

SENATE REPORTS RECEIVED AFTER ADJOURNMENT

The following is a record of Senate reports received after the close of the 2011 Regular Session.

COMMUNICATION RECEIVED

The following communications were received in the office of the Secretary of the Senate and placed on file in the Legislative Services Agency:

DEPARTMENT OF CITIZENS' AIDE/OMBUDSMAN

Annual Report for FY 2010, pursuant to Iowa Code chapter 2C. Report received on May 31, 2011.

BILLS REFERRED TO COMMITTEE FROM CALENDAR

MR. PRESIDENT: Pursuant to Senate Rule 4, the following bills remaining on the Senate Calendar upon adjournment of the 2011 session will be removed from the calendar and referred back to the committee to which they were originally assigned:

S.F. 390 Commerce
(with attached H.F. 561)
S.F. 391 Commerce
S.F. 532 Appropriations
S.C.R. 9 Rules and Administration

MICHAEL E. MARSHALL
Secretary of the Senate

FINAL DISPOSITION OF MOTION TO RECONSIDER

Pursuant to Senate Rule 24, the following motion to reconsider, which remained on the Senate Calendar upon the adjournment of the 2011 Regular Session of the Eighty-fourth General Assembly, was determined to have **failed**:

The motion to reconsider the vote by which Isaiah McGee, the governor's appointee to be Director of the Department of Human Rights, failed to pass the Senate on April 12, 2011. (Motion to reconsider filed by Senator McKinley on April 12, 2011.)

MICHAEL E. MARSHALL
Secretary of the Senate

REPORTS OF THE SECRETARY OF THE SENATE

MR. PRESIDENT: Pursuant to Senate Rule 21, I report that in enrolling Senate File 510, the following correction was made:

1. Title page, line 3: corrected spelling of the word "provisions".

ALSO: Pursuant to Senate Rule 21, I report that in enrolling Senate File 533, the following corrections were made:

1. Page 7, line 10: removed amendment quote.
2. Page 36, line 22: removed amendment quote.
3. Page 52, line 3: removed "to be used."
4. Page 64, line 7: removed amendment quote.

MICHAEL E. MARSHALL
Secretary of the Senate

BILLS ENROLLED, SIGNED, AND SENT TO GOVERNOR

The Secretary of the Senate submitted the following reports:

MR. PRESIDENT: The Secretary of the Senate respectfully reports that the following bills have been enrolled, signed by the President of the Senate and the Speaker of the House, and presented to the Governor for his approval on this 30th day of June, 2011.

Senate Files 313, 508, 509, 510, 511, 517, 525, 533, and 535.

MICHAEL E. MARSHALL
Secretary of the Senate

SENATE BILLS APPROVED, ITEM VETOED, AND
VETOED AFTER ADJOURNMENT

The following is a record of action by the Governor transmitted to the Secretary of State after the close of the 2011 Regular Session:

SENATE BILLS APPROVED

Senate File 313 – Relating to medical assistance program-related provisions. Approved July 26, 2011.

Senate File 509 – Relating to and making appropriations involving state government entities involved with agriculture, natural resources, and environmental protection, and including effective date provisions. Approved July 21, 2011.

Senate File 511 – Relating to and making appropriations to the judicial branch. Approved July 29, 2011.

Senate File 525 – Relating to reforming state and county responsibilities for adult disability services, making appropriations, and including effective date provisions.. Approved July 26, 2011.

Senate File 535 – Relating to the water resources coordinating council, including by transferring associated powers and duties from the office of the governor to the department of agriculture and land stewardship. Approved July 21, 2011.

GOVERNOR'S ITEM VETO MESSAGES

Senate File 508

July 18, 2011

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit Senate File 508, an Act appropriating federal funds made available from federal block grants and other non-state sources, allocating portions of federal block grants, and providing procedures if federal funds are more or less than anticipated or if federal block grants are more or less than anticipated.

Senate File 508 is, therefore, signed on this date with the following exception, which I hereby disapprove.

I am unable to approve Section 36 of the bill in its entirety. This item creates a redundant mandate by requiring departments that receive funds from this appropriation bill to provide a detailed plan of the past, current, and future expenditures of federal funds designated for departmental administrative expenses 60 days before the start of the new federal fiscal year. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems. Furthermore, the future year's plan will be of little to no benefit beyond what is currently available because most of the amounts will not have been established by the federal government in a timely fashion that would allow a complete and accurate report 60 days before the start of the new federal fiscal year.

For the above reasons, I respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 508 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor

Senate File 510

July 29, 2011

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit Senate File 510, an act relating to and making appropriations to the justice system, providing penalties, and including effective and retroactive applicability date provisions.

Senate File 510 is, therefore, signed on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated in Section 4, numbered paragraph 1, lettered paragraph a in its entirety. This item prevents the Department of Corrections from entering into a new contract in excess of \$100,000 for privatized services during fiscal year 2012 and 2013 without prior notification of the legislature and employee organizations. However, these sections allow the department to renew existing contracts without notification. This item would prevent the department from obtaining services for inmates in an effective and efficient manner. This notification unnecessarily impedes on the department's management authority.

I am unable to approve the item designated in Section 4, numbered paragraph 2, lettered paragraph a in its entirety. This item mandates the Department of Corrections to transfer at least \$300,000 from canteen funds of the institutions to the department's education programs. The department already is required and desires to utilize canteen funds for the benefit of inmates. However, this item requires the department to use \$300,000 of the canteen fund towards inmate education programs when the fund usually does not have \$300,000. It is impossible for the department to spend \$300,000 of the fund when the fund's balance is typically below that amount. Therefore, I continue to encourage the department to use funds provided in the Canteen Fund towards education programs for inmates.

I am unable to approve the item designated in Section 5, subsection 6 in its entirety. This item would require all Community Based Correctional ("CBC") facilities to accept offenders transferred from other judicial districts without consideration of evidence-based practices regarding supervisory status. I disapprove this language in order to assure that each CBC facility will maintain control of the types and numbers of offenders who they serve in their respective residential programs.

I am unable to approve the item designated in Section 33, numbered paragraph 1, lettered paragraph a in its entirety. This item prevents the Department of Corrections from entering into a new contract in excess of \$100,000 for privatized services during fiscal year 2012 and 2013 without prior notification of the legislature and employee organizations. However, these sections allow the department to renew existing contracts without notification. This item would prevent the department from obtaining

services for inmates in an effective and efficient manner. This notification unnecessarily impedes on the department's management authority.

I am unable to approve the items designated in Section 33, numbered paragraph 2, lettered paragraph a in its entirety. This item mandates the Department of Corrections to transfer at least \$300,000 from canteen funds of the institutions to the department's education programs. The department already is required and desires to utilize canteen funds for the benefit of inmates. However, this item requires the department to use \$300,000 of the canteen fund towards inmate education programs when the fund usually does not have \$300,000. It is impossible for the department to spend \$300,000 of the fund when the fund's balance is typically below that amount. Therefore, I continue to encourage the department to use funds provided in the Canteen Fund towards education programs for inmates.

I am unable to approve the item designated in Section 34, paragraph 6 in its entirety. This item would require all Community Based Correctional ("CBC") facilities to accept offenders transferred from other judicial districts without consideration of evidence-based practices regarding supervisory status. I disapprove this language in order to assure that each CBC facility will maintain control of the types and numbers of offenders who they serve in their respective residential programs.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 510 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor

Senate File 517

July 27, 2011

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit Senate File 517, an Act relating to and making appropriations to the Department of Cultural Affairs, the Department of Economic Development, certain Board of Regents Institutions, the Department of Workforce Development, the Iowa Finance Authority, and the Public Employment Relations Board, and addressing related matters including tax credits and including immediate effective dates and retroactive applicability provisions.

Senate File 517 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 15, subsection 3, paragraph c, in its entirety. This item would prohibit Iowa Workforce Development ("IWD") from putting forth an enhanced delivery system that broadens access to Iowans across the state in fiscal year 2012. In order to develop a sustainable delivery system, in light of continually fluctuating federal funding, the department must put forth a system that embraces the use of technology while providing enhanced benefits through maximum efficiencies. At this time, IWD has over one hundred ninety virtual access point workstations in over sixty new locations throughout the state in order to increase access to these critical services. Iowans are already utilizing expanded hours of operations, six days a week. At my direction, IWD will have hundreds of additional virtual access points by the end of fiscal year 2012.

I am unable to approve the item designated as Section 15, subsection 5 in its entirety. This item attempts to define a delivery system in such a way as to prevent growth and progress in serving Iowans in fiscal year 2012. IWD has recognized the necessity of delivering services through multiple streams, including technology. As such, IWD is putting forth a plan that delivers more services to Iowans while streamlining government.

I am unable to approve the item designated as Section 20 in its entirety. This item would prohibit IWD from using the National Career Readiness Certificate program in fiscal year 2012. The National Career Readiness Certificate program is an Iowa-based product which is an assessment and skill development tool that has been embraced by over 400 Iowa employers as an exceptional tool for demonstrating skills for a potential employee. It is recognized nationally by both the Executive Office of the President and the U.S. Department of Labor as a reliable and portable tool for job seekers to present and certify their skills. I cannot agree with the denial to IWD of the potential use of this program.

I am unable to approve the item designated as Section 26 in its entirety. This item would transfer and appropriate unobligated money in the Save Our Small Business Fund to Iowa Workforce Development to be used for field offices in fiscal year 2012. Funding on-going operational expenses with one-time funds violates sound budgeting principals. This one-time funding source does not create a sustainable operating environment; instead it moves the funding problem into the future.

I am unable to approve the item designated as Section 61, subsection 3, paragraph c, in its entirety. This item would prohibit IWD from putting forth an enhanced delivery system that broadens access to Iowans across the state for fiscal year 2013. In order to develop a sustainable delivery system, in light of the continually fluctuating federal funding, the department must put forth a system that embraces the use of technology while providing enhanced benefits through maximum efficiencies. At this time, IWD has over one hundred ninety virtual access point workstations in over sixty new locations throughout the state in order to increase access to these critical services. Iowans are already utilizing expanded hours of operations, six days a week. At my direction, IWD will have hundreds of additional virtual access points by the end of fiscal year 2012.

I am unable to approve the item designated as Section 61, subsection 5 in its entirety. This item attempts to define a delivery system in such a way as to prevent growth and progress in serving Iowans for fiscal year 2013. IWD has recognized the necessity of delivering services through multiple streams, including technology. As such, IWD is

putting forth a plan that delivers more services to Iowans while streamlining government.

I am unable to approve the item designated as Section 66 in its entirety. This item would prohibit IWD from using the National Career Readiness Certificate program in fiscal year 2013. The National Career Readiness Certificate program is an Iowa-based product which is an assessment and skill development tool that has been embraced by over 400 Iowa employers as an exceptional tool for demonstrating skills for a potential employee. It is recognized nationally by both the Executive Office of the President and the U.S. Department of Labor as a reliable and portable tool for job seekers to present and certify their skills. I cannot agree with the denial to IWD of the potential use of this program.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 517 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor

Senate File 533

July 27, 2011

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit Senate File 533, an Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by making and adjusting appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, providing for legal responsibilities, and providing for properly related matters, and including effective date and retroactive and other applicability provisions.

Senate File 533 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 6 in its entirety. This item would provide that for fiscal year 2012 bonus pay would be prohibited for employees of the Executive, Judicial, and Legal branches. This item would unduly limit the ability of the Executive branch to deploy such methods to attract, retain, incentivize and reward exceptional employees.

I am unable to approve the item designated as Section 45 in its entirety. His item would provide that for fiscal year 2013 bonus pay would be prohibited for employees of

the Executive, Judicial and Legal branches. This item would unduly limit the ability of the Executive branch to deploy such methods to attract, retain, incentivize and reward exceptional employees.

I am unable to approve the item designated as Section 90 in its entirety. This item would increase the number of voting members of the Iowa Law Enforcement Academy council by two members, increasing the total membership from thirteen to fifteen members. The number of voting members was increased by legislation earlier this year from seven to thirteen. I disapprove of this item because adding two additional members to this board, bringing the total to fifteen voting members would make it too cumbersome and will impede its effectiveness. The existing board members can work to seek input from the public and interested parties.

I am unable to approve the items designated as Section 108 in its entirety. These items would specify that each department of State government track budget and actual expenditures for contract services and employee training. This item creates a redundant mandate. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is available within the State's accounting and budgeting systems.

I am unable to approve the items designated as Sections 117, 118 and 119 in their entirety. These items would extend the Medication Therapy Management pilot program conducted by the Department of Administrative Services for certain State employees for one more year. This pilot program is funded by a transfer of \$510,000 from the Board of Pharmacy to the Department of Administrative Services to pay for the extension. The purpose of this pilot program was to temporarily engage in an activity and, at completion, thoroughly review the results before taking additional action. As a result, it is premature to authorize an additional year for this pilot program until the results have been reviewed to measure program effectiveness and for that reason I cannot authorize its continuation at this time.

I am unable to approve the items designated as Sections 120 and 121 in their entirety. The item would increase the Earned Income Tax Credit from the current level of 7.0% of the federal credit to 10.0% of the federal credit. This change is estimated to reduce the revenue to the state general fund by \$28.5 million for Fiscal Years 2012–2013. It is my desire to approach tax policy in a comprehensive and holistic manner. As such, I urge members of the House and Senate to continue to work with my office on an overall tax reduction package that both fits within our sound budgeting principals while reducing those taxes that are impeding our state's ability to compete for new business and jobs.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 533 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor