approval or return  
12 the budget without approval with comments of the state board  
13 included. An unapproved budget shall be resubmitted to the  
14 state board for final approval not later than April 15. For  
15 the fiscal year beginning July 1, 1999, and each succeeding  
16 fiscal year, the state board shall give final approval only to  
17 budgets submitted by area education agencies accredited by the  
18 state board or that have been given conditional accreditation  
19 by the state board.

20 Sec. 25. Section 273.23, subsection 5, Code 2011, is amended  
21 to read as follows:

22 5. The initial board, or new board if established in  
23 time under subsection 3, of the newly formed agency shall  
24 prepare ~~an annual~~ a biennial budget estimating income and  
25 expenditures for programs and services for each fiscal year  
26 of the fiscal biennium as provided in sections 273.1 through  
27 273.9 and chapter 256B within the limits of funds provided  
28 under section 256B.9 and chapter 257. The board shall  
29 give notice of a public hearing on the proposed budget by  
30 publication in an official county newspaper in each county  
31 in the territory of the area education agency in which the  
32 principal place of business of a school district that is a part  
33 of the area education agency is located. The notice shall  
34 specify the date, which shall not be later than March 1 of each  
35 even-numbered year, the time, and the location of the public

1 hearing. The proposed budget as approved by the board shall  
2 be submitted to the state board, on forms provided by the  
3 department, no later than March 15 for approval. The state  
4 board shall review the proposed budget of the newly formed  
5 area education agency and shall, before April 1, either grant  
6 approval or return the budget without approval with comments  
7 of the state board included. An unapproved budget shall be  
8 resubmitted to the state board for final approval not later  
9 than April 15. The state board shall give final approval only  
10 to budgets submitted by area education agencies accredited  
11 by the state board or that have been given conditional  
12 accreditation by the state board.

13 Sec. 26. Section 307.12, subsection 1, paragraph m, Code  
14 2011, is amended to read as follows:

15 *m.* Include in the department's ~~annual~~ biennial budget all  
16 estimated federal funds to be received or allocated to the  
17 department.

18 Sec. 27. Section 421.17, subsection 27, paragraph j, Code  
19 2011, is amended to read as follows:

20 *j.* Of the amount of debt actually collected pursuant to  
21 this subsection an amount, not to exceed the amount collected,  
22 which is sufficient to pay for salaries, support, maintenance,  
23 services, and other costs incurred by the department related to  
24 the administration of this subsection shall be retained by the  
25 department. Revenues retained by the department pursuant to  
26 this section shall be considered repayment receipts as defined  
27 in section 8.2. The director shall, in the ~~annual~~ biennial  
28 budget request pursuant to section 8.23, make an estimate as to  
29 the amount of receipts to be retained and the estimated amount  
30 of additional receipts to be collected for each year of the  
31 fiscal biennium. The director shall report annually to the  
32 department of management, the legislative fiscal committee, and  
33 the legislative services agency on any additional positions  
34 added and the costs incurred during the previous fiscal year  
35 pursuant to this subsection.

1 Sec. 28. Section 421C.1, subsection 2, paragraph 1, Code  
2 2011, is amended to read as follows:

3 1. Assisting the director of revenue in preparing the ~~annual~~  
4 biennial budget request related to the office pursuant to  
5 section 8.23.

6 Sec. 29. Section 455A.4, subsection 1, paragraph c, Code  
7 2011, is amended to read as follows:

8 c. ~~Annually~~ Biennially compile a comprehensive program  
9 budget which reflects all fiscal matters related to the  
10 operation of the department and each program, subprogram, and  
11 activity in the department for each fiscal year of the fiscal  
12 biennium in accordance with section 8.23.

13 Sec. 30. Section 455B.298, subsection 4, Code 2011, is  
14 amended to read as follows:

15 4. Include in the budget prepared pursuant to section  
16 455A.4, subsection 1, paragraph "c", ~~an annual~~ a biennial  
17 budget for the administration of the program and the use and  
18 disposition of amounts on deposit in the administration funds  
19 for each fiscal year of the fiscal biennium.

20 Sec. 31. Section 461A.3A, subsection 2, unnumbered  
21 paragraph 2, Code 2011, is amended to read as follows:

22 The department shall provide in its ~~annual~~ biennial budget  
23 documentations to the governor and general assembly a report on  
24 the use of moneys under the program since the last report and  
25 the projected use of future moneys.

26 Sec. 32. Section 546.2, subsection 4, paragraph d, Code  
27 2011, is amended to read as follows:

28 d. To coordinate the development of ~~an annual~~ a biennial  
29 budget which quantifies the operational plans of the divisions  
30 for each fiscal year of the fiscal biennium.

31 Sec. 33. Section 602.1301, subsection 1, Code 2011, is  
32 amended to read as follows:

33 1. The supreme court shall prepare ~~an annual~~ a biennial  
34 operating budget for the judicial branch, and shall submit a  
35 budget request for each fiscal year of the fiscal biennium to

1 ~~the general assembly~~ governor for the fiscal period biennium  
2 for which the ~~general assembly is appropriating funds~~ governor  
3 is making recommendations pursuant to section 8.22.

4 Sec. 34. Section 602.1301, subsection 2, paragraph a,  
5 unnumbered paragraph 1, Code 2011, is amended to read as  
6 follows:

7 As early as possible, but not later than December 1 preceding  
8 the first regular session of a general assembly, the supreme  
9 court shall submit to the ~~legislative services agency~~ governor  
10 the ~~annual biennial~~ budget request and detailed supporting  
11 information for the judicial branch in the form specified for  
12 budget submissions pursuant to section 8.23. ~~The submission~~  
13 ~~shall be designed to assist the legislative services agency~~  
14 ~~in its preparation for legislative consideration of the~~  
15 ~~budget request. The information submitted shall contain and~~  
16 ~~be arranged in a format substantially similar to the format~~  
17 ~~specified by the director of management and used by all~~  
18 ~~departments and establishments in transmitting to the director~~  
19 ~~estimates of their expenditure requirements pursuant to section~~  
20 ~~8.23, except the estimates of expenditure requirements shall~~  
21 ~~be based upon one hundred percent of funding for the current~~  
22 ~~fiscal year accounted for by program, and using the same line~~  
23 ~~item definitions of expenditures as used for the current fiscal~~  
24 ~~year's budget request, and the remainder of the estimate of~~  
25 ~~expenditure requirements prioritized by program.~~ The supreme  
26 court shall also make use of the department of management's  
27 automated budget system when submitting information to  
28 the director of management to assist the director in the  
29 transmittal of information as required under section 8.35A.  
30 The supreme court shall budget and track expenditures by the  
31 following separate organization codes:

32 Sec. 35. Section 602.1301, subsection 2, paragraph b, Code  
33 2011, is amended to read as follows:

34 b. Before December 1 preceding the first regular session  
35 of a general assembly, the supreme court shall submit to the

1 director of management an estimate of the total expenditure  
2 requirements of the judicial branch. ~~The director of~~  
3 ~~management shall submit this estimate received from the supreme~~  
4 ~~court to the governor for inclusion without change in the~~  
5 ~~governor's proposed budget for the succeeding fiscal year. The~~  
6 ~~estimate shall also be submitted to the chairpersons of the~~  
7 ~~committees on appropriations.~~

8 Sec. 36. Section 602.1301, subsection 2, Code 2011, is  
9 amended by adding the following new paragraph:

10 NEW PARAGRAPH. c. The supreme court may submit a  
11 supplemental budget request for the second year of a fiscal  
12 biennium providing for supplemental appropriations to or  
13 appropriations reductions from the previously enacted fiscal  
14 biennium budget. A supplemental request shall be subject to  
15 the same format and information requirements as a biennial  
16 budget request under paragraph "a" and an expenditure  
17 requirements estimate under paragraph "b". A supplemental  
18 budget request shall be submitted on or before December  
19 1 preceding the second year of the fiscal biennium to the  
20 legislative services agency and the director of the department  
21 of management.

22 Sec. 37. EFFECTIVE DATE AND APPLICABILITY. This Act takes  
23 effect July 1, 2012, and is first applicable to the fiscal  
24 biennium beginning July 1, 2013, and ending June 30, 2015.

25 EXPLANATION

26 This bill provides for state biennial appropriations.

27 The bill provides for the budget process and appropriations  
28 to be made on a biennial basis commencing with the fiscal  
29 biennium beginning July 1, 2013, and ending June 30, 2015.

30 The bill strikes budgeting requirements relating to adoption  
31 of an enterprise strategic plan under Code chapter 8E, 75  
32 percent program funding, and pass-through submission of the  
33 judicial branch's total expenditure requirements.

34 Conforming amendments to revise annual budget terminology to  
35 reflect biennial budgets are made in various Code provisions.



S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 The bill takes effect July 1, 2012.