

# **Standing Appropriations Bill Senate File 510**

## ***Conference Committee Report***

**An Act relating to the funding of, the operation of, and appropriation of moneys to the college student aid commission, the department for the blind, the department of education, and the state board of regents, providing for related matters, and providing effective date and retroactive and other applicability provisions.**

**Fiscal Services Division  
Legislative Services Agency**

### **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available online at: <https://www.legis.iowa.gov/publications/information/appropriationBillAnalysis>

LSA Contacts: Dave Reynolds (515-281-6934), Adam Broich (515-281-8223), and Christin Mechler (515-281-6561)

# STANDING APPROPRIATIONS BILL CONFERENCE COMMITTEE REPORT

SENATE FILE 510

**Funding Summary:** Senate File 510 makes adjustments to various General Fund standing appropriations and results in a net decrease in appropriations of \$31.3 million for FY 2016 and \$19.5 million for FY 2017. The Bill also includes multiple provisions that result in an estimated net increase in General Fund revenues of \$11.4 million for FY 2016 and \$12.8 million for FY 2017.

The attached spreadsheet shows the standing appropriations adjusted by SF 510.

## Language Summary

**NOTE:** This language summary represents major language provisions and should not be considered an all-inclusive comprehensive listing.

- **Executive Branch Budgets:** Requires State agencies to submit FY 2017 and FY 2018 budget information to the Department of Management (DOM) and include all proposed expenditures, supporting data, and explanations. Requires the Director of the DOM to consult with the Legislative Services Agency (LSA) concerning the provision of support data. Requires budgeted expenditures to be prioritized by program or by expected results, and requires performance measures to be included with the budget information.
- **Department of Cultural Affairs:** Limits the General Fund appropriations to the Department of Cultural Affairs (DCA) for operational support grants and community cultural grants to \$417,000 for FY 2016 and \$208,000 for FY 2017.
- **Nonpublic School Transportation:** Limits the General Fund appropriations to the Department of Education for nonpublic school transportation to \$8.6 million per year for FY 2016 and FY 2017.
- **Tobacco Reporting Enforcement:** Limits the General Fund appropriations to the Department of Revenue for tobacco reporting enforcement to \$18,000 for FY 2016 and \$9,200 for FY 2017.
- **Instructional Support:** Suspends the General Fund standing appropriation of \$14.8 million for the Instructional Support Program for FY 2016 and FY 2017.
- **Legislative Branch:** Reduces the FY 2016 standing appropriation for the Legislative Branch by \$4.2 million.
- **Anatomical Gift Public Awareness Fund:** Permits any unobligated funds in the Anatomical Gift Public Awareness Fund to be used for grants to recipients of organ transplants.
- **AEA Funding:** Reduces the FY 2016 State school aid funding to area education agencies (AEAs) by \$15.0 million.
- **New Jobs Training Agreement:** Permits a community college to enter into a new jobs training agreement with an employer that had an agreement in effect in April 2012 with a base of 2,125 employees.
- **FISCAL IMPACT:** This is estimated to reduce General Fund revenue by \$488,000 in FY 2016 and \$112,000 in FY 2017.
- **Nonreversion Online Learning:** Allows any unobligated funds from the FY 2015 and FY 2016 General Fund appropriations for the Iowa Online Learning Initiative to carry forward and remain available for expenditure for the next two fiscal years. Iowa Code section 256.42 (Iowa Online Learning Initiative) appropriates \$1.5 million each year for FY 2015 and FY 2016.
- **Revenue Estimating Conference:** Requires the Revenue Estimating Conference (REC) to hold one of its three meetings in March of each year and to provide a revenue estimate for two years beyond the current fiscal year in progress at the March meeting.
- **ICN Executive Director:** Technical correction to eliminate an outdated salary range for the Executive Director of the Iowa Communications Network (ICN).
- **Digital Images of Write-in Reports:** Permits the county commissioner of elections to require precinct election officials to utilize digital images to compile write-in reports for delivery to the county's special precinct board for tallying rather than requiring delivery of the physical ballots.
- **Beer Container Provision:** Provides that a sealed container of beer is not considered an open container if it remains unopened, the seal has not been tampered with, and the contents of the container have not been partially removed.

# STANDING APPROPRIATIONS BILL CONFERENCE COMMITTEE REPORT

## SENATE FILE 510

- **Department of Education Fine Arts FTE Position:** Requires the Department of Education to dedicate a minimum of 0.5 FTE position to maintain a fine arts consultant.
  - **Teach Iowa Scholar Program:** Specifies that individuals applying for a grant through the Teach Iowa Scholar Program and that meet eligibility requirements on or after January 1, 2013, are eligible to receive a grant award. Persons that met the requirements prior to January 1, 2013, are ineligible for the program.
  - **Flood Mitigation Program Sales Tax:** Specifies that the amount of sales tax collected for flood mitigation projects in Dubuque County will not be reduced if the additional federal financial assistance does not reduce the need for sales tax revenue due to an increase in project costs that were incurred after the project was approved. Specifies that remittances of sales tax revenue to a governmental entity as part of the Flood Mitigation Program are permissible after the expiration of the entity's 20-year project approval if the remittances are based on sales that occurred prior to the expiration.
  - **Property Assessment Appeal Board:** Extends the sunset provision of the Property Assessment Appeal Board (PAAB) from January 1, 2018, to January 1, 2021. Also permits a property owner to bypass the PAAB and appeal an assessment completed by the local board of review directly to district court.
  - **Identity Theft:** Expands the definition of "victim" for the purpose of qualifying for an identity theft passport that may be issued by the Crime Victim Assistance Division (CVAD) of the Office of the Attorney General.
  - **Judicial Branch Operations:** Increases funding for Judicial Branch salaries and operational costs by \$7.2 million for FY 2016 and allocates \$520,000 for Juvenile Drug Courts.
  - **Medicaid Payment Methodologies:** Amends language in SF 505 (Health and Human Services Appropriations Bill) relating to Medicaid payment methodologies for disproportionate share hospitals and graduate medical education.
  - **Special Funds Salary Adjustment:** Permits salary adjustment to be funded from revolving, trust, or special funds for FY 2016 and FY 2017, as long as the funding does not exceed the operating budgets established by the General Assembly.
  - **Salary Model Administrator:** Requires the salary model administrator to work with the LSA to maintain the State's salary model. Requires various departments to submit salary data to the DOM and the LSA.
  - **Corrective Provisions:** Provides numerous nonsubstantive corrective provisions to the Iowa Code and 2015 Iowa Acts.
  - **Elimination of DOM Requirement:** Eliminates the requirements that the DOM assist the Director of the Iowa Economic Development Authority (IEDA) with the Iowa Targeted Small Business Procurement Act and that the DOM perform oversight and impose sanctions in connection with State programs emphasizing equal opportunity through affirmative action, contract compliance policies, and procurement set-aside requirements.
  - **Animal Truck Wash Facilities:** Establishes rules adopted by the Environmental Protection Commission regarding small animal truck wash facilities.
  - **Avoca Court:** Removes the requirement that court be held in Avoca in Pottawattamie County.
  - **Iowa Educational Savings Plan Trust:** Extends the contribution deadline of the Iowa Educational Savings Plan Trust (College Savings Iowa) from December 31 to April 30 of the respective tax year.
- FISCAL IMPACT:** This is estimated to reduce General Fund revenue by \$488,000 in FY 2016 and \$112,000 in FY 2017.
- **Renewable Fuel Infrastructure Program:** Specifies that the Renewable Fuel Infrastructure Program can be used for projects that store and dispense E-15 blended gasoline for at least the time period of September 16 to May 31 of each year.
  - **Appeal Board Claims:** Permits State Appeal Board claims to be paid from the Economic Emergency Fund beginning in FY 2016. Under current law, State Appeal Board claims are paid from the General Fund. This change will shift an estimated \$3.0 million currently budgeted in the General Fund to the Economic Emergency Fund for FY 2016 and FY 2017.

# STANDING APPROPRIATIONS BILL CONFERENCE COMMITTEE REPORT

SENATE FILE 510

- **STEM Internships:** Requires the Iowa Economic Development Authority to administer internships related to small and medium sized firms and students studying in the field of Science, Technology, Engineering, and Mathematics (STEM) in a similar manner. The matching portion of the Internship Program is provided on a reimbursement basis and the match is 50.0% of the intern's wage.
- **Interstate Medical Licensure Compact:** Provides for the enactment of the Interstate Medical Licensure Compact to create an expedited licensing reciprocity procedure for physicians licensed in member states. The Compact will become effective and binding when enacted by at least seven states.
- **Entrepreneur Investment Awards Program:** Makes various changes to the Entrepreneur Investment Awards Program administered by the IEDA, and includes extending the Program grants that were to sunset on June 30, 2014.
- **Housing Enterprise Tax Credit:** Permits the IEDA to enter into an agreement for a Housing Enterprise Tax Credit for certain housing businesses. The provision related to a Housing Enterprise Tax Credit is effective on enactment and applies retroactively to July 1, 2014.
- **Court Debt:** Changes the way debt will be collected by eliminating the Central Collections Unit participation in collections and assigning all court debt to a private debt collector after 30 days. County attorneys will continue to have cases assigned to them after 60 days if the debt has not been placed in a payment plan with the private debt collector.  
**FISCAL IMPACT:** It is estimated that this change will increase General Fund revenues by \$12.0 million in FY 2016 and \$13.0 million in FY 2017 with increased collections. A private debt collector will use more aggressive debt collecting practices and have longer access to the newest debt which is easier to collect. The impact on the County Attorney collection efforts is estimated by the Judicial Branch to be minimal. The growth in court debt collections has averaged more than 8.0% over the last 10 years. Division XXVII of this Bill reduces these revenues by depositing \$2.0 million per year in the Judicial Officer Compensation Fund.
- **Residential Swimming Pools:** Requires the Department of Public Health to regulate residential swimming pools used for private swimming lessons as a residential swimming pool used for commercial purposes if the residential swimming pool is used for private swimming lessons for up to 270 hours per month, or the number of hours prescribed by local ordinance, whichever is greater.
- **Iowa Online Learning:** Limits the statewide enrollment of pupils in internet instruction to no more than 0.18% of statewide enrollment and no more than 1.0% of a district's enrollment unless the limitation will prevent siblings from enrolling in the same school district or a district determines online instruction will suit the needs of a physically or emotionally fragile student. Exceptions to the limitations expire June 30, 2018. Requires the Department of Education to annually collect certain data on student performance in online instruction. The data must be included in the Department's annual report to the General Assembly. School districts that provide online instruction must comply with certain requirements.
- **Health Insurance Carrier Disclosures:** Requires a health insurance carrier to provide prospective and current enrollees, licensed insurance producers, and the general public with clear and understandable information regarding matters of coverage, coinsurance, prescription drugs, physician network, and out-of-pocket costs.
- **Health Insurance Carrier Procedures:** Requires a health insurance carrier that provides small group or individual health coverage that offers benefits pursuant to the federal Patient Protection and Affordable Care Act to implement and maintain procedures for carrying out and documenting the internal claims and appeals process.
- **Fraudulent Tax Refunds:** Amends the duties of the Director of the Department of Revenue to identify and prevent the issuance of fraudulent and erroneous tax refunds.  
**FISCAL IMPACT:** This is estimated to result in an annual net revenue increase of \$2.3 million to the General Fund.
- **Angel Investor Tax Credit Programs:** Amends Angel Investor Tax Credit Programs and includes the Venture Capital Tax Credit and the Qualifying Business or Community-Based Seed Capital Fund Tax Credit.
- **Workforce Housing Tax Incentives Program:** Modifies the tax credit calculation and approval process for the Workforce Housing Tax Incentives Program.

# STANDING APPROPRIATIONS BILL CONFERENCE COMMITTEE REPORT

SENATE FILE 510

- **Economic Development Program Changes:** Permits the IEDA to extend a project completion date for projects awarded tax incentives under the Redevelopment Tax Credit Program and the Housing Enterprise Zone Tax Incentives Program if a property suffered a catastrophic fire during calendar year 2014. This provision is effective retroactively to agreements entered into on or after July 1, 2010.
- **Human Trafficking:** Enhances the penalty for a felony human trafficking conviction to a forcible felony. Requires the Crime Victim Assistance Division (CVAD) of the Office of the Attorney General to cooperate with other governmental and nonprofit agencies to develop and conduct outreach, public awareness, and training programs related to human trafficking for certain populations. Transfers the FY 2015 ending balance in the Mortgage Servicing Settlement Fund, estimated at \$626,000, to the newly created Human Trafficking Enforcement Fund. Moneys in this new Fund are to be used to train local and state justice system professionals to recognize and report incidents of human trafficking. Any funds remaining at the end of FY 2020 are transferred to the General Fund. The Bill also permits the Attorney General to use up to \$300,000 per year from the Victim Compensation Fund to provide training to professionals concerning victim services, homicide, domestic violence, sexual assault, stalking, harassment, and human trafficking. The section that transfers the FY 2015 ending balance in the Mortgage Servicing Settlement Fund to the new Human Trafficking Enforcement Fund is effective on enactment and applies retroactively to June 30, 2015.
- **Eminent Domain Prohibition:** Prohibits a State agency from beginning a project using condemned land without approval of the preliminary or final route or project site of a public improvement by the governing body.
- **Eminent Domain Relating to Lake Creation:** Prohibits the number of acres of land acquired using condemnation for the creation of a lake in Clarke County from exceeding the number of acres necessary to provide the needed drinking water.
- **Eminent Domain Alternative Water Sources:** Requires alternative sources of water to be reviewed within Clarke County prior to the condemnation of property for the purpose of creating a lake that will be used as a surface drinking water source.
- **Judicial Officer Compensation Fund:** Creates the Judicial Officer Compensation Fund for the purpose of enhancing the compensation of judicial officers. Transfers \$2.0 million per year from the proceeds collected from judicial fines to the Judicial Officer Compensation Fund. Under current law, this revenue is deposited in the General Fund. The Bill requires the annual salary rate for a judicial officer to remain at the rate established by 2013 Iowa Acts, chapter 140, until otherwise provided by the General Assembly.  
**FISCAL IMPACT:** This provision will reduce General Fund revenue by \$2.0 million annually beginning in FY 2016.
- **Disabled Veteran Homestead Credit:** Transfers moneys from the lowAccess Revolving Fund to the Homestead Credit Fund in an amount sufficient to pay homestead credit claims in FY 2016 for certain disabled veterans.  
**FISCAL IMPACT:** It is estimated that \$950,000 to \$1.5 million will be transferred from the lowAccess Revolving Fund in FY 2016 to the Homestead Credit Fund to cover increased homestead credit claims for disabled veterans.

# Standing Appropriations Bill

## General Fund

	FY 2016			FY 2017		
	Current Law	SF 510	Total	Current Law	SF 510	Total
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Administrative Services, Dept. of</u></b>						
Federal Cash Management - Standing	\$ 356,587	\$ 0	\$ 356,587	356,587	0	356,587
Unemployment Compensation - Standing	440,371	0	440,371	440,371	0	440,371
<b><u>Corrections, Dept. of</u></b>						
State Cases Court Costs	59,733	0	59,733	59,733	0	59,733
<b><u>Cultural Affairs, Dept. of</u></b>						
County Endowment Funding - DCA Grants	520,000	-103,298	416,702	520,000	-311,649	208,351
<b><u>Economic Development Authority</u></b>						
Tourism Marketing - Adjusted Gross Receipts	1,124,000	0	1,124,000	1,124,000	0	1,124,000
<b><u>Education, Dept. of</u></b>						
Child Development	12,606,196	0	12,606,196	12,606,196	0	12,606,196
Instructional Support	14,800,000	-14,800,000	0	14,800,000	-14,800,000	0
Nonpublic School Transportation	9,960,931	-1,400,000	8,560,931	9,960,931	-1,400,000	8,560,931
Sac Fox Settlement Education	100,000	0	100,000	100,000	0	100,000
State Foundation School Aid	0	0	0	0	0	0
AEA State Aid Reduction	0	-15,000,000	-15,000,000	0	0	0
<b><u>Executive Council</u></b>						
Court Costs	59,772	0	59,772	59,772	0	59,772
Public Improvements	39,848	0	39,848	39,848	0	39,848
Drainage Assessment	20,227	0	20,227	20,227	0	20,227
<b><u>Legislative Branch</u></b>						
Legislative Branch	38,250,000	-4,223,452	34,026,548	38,250,000	0	38,250,000
<b><u>Governor</u></b>						
Interstate Extradition	3,032	0	3,032	3,032	0	3,032
<b><u>Public Health, Dept. of</u></b>						
Congenital & Inherited Disorders Registry	232,500	0	232,500	232,500	0	232,500
<b><u>Human Services, Dept. of</u></b>						
Commission of Inquiry	1,394	0	1,394	1,394	0	1,394
Nonresident Transfers	67	0	67	67	0	67
Nonresident Commitment Mental Illness	142,802	0	142,802	142,802	0	142,802
Child Abuse Prevention	232,570	0	232,570	232,570	0	232,570

# Standing Appropriations Bill

## General Fund

	FY 2016			FY 2017		
	Current Law	SF 510	Total	Current Law	SF 510	Total
	(1)	(2)	(3)	(4)	(5)	(6)
<b><u>Management, Dept. of</u></b>						
Technology Reinvestment Fund	\$ 17,500,000	\$ 0	\$ 17,500,000	17,500,000	0	17,500,000
Technology Reinvestment Fund - HF 650	-17,500,000	0	-17,500,000	0	0	0
Special Olympics Fund	100,000	0	100,000	100,000	0	100,000
Appeal Board Claims	3,000,000	-3,000,000	0	3,000,000	-3,000,000	0
<b><u>Judicial Branch</u></b>						
Operations	0	7,200,000	7,200,000	0	0	0
<b><u>Public Defense, Dept. of</u></b>						
Compensation and Expense	344,644	0	344,644	344,644	0	344,644
<b><u>Public Safety, Department of</u></b>						
DPS-POR Unfunded Liabilities	5,000,000	0	5,000,000	5,000,000	0	5,000,000
<b><u>Revenue, Dept. of</u></b>						
Ag Land Tax Credit - GF	39,100,000	0	39,100,000	39,100,000	0	39,100,000
Homestead Tax Credit Aid - GF	130,800,000	0	130,800,000	130,800,000	0	130,800,000
Homestead Tax Credit Aid - HF 166	600,000	0	600,000	2,400,000	0	2,400,000
Elderly & Disabled Tax Credit - GF	24,000,000	0	24,000,000	24,000,000	0	24,000,000
Printing Cigarette Stamps	124,652	0	124,652	124,652	0	124,652
Military Service Tax Refunds	2,100,000	0	2,100,000	2,100,000	0	2,100,000
Comml/Industrial Prop Tax Replacement	162,056,468	0	162,056,468	152,556,727	0	152,556,727
Comml/Industrial Prop Tax Replacement - HF 666	-9,500,000	0	-9,500,000	0	0	0
Business Property Tax Credit	100,000,000	0	100,000,000	125,000,000	0	125,000,000
Tobacco Reporting Requirements	25,000	-6,584	18,416	25,000	-15,792	9,208
<b>GRAND TOTAL</b>	<b>\$ 536,700,794</b>	<b>\$ -31,333,334</b>	<b>\$ 505,367,460</b>	<b>\$ 581,001,053</b>	<b>\$ -19,527,441</b>	<b>\$ 561,473,612</b>