

SENATE REPORTS RECEIVED AFTER ADJOURNMENT

The following is a record of Senate reports received after the close of the 2013 Regular Session.

HOUSE MESSAGES RECEIVED

The following messages were received from the Chief Clerk of the House:

MADAM PRESIDENT: I am directed to inform your honorable body that the House has on May 23, 2013, **adopted** the conference committee report **and passed Senate File 295**, a bill for an act establishing a property tax credit for commercial, industrial, and railway property, providing penalties, making appropriations, and including implementation and applicability provisions.

ALSO: That the House has on May 23, 2013, **adopted** the conference committee report **and passed Senate File 430**, a bill for an act relating to appropriations to the department of cultural affairs, the economic development authority, the board of regents and certain board of regents institutions, the department of workforce development, the Iowa finance authority, and the public employment relations board, providing for other properly related matters, and including effective date and retroactive applicability provisions.

ALSO: That the House has on May 23, 2013, **adopted** the conference committee report **and passed Senate File 435**, a bill for an act relating to and making appropriations involving state government entities involved with agriculture, natural resources, and environmental protection.

ALSO: That the House has on May 23, 2013, **adopted** the conference committee report **and passed Senate File 446**, a bill for an act relating to appropriations for health and human services and including other related provisions and appropriations, providing penalties, and including effective, retroactive, and applicability date provisions.

ALSO: That the House has on May 23, 2013, **adopted** the conference committee report **and passed Senate File 447**, a bill for an act relating to appropriations to the justice system and including effective dates.

ALSO: That the House has on May 23, 2013, **adopted** the conference committee report **and passed Senate File 452**, a bill for an act relating to state and local finances by making appropriations, providing for fees, providing for legal responsibilities, providing for certain employee benefits, and providing for properly related matters, and including effective date and retroactive and other applicability provisions.

ALSO: That the House has on May 23, 2013, **concurred** in the Senate amendment **and passed** the following bills in which the concurrence of the House was asked:

House File 625, a bill for an act relating to the school tuition organization tax credit by allowing the tax credit for contributions made by certain entities, increasing the amount of total approved tax credits, and including effective date and retroactive applicability provisions.

House File 648, a bill for an act relating to state and local finances by making transfers and appropriations and including effective date and applicability provisions.

ALSO: That the House has on May 23, 2013, **adopted** the following resolution in which the concurrence of the House was asked:

Senate Concurrent Resolution 6, a concurrent resolution to provide for adjournment sine die.

COMMUNICATIONS 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 EDUCATION

Academic Incentives for Minorities Report, pursuant to Iowa Code section 260C.29(3)(e). Report received on June 20, 2013.

Iowa Association of School Boards Annual Report, pursuant to Iowa Code section 279.38(2). Report received on May 28, 2013.

Special Education Federal Reports, pursuant to Iowa Code section 256B.3. Report received on June 20, 2013.

AGENCY ICN REPORT

Iowa Communications Network (ICN) usage report for FY 2012, pursuant to Iowa Code section 8D.10, was received from the following agency:

Ethics and Campaign Disclosure Board – Report received on June 10, 2013.

BILLS REFERRED TO COMMITTEE FROM CALENDAR

MADAM PRESIDENT: Pursuant to Senate Rule 4, the following bills remaining on the Senate Calendar upon adjournment of the 2013 session will be removed from the calendar and referred back to the committee to which they were originally assigned:

S.F. 275 Economic Growth
(with attached HF 518)
S.F. 363 Judiciary
S.F. 376 Commerce
(with attached HF 539)
S.F. 450 Ways and Means
S.F. 454 Ways and Means

MICHAEL E. MARSHALL
Secretary of the Senate

REPORTS OF THE SECRETARY OF THE SENATE

MADAM PRESIDENT: Pursuant to Senate Rule 21, I report that in enrolling Senate File 435, the following correction was made:

1. Page 31, line 26: Added missing period after \$4,000,000.

ALSO: Pursuant to Senate Rule 21, I report that in enrolling Senate File 446, the following corrections were made:

2. Page 45, line 33: Added period after "256L.8"
3. Page 135, line 5: Added quotes around the "a" in paragraph "a".

MICHAEL E. MARSHALL
Secretary of the Senate

BILLS ENROLLED, SIGNED, AND SENT TO GOVERNOR

The Secretary of the Senate submitted the following reports:

MADAM 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 23rd day of May, 2013.

Senate Files 295, 396, 406, 430, 435, 442, 446, 447, and 452.

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 2013 Regular Session:

SENATE BILL APPROVED

Senate File 295—Establishing a property tax credit for commercial, industrial, and railway property, providing penalties, making appropriations, and including implementation and applicability provisions. Approved June 12, 2013.

Senate File 435—Relating to and making appropriations involving state government entities involved with agriculture, natural resources, and environmental protection. Approved June 17, 2013.

Senate File 442—Relating to appropriations to the judicial branch. Approved June 17, 2013.

GOVERNOR'S ITEM VETO MESSAGES

Senate File 396

June 20, 2013

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

Dear Mr. Secretary:

I hereby transmit Senate File 396, an Act relating to government operations and efficiency and other related matters, and including effective date and applicability provisions.

Senate File 396 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve Sections 40, 42, and 43 in their entirety. These items require the director of the department of administrative services to purchase a new payroll system for the executive branch. From the beginning of my administration, I asked state agencies to work diligently to reduce administrative costs and reduce overhead costs. At my direction, many efficiency and cost-control measures are already being implemented by the executive branch departments. My administration is committed to reducing the size and cost of government by 15% through efficiencies and new technologies that allow for savings. I believe a mandate to purchase a payroll system at this time is inappropriate. The department may review the payroll system and determine the best way to proceed while protecting and serving the taxpayers of Iowa.

I am unable to approve Section 41 in its entirety. This item prohibits non-contract employees from bumping contract employees in the case of a reduction in force. In order to achieve increased efficiencies within state government, my administration is committed to finding areas where we can consolidate duplicative efforts. However, in doing so we must strive to ensure that various classifications of employees are treated fairly. The executive branch will continue to implement policies that will reduce the size and cost of government by 15% and this provision would be an impediment in achieving this goal.

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 396 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor

Senate File 406

June 20, 2013

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

Dear Mr. Secretary:

I hereby transmit Senate File 406, an Act relating to involuntary commitments for persons with substance-related disorders, mental illness, and intellectual disabilities, and providing for the creation of a mental health advocate division in the department of inspections and appeals and including effective date provisions.

Senate File 406 is approved on this date with the following exception, which I hereby disapprove.

I am unable to approve of the item designated as Divisions I and II in their entirety. This item establishes new positions of mental health advocates within the Iowa Department of Inspections and Appeals. Currently, these advocates work at the county level. In the newly redesigned mental health and disability services system, it is best for these positions to remain at the local level where services will be managed and delivered regionally. I look forward to continuing to work with the House and Senate on implementing Mental Health redesign in a manner that best serves Iowans and fits within my goals for efficient and effective state government.

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 406 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor

Senate File 430

June 20, 2013

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

Dear Mr. Secretary:

I hereby transmit Senate File 430, an Act relating to appropriations to the department of cultural affairs, the economic development authority, the department of workforce development, the Iowa finance authority, and the public employment relations board, providing for other properly related matters, and including effective date and retroactive applicability provisions.

Senate File 430 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 1, subsection 2. This item creates carry forward language which is unnecessary for the Department of Cultural Affairs for fiscal year 2014. The carry-forward language does not advance my goals of returning predictability and sustainability to government budgeting.

I am unable to approve the item designated as Section 16, subsection 2. This item creates carry forward language which is unnecessary for the Department of Cultural Affairs for fiscal year 2015. The carry-forward language does not advance my goals of returning predictability and sustainability to government budgeting.

I am unable to approve the item designated as Section 43 in its entirety and the designated portion of Section 54. These items create carry-forward language which is unnecessary for the Department of Cultural Affairs for fiscal year 2013. The carry-forward language does not advance my goals of returning predictability and sustainability to government budgeting.

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 430 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor

Senate File 446

June 20, 2013

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

Dear Mr. Secretary:

I hereby transmit Senate File 446, an Act relating to appropriations for health and human services and including other related provisions and appropriations, providing penalties, and including effective, retroactive, and applicability date provisions.

Senate File 446 contains new language specifying the process for Iowa Medicaid reimbursement of an abortion procedure. This language applies to the remainder of this fiscal year, as well as fiscal year 2014 and 2015. This new legislative language represents a compromise between Democrats and Republicans in the legislature on the issue of whether taxpayer dollars should be used to reimburse hospitals or doctors for abortions. The new legislative language does not allow or require a governor to approve any procedure in advance. The decision about whether to undergo an abortion procedure continues to remain with the mother and her physician. With this new language, the legislature has asked a governor to approve or disapprove a bill submitted by a provider for taxpayer-funded Medicaid reimbursement after the procedure is performed.

Senate File 446 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of the item designated as Section 2, subsection 1. This item creates two additional long-term care resident's advocates positions. As of today, there are eight long-term care resident's advocates, serving the needs of Iowa's vulnerable seniors. Currently, the Department on Aging is in the process of an aging system redesign and is thoroughly reviewing state services. It is important to ensure that all new positions are consistent with the redesign so that Iowa can best serve the needs of aging Iowans. The effect of this disapproval shall cause the \$200,000 contained in this item to revert to the General Fund.

I am unable to approve the designated portion of the item designated as Section 3, subsection 8, lettered paragraph e. This item provides \$28,644 for the costs of an emergency medical services task force that is disapproved. Due to the fact that the new task force is not created, the money is not needed. Iowa is fortunate to have many dedicated professional and volunteer emergency medical services personnel. These Iowans give their time to provide critical care in emergency situations as first responders. The Iowa Department of Public Health helps provide oversight, assistance and acts as a regulatory body for the profession to ensure Iowans statewide get a high level of care. The Department of Public Health will continue to work to improve our system. An additional task force, growing the size, scope and cost of government is not an effective use of taxpayer dollars at this time. The effect of this disapproval shall cause the \$28,644 contained in this item to revert to the General Fund.

I am unable to approve the designated portion of the item designated as Section 4, subsection 2, lettered paragraph d. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans' Home to make expenditure reports monthly to the Legislative Services Agency for fiscal year 2014. I strongly support transparency efforts that publicly disclose how departments spend their resources and this information is already available within the State's accounting and budgeting systems.

I am unable to approve the designated portion of the item designated as Section 12, subsection 19, lettered paragraph e. This item requires the Department of Human Services to report on cost containment strategies. The Department of Human Services, Department of Management and the Legislative Services Agency meet on a monthly basis to determine projections for the Medical Assistance appropriation. Information relating to cost containment strategies is shared during these meetings. 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.

I am unable to approve the designated portion of the item designated as Section 12, subsection 20. This item allocates \$8,715,473 for the waiting list for medical assistance home and community based services waivers. The effect of this disapproval shall cause the \$8,715,473 contained in this item to revert to the General Fund. Past history demonstrates that funding specifically earmarked to buy down the waiting list is not a successful long-term solution. Additionally, the Iowa Health and Wellness Plan will be implemented January 1, 2014. The Iowa Health and Wellness Plan will provide access for Iowans currently on the waiting list to high quality health care, including home and community based services.

I am unable to approve the designated portion of the item designated as Section 26, subsection 1. This item prohibits external approvals that are designed to ensure budget integrity, stability and predictability. Management must have the ability and flexibility to allocate resources where they are most effective and needed. In addition, this item creates a redundant, overly burdensome mandate requiring the department to report to the chairpersons and ranking members of the appropriations committees on a monthly basis. 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.

I am unable to approve the designated portion of the item designated as Section 27, subsection 2. This item requires the Department of Human Services to report operational and program expenditures at least monthly to the Legislative Services Agency. 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.

I am unable to approve the designated portion of the item designated as Section 27, subsection 5. This item transfers \$250,000 to the Department of Inspections and Appeals and creates two new FTEs to implement a new mental health advocate division within the Department of Inspections and Appeals. Currently, these advocates work at the county level. In the newly redesigned mental health and disability services system, it is best for these positions to remain at the local level where the services will be managed and delivered regionally. I look forward to continuing work with the General Assembly to implement the mental health and disability services redesign in a

manner that best serves Iowans and serves our goals for an efficient and effective state government. The language creating a new mental health advocate division was an item that was disapproved in Senate File 406. The effect of this disapproval shall cause the \$250,000 contained in this item to revert to the General Fund.

I am unable to approve the designated portion of the item designated as Section 29, subsection 8. This item requires that all provider reimbursement rate increases in this section be used to increase the compensation and costs of employment for non-administrative staff. The Department of Human Services does not have the ability to monitor providers to determine compliance. In addition, it is not appropriate to direct provider increases in this manner. Providers are best equipped to manage their own budgets.

I am unable to approve the item designated as Section 49 in its entirety. This item amends the Iowa Code to require that any penalties imposed by the Director of the Iowa Department on Aging against a long-term care facility are automatically appropriated to the Office of the Long-Term Care Resident's Advocate. Currently, these funds are deposited in the General Fund. The Office of the Long-Term Care Resident's Advocate is funded by the General Fund. I oppose this change which uses fines to automatically fund Office of the Long-Term Care Resident's Advocate because it sets a dangerous precedent and creates a conflict of interest.

I am unable to approve the designated portion of the item designated as Division X in its entirety. This item creates a new emergency medical services task force and report. Iowa is fortunate to have many dedicated professional and volunteer emergency medical services personnel. These Iowans give their time to provide critical care in emergency situations as first responders. The Iowa Department of Public Health helps provide oversight, assistance and acts as a regulatory body for the profession to ensure Iowans statewide receive a high level of care. The Department of Public Health will continue to work to improve our system. An additional task force, growing the size, scope and cost of government is not an effective use of taxpayer dollars at this time.

I am unable to approve the designated portion of the item designated as Section 83, paragraph 5, subparagraph b. This item causes funds deposited into the Autism Support Program Fund to not revert to the General Fund. It creates new, permanent carry-forward language which does not work to advance my goal of predictability and sustainability for government budgeting.

I am unable to approve the designated portion of the item designated as Section 84, paragraph 2. This item directs the Department of Human Services to enter into a sole-source contract without the benefit of a competitive bidding process. It is important to allow for a full review process and thoroughly plan new initiatives. In addition, competitively bid contracts ensure the best value for taxpayer dollars and that more people are served when this value is maximized.

I am unable to approve of the item designated as Division XIX in its entirety. This item creates a new committee to study how to provide care for people who are sexually aggressive, combative or have unmet psychiatric needs. My administration currently has a work group that is working together to propose constructive recommendations. The work group is open to public input. An additional committee is not needed at this time.

I am unable to approve of the item designated as the portion of Section 128 that amends 2011 Iowa Acts, chapter 63, section 36, subsection 4. This item would require a report to be given to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services relating to changes in law or rules needed to implement telepharmacy on a statewide basis. This report is not necessary due to the fact that this information is available upon request by the General Assembly.

I am unable to approve the designated portion of the item designated as Section 132, subsection 1. This item creates two new long-term care resident's advocates positions for fiscal year 2015. As of today, there are eight long-term care resident's advocates, serving the needs of Iowa's vulnerable seniors. Currently, the Department on Aging is in the process of an aging system redesign and is thoroughly reviewing state services. It is important to ensure that all new positions are consistent with the redesign so that Iowa can best serve the needs of aging Iowans. The effect of this disapproval shall cause the \$100,000 contained in this item to revert to the General Fund.

I am unable to approve the designated portion of the item designated as Section 134, subsection 2, lettered paragraph d. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans' Home to make expenditure reports monthly to the Legislative Services Agency for fiscal year 2015. 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.

I am unable to approve the designated portion of the item designated as Section 142, subsection 18, lettered paragraph d. This item requires the Department of Human Services to report on cost containment strategies for fiscal year 2015. The Department of Human Services, Department of Management and the Legislative Services Agency meet on a monthly basis to determine projections for the Medical Assistance appropriation. Information relating to cost containment strategies is shared during these meetings. 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.

I am unable to approve the designated portion of the item designated as Section 156, subsection 1. This item prohibits external approvals that are designed to ensure budget integrity, stability and predictability. Management must have the ability and flexibility to allocate resources where they are most effective and needed. In addition, this item creates a redundant, overly burdensome mandate requiring the department to report to the chairpersons and ranking members of the appropriations committees on a monthly basis. 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.

I am unable to approve the designated portion of the item designated as Section 157, subsection 2. This item requires the Department of Human Services to report operational and program expenditures at least monthly to the Legislative Services Agency for fiscal year 2015. 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.

I am unable to approve the designated portion of the item designated as Section 157, subsection 5. This item transfers \$125,000 to the Department of Inspections and Appeals for two new FTEs to implement a new mental health advocate division within the Department of Inspections and Appeals. Currently, these advocates work at the county level. In the newly redesigned mental health and disability services system, it is best for these positions to remain at the local level where the services will be managed and delivered regionally. I look forward to continuing work with the General Assembly to implement the mental health and disability services redesign in a manner that best serves Iowans and serves our goals for an efficient and effective state government. The language creating a new mental health advocate division was an item that was disapproved in Senate File 406. The effect of this disapproval shall cause the \$125,000 contained in this item to revert to the General Fund.

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 446 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor

Senate File 447

June 20, 2013

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

Dear Mr. Secretary:

I hereby transmit Senate File 447, an Act relating to appropriations to the justice system and including effective dates.

Senate File 447 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of the item designated as Section 1, subsection 1, lettered paragraph b. This item unduly restricts the Department of Justice from closing facilities and transitioning to new, more effective community-based services for victims. The program must have the flexibility to provide services to victims in the most efficient and effective way possible.

I am unable to approve the designated portion of the item designated as Section 1, subsection 1, lettered paragraph b. This item creates carry-forward language which is unnecessary for the Department of Justice. The carry-forward language does not advance my goals of returning predictability and sustainability to government budgeting.

I am unable to approve the designated portion of the item designated as Section 3, subsection 1, lettered paragraph a. This item requires the Department of Corrections to submit a report to the legislature regarding plans for the Fort Madison Correctional Facility. Although I support transparency efforts, this requirement is redundant as this report was submitted on January 15, 2013 and is already available to the legislature.

I am unable to approve the item designated as Section 4, subsection 1, lettered paragraph a. This item contains policy language pertaining to the Department of Corrections entering into a new contract in excess of \$100,000 for privatized services during fiscal year 2014 without prior notification of the legislature and employee organizations. However, this item allows 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 designated portion of the item designated as Section 19, subsection 1, lettered paragraph b. This item creates carry-forward language which is unnecessary for the Department of Justice. The carry-forward language does not advance my goals of returning predictability and sustainability to government budgeting.

I am unable to approve the designated portion of the item designated as Section 21, subsection 1, lettered paragraph a. This item requires the Department of Corrections to submit a report to the legislature regarding plans for the Fort Madison Correctional Facility. Although I support transparency efforts, this requirement is redundant as this report was submitted on January 15, 2013 and is already available to the legislature.

I am unable to approve the item designated as Division IV in its entirety. This item creates a task force to study the creation of a consolidated fire and police public safety training facility. Iowa is fortunate to have dedicated firefighters and police officers. These Iowans dedicate their lives to protecting the safety and welfare of Iowans. The Department of Public Safety and the Iowa Law Enforcement Academy will continue to work to improve our system. It is my administration's goal to reduce the size and cost of government by 15% and as such, I believe this issue can be reviewed without growing the size and cost of government.

I am unable to approve the item designated as Section 45 in its entirety. This item creates carry forward language from the balance of the Cigarette Fire Safety Standard fund to the Victim Assistance Grants program. The carry-forward language does not advance my goals of returning predictability and sustainability to government budgeting.

I am unable to approve the item designated as Section 55 in its entirety. This item permanently increases the standing limited appropriation of \$1.2 million for the Consumer Education and Litigation Fund to \$2 million. Currently, any increase over the current standing limited appropriation is reviewed by the legislature and additional funds are provided annually based on need. Before this automatic increase is made permanent, further review by the legislature needs to be conducted.

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 44 7 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor

Senate File 452

June 20, 2013

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

Dear Mr. Secretary:

I hereby transmit Senate File 452, an Act relating to state and local finances by making appropriations, providing for fees, providing for legal responsibilities, providing for certain employee benefits, and providing for properly related matters, and including penalties and effective date and retroactive and other applicability provisions.

Senate File 452 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 30 in its entirety. This item allocates \$200,000 for the chronic care consortium. The strategic planning work is duplicative of efforts already taking place within Medicaid. Additionally, the revenue from the Clinical Health Coach training program will eventually allow the Iowa Chronic Care Consortium Board to become a self-sustaining enterprise.

I am unable to approve the item designated as Section 31 in its entirety. This language restricts the Department from fulfilling its mission. It is not appropriate to direct departments to treat employees differently solely based on an employee's classification. Additionally, departments are best equipped to manage their own budgets. This does not affect the \$1.7 million appropriation approved in Senate File 447.

I am unable to approve the item designated as Section 32 in its entirety. This language unnecessarily restricts the Department from fulfilling its mission. It is not appropriate to direct departments to treat employees differently solely based on an employee's classification. Additionally, departments are best equipped to manage their own budgets. This does not affect the \$850,000 approved in Senate File 447.

I am unable to approve the item designated as Section 33 in its entirety. This language unnecessarily restricts the Department from fulfilling its mission. It is not appropriate to direct departments to treat employees differently solely based on an employee's classification. Additionally, departments are best equipped to manage their own budgets. This does not affect the \$2,571,309 approved in Senate File 447.

I am unable to approve the item designated as Section 34 in its entirety. This language unnecessarily restricts the Department from fulfilling its mission. It is not appropriate to direct departments to treat employees differently solely based on an employee's classification. Additionally, departments are best equipped to manage their own budgets. This does not affect the \$1,285,655 approved in Senate File 447.

I am unable to approve the item designated as Division XI in its entirety. This item increases the annual tax credit cap on the Historical Preservation and Cultural and Entertainment District Tax Credits. Currently, there is an Executive Order 80 Stakeholder group reviewing this tax credit program. It is my plan to approach Historical Preservation tax credits in a comprehensive and thoughtful manner. As such, I look forward to continuing to work with members of the House and Senate as this program is reviewed.

I am unable to approve the item designated as Division XXI in its entirety. This language is an attempt to provide financial relief to certain private providers of services to students related to compliance with special and general education billing requirements. The nature of the issue centers on what is and is not allowable as an educational expense in these facilities. This item would legalize what are currently non-permissive expenditures for educational funding to include a long list of expenditures that are non-educational, including expenditures related to administration, facilities, and mental health costs. This would cause an expansion of allowable expenditures and many of these facilities were complying with current law and therefore not billing for these expenses; therefore, the State would see an increase in spending as a result of these provisions. Due to the fact many school districts already operate at a deficit related to education expenditures, this increase would be directly passed on to local property taxes.

I am unable to approve the designated portion of the item designated as Section 182. Currently, the State passes federal funds through to the counties. This item requires the State to cover any reduction of funds for the counties should the federal government fail to live up to its funding promises. The federal government has not passed a budget in more than four years and has amassed more than \$16 trillion in debt. I believe the federal financial picture is unsustainable in the long-term, and, therefore, obligating State taxpayer funds in such an unpredictable manner is not in the best interest of hardworking Iowa taxpayers.

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 452 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor