

# **Standing Appropriations Bill House File 2459**

Last Action:

**House Appropriations  
Committee**

April 14, 2016

**An Act relating to state and local finances by making appropriations, providing for legal responsibilities, and providing for other properly related matters.**

**Fiscal Services Division  
Legislative Services Agency**

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

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

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**FUNDING SUMMARY**

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The net impact of this bill is a reduction of \$26.4 million to FY 2017 General Fund appropriations. The bill makes \$28.4 million in reductions to various standing appropriations currently in statute and provides for a new appropriation of \$2.0 million.

**NEW PROGRAMS, SERVICES, OR ACTIVITIES**

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Provides a General Fund appropriation of \$2.0 million to the Iowa Finance Authority for deposit in the Water Quality Financial Assistance Fund created in HF 2451 (Water, Metered Excise Tax Bill). Page 3, Line 10

**MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS**

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Reduces the General Fund standing limited appropriation for the Peace Officers Retirement System (PORS) Fund from \$5.0 million to \$2.5 million. Page 1, Line 3

Reduces the FY 2017 standing appropriation for the Legislative Branch by \$5.9 million. Page 1, Line 9

Reduces the FY 2017 State school aid funding to area education agencies (AEAs) by \$20.0 million. Page 1, Line 27

**STUDIES AND INTENT**

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Prohibits the Legislative Branch from expending funds from the standing unlimited appropriation for annual membership dues to organizations and costs associated with out-of-state travel. Page 1, Line 21

**SIGNIFICANT CODE CHANGES**

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Requires the Legislative Tax Expenditure Committee to review the General Fund standing appropriations related to property tax replacement in 2016. Page 2, Line 5

Eliminates a General Fund standing unlimited appropriation for costs associated with the transfer of a nonresident person with a mental illness to a State hospital or to their place of residence and instead, requires the Department of Human Services to pay any necessary expenses. Page 2, Line 16

Eliminates a General Fund standing unlimited appropriation under the purview of the Governor's Office for interstate extradition costs of a prisoner and instead requires the Department of Corrections to pay the costs. Page 2, Line 29

**EXECUTIVE SUMMARY**  
STANDING APPROPRIATIONS BILL

**HOUSE FILE 2459**

Changes the timing of when the State Appeal Board disposes of all appeals associated with local budgets from on or before April 30 of each year to within 45 days after the date of the appeal hearing.

Page 4, Line 6

Clarifies that the \$30.0 million state sales tax revenue that is to be deposited to the Sales Tax Increment Fund is an annual maximum amount.

Page 4, Line 20

Requires the University of Iowa Hospitals and Clinics to pay 100.0% of the cost of any judgment against the Hospital that favors a claimant.

Page 4, Line 30

Division III provides numerous nonsubstantive corrective provisions to the Iowa Code and the 2016 Iowa Acts.

Page 5, Line 14

House File 2459 provides for the following changes to the Code of Iowa.

<b>Page #</b>	<b>Line #</b>	<b>Bill Section</b>	<b>Action</b>	<b>Code Section</b>
2	5	4	Add	2.48.3.0f
2	16	5	Amend	230.8
2	29	6	Amend	820.24
4	6	9	Amend	24.32
4	20	10	Amend	418.12.5
4	30	11	Amend	669.11
5	16	12	Amend	229.13.7.a.(1)
5	29	13	Amend	272.25.3
6	10	14	Amend	598C.102.8.b

1 1 DIVISION I  
 1 2 STANDING APPROPRIATIONS AND RELATED MATTERS

1 3 Section 1. 2015 Iowa Acts, chapter 138, section 3, is  
 1 4 amended by adding the following new subsection:  
 1 5 NEW SUBSECTION 4. For the peace officers' retirement,  
 1 6 accident, and disability system retirement fund under section  
 1 7 97A.11A:  
 1 8 ..... \$ 2,500,000

CODE: Reduces the General Fund standing limited appropriation for the Peace Officers Retirement System (PORS) Fund from \$5,000,000 to \$2,500,000.

DETAIL: Iowa Code section 97A.11A provides a standing limited appropriation from the General Fund of \$5,000,000 to the Department of Public Safety, beginning July 1, 2012 (FY 2013), until the Peace Officers Retirement System (PORS) Fund reaches a funded ratio of at least 85.0%. As of June 30, 2015, the PORS Fund had a funded ratio of 73.5% and an unfunded actuarial liability of \$141,600,000. The unassigned standing was notwithstanding in FY 2013 and did not begin until FY 2014. The supplemental money is not to be used to reduce the normal rate of contribution by the state below 17.0%.

1 9 Sec. 2. 2015 Iowa Acts, chapter 138, is amended by adding  
 1 10 the following new section:  
 1 11 new section SEC. 5A. GENERAL ASSEMBLY.  
 1 12 1. The appropriations made pursuant to section 2.12 for the  
 1 13 expenses of the general assembly and legislative agencies for  
 1 14 the fiscal year beginning July 1, 2016, and ending June 30,  
 1 15 2017, are reduced by the following amount:  
 1 16 ..... \$ 5,850,000

CODE: Reduces the FY 2017 standing appropriation for the Legislative Branch by \$5,850,000 and permits unexpended funds budgeted during FY 2016 to carry forward to FY 2017.

DETAIL: The FY 2017 Legislative Branch budget is estimated at \$38,250,000. This requirement reduces the budget to \$32,400,000 and represents a reduction of \$1,635,244 compared to the amount budgeted for FY 2016.

1 17 2. The budgeted amounts for the general assembly and  
 1 18 legislative agencies for the fiscal year beginning July 1,  
 1 19 2016, may be adjusted to reflect the unexpended budgeted  
 1 20 amounts from the previous fiscal year.

1 21 3. Annual membership dues for organizations, associations,  
 1 22 and conferences shall not be paid from moneys appropriated  
 1 23 pursuant to section 2.12.  
 1 24 4. Costs for out-of-state travel and per diems for  
 1 25 out-of-state travel shall not be paid from moneys appropriated  
 1 26 pursuant to section 2.12.

Prohibits the Legislative Branch from expending funds from the standing unlimited appropriation for annual membership dues to organizations and costs associated with out-of-state travel.

1 27 Sec. 3. 2015 Iowa Acts, chapter 138, is amended by adding  
 1 28 the following new section:  
 1 29 new section SEC. 7A. Section 257.35, Code 2016, is amended  
 1 30 by adding the following new subsection:  
 1 31 new subsection 10A. Notwithstanding subsection 1, and in  
 1 32 addition to the reduction applicable pursuant to subsection  
 1 33 2, the state aid for area education agencies and the portion  
 1 34 of the combined district cost calculated for these agencies  
 1 35 for the fiscal year beginning July 1, 2016, and ending June

CODE: Reduces the FY 2017 state school aid funding to area education agencies (AEAs) by \$20,000,000.

DETAIL: In addition to the \$20,000,000 state aid reduction for FY 2017, the AEAs have an annual statutory reduction of \$7,500,000. The state aid reduction to the AEAs will total \$27,500,000 for FY 2017.

2 1 30, 2017, shall be reduced by the department of management by  
 2 2 twenty million dollars. The reduction for each area education  
 2 3 agency shall be prorated based on the reduction that the agency  
 2 4 received in the fiscal year beginning July 1, 2003.

2 5 Sec. 4. Section 2.48, subsection 3, Code 2016, is amended by  
 2 6 adding the following new paragraph:

2 7 NEW PARAGRAPH Of. In 2016:

2 8 (1) The homestead tax credit under chapter 425.

2 9 (2) The elderly and disabled property tax credit under  
 2 10 chapter 425.

2 11 (3) The agricultural land tax credit under chapter 426.

2 12 (4) The military service tax credit under chapter 426A.

2 13 (5) The business property tax credit under chapter 426C.

2 14 (6) The commercial and industrial property tax replacement  
 2 15 claims under section 441.21A.

2 16 Sec. 5. Section 230.8, Code 2016, is amended to read as  
 2 17 follows:

2 18 230.8 TRANSFERS OF PERSONS WITH MENTAL ILLNESS — EXPENSES.

2 19 The transfer to any state hospitals or to the places of their  
 2 20 residence of persons with mental illness who have no residence  
 2 21 in this state or whose residence is unknown and deemed to be a  
 2 22 state case, shall be made according to the directions of the  
 2 23 administrator, and when practicable by employees of the state  
 2 24 hospitals. The actual and necessary expenses of such transfers  
 2 25 shall be paid by the department on itemized vouchers sworn to  
 2 26 by the claimants and approved by the administrator, ~~and the~~  
 2 27 ~~amount of the expenses is appropriated to the department from~~  
 2 28 ~~any funds in the state treasury not otherwise appropriated.~~

2 29 Sec. 6. Section 820.24, Code 2016, is amended to read as  
 2 30 follows:

2 31 820.24 EXPENSES — HOW PAID.

2 32 When the punishment of the crime shall be the confinement of  
 2 33 the criminal in the penitentiary, the expenses shall be paid  
 2 34 ~~out of the state treasury, on the certificate of the governor~~  
 2 35 ~~and warrant of the director of the department of administrative~~  
 3 1 services by the department of corrections; and in all other  
 3 2 cases they shall be paid out of the county treasury in the  
 3 3 county wherein the crime is alleged to have been committed.  
 3 4 The expenses shall be the fees paid to the officers of the

CODE: Requires the Legislative Tax Expenditure Committee to review the following General Fund standing appropriations related to property tax replacement in 2016:

- Homestead Tax Credit: The FY 2017 appropriation is estimated at \$135,500,000.
- Elderly and Disabled Property Tax Credit: The FY 2017 appropriation is estimated at \$26,100,000.
- Agricultural Land Tax Credit: The FY 2017 standing limited appropriation is \$39,100,000.
- Military Service Tax Credit: The FY 2017 appropriation is estimated at \$2,100,000.
- Business Property Tax Credit: The FY 2017 standing limited appropriation is \$125,000,000.
- Commercial and Industrial Property Tax Replacement: The FY 2017 appropriation is estimated at \$154,636,698.

CODE: Eliminates a General Fund standing unlimited appropriation for costs associated with the transfer of a nonresident person with a mental illness to a state hospital or to their place of residence and instead, requires the Department of Human Services to pay any necessary expenses.

DETAIL: The state currently budgets \$67 annually for potential costs associated with this appropriation. No funds have been expended through this appropriation since at least FY 2008.

CODE: Eliminates a General Fund standing unlimited appropriation under the purview of the Governor's Office for interstate extradition costs of a prisoner and instead requires the Department of Corrections to pay any expenses of such costs.

DETAIL: The state currently budgets \$3,032 annually for potential costs associated with this appropriation. No funds have been expended through this appropriation since at least FY 2008. The expenses for interstate extradition include the fees paid to the officers of the state, and all necessary and actual traveling expenses incurred in returning a prisoner to another state or transporting a prisoner from

3 5 state on whose governor the requisition is made, and all  
3 6 necessary and actual traveling expenses incurred in returning  
3 7 the prisoner.

another state to Iowa.

3 8 DIVISION II  
3 9 MISCELLANEOUS PROVISIONS

3 10 Sec. 7. WATER QUALITY — IOWA FINANCE AUTHORITY. There is  
3 11 appropriated from the general fund of the state to the Iowa  
3 12 finance authority for the fiscal year beginning July 1, 2016,  
3 13 and ending June 30, 2017, the following amount, or so much  
3 14 thereof as is necessary, to be used for the purpose designated:  
3 15 For deposit in the water quality financial assistance fund  
3 16 created in section 16.134A, if enacted by 2016 Iowa Acts, House  
3 17 File 2451:  
3 18 ..... \$ 2,000,000

General Fund appropriation to the Iowa Finance Authority for deposit in the Water Quality Financial Assistance Fund created in HF 2451 (Water, Metered Excise Tax Bill).

DETAIL: Under HF 2451, the Water Quality Financial Assistance Fund is established for the purpose of collecting moneys from the Water Service Tax for FY 2018 through FY 2029. House File 2451 allocates the proceeds in the Fund as follows:

- 40.0% for the Wastewater and Drinking Water Financial Assistance Program
- 45.0% for the Water Quality Financing Program
- 15.0% for the Water Quality Urban Infrastructure Program

3 19 Sec. 8. SALARY MODEL ADMINISTRATOR. The salary model  
3 20 administrator shall work in conjunction with the legislative  
3 21 services agency to maintain the state's salary model used for  
3 22 analyzing, comparing, and projecting state employee salary  
3 23 and benefit information, including information relating to  
3 24 employees of the state board of regents. The department of  
3 25 revenue, the department of administrative services, the five  
3 26 institutions under the jurisdiction of the state board of  
3 27 regents, the judicial district departments of correctional  
3 28 services, and the state department of transportation shall  
3 29 provide salary data to the department of management and the  
3 30 legislative services agency to operate the state's salary  
3 31 model. The format and frequency of provision of the salary  
3 32 data shall be determined by the department of management and  
3 33 the legislative services agency. The information shall be  
3 34 used in collective bargaining processes under chapter 20 and  
3 35 in calculating the funding needs contained within the annual  
4 1 salary adjustment legislation. A state employee organization  
4 2 as defined in section 20.3, subsection 4, may request  
4 3 information produced by the model, but the information provided  
4 4 shall not contain information attributable to individual  
4 5 employees.

Requires the salary model administrator to work with the Legislative Services Agency (LSA) to maintain the state's salary model. Requires various departments to submit salary data to the Department of Management and the LSA.

4 6 Sec. 9. Section 24.32, Code 2016, is amended to read as  
4 7 follows:  
4 8 24.32 DECISION CERTIFIED.

CODE: Changes the timing of when the state Appeal Board disposes of all appeals associated with local budgets from on or before April 30 of each year to within 45 days after the date of the appeal hearing.

4 9 After a hearing upon the appeal, the state board shall  
 4 10 certify its decision to the county auditor and to the parties  
 4 11 to the appeal as provided by rule, and the decision shall  
 4 12 be final. The county auditor shall make up the records in  
 4 13 accordance with the decision and the levying board shall make  
 4 14 its levy in accordance with the decision. Upon receipt of  
 4 15 the decision, the certifying board shall correct its records  
 4 16 accordingly, if necessary. Final disposition of all appeals  
 4 17 shall be made by the state board ~~on or before April 30 of~~  
 4 18 ~~each year~~ within forty-five days after the date of the appeal  
 4 19 hearing.

4 20 Sec. 10. Section 418.12, subsection 5, Code 2016, is amended  
 4 21 to read as follows:

4 22 5. If the department of revenue determines that the  
 4 23 revenue accruing to the fund or accounts within the fund  
 4 24 exceeds thirty million dollars for a fiscal year or exceeds  
 4 25 the amount necessary for the purposes of this chapter if the  
 4 26 amount necessary is less than thirty million dollars for a  
 4 27 fiscal year, then those excess moneys shall be credited by the  
 4 28 department of revenue for deposit in the general fund of the  
 4 29 state.

4 30 Sec. 11. Section 669.11, Code 2016, is amended to read as  
 4 31 follows:

4 32 669.11 PAYMENT OF AWARD.

4 33 1. Any Except as provided in subsection 2, an award to  
 4 34 a claimant under this chapter, and any judgment in favor of  
 4 35 any claimant under this chapter, shall be paid promptly out  
 5 1 of appropriations which have been made for such purpose, if  
 5 2 any; but any such amount or part thereof which cannot be paid  
 5 3 promptly from such appropriations shall be paid promptly out  
 5 4 of any money in the state treasury not otherwise appropriated.  
 5 5 Payment shall be made only upon receipt of a written release by  
 5 6 the claimant in a form approved by the attorney general.  
 5 7 2. An award under this chapter, and any judgment in favor  
 5 8 of any claimant under this chapter, for a claim relating  
 5 9 to conduct or actions of an employee of the hospital and  
 5 10 medical clinics at the university of Iowa, shall be paid by  
 5 11 the hospital and medical clinics at the university of Iowa.  
 5 12 Payment shall be made only upon receipt of a written release by  
 5 13 the claimant in a form approved by the attorney general.

5 14 DIVISION III  
 5 15 CORRECTIVE PROVISIONS

5 16 Sec. 12. Section 229.13, subsection 7, paragraph a,  
 5 17 subparagraph (1), if enacted by 2016 Iowa Acts, Senate File

CODE: Clarifies that the \$30,000,000 state sales tax revenue that is to be deposited to the Sales Tax Increment Fund is an annual maximum amount.

DETAIL: This clarification coordinates with language in Iowa Code section 418.12(4), that limits the annual total remittances from the Flood Mitigation Program Sales Tax Increment Fund to all qualified local governments to no more than \$30,000,000 per fiscal year. This language does not have a fiscal impact.

CODE: Requires the University of Iowa Hospitals and Clinics to pay 100.0% of the cost of any judgment against the Hospital that favors a claimant.

DETAIL: Under current practice, the state Appeal Board periodically pays a portion of the claims associated with judgments and settlement the Hospital.

CODE: Corrective provision for SF 2259 (Treatment of Persons with a Serious Mental Impairment Bill).



5 18 2259, section 1, is amended to read as follows:

5 19 (1) The respondent's mental health professional acting  
5 20 within the scope of the mental health professional's practice  
5 21 shall notify the committing court, with preference given to the  
5 22 committing judge, if available, in the appropriate county ~~who~~  
5 23 and the court shall enter a written order directing that the  
5 24 respondent be taken into immediate custody by the appropriate  
5 25 sheriff or sheriff's deputy. The appropriate sheriff or  
5 26 sheriff's deputy shall exercise all due diligence in taking  
5 27 the respondent into protective custody to a hospital or other  
5 28 suitable facility.

DETAIL: This Bill was approved by the General Assembly on April 11, 2016.

5 29 Sec. 13. Section 272.25, subsection 3, Code 2016, as amended  
5 30 by 2016 Iowa Acts, Senate File 2196, section 3, is amended to  
5 31 read as follows:

5 32 3. A requirement that the program include instruction  
5 33 in skills and strategies to be used in classroom management  
5 34 of individuals, and of small and large groups, under varying  
5 35 conditions; skills for communicating and working constructively  
6 1 with pupils, teachers, administrators, and parents; preparation  
6 2 in reading theory, knowledge, strategies, and approaches, and  
6 3 for integrating literacy instruction ~~in~~ into content areas in  
6 4 accordance with section 256.16; and skills for understanding  
6 5 the role of the board of education and the functions of other  
6 6 education agencies in the state. The requirement shall be  
6 7 based upon recommendations of the department of education after  
6 8 consultation with teacher education faculty members in colleges  
6 9 and universities.

CODE: Corrective provision for SF 2196 (Literacy Requirements in Teacher Preparation Bill).

DETAIL: This Bill was approved by the General Assembly on April 4, 2016.

6 10 Sec. 14. Section 598C.102, subsection 8, paragraph b, if  
6 11 enacted by 2016 Iowa Acts, Senate File 2233, section 2, is  
6 12 amended to read as follows:

6 13 b. An individual who has custodial responsibility for a  
6 14 child under a law of this state other than this chapter.

CODE: Corrective provision for SF 2233 (Uniform Deployed Parents Custody and Visitation Act).

DETAIL: This Act was approved by the General Assembly on April 6, 2016, and signed by the Governor on April 12, 2016.

6 15 Sec. 15. 2016 Iowa Acts, House File 2269, section 20,  
6 16 subsection 1, is amended to read as follows:

6 17 1. It is amended, rescinded, or supplemented by the  
6 18 affirmative action of the executive ~~council~~ committee of the  
6 19 Iowa beef cattle producers association created in section  
6 20 181.3, as amended in this Act.

CODE: Corrective provision for HF 2269 (Excise Taxes on Sale of Cattle Act).

DETAIL: This Act was approved by the General Assembly on March 16, 2016, and signed by the Governor on March 31, 2016.

6 21 Sec. 16. 2016 Iowa Acts, Senate File 378, section 2, is  
6 22 amended to read as follows:

6 23 SEC 2. REPEAL. Section 80.37, Code ~~2015~~ 2016, is repealed.

CODE: Corrective provision for SF 378 (Reimbursement of Defense Costs of Peace Officers and Corrections Officers Act).

DETAIL: This Act was approved by the General Assembly on March 16, 2016, and signed by the Governor on April 6, 2016.

6 24 Sec. 17. 2016 Iowa Acts, Senate File 2185, section 2, if  
6 25 enacted, is amended by striking the section and inserting in  
6 26 lieu thereof the following:  
6 27 SEC. 2. Section 709.21, subsection 3, Code 2016, is amended  
6 28 to read as follows:  
6 29 3. A person who violates this section commits ~~a serious an~~  
6 30 aggravated misdemeanor.

CODE: Corrective provision for SF 2185 (Criminal Trespass Act).

DETAIL: This Act was approved by the General Assembly on April 6, 2016, and signed by the Governor on April 13, 2016.

# Standing Appropriations Bill

## General Fund

	Actual	Estimated	FY 2017		
	FY 2015	FY 2016	Current Law	HF 2459	Net Appropriations
	(1)	(2)	(3)	(4)	(5)
<b><u>Iowa Finance Authority</u></b>					
<b>Iowa Finance Authority</b>					
Water Quality Financial Assistance	\$ 0	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000
<b>Total Iowa Finance Authority</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>
<b><u>Education, Dept. of</u></b>					
<b>Education, Dept. of</b>					
State Foundation School Aid	2,865,029,554	2,952,866,480	\$ 3,106,691,587	\$ -20,000,000	\$ 3,086,691,587
<b>Total Education, Dept. of</b>	<b>\$ 2,865,029,554</b>	<b>\$ 2,952,866,480</b>	<b>\$ 3,106,691,587</b>	<b>\$ -20,000,000</b>	<b>\$ 3,086,691,587</b>
<b><u>Legislative Branch</u></b>					
<b>Legislative Branch</b>					
Legislative Branch - Adjustment	\$ 35,315,625	\$ 34,035,244	\$ 38,250,000	\$ -5,850,000	\$ 32,400,000
<b>Total Legislative Branch</b>	<b>\$ 35,315,625</b>	<b>\$ 34,035,244</b>	<b>\$ 38,250,000</b>	<b>\$ -5,850,000</b>	<b>\$ 32,400,000</b>
<b><u>Governor</u></b>					
<b>Governor's Office</b>					
Interstate Extradition - Reduction	\$ 0	\$ 3,032	\$ 3,032	\$ -3,032	\$ 0
<b>Total Governor</b>	<b>\$ 0</b>	<b>\$ 3,032</b>	<b>\$ 3,032</b>	<b>\$ -3,032</b>	<b>\$ 0</b>
<b><u>Human Services, Dept. of</u></b>					
<b>General Administration</b>					
Nonresident Transfers - Reduction	\$ 0	\$ 67	\$ 67	\$ -67	\$ 0
<b>Total Human Services, Dept. of</b>	<b>\$ 0</b>	<b>\$ 67</b>	<b>\$ 67</b>	<b>\$ -67</b>	<b>\$ 0</b>
<b><u>Public Safety, Department of</u></b>					
<b>Public Safety, Dept. of</b>					
POR Unfunded Liabilities - Reduction	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -2,500,000	\$ 2,500,000
<b>Total Public Safety, Department of</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ -2,500,000</b>	<b>\$ 2,500,000</b>
<b>Total Unassigned Standings</b>	<b>\$ 2,905,345,179</b>	<b>\$ 2,991,904,823</b>	<b>\$ 3,149,944,686</b>	<b>\$ -26,353,099</b>	<b>\$ 3,123,591,587</b>