Appropriation Adjustments Bill
House File 45

Last Action:

House Appropriations Committee

January 12, 2011

Executive Summary Only

An Act relating to public funding and regulatory matters and making, reducing, and transferring appropriations and revising fund amounts and including effective, retroactive, and other applicability date provisions, and making penalties applicable.

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at http://www3.legis.state.ia.us/noba/index.jsp

LEGISLATIVE SERVICES AGENCY

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Legislative Services Agency: Estimated Fiscal Savings for HF 45 (FY 2011-FY 2013)

		House File 45: Estimated Fiscal Impact					
Bill Section	Proposal	FY 2011 GF	FY 2011 Other Funds	FY 2012 GF	FY 2012 Other Funds	FY 2013 GF	FY 2013 Other Funds
6	State Employee Health Insurance Fee - Est. Max Impact	$ -116,400	$ 0	$ -24,800,000	$ -41,600,000	$ -24,800,000	$ -41,600,000
6	State Employee Health Insurance Fee - Est. Min. Impact	-116,400	0	-349,200	0	-349,200	0
7	50.0% Reduction of Specified Expenditures	-20,834,000	-9,594,000	0	0	0	0
7.3	Freeze General Fund Out-of-State Travel	-431,000	0	0	0	0	0
8	Cultural Affairs: State Records Storage	0	0	minimal	0	minimal	0
10	End all state benefits to adult illegal immigrants	unknown	unknown	unknown	unknown	unknown	unknown
12	Liaison Limits	0	0	-2,367,300	-100,000	-2,367,300	-100,000
16	FY11 DAS Vehicle Purchase Restriction	0	0	0	0	0	0
17	DAS Office Space Analysis	minimal	minimal	minimal	minimal	minimal	minimal
18	ICN Sales/Lease	0	0	unknown	unknown	unknown	unknown
19	Ethics & Campaign Disclosure Transfer Recision	0	-150,000	0	0	0	0
21	Ethics & Campaign Disclosure Deapprop	-61,648	0	0	0	0	0
22	DAS IT: 50.0% Reduction	-1,000,000	0	0	0	0	0
25	FY11 DNR Land Acquisition Reduction	0	-3,068,811	0	-3,500,000	0	-3,500,000
28	Save Our Small Businesses Fund Elimination	0	-4,000,000	0	0	0	0
29	NAFTA Superhighway Membership Withdrawal	0	0	0	-50,000	0	0
31	Generation Iowa Commission Elimination	minimal	minimal	minimal	minimal	minimal	minimal
32	Great Places Suspension and Fund Reversion	0	-1,750,000	0	0	0	0
35	Dept. of Ed. Deappropriation - Salary	-59,000	0	0	0	0	0
36	Eliminate Core Curriculum (FY11 Deappropriation)	-1,826,000	0	-3,000,000	0	-2,055,000	0
37	University of Iowa Deappropriation	-4,673,113	0	0	0	0	0
38	Iowa State University Deappropriation	-3,661,741	0	0	0	0	0
39	University of Northern Iowa Deappropriation	-1,665,146	0	0	0	0	0
42	State Library Acquisition Funding Reduction	0	0	0	0	0	0
43	Regents Sabbaticals Limitation	0	0	-164,690	0	0	0
49	Additional $10.0 million AEA reduction	-10,000,000	0	-10,000,000	0	-10,000,000	0
52	Repeal Statewide Voluntary Preschool Program	0	0	-69,900,000	0	-75,100,000	0
54	DHS Residency Requirements	minimal	minimal	minimal	minimal	minimal	minimal
57	Health Care Commission funding reduction	0	-123,180	0	0	0	0
58	Eliminate Just Eliminate Lies, Quitline Iowa and other smoking cessation efforts	-2,400,000	0	-6,730,000	0	-6,730,000	0
60	Eliminate the Direct Care Workers Association Assistance	-105,000	0	-315,000	0	-315,000	0
63	Elderly Wellness funding reduction	-300,000	0	0	0	0	0
63	Emergency Medical Services deappropriation	-50,000	0	0	0	0	0
64	Modify family planning waiver	0	0	-116,000	0	-164,000	0
65	Eliminate Empty Shelter Care Beds	-466,000	0	0	0	0	0
68	DOT Plantings for Aesthetic Purposes Restriction	0	minimal	0	0	0	0
80	D-Line Shuttle subsidy reduction	0	-75,000	0	0	0	0
81	Deappropriate for Honey Creek Manager	0	-73,800	0	0	0	0
82	Deappropriate for Passenger Rail	0	-2,697,993	0	0	0	0

Legislative Services Agency: Estimated Fiscal Savings for HF 45 (FY 2011-FY 2013)

House File 45: Estimated Fiscal Impact

Bill Section	Proposal	FY 2011 GF	FY 2011 Other Funds	FY 2012 GF	FY 2012 Other Funds	FY 2013 GF	FY 2013 Other Funds
83	Eliminate Funding for Rail Project	0	0	0	-6,500,000	0	0
84	Deappropriate FY 2011 Funding for Rail Project	0	-1,500,000	0	0	0	0
85	Funding Reduction for Dubuque Depot	0	-300,000	0	0	0	0
88	Indigent Defense Supplemental Appropriation	16,000,000	0	0	0	0	0
91	Eliminate Office of Energy Independence	-30,000	0	0	0	0	0
101	RIO Transfer of Duties	-116,000	0	0	0	0	0
102	Rebuild Iowa Office - Transfer of Duties	0	0	25,000	0	25,000	0
108	Renewable Fuels	0	-47,000	0	0	0	0
123	Eliminate the Grow Iowa Values Fund	0	-20,000,000	0	0	0	0
123	Grow Iowa Values Fund Loan Repayments	0	0	unknown	unknown	unknown	unknown
126	Eliminate the Grow Iowa Values Fund - Future Fiscal Years	0	0	-50,000,000	0	-50,000,000	0
130	Mental Health Wait List Supplemental	25,000,000	0	0	0	0	0
141	Terrace Hill Appropriation - Technical Correction**	263,329	0	0	0	0	0
	Total Estimated Adjustments	**$ -6,531,719**	**$ -43,379,784**	**$ -167,367,990**	**$ -51,750,000**	**$ -171,506,300**	**$ -45,200,000**

Estimated Total General Fund Adjustments FY 2011 - FY 2013 **$ -345,406,009**

Estimated General Fund Adjustments (Net of Supplemental Appropriations) FY 2011 - FY 2013 **$ -386,406,009**

Estimated Total Other Fund Adjustments FY 2011 - FY 2013 **$ -140,329,784**

Estimated Total Adjustments (All Funds) FY 2011 - FY 2013 **$ -485,735,793**

	Revenue Adjustment						
1	***Tax Relief Fund Transfer**	**$ 0**	**$ 0**	**$ -327,400,000**	**$ 327,400,000**	**$ 0**	**$ 0**

Notes:
1. Section 126 (Elimination of the Iowa Grows Value Fund) also deappropriates the General Fund $50.0 million appropriations to the Grow Iowa Values Fund for FY 2014 and FY 2015.
2. Estimates are preliminary and based on assumptions that may change. Any change in assumptions may alter fiscal impact estimates.
3. Current estimates do not reflect any adjustments that may be made due to the appropriation reductions mandated in HF 2531 ($83.8 million).
4. FY 2013 estimated reductions may include reductions made in FY 2012.
5. *The Tax Relief Fund transfer changes the destination of excess funds after the Economic Emergency fund is at the 2.5% maximum. Current law makes any excess funds available for General Fund appropriation in the next fiscal year. This change would deposit any excess to a newly created Tax Relief Fund.
6. **Technical Correction pursuant to letter to the Legislative Council dated June 8, 2010. Letter on file with the LSA.

Section 1 – Tax Relief Fund Transfer

CODE: Changes the destination of excess funds after the Economic Emergency Fund reaches 2.5% of the adjusted revenue estimate. Current law transfers any excess funds to the General Fund for appropriation in the next fiscal year. This change would deposit any excess to a newly created Tax Relief Fund (see Section 2 of this Bill).

DETAIL: Based on the December 6, 2010, Revenue Estimating Conference (REC) projection for FY 2011, as of January 6, 2011, $327.4 million will be available for General Fund appropriation in FY 2012 once the Economic Emergency reaches its statutory limit. This dollar amount is subject to change as the fiscal year progresses and the actual number will not be available until FY 2011 is complete.

Section 2 – Tax Relief Fund Created

CODE: Creates a new Tax Relief Fund separate from the State General Fund. Requires money in the Fund to be used pursuant to General Assembly tax reduction appropriations. The Fund is not subject to reversion and the Fund retains interest on the balance.

Section 3 – Tax Relief Fund Exempt from Automatic Application

CODE: Exempts monies in the Tax Relief Fund from automatic formula, index, or trigger mechanism application, and directs that monies in the Fund may not be considered by a collective bargaining arbitrator.

Section 4 – Tax Relief Fund Legislative Intent

Indicates the intent of the General Assembly to enact appropriations from the Tax Relief Fund created in Section 2 of this Bill for tax relief purposes.

Section 5 – Effective Date

Division I is effective on enactment. The changes will first apply to the calculation of the State expenditure limitation for FY 2012.

DETAIL: Under current law, any money in excess of the amount needed to fully fund the Economic Emergency Fund is available for General Fund appropriation in the following fiscal year.

Section 6 – State Employee Health Insurance Premium Contribution Changes

Requires the Executive and Judicial Branches to engage State employee organizations in negotiations to renegotiate current bargained contracts to achieve cost savings for the State related to health insurance coverage for State employees. The negotiations are required to include a proposal that each State employee contribute at least an additional $100 per month for State provided health coverage. If collective bargaining contracts are renegotiated to provide cost savings for contract covered employees the provisions are required to be applied to non-contract covered employees.

Requires the Legislative Council to determine the additional amount (minimum $100 per month per employee) to be paid by employees of the Legislative Branch for health insurance coverage. The additional payments are to begin on March 1, 2011, or the effective date of this legislation, whichever is sooner.

DETAIL: This change will reduce expenditures from the General Fund by approximately $116,400 during FY 2011 due to the increased payment by Legislative Branch employees. Should all collective bargaining agreements be negotiated or renegotiated and effective July 1, 2011, without any required increase to State costs, expenditures from the General Fund will be reduced by an estimated $24.8 million and expenditures from other funds will be reduced by an estimated $41.6 million annually, beginning with FY 2012. Should no agreement be reached on renegotiating contracts, expenditures from the General Fund will be decreased by an estimated $349,200 annually beginning with FY 2012 due to the additional payments by Legislators and legislative staff.

The estimates for employees covered by collective bargaining agreements are based on calendar year 2010 data provided by the Department of Administrative Services and the Board of Regents. The estimates are based on the number of health contracts, with each contract requiring an employee payment of an additional $100 per month compared to the current amount paid.

The estimated savings would be less if the change would be found to be a significant change to the health plans. If the change was found to be a significant change, the health plans grandfather status under the federal Healthcare Reform Act would be lost and the plans would be required to provide enhanced benefits that would increase the cost of the plans. An estimate on the cost of the increased benefits is not yet available.

Section 7.1 – Definition

Provides a definition of the word “department” for purposes of this Section and includes all Executive Branch agencies.

Section 7.2 – State Agency Office Supplies, Outside Services Purchase, Equipment Purchases, Printing and Binding, Information Technology, and Marketing

Restricts the amount that State agencies are allowed to spend from their FY 2011 appropriations for the following expenditure classes:

- Office Supplies
- Outside Services
- Equipment
- Printing and Binding
- Information Technology
- Marketing

The limitation on these expenditures is as follows: For the period beginning on the effective date of the Bill through the close of FY 2011, agencies can only spend up to 50.0% of the unexpended amount that has been budgeted for each appropriation. This requirement applies to all Executive Branch agencies. Exempts Iowa Public Television from the information technology expenditure limitations of this Section.

DETAIL: The requirements in this Section are estimated to reduce General Fund expenditures by $20,834,000 and non-General Fund expenditures by $9,594,000 for FY 2011. These estimates assume this Bill will become effective by March 1, 2011.

Section 7.3 – Out-of-State Travel

Places a restriction on out-of-state travel funded from a General Fund appropriation for Executive Branch departments beginning on the effective date of the bill through the close of FY 2011. This Section also requires the Executive Council to adopt waiver criteria based on importance of the travel to fulfilling required duties of a department and other specified criteria. Requires all waivers for out-of-state travel to be approved by the Executive Council.

DETAIL: The requirements in this Section are estimated to reduce General Fund expenditures by $431,000 for FY 2011. This estimate assumes this Bill will become effective by March 1, 2011.

Section 7.4 – Marketing Master Contract

Requires the Senate and House Appropriations Committees to recommend legislation directing the Executive Branch to implement a master contract for marketing services that begins on or before July 1, 2011.

Section 7.5 – Regents Institutions Exemption

Exempts the Regents institutions from the expenditure limitations of this Section.

DETAIL: Section 37 through 41 of this Bill apply reductions totaling $10,000,000 to the three Regents universities for FY 2011.

Section 7.6 – Department of Management to Apply Budget Reductions

Requires the Department of Management (DOM) to apply the reductions identified in Section 7 of this Bill to appropriations within 30 days after the enactment of this Section. Also requires the DOM to submit a report to the General Assembly and the Legislative Services Agency itemizing the expenditure and appropriation reductions.

Section 8 – State Records Storage

Requires State agencies that have State records stored in flood plains locations to move them to a location that is not in a flood plain.

DETAIL: No fiscal impact anticipated.

Section 9 – Revenue Estimating Conference (REC)

Requires the REC to meet in February or March 2011, if requested by the Speaker of the House or the Majority Leader of the Senate. Further requires the REC to provide a revenue estimate for FY 2013, as well as an estimate for FY 2012, if a meeting is requested.

DETAIL: Iowa Code Section 8.22A currently requires that the REC "shall meet as often as deemed necessary, but shall meet at least quarterly." The REC is currently required to provide a revenue estimate for only the fiscal year beginning the following July 1 (FY 2012).

Section 10 – Adult Unauthorized Aliens

Requires State departments and agencies to ensure that public benefits are not provided to adults that are in the United States illegally unless specifically authorized by federal or State law.

DETAIL: The fiscal impact for this Section is unknown. Currently, both the Medicaid and Healthy and Well Kids in Iowa (hawk-i) Programs require both proof of citizenship and identity before enrollment can occur in either Program.

Section 11 – State Employee Health Insurance Premium Contribution Changes

CODE: Adds new Code Section 8A.440. The new Section requires collective bargaining agreements to contain a provision that requires each State employee to contribute at least an additional $100 per month for State provided health coverage. The new Section also requires non-contract employees to pay the same amount as paid by the employees covered by the agreement pertaining to the greatest number of State employees.

Section 12 – Liaison Prohibition

CODE: Prohibits an Iowa Executive Branch agency from using public funds to represent the agency relative to legislation being considered by the General Assembly.

DETAIL: The estimated savings to the General Fund is $2,367,300 each year for FY 2012 and FY 2013. The estimated savings to other funds is $100,000 each year for FY 2012 and FY 2013. The estimated savings would occur if the appropriations for departments are reduced by the estimated amounts. The FY 2012 and FY 2013 estimated savings included these calculations:

- Salary and benefit cost of $100,000 annually per legislative liaison employee.
- "Primarily represent" includes Executive Branch agencies having one full-time FTE position for that purpose with certain exceptions. Of the 46 entities reviewed, 20 of the agencies were considered to have one or more full-time FTE positions for this purpose.
- When multiple funding sources are used for one FTE position, in most cases General Fund money was calculated using the percentage of funding provided by the General Fund. For example, for the Board of Regents universities' general education operations, 39.4% of the

funding is from State General Fund appropriations, so each FTE position was assumed to be funded by the same percentage of General Fund money.

- There are nine agencies that may have non-General Fund monies that aren't directly controlled by the General Assembly and may not receive a General Fund appropriation to reduce to reflect potential savings based upon the prohibition.
- The Bill eliminates two State agencies that are not included in the estimated savings in FY 2012 and FY 2013.

There is minimal federal fiscal impact, with federal funds from this prohibition being available for other expenditures in most cases.

Section 13 – Applicability

Specifies Section 11, codifying State employee contributions for health insurance, is effective on enactment.

Section 14 – Effective Upon Enactment

Division II is effective on enactment.

Section 15 – Motor Vehicle Pool Sale

Requires the Administration and Regulation Appropriations Subcommittee to develop and implement a plan to sell the Department of Administrative Services (DAS) Motor Pool vehicles and consider leasing through a private entity. Requires the Subcommittee to submit recommendations to the House and Senate Appropriations Committees by April 4, 2011.

Section 16 – State Owned Passenger Vehicles

Specifies that the DAS is the sole department authorized to operate a pool of passenger vehicles for State departments in Polk County and prohibits the DAS from purchasing new passenger vehicles for the pool for the remainder of FY 2011.

DETAIL: The DAS has indicated that few, if any, additional vehicles were planned for purchase for the remainder of FY 2011 so there will be minimal savings for FY 2011.

Section 17 – DAS Office Space Cost-Benefit Analysis

Directs the DAS to locate State employees in office space in the most cost-efficient manner following the completion of a cost-benefit analysis by the DAS. Prohibits the DAS from paying a penalty for early termination of office lease space outside the Capitol Complex.

DETAIL: Senate File 2389 (FY 2011 Infrastructure Appropriations Act) requires the DAS to submit a cost-benefit analysis of office space by January 14, 2011.

Section 18 – Sale or Lease of the Iowa Communications Network (ICN)

Requires the Iowa Telecommunications and Technology Commission to implement a Request for Proposals (RFP) process to sell or lease the ICN during FY 2011. The RFP is to require the sale or lease to commence in FY 2012.

DETAIL: Fiscal impact is unknown. Estimating the fiscal impact will require the ICN assets being vetted at market to see what type of bids would be offered. The sale or lease price would also depend on whether a portion (such as the outside rings) or the entire network were sold.

Section 19 – Ethics and Campaign Disclosure Board – Appropriation Transfers

Requires any FY 2011 Cash Reserve Fund appropriation transfers by the Department of Management to the Ethics and Campaign Disclosure Board to be returned to the Cash Reserve Fund.

DETAIL: The Department of Management transferred $150,000 from the Cash Reserve Fund to the Ethics and Campaign Disclosure Board in January 2011 to offset appropriation adjustments required by HF 2531 (FY 2011 Standings Appropriations Act). This Section would transfer the $150,000 back to the Cash Reserve Fund resulting in one-time savings for FY 2011.

Section 20 – Lease of Network Capacity

Authorizes the Iowa Telecommunications and Technology Commission (ITTC) to enter into leases to provide access to the ICN to qualified providers for the purpose of reselling access on a wholesale or retail bases. Prohibits the ITTC from favoring one provider over another through terms and conditions established by the ITTC. Requires the ITTC to transfer all remaining funds after payment of operational and maintenance expenses to be transferred to the General Fund.

DETAIL: Fiscal impact unknown. Revenue generated will depend on number of entities who enter into agreement with the ITTC to access the network for the purposes of resale.

Section 21 – Ethics and Campaign Disclosure Board

CODE: Deappropriates $61,648 and 1.0 FTE position from the FY 2011 General Fund appropriation to the Ethics and Campaign Disclosure Board.

DETAIL: This reduces the Ethics and Campaign Disclosure Board to the FY 2010 funding level after the 10.0% across-the-board (ATB) reduction.

Section 22 – DAS Information Technology

CODE: Places a limitation on expenditures made for Information Technology procurement equal to 50.0% of the unexpended or unencumbered amount for FY 2011.

DETAIL: House File 2531 (FY 2011 Standings Appropriations Act) appropriated $2.3 million to the DAS for Information Technology procurement for FY 2011. The limitation is expected to reduce General Fund expenditures by $1.0 million in FY 2011.

Section 23 – Effective Upon Enactment

Division III is effective on enactment.

Section 24 – Department of Natural Resources (DNR) – Real Property Acquisition Curtailed

Prohibits the DNR from entering a new arrangement to acquire or otherwise control real property. This provision is effective on enactment and applies through June 30, 2011. The Section includes language regarding timeframes and definitions as used in this Section.

Section 25 – DNR – Deappropriation from REAP

Deappropriates $3,068,811 from the FY 2011 Environment First Fund appropriation to the Department of Natural Resources (DNR) for the purchase of additional land.

DETAIL: The reduction equals the unobligated balance for land acquisition as of December 15, 2010. The DNR uses funding from the Resource Enhancement and Protection (REAP) Fund to purchase land. The REAP Find receives funding from the Environment First Fund (not General Fund money) and the amount allocated for land acquisition is based on the REAP formula. Future year savings would depend on the amount of funding to REAP. For example, if the REAP Fund receives funding of $11.0 million, the funding allocation for land acquisitions would be $3.0 million; at $13.0 million, the funding allocation for land acquisitions would be $3.5 million; and at $15.0 million, the funding allocations for land acquisitions would be $4.0 million.

Section 26 – Effective Upon Enactment

Division IV is effective on enactment.

Section 27 – Generation Iowa Commission

CODE: Technical change related to elimination of the Generation Iowa Commission.

DETAIL: See Section 31 for the full explanation related to this item.

Section 28 – Save Our Small Businesses Fund Reversion

CODE: Requires all unencumbered and unobligated funds in the Save our Small Businesses Fund to revert to the School Infrastructure Fund on the effective date of this legislation.

DETAIL: The current unencumbered funds are estimated at $4.0 million. The original appropriation was $5.0 million from the School Infrastructure Fund for FY 2011. Iowa Code Section 15.301 currently requires unobligated moneys to revert to the General Fund on March 31, 2011, and all moneys remaining in the Fund from loan repayments to revert to the General Fund on March 31, 2016.

Section 29 – North America's Supercorridor Coalition

CODE: Prohibits the Department of Transportation (DOT) from renewing the State's membership in the North America's Corridor Coalition beginning in FY 2012.

DETAIL: The DOT has been receiving an appropriation for membership in the Coalition since its creation in the 1990s; and since FY 2000, the appropriation has been $50,000 from the Road Use Tax Fund annually. Eliminating membership will reduce expenditures from the Road Use Tax Fund by an estimated $50,000 for FY 2012.

Section 30 – Save Our Small Businesses Fund and Program Elimination

CODE: Eliminates the Save Our Small Businesses Fund and Program.

DETAIL: See Section 28 for fiscal impact related to this item.

Section 31 – Repeal of Generation Iowa Commission

CODE: Eliminates the Generation Iowa Commission.

DETAIL: Minimal fiscal impact. House File 2699 (FY 2009 Economic Development Appropriations Act) provided a $50,000 one-time appropriation from the General Fund. The Department of Economic Development (DED) has been providing minimal General Fund support for the Commission from the appropriation to the Business Services Division.

Section 32 – Great Places Program

Restricts the Department of Cultural Affairs (DCA) to a limitation on expenditures for its Great Places Program made on or after the effective date of this Section through the end of FY 2011.

DETAIL: The DCA received an FY 2011 appropriation of $2,000,000 from the Revenue Bonds Capitals Fund (RBC). The limitation is equal to any expended or encumbered funds from the FY 2011 appropriation from the time of enactment for the remainder of the fiscal year, so anything unencumbered will be captured and returned to the RBC. As of January 4, 2011, all $2,000,000 has been awarded in grants and approximately $250,000 of that is encumbered, leaving a potential for savings of $1,750,000. The RBC Fund consists of bond proceeds and federal law restricts the use and timeframe of use of these funds. Any funds deappropriated from the RBC will need to be appropriated again quickly to eligible projects to meet the specified timeframe for expending the funds.

Section 33 – Transition of Save Our Small Businesses Fund Loan

Requires the Save Our Small Businesses Fund loans to be continued under their current terms and continue to be administered by the DED.

Section 34 – Effective Upon Enactment

Division V is effective on enactment.

Section 35 – Department of Education – General Administration

CODE: Deappropriates $59,000 from the FY 2011 General Fund appropriation to the Department of Education for general administration.

DETAIL: The reduction represents a portion of the Director's salary. The Department Director position has been vacant since May 2010. Governor Branstad announced the appointment of Jason Glass as Director of the Department on December 29, 2010.

Section 36 – Department of Education – Core Curriculum

CODE: Deappropriates $1,826,000 from the FY 2011 General Fund appropriation to the Department of Education for implementation of the statewide core curriculum. Specifies the intent of the General Assembly to have the Senate and House Education Committees propose legislation to change the law regarding the core curriculum by July 1, 2011.

DETAIL: Estimated General Fund savings are $1.8 million for FY 2011, $3.0 million for FY 2012, and $2.1 million for FY 2013.

Section 37 – University of Iowa

CODE: Deappropriates $4,673,113 from the FY 2011 General Fund appropriation to the University of Iowa general education budget.

DETAIL: The three Regents universities received a combined reduction of $10,000,000. The reduction for each university is proportionate to the original FY 2011 appropriation for the General University education budget.

Section 38 – Iowa State University

Deappropriates $3,661,741 from the FY 2011 General Fund appropriation to Iowa State University general education budget.

DETAIL: The three Regents universities received a combined reduction of $10,000,000. The reduction for each university is proportionate to the original FY 2011 appropriation for the General University education budget.

Section 39 – University of Northern Iowa

Deappropriates $1,665,146 from the FY 2011 General Fund appropriation to University of Northern Iowa general education budget.

DETAIL: The three Regents universities received a combined reduction of $10,000,000. The reduction for each university is proportionate to the original FY 2011 appropriation for the General University education budget.

Section 40 – Continued Reductions for the Universities

Specifies legislative intent that the State General Fund reductions to the Regents universities general education budgets be continued for FY 2012 and FY 2013 at an aggregate amount of $15,000,000 per year.

Section 41 – Regents and Community College Administrative Functions

Requires the Education Appropriations Subcommittee to consolidate administrative functions for the Regents Board Office, the three Regents universities, and the community colleges to reduce the administrative costs for the higher education system.

DETAIL: Consolidation can take many forms. An estimate can be made after the details of the consolidation have been determined.

Section 42 – State Library – Acquisition Funding

Requires the State Library to limit FY 2011 expenditures for library acquisitions, including digital materials, to 50.0% of the unexpended, unencumbered acquisitions budget at the effective date of this Section.

DETAIL: The State Library has no State funding budgeted for acquisitions in FY 2011. Acquisitions, including digital subscriptions and contracts, are budgeted from federal funds.

Section 43 – Regents University Leave Limitation

Prohibits the three Regents universities from approving professional development assignments (commonly referred to as sabbaticals) for FY 2012.

DETAIL: The projected faculty replacement costs for the professional development assignments for FY 2012 is $422,283. The universities' general education budgets receive 39.4% of their funding from General Fund appropriations. Eliminating these assignments reduces costs associated with the General Fund appropriations by an estimated $164,690. Based on the grants received in FY 2009 and FY 2010, it is projected that there may be a total reduction in the grants from applications generated by faculty on professional development assignments of up to $8,100,000.

Section 44 – Statewide Voluntary Preschool Intent

Specifies that it is the intent of the General Assembly to replace the Statewide Voluntary Preschool Program by expanding preschool tuition assistance as part of the School Ready Children Grant Program administered by the Early Childhood Iowa Initiative.

DETAIL: See Section 52 for more explanation regarding repeal of the current Program.

Section 45 – State Child Care Advisory Council

CODE: Strikes references to the Statewide Voluntary Preschool Program.

Section 46 – State Child Care Advisory Council

CODE: Strikes references to the Statewide Voluntary Preschool Program.

Section 47 – Statewide Voluntary Preschool Program Technical Correction

CODE: Technical correction related to the repeal of the Statewide Voluntary Preschool Program.

Section 48 – Statewide Voluntary Preschool Program Technical Correction

CODE: Technical correction related to the repeal of the Statewide Voluntary Preschool Program.

Section 49 – Area Education Agency Funding Reduction

CODE: Requires that State aid to Area Education Agencies (AEAs) be reduced by an additional $10.0 million for FY 2011 and subsequent fiscal years.

DETAIL: The AEAs currently have a statutory reduction of $7.5 million each fiscal year. Additionally, HF 2531 (FY 2011 Standing Appropriations Act) reduced State aid to AEAs by an additional $2.5 million for FY 2011. The additional $10.0 million reduction results in a total State aid reduction of $20.0 million for FY 2011 and $17.5 million for FY 2012 and subsequent fiscal years. The reduction is applied to the State aid portion of AEA educational support services funding.

Section 50 – Statewide Voluntary Preschool Program Technical Correction

CODE: Technical correction related to the repeal of the Statewide Voluntary Preschool Program.

Section 51 – Statewide Voluntary Preschool Program Technical Correction

CODE: Technical correction related to the repeal of the Statewide Voluntary Preschool Program.

Section 52 – Statewide Voluntary Preschool Program Repeal

CODE: Repeals the Statewide Voluntary Preschool Program effective July 1, 2011.

DETAIL: Based on the October 2010 enrollment count, there were 19,800 preschool students attending the statewide voluntary preschool program. The enrollment counts taken in October, resulted in a preschool formula weighting totaling 11,880. This weighting will be used to generate preschool formula funding for 323 districts in FY 2012. The LSA assumes a 7.5% increase in the weighting figure for preschool formula funding purposes in FY 2013.

FISCAL IMPACT: Repealing the Program eliminates the standing appropriation for the preschool formula. Based on a 0.0% allowable growth rate for FY 2012 and FY 2013, the estimated General Fund reduction will be $69.9 million for FY 2012 and $75.1 million for FY 2013.

Section 53 – Effective Dates

Sections 45-52 are effective July 1, 2011, and apply to budget years beginning with FY 2012. Sections 35-44 are effective on enactment.

Section 54 – Residency Requirements for Public Benefits

CODE: Requires the Department of Human Services (DHS) to apply all residency eligibility restrictions required by federal and State law.

DETAIL: The fiscal impact for this Section is anticipated to be minimal. The Department has been able to cross reference eligibility between all border states other than Illinois. Due to budget issues in Illinois this is not expected to change.

Section 55 – Reduction of Area Agencies on Aging

Requires the Department of Aging to develop a plan to reduce the number of Area Agencies on Aging to no more than five with the plan effective July 1, 2011. There are currently 13 Area Agencies on Aging.

DETAIL: The fiscal impact for this Section is unknown until there is a plan available to analyze. The Department is to submit the plan to the House and Senate Human Resources Standing Committees and the Health and Human Services Appropriations Subcommittee on or before February 25, 2011.

Section 56 – Joint Appropriations Subcommittee on Health and Human Services

Directs the Health and Human Services Appropriations Subcommittee to develop a new reimbursement methodology for the DHS to implement in FY 2012 for contracted juvenile shelter care providers with the intent to end payment for unused beds.

DETAIL: It is estimated that the State will pay $1.4 million in FY 2011 for beds that have not been used but are contractually obligated for payment. The General Fund savings are estimated at $1.3 million for FY 2012 and $1.2 million for FY 2013. Federal funds are not impacted since Title IV-E funds do not pay for unused beds. See Section 65 for the deappropriation of the unspent and unencumbered funds for shelter care beds for FY 2011.

Section 57 – Health Care Coverage Commission

CODE: Deappropriates $123,180 from the FY 2010 Human Services Reinvestment Fund appropriation to the Legislative Health Care Commission.

DETAIL: The two-year Commission completed its legislative charge and dissolved on December 31, 2010. The reduction is an estimate of the unencumbered funding as of January 1, 2011.

Section 58 – Addictive Disorders

CODE: Deappropriates $2.4 million of the FY 2011 General Fund appropriation to the Department of Public Health (DPH) addictive disorders budget.

DETAIL: This reduction reflects a portion of the unspent and unencumbered budget for tobacco-related programming in FY 2011. The General Fund savings are estimated at $6.7 million for FY 2012; and $6.7 million for FY 2013. A loss of approximately $1.0 million in annual federal funding is possible if all tobacco-related programming is eliminated beginning in FY 2012.

Section 59 – Tobacco Prevention Allocation Reductions and FY 2011 Limitation

CODE: Reduces allocation language related to the $2.4 million deappropriation of funds in Section 58. The allocation paragraph for the Just Eliminate Lies (JEL) Program is reduced by $598,836 to reflect the reduction to tobacco programming. Cancels any tobacco-related programs or activities for FY 2011 that are not contractually obligated to continue through the end of the fiscal year. Directs the Department of Human Services (DHS) to change Medicaid requirements for cessation services that currently require a referral from the Iowa Quitline to a requirement for a physician prescription or referral or other suitable requirement to obtain services. Directs specified legislative committees to recommend legislation for a revised youth program to be implemented in FY 2012.

Section 60 – Community Capacity

CODE: Deappropriates $105,000 from the FY 2011 General Fund appropriation to the DPH community capacity budget.

DETAIL: The reduction reflects a portion of the unspent and unencumbered budget for the Direct Care Worker Advisory Council and the current contract with the Iowa Caregivers Association in FY 2011. Estimated General Fund savings are $105,000 for FY 2011; $315,000 for FY 2012; and $315,000 for FY 2013.

Section 61 – Direct Care Worker Advisory Council

CODE: Reduces the allocation of appropriated funds to the DPH Direct Care Worker Advisory Council by $60,000 for FY 2011. This allocation reflects a portion of the FY 2011 General Fund deappropriation in Section 60.

Section 62 – Direct Care Worker Association

CODE: Reduces the allocation of appropriated funds to an independent direct care worker association by $45,000 for FY 2011. This allocation reflects a portion of the FY 2011 General Fund deappropriation in Section 60.

DETAIL: The reduction reflects a portion of the unspent and unencumbered allocation to the Iowa Caregivers Association.

Section 63 – Healthy Aging – Public Protection

CODE: Healthy Aging: Deappropriates $300,000 from the FY 2011 General Fund appropriation to the DPH healthy aging (formerly elderly wellness) budget.

DETAIL: The reduction is equal to one-half of funding that is estimated to be used for activities other than elderly wellness activities in FY 2011. The allocation paragraphs for local public health nursing and for home care aide services are reduced by $82,380 and $217,620 respectively for a total of $300,000.

CODE: Public Protection: Deappropriates $50,000 from the FY 2011 General Fund appropriation to the DPH public protection budget.

DETAIL: Eliminates one-time funding to the Emergency Medical Services Fund for education, training, testing, and other costs to conform to national standards for certification of emergency medical care providers. This funding was budgeted for expenditure in FY 2012 by the DPH.

Section 64 – Family Planning Waiver Reduction in Federal Poverty Level

CODE: Reduces eligibility for the Medicaid Family Planning Waiver that is currently 200.0% of the federal poverty level (FPL) and scheduled to increase to 300.0% of the FPL, back to 133.0% of the FPL. The Section also lowers the age for eligibility from 55 to 45 and eliminates the coverage of men and individuals that have health insurance.

DETAIL: This change is estimated to reduce General Fund expenditures by $116,000 in FY 2012 and $161,000 in FY 2013 for direct Family Planning costs. Because the State receives a 90.0% federal match for the Program, the State would lose $1,044,000 in federal funding in FY 2012 and $1,449,000 FY 2013. According to the nonpartisan Congressional Budget Office, providing Family Planning Services to women between the ages of 15-44 with incomes under 200.0% of the FPL saves the State and federal government more than the Program costs due to fewer unintended Medicaid pregnancies. More information is available at: http://www.cbo.gov/ftpdocs/99xx/doc9925/12-18-HealthOptions.pdf. Due to maintenance of effort requirements required by the federal American Recovery and Reinvestment Act of 2009, it is assumed that changes to the Waiver will not be implemented until July 1, 2011.

Section 65 – Children and Family Services (CFS) – Shelter Care

CODE: Deappropriates $466,000 from the FY 2011 General Fund appropriation to the DHS Child and Family Services budget.

DETAIL: The reduction reflects a portion of the unspent and unencumbered budget for unused shelter care beds for juveniles for FY 2011. See Section 56 for more explanation related to this item.

Section 66 – CFS – Shelter Care

CODE: Reduces the allocation language related to the FY 2011 General Fund deappropriation in Section 65 related to shelter care providers.

Section 67 – Effective Upon Enactment

Division VII is effective on enactment.

Section 68– DOT Plantings for Aesthetic Purposes

Restricts the DOT from paying for wildflowers or other plants intended for aesthetic purposes from time of enactment through the end of FY 2011.

DETAIL: The roadside vegetation projects are intended and targeted to reduce long-term maintenance costs of mowing, fertilizing, and spraying; provide erosion control and reduce stormwater runoff; and enhance motorist safety by reducing blowing snow and snow glare. In addition, the vegetation provides improved habitats for various types of wildlife. Generally, the DOT tries to use federal Transportation Enhancement funding to fund revegetation projects on State highways and right of ways, but the State Primary Road Fund provides the 20.0% match to the federal funds. For FY 2011, the DOT is spending $300,000 on revegetation projects, with the State paying the 20.0% match. Most of the funds have been spent, and savings from the time of enactment to the end of the fiscal year are minimal.

Sections 69 – 74 – Smart Planning Provisions

CODE: Repeals references related to Code Chapter 18B, concerning smart planning principles and guidelines.

DETAIL: Senate File 2389 (FY 2011 Infrastructure Appropriations Act) added Code Sections 18B.1 and 18B.2 and amended existing provisions relating to city and county zoning as well as consideration of their comprehensive plans. The Bill strikes these references in the city and county zoning provisions. Section 76 repeals Code Chapter 18B.

Section 75 – I-JOBS II Program – Disaster Prevention Local Infrastructure

CODE: Repeals the Code Section 16.194A that established the I-JOBS II Disaster Prevention Program.

DETAIL: I-JOBS II Program provided $30,000,000 in competitive grants from an FY 2011 appropriation from the Revenue Bonds Capitals II Fund (RBC2) for local infrastructure relating to disaster prevention. Cities and counties that applied the smart planning principles and guidelines established in Code Chapter 18B were eligible to apply. Section 76 of this Bill repeals Code Chapter 18B and Section 78 rescinds certain awards from those competitive grants.

Section 76 – Smart Planning Code Chapter Repealed

CODE: Repeals Code Chapter 18B, relating to smart planning principles and guidelines.

Section 77 – Smart Planning Task Force Repealed

CODE: Repeals the Smart Planning Task Force.

DETAIL: The Task Force was established in SF 2389 and met during the summer and fall of 2010. The Task Force submitted a report to the General Assembly and Governor as required before November 15, 2010. The Task Force was scheduled to dissolve on December 31, 2012.

Section 78 – Recision of Awards – I-JOBS II Disaster Prevention Local Infrastructure Grants

Rescinds any award to a city or county that received a grant from the Disaster Prevention Program if that award is not yet under contract at the time of enactment. Restricts the I-JOBS Board from awarding any additional grants once this Section is enacted.

DETAIL: The $30,000,000 from the FY 2011 RBC2 appropriation for Disaster Prevention Local Infrastructure grants was awarded to cities and counties for local infrastructure projects relating to disaster prevention. The I-JOBS Board awarded the grants in September 2010 and most of the Grant Agreements have been signed. Projects approved include levee repairs and construction, fire and rescue stations, emergency buildings, and storm shelters. As of January 4, 2011, none of the local entities have begun drawing the funds and all $30,000,000 remains. It is unknown at this time how many local entities, if any, have entered into contracts for work on their projects based on the grants awarded. The RBC2 consists of tax-exempt bond proceeds and federal law and regulations restrict its use. Any funds deappropriated from the RBC2 will need to be appropriated again quickly to eligible projects to meet the specified timeframe for expending the funds.

Section 79 – Sustainable Communities – Transportation, Infrastructure, and Capitals Appropriations Subcommittee

Requires the Subcommittee to develop and recommend provisions in proposed legislation concerning reductions of all identifiable appropriations enacted in the 2010 Session for purposes of sustainable communities projects by April 4, 2011, and provide it to the House and Senate Appropriation Standing Committees.

DETAIL: In SF 2389 (FY 2011 Infrastructure Appropriations Act) there was one project specifically for a “green pilot” project in the community. The allocation was $1,175,000 from the RBC2 to the City of West Union for reconstruction of existing horizontal infrastructure to incorporate sustainable development practices (e.g. permeable pavers to reduce storm water runoff). The $30,000,000 in the I-JOBS II Program was for disaster prevention local infrastructure projects and cities and counties that applied smart planning principles and guidelines were eligible to apply; however, the projects themselves were not for the purpose of sustainable development practices.

Section 80 – D-Line Shuttle Deappropriation

CODE: Deappropriates $75,000 from the FY 2011 Rebuild Iowa Infrastructure Fund (RIIF) appropriation to the DAS for the State's share of support for the D-Line Bus Service provided by the Des Moines Area Regional Transit (DART) Authority.

DETAIL: The D-Line shuttle service is provided by an agreement between the State, the City of Des Moines, and the Downtown Community Alliance with DART providing the service between downtown Des Moines, the East Village, and the Capitol Complex. Without the State subsidy, the portion of the route from the East Village around the Capitol Complex will be discontinued. In addition, the reduction will discontinue the Employee Free Ride Program that allowed State employees to ride the DART Authority buses for free with a valid employee badge and program sticker.

Section 81 – Honey Creek Asset Manager

CODE: Deappropriates $73,800 from the FY 2011 RIIF appropriation to the DNR for the Honey Creek Asset Manager.

DETAIL: The reduction equals the unspent budget for the Honey Creek Asset Manager. On July 22, 2010, the Natural Resource Commission approved the recommendation to accept the bid by Capital Hotel Management (CHM), of Beverly, MA, and contract with the CHM to be the Asset Manager for the Honey Creek Destination Resort State Park. The contract is in effect from July 22, 2010, through June 30, 2011.

Sections 82 - 84 – Passenger Rail Appropriations

Deappropriates a total of $10,697,993 from three fiscal year appropriations to the DOT for passenger rail. Strikes intent language that the General Assembly would fund up to $20,000,000 to fund the State commitment for matching federal funds over a four year period.

DETAIL: For passenger rail, the DOT received $3,000,000 for FY 2010 from the RIIF, $2,000,000 for FY 2011 from the Underground Storage Tank Fund, and an out-year appropriation of $6,500,000 for FY 2012 from the RIIF. The reduction equals the unspent funds of $2,697,993 from the FY 2010 RIIF appropriation, $1,500,000 from the FY 2011 UST Fund appropriation, and $6,500,000 FY 2012 RIIF appropriation.

The DOT intended to use a total of $10,000,000 from these appropriations as the first half of the required State match for its portion ($86,800,000) of a federal grant of $230,000,000 from the Federal Railroad Administration (FRA) to work in coordination with Illinois to provide passenger rail service from Chicago to Iowa City, via the Quad Cities. Illinois received the other portion of the federal grant and has appropriated funds for its state match, so the rail service from Chicago to the Quad Cities is expected to proceed. Without the State's match, it is anticipated that the FRA will rescind the State's portion of the grant. The funds would have been used for providing the infrastructure and improvements needed to extend the rail service from Iowa City to the Quad Cities. In addition, $1,000,000 of the FY 2010 RIIF appropriation would have been used as State match to complete a feasibility study regarding passenger rail service from Omaha, NE to Chicago, IL. Construction on the project is expected to take four years, with service beginning in FY 2015. An estimated $3,000,000 will be need annually for operating and maintenance costs, once service begins.

Section 85 – Dubuque Depot

CODE: Deappropriates the $300,000 FY 2009 RIIF appropriation to the City of Dubuque for a depot and platform to accommodate future Amtrak train service.

DETAIL: The City planned to use the funds for a feasibility and environmental study and preliminary engineering for the platform as part of a larger intermodal facility there. Currently, there is no passenger rail service from Chicago to Dubuque; the former Black Hawk service ceased operating in 1981.

Section 86– Effective Date

Division VIII is effective on enactment.

Section 87 – Judicial Branch and Indigent Defense

CODE: Requires the Judicial Branch to transfer funds from its operating budget to the Indigent Defense Fund for any claims approved by the State Public Defender or the court in excess of certain fee limitations. The amount transferred is the difference between the fee limitation and the amount approved.

DETAIL: This Section has the potential to increase receipts for the Indigent Defense Fund with a corresponding reduction in the Judicial Branch's operating budget. The language is revenue neutral. Any increased receipts to the Indigent Defense Fund are offset by a decrease in the Judicial Branch's operating budget.

Section 88 – Indigent Defense

CODE: Provides an FY 2011 supplemental appropriation of $16,000,000 to the Department of Inspections and Appeals (DIA) for indigent defense.

DETAIL: The FY 2011 General Fund appropriations for the State Public Defender's Office and the Indigent Defense Fund are $13.5 million below the amount actually expended in FY 2010. The DIA has indicated that an additional $2.5 million may still be needed for FY 2011 bringing the total potential supplemental need to $18.5 million. The FY 2012 appropriation increase is anticipated to be an additional $3.2 million.

Section 89 – Effective Date

Division IX is effective on enactment.

Section 90 – Power Fund Repeal

CODE: Repeals the Power Fund and Power Fund appropriation.

DETAIL: Repeals the Power Fund and Power Fund appropriation at the end of the fiscal year, when the code is set to expire.

Section 91 – Office of Energy Independence (OEI) Repeal

CODE: Repeals the Office of Energy Independence.

DETAIL: This will result in savings of approximately $30,000 to the General Fund for FY 2011 to reflect 25.0% of administration expenditures. The savings assumes that the State Energy Program is the only program transferred back to the DED and that all other projects end.

Section 92 – Transition Provisions—Departmental Authority

Requires the transfer of the duties of the OEI to the Department of Economic Development (DED) on the effective date of this legislation. Requires the Economic Development Appropriations Subcommittee to recommend the agency that will assume the responsibilities of the OEI and any required Code changes.

Section 93 – Transition Provisions – Continuation of Grants

Transfers funds, licensures, contracts, grants, and loans authorized by the OEI, temporarily to the DED.

Section 94 – Effective Upon Enactment

Division X is effective on enactment except Section 90, repealing the Power Fund, which takes effect July 1, 2011.

Sections 95 - 99 – Rebuild Iowa Office (RIO): Technical Reference Eliminations

CODE: Eliminates various statutory references to the RIO.

DETAIL: See Section 102 for further explanation regarding elimination of RIO.

Section 100 – Rebuild Iowa Office (RIO): Technical Reference Elimination Repeal Date

CODE: Amends HF 64 (Disaster Assistance – Appropriations, Grants, and Administration Act) to change the sunset date for the RIO, from June 30, 2011, to the effective date of this legislation.

DETAIL: See Section 102 for further explanation regarding elimination of RIO.

Section 101 – Rebuild Iowa Office: Deappropriation

CODE: Deappropriates $116,000 from the FY 2011 General Fund appropriation to the RIO.

DETAIL: The FY 2011 appropriation was $647,014. If the RIO is eliminated during FY 2011, the General Fund would save approximately $54,000 for each month prior to the end of FY 2011 it is eliminated. The FY 2011 savings estimate assumes that RIO could be eliminated by March 1. Permits $50,000 of the FY 2011 funds appropriated to the RIO to be transferred to the Homeland Security and Emergency Management Division (HSEMD) of the Department of Public Defense for assumption of RIO duties.

Section 102 – Rebuild Iowa Office: Transfer of Duties

Transfers the duties of the RIO to the HSEMD of the Department of Public Defense.

DETAIL: The HSEMD has indicated that related duties can be absorbed by the agency with the addition of 1.0 FTE position. Section 101 provides for the transfer of $50,000 of the funds appropriated to RIO for FY 2011 to offset costs associated with transfer of these duties.

Section 103 – Rebuild Iowa Office: Transfer of Duties

Requires the Justice System Appropriations Subcommittee to consult with the Homeland Security and Emergency Management Division and propose legislation identifying the appropriate State agencies to assume the duties of the Rebuild Iowa Office.

Section 104 – Enactment Date

Division XI is effective on enactment.

Sections 105 – 128 – Grow Iowa Values Fund (GIVF) and Program Elimination

CODE: Makes a variety of statutory changes associated with repeal and elimination of the Grow Iowa Values Fund and Program. Specifically, Sections 123 and 124 require reversion of any unobligated and unencumbered funds from the FY 2011 RIIF appropriation of $38,000,000. Upon the effective date of Sections 123 and 124, the entities that received a portion of the $38,000,000, with the exception of the Board of Regents and Workforce Training and Economic Development funds for community colleges, are required to cease obligating or encumbering the funds. Section 124 directs repayments from loans made through the GIVF to the general funds. A portion of these loans to businesses are forgivable if conditions of their projects are met. The low and high estimates are unknown at this time. Section 126 repeals the Grow Iowa Values Fund and Program.

DETAIL: As of December 2010, the unobligated amount of the $38,000,000 is approximately $20,000,000. The amount excluded from the reduction is $3,800,000 to the Board of Regents and $5,320,000 to community colleges. Section 120 eliminates the standing limited General Fund appropriation of $50.0 million annually for fiscal years 2012 through 2015 totaling $200.0 million. For FY 2009 through FY 2011, the Grow Iowa Values Fund has been funded from the RIIF rather than the General Fund, at a reduced amount.

Section 129 – Effective Date

Division XII relating to the Grow Iowa Values Fund and Program is effective on enactment.

Section 130 – Appropriation to the Mental Health Risk Pool

Provides a supplemental appropriation of $25,000,000 to the Risk Pool of the Mental Health Property Tax Relief Fund in the Department of Human Services.

DETAIL: The funds in this Section, distributed by the Risk Pool Board, are to be used to provide services and support for people eligible for mental health services under the county management plan but are on a waiting list due to insufficient funding through June 30, 2012. Of the funds appropriated, up to $5.0 million is to be used to expand the number of Medicaid waiver slots for the Intellectual Disabilities Waiver. Funding in this Section is to be managed by the Risk Pool so that no person removed from a waiting list is returned to a waiting list. The funding is to supplement appropriations until a new system can be designed and implemented beginning July 1, 2012.

Section 131 – Adult Mental Health and Disability Service System Reform

Specifies that the General Assembly finds there is need to reform the Mental Health and Disability Services System administered by the counties and requires the House and Senate Human Resources, Appropriations, and Ways and Means Committees to propose legislation for a new system to be implemented July 1, 2012.

DETAIL: The legislation is to phase in full State funding for the nonfederal share of Medicaid services, provide property tax relief by having the State assume a greater role in funding mental health and disability services, and shift the balance of responsibility from the counties to the State to ensure greater uniformity. County expenditures for mental health totaled $334.9 million in FY 2009 and $329.5 million in FY 2010 with the counties funding up to $125.0 million of this with a Mental Health Property Tax Levy. The remaining funds are provided by the State and federal government.

The federal Patient Protection and Affordable Care Act (PPACA) of 2010 will have a major impact on the new Mental Health and Disability Services System. There will be a number of individuals that will become eligible for Mental Health Services under Medicaid beginning January 1, 2014, as Medicaid expands to 133.0% of the FPL and eliminates categorical eligibility. The General Assembly will have a number of decisions to make on how to incorporate mental health services and Medicaid with the possibility of leveraging additional federal funds.

Section 132 through 137 – Adult Mental Health and Disability Service System Reform

These Sections repeal the current County Mental Health and Disability Services System on July 1, 2012, and require the Legislative Services Agency to prepare legislation providing conforming Code changes for implementation of the repeal. The System will be replaced by a new system described in Section 131 of this Bill.

Section 138 – Effective Upon Enactment

Division XIII is effective on enactment.

Section 139 – Early Childhood Iowa Initiative

CODE: Corrective provision to reflect the restructuring of Community Empowerment as Early Childhood Iowa in SF 2088 (Government Reorganization and Efficiency Act).

Section 140 – Unemployment Compensation

CODE: Corrective provision to permit expenditure of funds in the Unemployment Compensation Reserve Fund without specifying the amount for each purpose.

Section 141 – Terrace Hill – Department of Administrative Services

CODE: Makes a correction to a General Fund appropriation included in HF 2531 (FY 2011 Standing Appropriations Act) to the Department of Administrative Services for the maintenance of the Terrace Hill grounds.

DETAIL: The appropriation of $263,329 was intended to be made for FY 2011; however, the final version of the Act inadvertently made the appropriation for FY 2010. Additionally, due to the lack of an immediate effect date for the FY 2010 appropriation, the funding was nullified. This correction was detailed in a letter dated June 8, 2010, from the LSA to the Legislative Council. The Department also received an appropriation of $168,494 for FY 2011 from the Cash Reserve Fund for Terrace Hill grounds maintenance. This represents only 39.0% of the total amount needed to fully fund the costs for FY 2011. The correction is needed to restore funding for the remainder of the fiscal year.

Section 142 – Effective Upon Enactment and Retroactive Applicability

Division XIV is effective on enactment and applies retroactively to July 1, 2010, with the exception of Section 141, which is effective retroactively to April 29, 2010.