

CHAPTER 319

**APPROPRIATIONS AND OTHER PROVISIONS RELATING TO
EDUCATIONAL AND CULTURAL PROGRAMS**

H.F. 774

AN ACT relating to the funding of, operation of, and appropriation of moneys to agencies, institutions, commissions, departments, and boards responsible for educational and cultural programs of this state, providing for the imposition of a tax, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

DEPARTMENT OF CULTURAL AFFAIRS

Section 1. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	351,323
.....	FTEs	9.0

As a condition, limitation, and qualification of the appropriation in this subsection, one of the full-time equivalent positions employed by the administration division shall be assigned marketing duties relating to the divisions and agencies of the department of cultural affairs.

As a condition, limitation, and qualification of the appropriation in this subsection, the administration division shall expend moneys to cultivate and promote Iowa's major cultural resources by working with the Iowa humanities board to sponsor a major three-day conference and a comprehensive guide to cultural resources for dissemination throughout the state.

2. ARTS DIVISION

For salaries, support, maintenance, miscellaneous purposes, including funds to match federal grants, and for not more than the following full-time equivalent positions:

.....	\$	925,280
.....	FTEs	12.0

As a condition, limitation, and qualification of the appropriation in this subsection, the arts division shall expend moneys to implement a program for basic arts education, increase the artists-in-school residency program, increase the operational support grants for arts organizations, and provide funds for rural arts organizations. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated in this subsection to be used as matching funds for federal grant moneys administered by the arts division and remaining on June 30, 1990, shall not revert to the general fund of the state, but shall remain available for expenditure by the arts division for those purposes for the fiscal year beginning July 1, 1990.

As a condition, limitation, and qualification of the appropriation in this subsection, not more than ten percent of difference between the moneys appropriated in this subsection and the moneys appropriated in 1988 Iowa Acts, chapter 1284, section 1, subsection 2, shall be expended by the arts division for administrative costs.

3. HISTORICAL DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,455,253
.....	FTEs	67.0

As a condition, limitation, and qualification of the appropriation in this subsection, the historical division shall expend moneys to provide moneys for the Italian-American cultural center located in Des Moines and for remedial conservation and preservation of collections of the historical division, including newspapers, and the establishment of a video history library collection.

b. For the payment of interest owed on moneys borrowed from the permanent school fund under section 303.18:

..... \$ 94,000

4. LIBRARY DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,977,406
..... FTEs 40.5

As a condition, limitation, and qualification of the appropriation in this subsection, the library division shall expend moneys for office equipment, to fund a statewide open access program, **for collections development,** and for the interlibrary loan service as recommended in the blue ribbon task force on library cooperation and technology final report. The library division shall not allocate moneys to a local library for collections development, unless the local library is participating in the statewide local access program. The library division shall also expend funds to comply with a federal audit report issued February 23, 1988.

5. PUBLIC BROADCASTING DIVISION

For salaries, support, maintenance, capital expenditures, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 6,860,000
..... FTEs 103.0

As a condition, limitation, and qualification of the appropriation in this subsection, the public broadcasting division shall expend moneys on **instructional schedule guide books and teachers' guide materials,** repairs, and deferred maintenance required for safety provisions.

6. TERRACE HILL COMMISSION

For salaries, support, maintenance, miscellaneous purposes, for the operation of Terrace Hill and for conducting tours, and for not more than the following full-time equivalent positions:

..... \$ 200,000
..... FTEs 5.25

7. REGIONAL LIBRARY SYSTEM

For state aid:

..... \$ 1,539,785

As a condition, limitation, and qualification of the appropriation in this subsection, the regional library system shall expend moneys **to provide access to special collections,** for additional interlibrary loan services, and for additional reference services.

8. IOWA PEACE INSTITUTE

For allocation to the Iowa peace institute established in chapter 38:

..... \$ 250,000

As a condition, limitation, and qualification of the appropriation in this subsection, the Iowa peace institute shall expend the moneys appropriated in this subsection for programs which have a direct benefit to the state of Iowa, which have goals and objectives, and for which measurable results have been developed. The Iowa peace institute shall cooperate with public and private institutions of higher education to minimize duplication of programs.

Sec. 2. As a condition, limitation, and qualification of funds appropriated in section 1, subsection 3, of this Act, the historical division shall solicit voluntary contributions on behalf of the historical division at entrance locations and other locations throughout the historical building. Voluntary contributions collected in this manner and entrance fees for the Montauk governor's mansion shall be used to pay principal and interest on moneys borrowed from the permanent school fund under section 303.18.

Sec. 3. Notwithstanding sections 302.1 and 302.1A, for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the portion of the interest earned on the permanent school fund that is not transferred to the credit of the first in the nation in education foundation and not transferred to the credit of the national center for gifted and talented education shall be credited as a payment by the historical division of the department of cultural affairs of

principal and interest due on moneys loaned to the historical division under section 303.18. Moneys credited under this section are in addition to funds appropriated in section 1, subsection 3, paragraph "b", of this Act.

Sec. 4. The public broadcasting division of the department of cultural affairs may use the state of Iowa facilities improvement corporation to purchase energy efficiency packages for its ultrahigh frequency transmitters without meeting the requirements of section 19.34.

Sec. 5. Notwithstanding 1986 Iowa Acts, chapter 1246, section 2, section 102, and section 103, as amended by 1987 Iowa Acts, chapter 228, section 7, moneys appropriated in those sections that remain unobligated and unencumbered on June 30, 1989, shall not revert to the general fund, but shall remain available for expenditure for the purposes specified until June 30, 1991.

Sec. 6. Notwithstanding section 8.33, moneys appropriated in 1988 Iowa Acts, chapter 1284, section 1, subsection 8, that remain unobligated and unencumbered on June 30, 1989, shall not revert to the general fund of the state, but shall remain available for expenditure for the purpose specified until June 30, 1990.

DIVISION II
COLLEGE AID COMMISSION

Sec. 7. There is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as may be necessary, to be used by the following agency for the purposes designated:

COLLEGE AID COMMISSION

1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	302,852
.....	FTEs	6.24

As a condition, limitation, and qualification of the appropriation in this section, the college aid commission shall determine the number of Iowa resident students who have demonstrated superior academic achievement either by graduating from high school ranked in the top ten percent of the class academically or by earning composite scores on either the American college testing program examination or the scholastic aptitude test of the college entrance examination board that ranked in the top fifteen percent of the Iowa residents taking the applicable examination at the same time, and determine the number of those students who are attending institutions of higher education in this state. The college aid commission shall report the results of its information to the general assembly meeting in 1990.

As a condition, limitation, and qualification of the moneys appropriated in this section, the college aid commission shall establish a committee to conduct a study to determine whether there is a shortage of trained health care practitioners, particularly in rural areas. The committee shall collect statements from affected professional health care organizations and health care practitioner training and education institutions, review the need for health care practitioners in certain areas of the state, the salary ranges for health care practitioners in those areas, and the impact of shortages of health care practitioners on access to health care in the areas of the state where there are shortages. The committee shall also develop strategies for alleviating the shortage of health care practitioners. The members of the committee shall include representatives from associations which represent the interests of health care practitioners, the Iowa department of public health, the department of human services, and other organizations, associations, or entities concerned about the shortage of health care practitioners. Staff assistance for the committee shall be provided by the Iowa department of public health. The committee shall report the results of the study to the college aid commission and the joint education appropriations subcommittee not later than December 15, 1989.

*Item veto; see message at end of the Act

2. STUDENT AID PROGRAMS

For *payments for students for the education savings program if an education savings program is enacted by the general assembly, for* the teacher loan payment program in section 261.45, for the occupational therapists loan program in section 261.46, for the nursing loan program if a nursing loan program is enacted by the general assembly, and for the national guard loan program if a national guard loan program is enacted by the general assembly:

..... \$ 700,000

As a condition, limitation, and qualification of the appropriation in this subsection, the college aid commission shall develop plans for administering the work for college program established in section 261.88. The college aid commission shall define a methodology for selecting participants, shall identify appropriate employment opportunities, and shall report its plans to the education appropriations subcommittee not later than January 15, 1990.

3. IOWA MINORITY ACADEMIC GRANTS FOR ECONOMIC SUCCESS PROGRAM

For the Iowa minority academic grants for economic success program for grants to independent colleges and universities:

..... \$ 50,000

Sec. 8. There is appropriated from the general fund of the state to the college aid commission for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. UNIVERSITY OF OSTEOPATHIC MEDICINE AND HEALTH SCIENCES

a. For grants to Iowa students attending the university of osteopathic medicine and health sciences under the grant program pursuant to section 261.18:

..... \$ 426,000

b. For the university of osteopathic medicine and health sciences for the admission and education of Iowa students in each of the four years of classes in the university of osteopathic medicine and health sciences pursuant to section 261.19:

..... \$ 374,000

2. In addition to the requirements of section 261.19, the allocation of funds appropriated by this section is subject to the condition that one-half of the funds appropriated for the fiscal year beginning July 1, 1989, shall not be released until delivery to the legislative fiscal bureau of the June 30, 1989, financial audits, conducted by an independent third party, of the university of osteopathic medicine and health sciences.

Sec. 9. Notwithstanding section 261.85, from moneys appropriated to the college aid commission in section 261.85 for the work-study program, for the fiscal year commencing July 1, 1989, and ending June 30, 1990, the college aid commission shall retain \$100,000 for allocation to pilot projects for the Iowa heritage corps created in section 261.81A.

Sec. 10. There is appropriated from the loan reserve account to the college aid commission for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as may be necessary, to be used for the operating costs of the Stafford loan program:

OPERATING COSTS

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 2,515,438

..... FTEs 31.23

DIVISION III
DEPARTMENT OF EDUCATION

Sec. 11. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

*Item veto; see message at end of the Act

1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,821,426
.....	FTEs	126.85

As a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall expend moneys to contract with institutions of higher education to provide a summer residence program for gifted and talented elementary and secondary school students and to support existing law-related education centers for training seminars and workshops in law-related education, summer institutes relating to law-related education and methodology and substance, and mock trial competitions for junior and senior high school students. The law-related education program shall include the legislative lawmaking process. Educational materials for this segment of the program shall be developed by the law-related education centers in consultation with the legislative council.

As a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall expend moneys to provide funds for the employment resources center administered by the first and fifth judicial districts' departments of correctional services to assist clients. The department of education shall assist the first and fifth judicial districts' departments of correctional services in the development of an analysis of the effectiveness of the program. The department of correctional services shall submit a report analyzing the effectiveness of the program to the chairpersons and ranking members of the education appropriations subcommittee and to the legislative fiscal bureau not later than December 15, 1989.

As a condition, limitation, and qualification of the appropriation in this subsection, the department of education, in cooperation with the department of corrections, shall study the feasibility of providing educational programs to residents of institutions of the department of corrections, with consideration given to integration of the programs with programs of the merged area schools. A report containing the recommendations for establishing programs and a funding mechanism shall be presented to the joint education appropriations subcommittee and to the general assembly not later than December 15, 1989.

As a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall conduct a survey of each school district to determine the curriculum included in the general science courses being offered by the school district in grades nine through twelve and the department shall determine from the survey whether ecological and environmental issues are being included as a part of the curriculum. The department shall report the results of its study, together with recommendations for integrating ecological and environmental issues into the general science curriculum, to the joint education appropriations subcommittee not later than December 15, 1989.

As a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall develop and establish a conflict resolution program to assist teachers and administrators in the management of disputes between students. The department shall establish at least one pilot project in a district within the state. The department shall notify all districts of the development of the program and make its selection on the basis of interest and ability to implement the program. In developing the conflict resolution program and pilot projects, the department shall consult with the Iowa peace institute office of dispute resolution, representatives of the national association for mediation in education, and other persons and groups with expertise and experience in the area of conflict resolution. The department shall summarize the results of the conflict resolution program and submit the summary, along with any recommendations relating to statewide implementation of conflict resolution programs, in a report to the general assembly by January 1, 1991.

As a condition, limitation, and qualification of the appropriation in this subsection, the department shall expend moneys for an autism specialist who will work with the autism resource team at the child health specialty clinic at the university of Iowa. The autism specialist shall provide ongoing, comprehensive educational and technical services for autistic individuals and their families.

As a condition, limitation, and qualification of the moneys appropriated in this subsection, the department of education shall instruct the area schools to notify the department of economic development that fees paid by the area schools pursuant to section 15.255, and 1989 Iowa Acts, House File 706, section 1, if House File 706 is enacted by the general assembly, for the fiscal year beginning July 1, 1989, shall not be expended during that fiscal year, but shall remain on deposit in the jobs now account within the Iowa plan fund for economic development until the general assembly has considered the results of the study of chapter 280B conducted under section 29 of this Act and takes action to allow the expenditure of the fees.

As a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall create an evaluation system reporting on educational excellence program phase III activities under chapter 294A. Issues to be addressed in the system shall include, but are not limited to, an analysis of the expenditures of phase III funds including the types of activities and specific additional work assignments for which teachers are receiving supplemental pay, information about the subject areas and educational levels involved in the phase III activities, a description of types of significant staff development efforts being conducted under phase III and the providers of the staff development, a description of the different types of approved performance-based pay plans, descriptive information on teachers receiving phase III funds, and other information the department deems pertinent. A report on the evaluation system and the results of the evaluation of phase III programs for the fiscal year beginning July 1, 1989, shall be submitted to the general assembly by January 1, 1991. The department of education shall disseminate information to all school districts and area education agencies relating to innovative phase III programs. The information shall be provided at no cost to the school districts and the area education agencies.

As a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall ensure that media services at an area education agency are provided by a separate media services division in the area education agency and the cost of providing media services is paid from moneys provided specifically for media services under the state school foundation formula. The media services division shall be directed by an administrator who has received a degree from an institution of higher education with an emphasis on school library and media services and who reports directly to the area education agency administrator. The media services divisions of the area education agencies shall cooperate with the library services delivery system in this state.

2. SPECIAL PROGRAMS AND PROJECTS

a. For enhancing the preparation, teaching experiences, and induction of educators, and for assisting educators in the use of technology for instructional and administrative purposes:
..... \$ 500,000

The department shall expend the moneys appropriated in this paragraph for the following programs:

- (1) Provide a plan for a support system for beginning teachers that is a collaborative effort involving local schools, area education agencies, professional associations, and approved teacher preparation programs in institutions of higher education in this state.
- (2) Fund a grant program enabling school districts to be actively involved in the student teaching process.
- (3) Continue funding an evaluation system to be used by evaluator panels that are evaluating teachers after the initial certification and before advancement to the next certification level.
- (4) Develop and begin implementation of a program plan for administrative staff development for school corporation administrators. The plan shall include program goals, specific activities for meeting those goals, and an implementation process and delivery system, with consideration given to existing staff development efforts by area education agencies, school districts, institutions of higher education, and any federally funded projects established to develop leadership in educational administration. Incentives for encouraging administrators to participate in the program shall be identified.

Program goals for administrative staff development shall include but not be limited to training in the following areas: Instructional leadership and the management of change, assisting

*Item veto; see message at end of the Act

teachers with the implementation of new teaching models and instructional strategies and the enhancement of the role of teachers in the planning and development of those models and strategies, encouraging and assisting women and minorities to enter educational administration, and improving performance evaluation for instructional personnel.

Notwithstanding the maximum number of full-time equivalent employees authorized in subsection 1, the department may employ a full-time equivalent individual to assist the employees of the department in fulfilling the requirements of this subparagraph.

(5) Provide funding for grants for pilot projects under section 256.23.

(6) In consultation with school administrators and teachers, develop plans for the establishment of a data base that would be electronically accessible to school corporations, and determine the information the data base will contain, including statewide school statistical data, school personnel information, information about approved phase III programs, student records, and department of education publications and information.

(7) Fund pilot or demonstration projects that will encourage school administrators and teachers to use electronic technology in classroom instruction and for school administration purposes. The projects may include the use of electronic technology by students for research or informational purposes, the development of personnel accounting systems, maintenance of student records, assistance in identification of at-risk students, use for innovative teaching techniques for at-risk students, and other uses to enhance student learning.

(8) Establish a technology consultant position with duties that include developing and coordinating a statewide technology plan for education, providing assistance to school corporations to develop technology plans, assisting in the development of long-range plans for the use of technology in school classrooms in the future, and coordinating and administering projects provided under subparagraph (7).

Notwithstanding the maximum number of full-time equivalent employees authorized in subsection 1, the department may employ a full-time equivalent individual to assist the employees of the department in fulfilling the requirements of this subparagraph.

Notwithstanding section 8.33, moneys appropriated in this paragraph shall not revert to the general fund of the state but shall remain available for expenditure for the purposes specified until June 30, 1991.

b. For development, in conjunction with the university of northern Iowa, of a networking system that translates effective teaching methods through the use of a computer conferencing system to form information exchange networks:

..... \$ 90,000

c. To provide leadership and support to early childhood education programs:

..... \$ 50,000

..... FTEs 1

As a condition, limitation, and qualification of the appropriation in this paragraph, the early childhood consultant employed by the department under this paragraph shall provide leadership and coordination for community planning models; develop curriculum guides and materials; provide training for area education agency early childhood consultants, teachers, and administrators; and plan program evaluation techniques and reporting systems.

d. For programs and grants for educational technology under section 256.33:

..... \$ 150,000

As a condition, limitation, and qualification of moneys appropriated in this paragraph, at least fifty percent of the moneys shall be used for programs for elementary or secondary education, or both.

3. VOCATIONAL EDUCATION ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 916,447

..... FTEs 44.0

4. VOCATIONAL EDUCATION AID

For vocational education aid to secondary schools:

..... \$ 3,666,360

Funds appropriated by this subsection shall be used for aid to school districts for development and the conducting of both continuing and new vocational programs, services and activities of vocational education through secondary schools, and for aid to existing jointly administered secondary vocational education programs, in accordance with chapter 258 and chapter 280A, and to purchase instructional equipment for vocational and technical courses of instruction in such schools.

5. YOUTH LEADERSHIP GRANT PROGRAM

For grants to youth leadership programs:

..... \$ 30,000

Funds appropriated by this subsection shall be used to emphasize and support youth leadership skills for students participating in Iowa activities and students representing Iowa in regional and national activities.

6. SCHOOL FOOD SERVICE

For the purpose of providing assistance to students enrolled in public school districts and nonpublic schools of the state for breakfasts, lunches and minimal equipment programs with the funds being used as state matching funds for federal programs and which shall be disbursed according to federal regulations, including salaries and support and for not more than the following full-time equivalent positions:

..... \$ 3,146,215
..... FTEs 16.0

7. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide funds for costs of providing textbooks to each resident pupil who attends a nonpublic school as authorized by section 301.1. The funding is limited to \$10 per pupil and shall not exceed the comparable services offered to resident public school pupils:

..... \$ 368,413

8. PROFESSIONAL TEACHING PRACTICES COMMISSION

For the use of the commission to carry out chapter 272A, including salaries and support, and for not more than the following full-time equivalent positions:

..... \$ 65,962
..... FTEs 1.20

9. IOWA ACADEMY OF SCIENCE

For support and maintenance:

..... \$ 50,000

As a condition, limitation, and qualification of the appropriation in this subsection, no more than twenty percent of the funds appropriated in this subsection shall be used for administrative purposes or for publication of the Iowa academy of science journal and the remainder shall be expended for grants for research projects and studies awarded by the Iowa academy of science.

As a condition, limitation, and qualification of the appropriation in this subsection, the Iowa academy of science shall permit all grant recipients to publish the results of the recipients' research projects and studies in the Iowa academy of science journal at no cost to the recipient.

As a condition, limitation, and qualification of the appropriation in this subsection, the Iowa academy of science annually shall submit a report of its activities, including a report of its expenditures, accounting for the moneys expended for administrative purposes and the moneys expended for grants, income from all sources, and the current asset and liability base, for each fiscal year beginning with the fiscal year commencing July 1, 1988, to the legislative fiscal bureau not later than December 15 of the following fiscal year.

10. LITERACY STUDY. The department of education shall solicit gifts and grants from the federal government and private nonprofit foundations to award a contract for a study of the literacy of young adults in Iowa to an independent testing corporation located in this state. The specifications for the study shall be substantially similar to the specifications used for the national assessment of education progress study of the literacy of young adults in the United States conducted by the educational testing service.

11. VOCATIONAL REHABILITATION DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,930,690
.....	FTEs	314.5

b. For matching funds for programs to enable severely physically or mentally disabled persons to function more independently, including salaries and support and for not more than the following full-time equivalent positions:

.....	\$	17,715
.....	FTEs	1.5

c. CAREER INFORMATION SYSTEM OF IOWA

For the purpose of providing educational information to students in public and nonpublic schools:

.....	\$	84,000
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As a condition, limitation, and qualification of the appropriation in this subsection, the department of education shall review the effectiveness of the program funded in this subsection and report to the joint education appropriations subcommittee not later than December 15, 1989.

12. MERGED AREA SCHOOLS

For general state financial aid to merged areas as defined in section 280A.2 and for vocational education programs in accordance with chapters 258 and 280A, to purchase instructional equipment for vocational and technical courses of instruction in such schools, and for salary increases, the amount of \$73,695,728 to be allocated as follows:

a. Merged Area I	\$	3,377,042
b. Merged Area II	\$	4,270,844
c. Merged Area III	\$	3,969,647
d. Merged Area IV	\$	1,990,251
e. Merged Area V	\$	4,260,615
f. Merged Area VI	\$	4,348,984
g. Merged Area VII	\$	5,930,368
h. Merged Area IX	\$	6,046,022
i. Merged Area X	\$	9,621,155
j. Merged Area XI	\$	9,768,509
k. Merged Area XII	\$	4,445,006
l. Merged Area XIII	\$	4,484,324
m. Merged Area XIV	\$	1,921,503
n. Merged Area XV	\$	5,816,633
o. Merged Area XVI	\$	3,444,825

As a condition, limitation, and qualification of the appropriation in this subsection, the merged area schools shall expend from moneys appropriated in this subsection, a minimum of \$1,580,479 for additional salary increases for certificated, nonadministrative faculty members of the merged area schools and \$419,521 for additional salary increases for classified and clerical employees of the merged area schools.

13. MERGED AREA SCHOOL PERSONAL PROPERTY TAX REPLACEMENT

For general financial aid to merged areas in lieu of personal property replacement payments under section 427A.13, the amount of \$828,012 to be allocated as follows:

a. Merged Area I	\$	65,152
b. Merged Area II	\$	50,567
c. Merged Area III	\$	33,891
d. Merged Area IV	\$	23,204
e. Merged Area V	\$	60,042
f. Merged Area VI	\$	34,514
g. Merged Area VII	\$	57,884
h. Merged Area IX	\$	69,103

i.	Merged Area X	\$	97,180
j.	Merged Area XI	\$	142,463
k.	Merged Area XII	\$	46,200
l.	Merged Area XIII	\$	40,972
m.	Merged Area XIV	\$	20,826
n.	Merged Area XV	\$	55,026
o.	Merged Area XVI	\$	30,988

Sec. 12. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For state financial aid to merged areas the amount of \$13,579,598, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1989, and ending June 30, 1990, to be allocated to each area school as follows:

a.	Merged Area I	\$	611,887
b.	Merged Area II	\$	795,008
c.	Merged Area III	\$	739,949
d.	Merged Area IV	\$	377,297
e.	Merged Area V	\$	745,291
f.	Merged Area VI	\$	782,118
g.	Merged Area VII	\$	1,105,991
h.	Merged Area IX	\$	1,099,495
i.	Merged Area X	\$	1,744,567
j.	Merged Area XI	\$	1,875,037
k.	Merged Area XII	\$	835,261
l.	Merged Area XIII	\$	797,531
m.	Merged Area XIV	\$	353,975
n.	Merged Area XV	\$	1,097,051
o.	Merged Area XVI	\$	619,140

2. Funds appropriated by subsection 1 shall be allocated pursuant to this section and paid on or about August 15, 1990.

Sec. 13. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1990, and ending June 30, 1991, to be used for the purposes designated:

1. For general financial aid to merged areas in lieu of property tax replacement payments under section 427A.13, the amount of \$354,840, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1989, and ending June 30, 1990, to be allocated to each area as follows:

a.	Merged Area I	\$	27,922
b.	Merged Area II	\$	21,671
c.	Merged Area III	\$	14,525
d.	Merged Area IV	\$	9,924
e.	Merged Area V	\$	25,732
f.	Merged Area VI	\$	14,792
g.	Merged Area VII	\$	24,807
h.	Merged Area IX	\$	29,615
i.	Merged Area X	\$	41,649
j.	Merged Area XI	\$	61,056
k.	Merged Area XII	\$	19,800
l.	Merged Area XIII	\$	17,559

- m. Merged Area XIV \$ 8,925
- n. Merged Area XV \$ 23,582
- o. Merged Area XVI \$ 13,281

2. Funds appropriated in subsection 1 shall be allocated pursuant to this section and paid on or about August 15, 1990.

Sec. 14. Moneys allocated to area schools under section 11, subsections 12 and 13, of this Act, for expenditures incurred during the fiscal year beginning July 1, 1989, and ending June 30, 1990, shall be paid by the department of revenue and finance in installments due on or about November 15, February 15, and May 15 of that fiscal year. The payments received by area schools on or about August 15 under sections 12 and 13 of this Act are accounts receivable for the previous fiscal year. The installments shall be as nearly equal as possible as determined by the department of management, taking into consideration the relative budget and cash position of the state resources.

Sec. 15. Notwithstanding 1988 Iowa Acts, chapter 1284, section 34, the department of education is directed to reduce the total of the moneys appropriated in 1988 Iowa Acts, chapter 1284, section 34, subsections 1 and 2, by \$119,312 and to adjust the amounts allocated the merged areas in which there was a change in the assessed valuation of taxable property in the merged areas from January 1, 1986, to January 1, 1987, accordingly.

Sec. 16. Notwithstanding the appropriation provided in section 294A.25, subsection 1, there is appropriated from the general fund of the state to the department of education, for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as may be necessary to be used for the purpose designated:

For the educational excellence program:

..... \$ 92,007,985

Sec. 17. Notwithstanding the allocation of phase III moneys under section 294A.14, for the fiscal year beginning July 1, 1989, prior to the allocation to school districts and area education agencies, \$50,000 of the moneys appropriated for phase III shall be retained by the department of education to be used to develop the phase III evaluation and reporting system required under section 11, subsection 1, of this Act.

Sec. 18. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as may be necessary, to be used for child development grants under 1988 Iowa Acts, chapter 1130:

..... \$ 1,175,700

Section 256A.3, subsection 6, relating to funds appropriated for child development purposes applies to the moneys appropriated in this section.

As a condition, limitation, and qualification of the appropriation in this section, the funds shall be used to renew grants awarded under this program during the fiscal year commencing July 1, 1988. Grants shall be awarded not later than January 1, 1990.

DIVISION IV
STATE BOARD OF REGENTS

Sec. 19. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. OFFICE OF STATE BOARD OF REGENTS

a. For salaries, support, maintenance, miscellaneous purposes, during the fiscal year beginning July 1, 1989, and ending June 30, 1990, but not for expenditures for relocation or rental of office space at a location removed from the capitol complex, and for not more than the following full-time equivalent positions:

..... \$ 1,050,546

..... FTEs 19.63

As a condition, limitation, and qualification of funds appropriated in this paragraph, the state board of regents shall establish a consortium consisting of representatives of Iowa state university, the university of Iowa, and the university of northern Iowa as equal participants to establish and use a process for the exchange and integration of knowledge among the universities in the fields, including but not limited to, food production, food processing, food preservation, nutrition, medicine, pharmacy, chemical-free water, clean air, and environmental safety. The consortium shall also establish a means for the integration of knowledge across disciplines in each of the universities. In the establishment of the process for integration and exchange of knowledge for these purposes, the consortium shall also develop a process for disseminating this knowledge to the public for personal and business use by Iowans.

As a condition, limitation, and qualification of funds appropriated in this paragraph, the state board of regents shall direct its institutions of higher education to collaborate in categorizing research concerning this state's capabilities in reducing global warming and reducing ozone depletion and to make recommendations to the joint appropriations subcommittee on education no later than December 15, 1989, outlining future collaborative research efforts that the institutions can conduct for these purposes.

As a condition, limitation, and qualification of the funds appropriated in this paragraph, the state board of regents shall prepare the regulatory flexibility analysis required in section 17A.31 for rules proposed or adopted under chapter 23A.

The office of the state board of regents shall update the study that was initiated in 1988 of the child care needs of faculty members, other staff members, and students at each institution of higher education under its control. The state board of regents shall solicit input for the study from the state student association composed of students from the three institutions. Each institution shall develop alternatives for providing assistance for child care and present a report listing those alternatives to the general assembly not later than December 15, 1989. Each institution shall provide one or more of those alternatives for assistance for child care no later than the regular fall semester in 1990.

**As a condition, limitation, and qualification of the funds appropriated in this paragraph, the state board of regents shall not take action on requests for proposals, accept bids, or expend funds for the acquisition of a financial information system without the approval of the joint education appropriations subcommittee. The board shall provide the results of the request for proposal study, being conducted for the board, relating to the acquisition of a financial information system, to the joint education appropriations subcommittee and the legislative fiscal bureau. The board shall provide to the joint education appropriations subcommittee and the legislative fiscal bureau a comparison as to the compatibility with the Iowa financial accounting system, and the advantages and disadvantages of each bid for a financial information system for the board.*

As a condition, limitation, and qualification of the appropriation in this subsection, the state board of regents shall prepare and submit budgets for the fiscal year beginning July 1, 1990, for the Iowa school for the deaf; the Iowa braille and sight-saving school; the university of Iowa hospital-school; the university of Iowa hygienic laboratory; Iowa state university cooperative extension service; and the laboratory school at the university of northern Iowa using a zero-based budget procedure. The state board of regents shall submit no fewer than fifteen separate decision packages that will bring the budget for a department or program up to the level of funding provided for the fiscal year beginning July 1, 1989. Each decision package shall be listed in priority order and shall include the purpose or objective of the department or program; a description of actions, costs, and benefits; performance measures; and alternative means of accomplishing the objectives. The department of management and the legislative fiscal bureau shall jointly establish forms, procedures, and the degree of detail to be used for the decision packages.

*As a condition, limitation, and qualification of the moneys appropriated in this paragraph, the state board of regents shall not use reimbursements from the institutions under the control of the state board of regents for funding the office of the state board of regents.**

*Item veto; see message at end of the Act

b. For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions:

..... \$ 18,946,283

c. For funds for assisting a nonprofit corporation to create a tristate graduate center under section 262.9, subsection 20:

..... \$ 40,000

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory

(1) For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 149,732,881

..... FTEs 4,345.69

From moneys appropriated in this subparagraph, \$900,000 shall be used to improve undergraduate education at the state university of Iowa.

As a condition, limitation, and qualification of moneys appropriated in this subparagraph, from moneys available to the state university of Iowa, \$550,000 shall be expended for teaching excellence awards to teaching faculty members and teaching assistants.

Of the \$550,000 available for teaching excellence awards, \$50,000 shall be awarded to faculty members and teaching assistants who have been recognized for exceptional teaching. An exceptional teaching recognition award is for a one-year period and is in addition to the faculty member or teaching assistant's salary. Not later than December 15, 1989, the state board of regents shall report the names of recipients of teaching excellence awards and the amounts of the awards granted to the joint education appropriations subcommittee and to the legislative fiscal bureau.

(2) Agricultural health and safety pilot programs:

..... FTEs 1.28

b. Faculty salary increases

For increases in faculty salaries for the fiscal year beginning July 1, 1989, and ending June 30, 1990*, that are in addition to the total faculty salaries paid during the fiscal year beginning July 1, 1988*:

..... \$ 3,311,000

If the receipts from tuition, student fees and charges and institutional income at the institution for the fiscal year are less than or exceed the receipts estimated by the institution, the institution may request that the moneys appropriated in this paragraph be adjusted by the joint education appropriations committee and the general assembly meeting in 1990.

c. Minority and women educators enhancement program

From the moneys appropriated in paragraph "a", \$80,000 shall be used for implementing the minority and women educators enhancement program.

Notwithstanding section 8.33, as a condition, limitation, and qualification of the appropriation in this paragraph, unobligated and unencumbered funds from the appropriation remaining on June 30, 1990, shall not revert to the general fund of the state but shall remain available for expenditure during the fiscal year beginning July 1, 1990, for the same purpose or for other minority recruitment programs.

d. College-bound voucher program

From the moneys appropriated in paragraph "a", \$110,000 shall be used for implementing the college-bound voucher program.

e. Iowa minority academic grants for economic success program

From the moneys appropriated in paragraph "a", \$200,000 shall be used for the Iowa minority academic grants for economic success program.

It is the intent of the general assembly that moneys will be appropriated for the program

*Item veto; see message at end of the Act

for the fiscal year beginning July 1, 1990, in an amount equal to two times the amount specified in this paragraph.

f. Student aid increases

For increases in general student financial aid for the fiscal year beginning July 1, 1989, and ending June 30, 1990:

..... \$ 798,000

g. University hospitals

(1) For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions for medical and surgical treatment of indigent patients as provided in chapter 255:

..... \$ 26,827,131

..... FTEs 5,180.64

(2) For allocation by the dean of the college of medicine, with approval of the advisory board, to qualified participants, to carry out chapter 148C for the family practice program, including salaries and support, and for not more than the following full-time equivalent positions:

..... \$ 1,601,805

..... FTEs 175.42

(3) For specialized child health care services, including childhood cancer diagnostic and treatment network programs; rural comprehensive care for hemophilia patients; and Iowa high risk infant follow-up program, including salaries and support, and for not more than the following full-time equivalent positions:

..... \$ 362,242

..... FTEs 12.61

h. As a condition, limitation, and qualification of the appropriation made in paragraph "g", subparagraph (1), the county quotas for indigent patients for the fiscal year commencing July 1, 1989, shall not be lower than the county quotas for the fiscal year commencing July 1, 1988. Before a patient is eligible for the indigent patient program, the county general relief director shall first ascertain from the local office of human services if the applicant would qualify for medical assistance or the medically needy program without the spend-down provision under chapter 249A. If the applicant qualifies, then the patient shall be certified for medical assistance and shall not be counted under chapter 255. Transportation shall be provided at no charge to a patient who is certified for medical assistance under chapter 249A.

i. As a condition, limitation, and qualification of the appropriation made in paragraph "g", subparagraph (1), funds appropriated in that subparagraph shall not be allocated to the university hospitals until the superintendent has filed with the department of revenue and finance and the legislative fiscal bureau a quarterly report containing the account required in section 255.24. The report shall include the information required in section 255.24 for patients by the type of service provided.

j. As a condition, limitation, and qualification of the appropriation made in paragraph "g", subparagraph (1), funds appropriated in that subparagraph shall not be used to perform abortions except medically necessary abortions, and shall not be used to operate the early termination of pregnancy clinic except for the performance of medically necessary abortions. For the purpose of this paragraph, an abortion is the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus, and a medically necessary abortion is one performed under one of the following conditions:

(1) The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

(2) The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

(3) The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(4) The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(5) The abortion is a spontaneous abortion, commonly known as a miscarriage, wherein not all of the products of conception are expelled.

k. Psychiatric hospital

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions and for the care, treatment, and maintenance of committed and voluntary public patients:

.....	\$	6,271,551
.....	FTEs	282.92

l. State hygienic laboratory

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,681,766
.....	FTEs	108.86

m. Hospital-school

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,859,012
.....	FTEs	186.9

n. Oakdale campus

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,701,938
.....	FTEs	66.1

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	120,656,526
.....	FTEs	3,708.0

From moneys appropriated in this paragraph, \$200,000 shall be used to improve undergraduate education at Iowa state university of science and technology.

As a condition, limitation, and qualification of moneys appropriated in this paragraph, from moneys available to Iowa state university, \$550,000 shall be expended for teaching excellence awards to teaching faculty members and teaching assistants.

Of the \$550,000 available for teaching excellence awards, \$50,000 shall be awarded to faculty members and teaching assistants who have been recognized for exceptional teaching. An exceptional teaching recognition award is for a one-year period and is in addition to the faculty member or teaching assistant's salary. Not later than December 15, 1989, the state board of regents shall report the names of recipients of teaching excellence awards and the amounts of the awards granted to the joint education appropriations subcommittee and to the legislative fiscal bureau.

b. Faculty salary increases

For increases in faculty salaries for the fiscal year beginning July 1, 1989, and ending June 30, 1990*, that are in addition to the total faculty salaries paid during the fiscal year beginning July 1, 1988*:

.....	\$	3,950,000
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If the receipts from tuition, student fees and charges and institutional income at the institution for the fiscal year are less than or exceed the receipts estimated by the institution, the institution may request that the moneys appropriated in this paragraph be adjusted by the joint education appropriations committee and the general assembly meeting in 1990.

c. Minority and women educators enhancement program

From the moneys appropriated in paragraph "a", \$80,000 shall be used for implementing the minority and women educators enhancement program.

Notwithstanding section 8.33, as a condition, limitation, and qualification of the appropriation in this paragraph, unobligated and unencumbered funds from the appropriation

*Item veto; see message at end of the Act

remaining on June 30, 1990, shall not revert to the general fund of the state but shall remain available for expenditure during the fiscal year beginning July 1, 1990, for the same purpose or for other minority recruitment programs.

d. College-bound voucher program

From the moneys appropriated in paragraph "a", \$110,000 shall be used for implementing the college-bound voucher program.

e. Iowa minority academic grants for economic success program

From the moneys appropriated in paragraph "a", \$200,000 shall be used for the Iowa minority academic grants for economic success program.

It is the intent of the general assembly that moneys will be appropriated for the program for the fiscal year beginning July 1, 1990, in an amount equal to two times the amount specified in this paragraph.

f. Student aid increases

For increases in general student financial aid for the fiscal year beginning July 1, 1989, and ending June 30, 1990:

.....	\$	547,000
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g. Agricultural experiment station

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	16,073,598
.....	FTEs	419.0

h. Leopold center

For agricultural research grants awarded under section 266.39B:

.....	\$	600,000
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i. Cooperative extension service in agriculture and home economics

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	14,485,806
.....	FTEs	480.0

j. Fire service education, including salaries and support, and for not more than the following full-time equivalent positions:

.....	\$	410,000
.....	FTEs	11.0

4. UNIVERSITY OF NORTHERN IOWA

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	48,765,750
.....	FTEs	1,347.25

From moneys in this paragraph, \$600,000 shall be used to improve undergraduate education at the university of northern Iowa.

As a condition, limitation, and qualification of moneys appropriated in this paragraph, from moneys available to the university of northern Iowa, \$275,000 shall be expended for teaching excellence awards to teaching faculty members and teaching assistants.

Teaching excellence awards shall be granted to faculty members and teaching assistants for excellence in the quality of classroom instruction. An award shall be built into the faculty member's or teaching assistant's base salary. Moneys appropriated for teaching excellence awards shall not result in a negative impact upon a collective bargaining agreement between an employee organization and the university. Not later than December 15, 1989, the state board of regents shall report the names of recipients of teaching excellence awards and the amounts of the awards granted to the joint education appropriations subcommittee and to the legislative fiscal bureau.

b. Faculty salary increases

For increases in faculty salaries for the fiscal year beginning July 1, 1989, and ending June 30, 1990*, that are in addition to the total faculty salaries paid during the fiscal year beginning July 1, 1988*:

..... \$ 617,000

If the receipts from tuition, student fees and charges and institutional income at the institution for the fiscal year are less than or exceed the receipts estimated by the institution, the institution may request that the moneys appropriated in this paragraph be adjusted by the joint education appropriations committee and the general assembly meeting in 1990.

c. Minority and women educators enhancement program

From the moneys appropriated in paragraph "a", \$40,000 shall be used for implementing the minority and women educators enhancement program.

Notwithstanding section 8.33, as a condition, limitation, and qualification of the appropriation in this paragraph, unobligated and unencumbered funds from the appropriation remaining on June 30, 1990, shall not revert to the general fund of the state but shall remain available for expenditure during the fiscal year beginning July 1, 1990, for the same purpose or for other minority recruitment programs.

d. College-bound voucher program

From the moneys appropriated in paragraph "a", \$80,000 shall be used for implementing the college-bound voucher program.

e. Iowa minority academic grants for economic success program

From the moneys appropriated in paragraph "a", \$100,000 shall be used for the Iowa minority academic grants for economic success program.

It is the intent of the general assembly that moneys will be appropriated for the program for the fiscal year beginning July 1, 1990, in an amount equal to two times the amount specified in this paragraph.

f. Student aid increases

For increases in general student financial aid for the fiscal year beginning July 1, 1989, and ending June 30, 1990:

..... \$ 214,000

g. For the center for early developmental education:

..... \$ 400,000

5. STATE SCHOOL FOR THE DEAF

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 5,375,212

..... FTEs 133.27

As a condition, qualification, and limitation of the appropriation in this subsection, the state school for the deaf shall conduct a planning study for construction of a new recreation facility for the state school for the deaf. The recreation facility shall be located in Council Bluffs.

6. IOWA BRAILLE AND SIGHT-SAVING SCHOOL

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 2,976,814

..... FTEs 92.45

Sec. 20. Moneys appropriated in section 19, subsection 2, paragraph "a", subparagraph (1); section 19, subsection 3, paragraph "a"; and section 19, subsection 4, paragraph "a", and designated for the minority and women educators enhancement program under paragraph "c" of those subsections shall be used solely for the purposes for which they have been designated and not for general university purposes.

Sec. 21. Moneys appropriated in section 19, subsection 2, paragraph "a", subparagraph (1); section 19, subsection 3, paragraph "a"; and section 19, subsection 4, paragraph "a", and designated for the Iowa minority academic grants for economic success program under paragraph

*Item veto; see message at end of the Act

“e” of those subsections shall be used solely for the purposes for which they have been designated and not for general university purposes.

**Sec. 22. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:*

1. *For library automation at the university of Iowa:*
 \$ 400,000
2. *For library automation at Iowa state university:*
 \$ 325,000
3. *For library automation at the university of northern Iowa:*
 \$ 325,000
4. *Notwithstanding section 8.33, unobligated or unencumbered funds appropriated in this section remaining on June 30, 1989, shall not revert to the general fund of the state, but shall remain available for expenditure until June 30, 1990.**

Sec. 23. Moneys appropriated to each university in section 22 of this Act shall be added to the moneys appropriated in section 19, subsection 2, paragraph “a”, subsection 3, paragraph “a”, and subsection 4, paragraph “a”, for the purposes of determining each university’s general university budget base for appropriations for the fiscal year beginning July 1, 1990.

Sec. 24. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated in 1988 Iowa Acts, chapter 1284, section 52, subsection 1, paragraph “b”, shall not revert to the general fund of the state on June 30, 1989, but shall be available for expenditure for the purposes listed in section 19, subsection 1, paragraph “b”, of this Act during the fiscal year beginning July 1, 1989, and ending June 30, 1990.

Sec. 25. As a condition, limitation, and qualification of the appropriations made in section 19, subsection 2, paragraph “a”, subparagraph (1); section 19, subsection 3, paragraph “a”; and section 19, subsection 4, paragraph “a”, sales by an institution of computer equipment, computer software, and computer supplies to students and faculty at the institution are retail sales for the purpose of chapter 422, division IV.

Sec. 26. As a condition, limitation, and qualification of the appropriations made to the state board of regents and regents’ institutions under this Act, for the fiscal years beginning July 1, 1989, and July 1, 1990, the state board of regents shall use notes, bonds, or other evidences of indebtedness issued under section 262.48 to finance projects that will result in energy cost savings in an amount that will cause the state board to recover the cost of the projects within an average of six years.

Sec. 27. It is the intent of the general assembly to appropriate \$4,000,000 to the university of Iowa driving simulation center for the fiscal period commencing July 1, 1990, and ending June 30, 1994, if funds from federal and private sources are available for expenditure by the center for that time period and appropriate documentation of those funding sources is provided to and approved by the general assembly.

Sec. 28. The legislative fiscal bureau, with the cooperation of the state board of regents, shall examine the cost of retiring the self-liquidating bonds that have been issued for the construction of utilities at the university of Iowa and Iowa state university of science and technology and to study the impact that the payments to retire the bonds have had and will have on the moneys available for educational purposes at each of the two institutions of higher education. The legislative fiscal bureau shall report the results of the study to the joint appropriations subcommittee on education not later than December 15, 1989.

Sec. 29. The legislative council is requested to establish an interim study committee to conduct a comprehensive study of the Iowa industrial new jobs training Act in chapter 280B and the manner in which projects have been approved and program services provided by the

**Item veto; see message at end of the Act*

merged area schools. The study shall be conducted by the legislative fiscal committee and the co-chairpersons and ranking members of the joint education appropriations subcommittee.

The study shall include but not be limited to analyses of the appropriateness of projects, purposes of the expenditures for program services and for administrative costs, adequacy of recordkeeping, defaults on payments by type of employer and actions taken by area schools to minimize defaults, and numbers of jobs actually created.

The study committee shall develop recommendations to be submitted to the legislative council and the general assembly meeting in 1990.

Sec. 30. Notwithstanding section 442.10, the amounts deducted from the portions of school district budgets that fund special education support services in an area education agency under section 442.10, for each of the fiscal years beginning July 1, 1988, and July 1, 1989, in an amount not exceeding \$500,000 for each fiscal year, shall not be deposited in the general fund of the state, but shall be paid to area education agencies that have fewer than three and one-half public school pupils per square mile, to be expended for special education support services of the area education agencies for the fiscal years beginning July 1, 1989, and July 1, 1990. If the total amount deducted from the area education agencies under section 442.10 for the school year beginning July 1, 1988, or July 1, 1989, to be deposited in the general fund of the state, is less than five hundred thousand dollars, there is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1989, and for the fiscal year beginning July 1, 1990, the difference between the total amount deducted for the previous fiscal year that would otherwise have been deposited in the general fund of the state, and five hundred thousand dollars, to be paid to area education agencies that have fewer than three and one-half public school pupils per square mile.

DIVISION V

Sec. 31. Section 18.133, Code 1989, is amended by adding the following new subsections:
NEW SUBSECTION. 3. "Public agency" means a state agency, a school corporation, a city library, a regional library as provided in chapter 303B, and a county library as provided in chapter 358B.

NEW SUBSECTION. 4. "Private agency" means accredited nonpublic schools and nonprofit institutions of higher education eligible for tuition grants.

Sec. 32. Section 18.134, Code 1989, is amended to read as follows:

18.134 LIMITATION OF COMMUNICATIONS POWERS — FACILITIES — LEASES.

1. The department of general services may purchase, lease-purchase, lease, and improve property, equipment, and services for telecommunications for public and private agencies, including the broadcast and narrowcast systems, and may dispose of property and equipment when not necessary for its purposes. The However, the department of general services shall not provide or resell communications services to entities other than state public and private agencies. The public or private agency shall not provide communication services of the network to another entity at a cost greater than that charged to the agency pursuant to section 18.136, subsections 10 and 11. The department may arrange for joint use of available services and facilities, and may enter into leases and agreements with private and public agencies with respect to a state communications system, and public agencies are authorized to enter into leases and agreements with respect to the system for their use and operation. Rentals and other amounts due under the agreements or leases entered into pursuant to this section by a state agency are payable from funds annually appropriated by the general assembly or from other funds legally available. Other public agencies may pay the rental costs and other amounts due under an agreement or lease from their annual budgeted funds or other funds legally available or to become available. This section comprises a complete and independent authorization and procedure for a public agency, with the approval of the department, to enter into a lease or agreement and related security enhancement arrangements and this section is not a qualification of any other powers which a public agency may possess and the authorizations and powers granted under this section are not subject to the terms, requirements, or limitations of any

other provisions of law. All moneys received by the department from agreements and leases entered into pursuant to this section with private and public agencies shall be deposited in the state communications network fund.

It is the intent of the general assembly that rental and other costs due under agreements and leases entered into pursuant to this section by state agencies be replaced by supplemental appropriations to the state agencies.

2. A political subdivision receiving communications services from the state as of April 1, 1986, may continue to do so but communications services shall not be provided or resold to additional political subdivisions other than a school corporation, a city library, a regional library as provided in chapter 303B, and a county library as provided in chapter 358B. The rates charged to the political subdivision shall be the same as the rates charged to state agencies.

Sec. 33. NEW SECTION. 18.136 STATE COMMUNICATIONS NETWORK.

1. Moneys in the state communications network fund are appropriated to the Iowa public broadcasting board for purposes of providing financing for the procurement, operation, and maintenance of a state communications network with sufficient capacity to serve the video, data, and voice requirements of state agencies and the educational telecommunications system. The state communications network consists of Part I, Part II, and Part III of the system.

2. For purposes of this section, unless the context otherwise requires:

a. "Part I of the system" means the communications connections between central switching and the regional switching centers for the remainder of the network.

b. "Part II of the system" means the communications connections between the regional switching centers and the secondary switching centers.

c. "Part III of the system" means the communications connection between the secondary switching centers and the agencies defined in section 18.133, subsections 3 and 4.

3. The financing for the procurement costs for the entirety of Part I of the system, and the video, data, and voice capacity for state agencies for Part II and Part III of the system, shall be provided by the state. The financing for the procurement costs for Part II of the systems shall be provided eighty percent from the state and twenty percent from the area schools for the areas in which Part II of the system is located. The basis for the state match is eighty percent of a single interactive video and interactive audio for Parts I and II of the system, and such data and voice capacity as is necessary. The financing for the procurement and maintenance costs for Part III of the systems shall be provided eighty percent from the state and twenty percent from the local school boards of the areas which receive transmissions from the system. The local school boards may meet all or part of the match requirements of Part III of the system through a cooperative arrangement with area schools. The basis for the state match is eighty percent of a single interactive audio and one-way video for Part III of the system, and such data and voice capacity as is necessary. The local school boards and area schools may meet the match requirements for Part II and Part III of the system from funds they have already spent for their systems, from funds available in the school budget, or from funds received from other nonstate sources. In the case of existing systems, in order to upgrade facilities to the specifications of the state communications network, the local school boards and area schools, in lieu of a cash match, may meet the match requirements from funds they have already spent for their systems provided that the state match does not exceed the lesser of eighty percent of the total cost of the upgraded system or eighty percent of the replacement cost of the system. The communications equipment used as a match shall not subsequently be used as a match by another educational entity or for another part of the system. A local school board may request the school budget review committee to adjust the allowable growth for the school district so that the resulting increase in budget could be used for the match. A local school board may also elect not to become part of the system. Such election shall be made on an annual basis. State matching funds shall not be provided for Part III of the system until Part I and Part II of the system have been completed.

4. The department of general services shall develop the requests for proposals that are needed for a state communications network with sufficient capacity to serve the video, data, and voice requirements of state agencies and the educational telecommunications applications required

by the Iowa public broadcasting board. The department shall develop a request for proposals for each of the systems that will make up the network. The department may develop a request for proposals for each definitive component of Part I, Part II, and Part III of the system or the department may provide in the request for proposals for each such system that separate contracts may be entered into for each definitive component covered by the request for proposals. The requests for proposals may be for the purchase, lease-purchase, or lease of the component parts of the system, may require maintenance costs to be identified, and the resulting contract may provide for maintenance for parts of the system. The master contract may provide for electronic classrooms, satellite equipment, receiving equipment, studio and production equipment, and other associated equipment as required.

5. Prior to the awarding of a contract under this section, the department shall notify the legislative council and the department of management of the department's intent to award a contract and of the cost to the state. The department of management and the legislative council shall determine if the anticipated financial resources of the state are adequate to fund the expenditure during the fiscal years covered by the contract, and if so, the department of management shall certify the determination to the department. Upon certification, the department may enter into the contract.

6. The department of general services shall be responsible for the network system design and shall be responsible for the implementation of each component of the network as it is incorporated into the network system. The final design selected shall optimize the routing for all users in order to assure maximum utilization by all agencies of the state. Efficiencies achieved in the implementation of the network shall be used to fund further implementation and enhancement of the network, and shall be considered part of the operational cost of the network. The department shall be responsible for all management, operations, control switching, diagnostics, and maintenance functions of Part I and Part II of the system operations, except as designated in subsection 7. The performance of these duties are intended to provide optimal utilization of the facilities, and the assurance that future growth requirements will be provided for, and that sufficient network capacity will be available to meet the needs of all users. The telecommunications information management council, created by executive order of the governor, shall provide general oversight for these functions.

7. The Iowa public broadcasting board retains sole authority over the educational telecommunications applications of Part I of the system, and its authority shall include management and operational control, programming, budget, personnel, scheduling, and program switching of educational material carried by Part I of the system. The Iowa public broadcasting board, through its narrowcast system advisory committee, retains coordination authority over the educational telecommunications applications of Part II and Part III of the system. Area schools are responsible for scheduling and switching of educational materials carried by Part II and Part III of the system within their respective areas. Such responsibility may be accomplished by a chapter 28E agreement with the department of general services.

8. The procurement and maintenance of electronic equipment including, but not limited to, master receiver antenna systems, studio and production equipment, and broadcast system components shall be provided for under department of general services' contracts. The Iowa public broadcasting board and other educational entities within the state have the option to use their existing or replacement resources and agreements in the operation and maintenance of these systems.

9. In addition to the other evaluation criteria specified in the request for proposals issued pursuant to this section, the department of general services, in evaluating proposals, shall base up to two percent of the total possible points on the public benefit that can be derived from a given proposal due to the increased private telecommunications capacity available to Iowa citizens located in rural Iowa. For purposes of this subsection, an area of the state is considered rural if it is not part of a federally designated standard metropolitan statistical area.

10. The fees charged for use of the network shall be based on the ongoing operational costs of the network only.

11. The Iowa public broadcasting board, in consultation with its narrowcast system advisory committee, shall determine the fee to be charged per course or credit hour by the originating institution, and the fees shall be substantially the same for comparable courses.

12. Access to the network shall be offered on an equal basis to public and private agencies under subsection 7 if the private agency contributes an amount toward the match requirement comparable to its share of use for the part of the system in which it participates.

13. Notwithstanding chapter 476, the provisions of chapter 476 shall not apply to a public utility in furnishing a telecommunications service or facility to the department of general services for the state communications network.

Sec. 34. NEW SECTION. 18.137 STATE COMMUNICATIONS NETWORK FUND.

There is created in the office of the treasurer of state a temporary fund to be known as the state communications network fund. There is appropriated, contingent upon the certification from the department of management of financial resources adequate to fund the expenditure, to the state communications network fund for each fiscal year of the fiscal period beginning July 1, 1989, and ending June 30, 1994, the sum of ten million dollars from funds in the general fund of the state not otherwise appropriated. Any moneys remaining in the fund on June 30 of a fiscal year, of moneys appropriated from the general fund of the state for that fiscal year, shall revert to the general fund of the state, except that those funds needed to provide the state matching funds pursuant to section 18.136 shall not revert, notwithstanding section 8.33. There shall also be deposited into the state communications network fund proceeds from bonds issued for purposes of projects authorized pursuant to section 18.136, matching funds received from the area schools and the local school boards, funds received from leases pursuant to section 18.134, and other moneys by law credited to or designated by a person for deposit into the fund.

The Iowa public broadcasting board shall use the net increase in the federal match awarded to the Iowa public broadcasting board as a result of this appropriation in order to meet the needs of the educational telecommunications system. These funds shall be deposited in a separate account within the state communications network fund, and shall be administered by the Iowa public broadcasting board for purposes of the fund.

**Sec. 35. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:*

For initial implementation stages of the network and for not more than four full-time equivalent positions for the purpose of assisting in the request for proposal:
..... \$ 250,000*

Sec. 36. Section 38.5, Code 1989, is amended to read as follows:

38.5 GIFTS — GRANTS FUNDING.

The institute may accept grants, gifts, and bequests, including but not limited to appropriations, federal funds, and other funding available for carrying out the purposes of the institute. The institute is a department for purposes of chapter 8.

Sec. 37. NEW SECTION. 74.9 PAYMENT IN CASE OF DEFAULT.

In the event a school corporation which has issued anticipatory warrants fails to pay principal or interest of its anticipatory warrants when due, upon certification by the trustee or the paying agent designated pursuant to section 76.10 to the director of the department of revenue and finance, the director of the department of revenue and finance shall withhold and directly apply, from any state appropriation to which the school corporation is entitled, so much as is certified to the trustee or the paying agent to the payment of the principal and interest on the anticipatory warrants of the school corporation then due. The obligation of the director of revenue and finance to withhold and directly apply moneys from any state appropriation to which the school corporation is entitled does not create any moral or legal obligations of the state to pay, when due, the principal and interest on the anticipatory warrants of a school corporation. All appropriations for school corporations shall be subject to the provisions of this section.

*Item veto; see message at end of the Act

Sec. 38. Section 255.24, unnumbered paragraph 2, Code 1989, is amended to read as follows:

All purchases of materials, appliances, instruments and supplies by ~~said the~~ university hospital, in cases where more than one hundred dollars is to be expended, and where the prices of the commodity or commodities to be purchased are subject to competition, shall be upon open competitive quotations, and all contracts therefor shall be subject to the provisions of chapter 72. However, purchases may be made through a hospital group purchasing organization provided that university hospitals is a member of the organization and the group purchasing organization selects the items to be offered to members through a competitive bidding process.

Sec. 39. Section 256.11, subsection 1, Code 1989, is amended to read as follows:

1. If a school offers a prekindergarten program, the program shall be designed to help children to work and play with others, to express themselves, to learn to use and manage their bodies, and to extend their interests and understanding of the world about them. The prekindergarten program shall relate the role of the family to the child's developing sense of self and perception of others. Planning and carrying out prekindergarten activities designed to encourage cooperative efforts between home and school shall focus on community resources. A Except as otherwise provided in this subsection, a prekindergarten teacher shall hold a certificate certifying that the holder is qualified to teach in prekindergarten. A nonpublic school which offers only a prekindergarten may, but is not required to, seek and obtain accreditation.

Sec. 40. Section 256.11, subsection 1, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the board of directors of a school district contracts for the operation of a prekindergarten program, the program shall be under the oversight of an appropriately certificated teacher. If the program contracted with was in existence on the effective date of this Act, oversight of the program shall be provided by the district. If the program contracted with was not in existence on the effective date of this Act, the director of the program shall be a certificated teacher and the director shall provide program oversight. Any director of a program contracted with by a school district under this section who is not a certificated teacher is required to register with the department of education.

Sec. 41. NEW SECTION. 256.33 EDUCATIONAL TECHNOLOGY ASSISTANCE.

The department shall consort with school districts, area education agencies, merged area schools, and colleges and universities to provide assistance to them in the use of educational technology for instruction purposes. The department shall consult with the advisory committee on the operation of the narrowcast system, established in section 303.77, the advisory committee on telecommunications, established in section 256.7, subsection 9, and other users of educational technology on the development and operation of programs under this section.

If moneys are appropriated by the general assembly for a fiscal year for purposes provided in this section, the programs funded by the department may include but not be limited to:

1. The development and delivery of in-service training, including summer institutes and workshops for individuals employed by elementary, secondary, and higher education corporations and institutions who are using educational technology for instructional purposes. The in-service programs shall include the use of hardware as well as effective methods of delivery and maintenance of a learning environment.

2. Research projects on ways to improve instruction at all educational levels using educational technology.

3. Demonstration projects which model effective uses of educational technology.

4. Establishment of a clearinghouse for information and research concerning practices relating to and uses of educational technology.

5. Development of curricula that could be used by approved teacher preparation institutions to prepare teachers to use educational technology in the classroom.

6. Pursuit of additional funding from public and private sources for the functions listed in this section.

Priority shall be given to programs integrating telecommunications into the classroom. That department may award grants to school corporations and higher education institutions to perform the functions listed in this section.

Sec. 42. Section 261.9, subsection 5, paragraph c, Code 1989, is amended by striking the paragraph.

Sec. 43. Section 261.12, subsection 1, paragraph b, Code 1989, is amended by striking the paragraph and inserting in lieu thereof the following:

b. For the fiscal year beginning July 1, 1989, and for each following fiscal year, two thousand five hundred dollars.

Sec. 44. Section 261.17, subsection 3, Code 1989, is amended to read as follows:

3. The amount of a vocational-technical tuition grant shall not exceed the lesser of ~~four~~ five hundred fifty dollars per year or the amount of the student's established financial need.

Sec. 45. Section 261.18, Code 1989, is amended to read as follows:

261.18 SUBVENTION OSTEOPATHIC GRANT PROGRAM.

1. There is established a ~~subvention~~ an osteopathic grant program for resident students who are enrolled in the university of osteopathic medicine and health sciences of Des Moines, Iowa. The ~~subvention~~ osteopathic grant program shall be administered by the commission in the manner provided in this section ~~and section 261.19~~. The commission shall initiate an affirmative action program to ensure equal opportunity for participation by women, men, and minority students in the program provided for in this section ~~and section 261.19~~.

2. In making a final determination of who is a resident of Iowa, the commission shall adopt rules for the academic year commencing in 1976 and for each academic year thereafter consistent with those followed for determining Iowa resident students in section 261.15 and the rules shall be subject to the provisions of chapter 17A.

3. Of the funds appropriated for the ~~subvention~~ osteopathic grant program, the commission shall provide a three thousand dollars of subvention dollar grant to the university of osteopathic medicine and health sciences for each Iowa resident student, to be credited against the tuition charged for the Iowa student by the university of osteopathic medicine and health sciences, and the remaining funds shall be allocated to the university of osteopathic medicine and health sciences enrolled in the university of osteopathic medicine and health sciences. If insufficient funds are available to pay the entire amount of the grant to each eligible student, the amount of the grant shall be prorated.

Sec. 46. Section 261.19, Code 1989, is amended by striking the section and inserting in lieu thereof the following:

261.19 PAYMENT OF SUBVENTION.

A subvention program for the university of osteopathic medicine and health sciences is established. The subvention program shall provide funds to the university for Iowa resident students. The total amount of moneys appropriated to the college aid commission for the subvention program shall be paid to the university if the university certifies to the college aid commission not later than September 15 and January 15 of each fiscal year that at least twenty percent of the total students enrolled are Iowa residents. The certification shall contain the number, names, and addresses of all students enrolled, by class, and shall indicate which students are resident students.

The college aid commission shall determine a subvention amount per resident student by dividing the funds appropriated for this section by a number equal to the total of twenty percent of the total students enrolled. If fewer than twenty percent of the total number of students enrolled are Iowa residents, the college aid commission shall deduct from the funds appropriated an amount equal to the subvention amount per resident student multiplied by the number of students required to equal twenty percent of the total students enrolled.

The commission shall compute the amount of moneys to be paid to the university and transmit the funds to the university of osteopathic medicine and health sciences within ten days following receipt of the certification.

Sec. 47. Section 261.25, subsections 1, 2, and 3, Code 1989, are amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~twenty-eight~~ thirty million ~~eight~~ six hundred ~~ninety-four~~ eighty-two thousand ~~seven~~ five hundred ~~sixty-five~~ five dollars for tuition grants.

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~seven~~ eight hundred ~~fifty~~ thousand dollars for scholarships.

3. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~six~~ seven hundred ~~seventy-two~~ fifty thousand ~~four~~ hundred ~~seventy-two~~ dollars for vocational-technical tuition grants.

Sec. 48. Section 261.25, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 5. For the fiscal year beginning July 1, 1989, and in succeeding years, the institutions of higher education that enroll recipients of Iowa tuition grants shall transmit to the Iowa college aid commission information about the numbers of minority students enrolled and minority faculty members employed at the institution, and existing or proposed plans for the recruitment and retention of minority students and faculty as well as existing or proposed plans to serve nontraditional students. The Iowa college aid commission shall compile and report the enrollment and employment information and plans to the chairpersons and ranking members of the house and senate education committees, members of the joint education appropriations subcommittee, the governor, and the legislative fiscal bureau by December 15 of each year.

Sec. 49. Section 261.54, unnumbered paragraphs 1 and 2, Code 1989, are amended to read as follows:

Repayment of ~~the~~ a loan made under the science and mathematics loan program prior to July 1, 1988, shall begin one year after the recipient completes the educational program for which tuition and fees ~~are~~ were received except as otherwise provided in this section. If a recipient submits evidence to the commission that the recipient was employed as a teacher of one or more science or mathematics courses or as an elementary teacher teaching science and mathematics in a public school district or nonpublic school in this state or at the Iowa braille and sight-saving school or the Iowa school for the deaf during that year, fifty percent of the amount of the loan is canceled. If the recipient continues employment as a teacher of science or mathematics courses or as an elementary teacher teaching science and mathematics during the next succeeding school year and submits evidence to the commission of the continuation of teaching employment, the recipient is not required to commence repayment during that school year and at the end of that school year the remaining fifty percent of the loan is canceled.

There is created a science and mathematics loan repayment fund for deposit of payments made by recipients. Payments made by recipients of the loans shall be used to supplement moneys appropriated to the guaranteed loan payment program. Any funds remaining on June 30 of a fiscal year shall be transferred on each June 30 from the fund created in this section to the general fund of the state.

Sec. 50. Section 261.81, Code 1989, is amended to read as follows:

261.81 WORK-STUDY PROGRAM.

The Iowa college work-study program is established to stimulate and promote the part-time employment of students attending Iowa postsecondary educational institutions, and the part-time or full-time summer employment of students registered for classes at Iowa postsecondary institutions during the succeeding school year, who are in need of employment earnings in order to pursue postsecondary education. The program shall be administered by the commission. The commission shall adopt rules under chapter 17A to carry out the program. The employment under the program shall be employment by the postsecondary education institution itself or work in a public agency or private nonprofit organization under a contract between the institution or the commission and the agency or organization. An eligible postsecondary institution that is allocated twenty thousand dollars or more for the work-study program by the commission shall allocate at least ten percent of the funds received for student employment in a public agency or private nonprofit organization that is accredited, approved, licensed,

registered, certified, or operated by the department of human services, the department of natural resources, the department of agriculture and land stewardship, or the department of corrections, or is part of the Iowa heritage corps established in section 261.81A. However, if by October 1, for the first semester of an academic year, or by March 1, for the second semester of an academic year, contracts have not been signed, the funds may be used for employment by the postsecondary institution itself. The work shall not result in the displacement of employed workers or impair or affect existing contracts for services. Moneys used by an institution for the work-study program shall supplement and not supplant jobs and existing financial aid programs provided for students through the institution.

Sec. 51. NEW SECTION. 261.81A IOWA HERITAGE CORPS.

An Iowa heritage corps is created. The objectives of the corps are to promote public appreciation of Iowa's natural and cultural heritage, promote the economic development of Iowa tourism, and provide meaningful and productive service and research opportunities for students enrolled in public and private colleges and universities in the state. The corps shall provide opportunities in the areas of historical and cultural preservation and education, community improvement, public policy research, and tourism. The corps shall provide participants with an opportunity to explore careers, gain work experience and college credit, and to contribute to the general welfare of their communities and state.

The commission shall solicit participation in the Iowa heritage corps and cooperate with museums, historical organizations, public and nonprofit agencies, and community development organizations in the development of pilot projects for internship positions to be included in the work-study program under section 261.81 and shall allocate moneys to participating museums, organizations, and agencies for the employment of the students under a pilot project. The internships shall include programs which increase public awareness of, and appreciation for, Iowa's natural and cultural heritage. A public or private person using interns under the corps for a pilot project shall contribute to the eligible postsecondary institution in which the intern is enrolled the cost of tuition for credits earned by the intern and all costs for materials, supplies, travel, and other work-related expenses of the project.

Sec. 52. Section 261.82, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. Allocate work-study moneys appropriated to the commission to museums, historical organizations, public and nonprofit agencies, and community development organizations for pilot projects for internships for the Iowa heritage corps.

DIVISION VI

Sec. 53. NEW SECTION. 261.101 LEGISLATIVE INTENT.

The general assembly finds that the failure of many young Iowans to complete their education limits their opportunity for a life of fulfillment and hinders the state's efforts to provide a well-trained work force for business and industry in Iowa. The general assembly also declares that it is the policy of this state to apply positive measures to ensure that equal opportunities exist for minority persons to pursue their educational goals. Therefore, the "Iowa Minority Academic Grants for Economic Success" program is established to provide additional funding to the state board of regents' institutions and accredited private institutions in order to encourage resident minority students to remain in Iowa, to attend colleges and universities in Iowa, and to assure that a limited family income will not be a barrier for a minority person to pursue a postsecondary education.

Sec. 54. NEW SECTION. 261.102 DEFINITIONS.

1. "Accredited private institution" means an institution of higher education as defined in section 261.9, subsection 5.
2. "Commission" means the college aid commission.
3. "Financial need" means the difference between the student's financial resources, including resources available from the student's parents and the student, as determined by a completed parents' financial statement and including any noncampus-administered federal or state grants and scholarships, and the student's estimated expenses while attending the institution. A

student shall accept all available federal and state grants and scholarships before being considered eligible for grants under the Iowa minority academic grants for economic success program. Financial need shall be reconsidered on at least an annual basis.

4. "Full-time student" means an individual who is enrolled at an accredited private institution or board of regents' university for at least twelve semester hours or the trimester or quarter equivalent.

5. "Minority person" means an individual who is black, Hispanic, Asian, or a Pacific islander, American Indian, or an Alaskan native American.

6. "Part-time student" means an individual who is enrolled at an accredited private institution or board of regents' university in a course of study including at least three semester hours or the trimester or quarter equivalent of three semester hours.

7. "Program" means the Iowa minority academic grants for economic success program established in this division.

Sec. 55. NEW SECTION. 261.103 PROGRAM QUALIFICATIONS.

1. A grant under the program may be awarded to any minority person who is a resident of Iowa, who is accepted for admission or is attending a board of regents' university or an accredited private institution, and who demonstrates financial need. Applicants who receive vouchers under section 262.92 shall be given priority in receiving grants under the program, but an applicant shall not be denied a grant because the applicant does not hold vouchers under the program in section 262.92. During the fiscal year commencing July 1, 1989, and ending June 30, 1990, grants shall be awarded to minority persons who are residents of Iowa. However, if after funds appropriated are distributed to all eligible resident minority persons, funds remain unexpended, those funds may be used to provide grants under the program to nonresident minority persons. For the fiscal year commencing July 1, 1990, and in subsequent years, grants shall be awarded to all minority persons, with priority to be given to those minority persons who are residents of Iowa.

2. Full-time students may receive grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent of eight semesters of undergraduate study. Part-time students may receive grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent of sixteen semesters of undergraduate study.

3. The amount of the grant shall not exceed a student's yearly financial need or three thousand five hundred dollars, whichever is less. If the student is attending or seeking to enroll in an accredited private institution, fifty percent of the amount of the grant shall be provided by the accredited private institution and fifty percent shall be provided by the commission from state funds appropriated for that purpose.

4. Grants shall be awarded on an annual basis and shall be credited by the institution against the student's tuition, fees, room, and board, at the beginning of each semester, trimester, or quarter in equal installments upon certification by the institution that the student is admitted and attending the institution.

5. If a student receiving a grant under the program discontinues attendance before the end of any academic period, but after receiving payment of grant moneys for the academic period, the entire amount of any refund due the student, up to the amount of any payments made by the state, shall be remitted by the private institution to the commission.

Sec. 56. NEW SECTION. 261.104 POWERS OF THE COMMISSION.

In administering the program for the private institution, the commission shall:

1. Provide application forms to students enrolled and attending or seeking to enroll and attend accredited private institutions.

2. Develop and provide confidential financial statement forms to the parents or guardians of students applying for grants under this program.

3. Approve and award grants to private institutions under the program.

4. Adopt rules for determining financial need and residency for the purpose of awarding grants to qualified students, and any other rules necessary for the administration of the program.

5. Report annually to the governor and the general assembly on the progress and implementation of the program.

6. Require postsecondary institutions that receive moneys from students awarded grants under the program to furnish any information necessary for the implementation or administration of the program.

7. Solicit and receive private contributions and federal grants available for purposes of the program.

8. Maintain records on the recipients of vouchers under section 262.92 and adopt rules to provide for the giving of priority to students holding vouchers under that section.

9. Administer funds appropriated for the Iowa minority academic grants for economic success program to carry out the duties of the commission.

10. Provide for the proration of funds among qualified applicants if funds available are insufficient to pay all approved grants.

Sec. 57. NEW SECTION. 261.105 DUTIES OF APPLICANT.

An applicant for a grant under the program shall:

1. Complete and file an application for a grant on forms provided by the commission or regents' institutions.

2. Submit the financial information required for evaluation of the applicant's financial need for a grant.

3. Comply with rules and information requests of the commission or regents' institutions made in relation to the program.

Sec. 58. Section 261.85, Code 1989, is amended to read as follows:

261.85 APPROPRIATION.

There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~two~~ three million six hundred fifty thousand dollars for the work-study program.

From moneys appropriated in this section, one million five hundred thousand dollars shall be allocated to institutions of higher education under the state board of regents and merged area schools and the remaining dollars appropriated in this section shall be allocated by the commission on the basis of need as determined by the portion of the federal formula for distribution of work study funds that relates to the current need of institutions.

Sec. 59. Section 262.9, Code 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 20. Assist a nonprofit organization located in Sioux City in the creation of a tristate graduate center, comparable to the quad cities graduate center, located in the quad cities in Iowa. The purpose of the Sioux City graduate center shall be to create graduate education opportunities for students living in northwest Iowa.

NEW SUBSECTION. 21. Direct the administration of the Iowa minority academic grants for economic success program as established in section 261.101 for the institutions under its control.

**Sec. 60. Section 262.12, Code 1989, is amended to read as follows:*

262.12 COMMITTEES AND ADMINISTRATIVE OFFICES UNDER BOARD.

*The board of regents shall also have and exercise all the powers necessary and convenient for the effective administration of its office and of the institutions under its control, and to this end may create such committees, offices and agencies from its own members or others, and employ persons to staff the same, fix their compensation and tenure and delegate thereto, or to the administrative officers and faculty of the institutions under its control, such part of the authority and duties vested by statute in the board, and shall formulate and establish such rules, outline such policies and prescribe such procedures therefor, all as may be desired or determined by the board as recorded in their minutes. However, the powers of the board of regents, and rules, policies, and procedures, shall not include a power to or a provision for the funding of the board of regents' board office by reimbursements from the institutions under its control.**

*Item veto; see message at end of the Act

Sec. 61. NEW SECTION. 262.81 LEGISLATIVE INTENT.

The general assembly recognizes that educational programs designed to enhance the interrelation and cooperation among cultural, racial, and ethnic groups in society require the contribution and active participation of all ethnic and racial groups. The general assembly also recognizes that failure to include minority representation at the faculty level at the state universities contributes to cultural, racial, and ethnic isolation of minority students and does not reflect the realities of a multicultural and diverse society. Therefore, the "Regents' Minority and Women Educators Enhancement" program is established to assist in the recruitment and retention of faculty that more adequately represents the diverse cultural, racial, and ethnic makeup of society and to improve the education of all students.

Sec. 62. NEW SECTION. 262.82 REGENTS' MINORITY AND WOMEN EDUCATORS ENHANCEMENT PROGRAM.

The board of regents shall establish a program to recruit minority educators to faculty positions in the universities under the board's control. The program shall include, but is not limited to, the creation of faculty positions in all areas of academic pursuit.

The board of regents shall also establish a program to create faculty opportunities for women educators at the universities under the board's control. The program shall include, but is not limited to, the creation of faculty positions in targeted shortage areas. The board of regents shall also develop and implement, in consultation with appropriate faculty representatives, tenure, promotion, and hiring policies that recognize the unique needs of faculty members who are principal caregivers to dependents.

As used in this section, "minority educator" means an educator who is a minority person as defined in section 261.102.

Sec. 63. NEW SECTION. 262.91 LEGISLATIVE INTENT.

The general assembly recognizes that universities must provide an environment that enables all students to have an equal opportunity to succeed. The general assembly also recognizes that, because of inequalities in educational preparation, economic factors, and social circumstances, not all young Iowans have the same degree of access to Iowa's higher education system. The general assembly further acknowledges that an early intervention system using public school districts, community agencies, and other state institutions can be useful in preparing young students to succeed in college. Therefore, the "College-bound" program is established to ensure that the state's universities and students' local communities become involved early in a student's life by promoting and informing students about the opportunities in higher education, so that lack of adequate personal resources is not a barrier to attending college for young Iowans.

Sec. 64. NEW SECTION. 262.92 COLLEGE-BOUND PROGRAM.

1. The board of regents shall establish or contract to establish college-bound programs to provide Iowa minority students with information and experiences relating to opportunities offered at the regents' universities. Programs developed may include, but are not limited to, the following elements:

a. Reinforcement of efforts to attract undergraduate students from age groups currently served by traditional methods of outreach which use high school and community college services.

b. Extension of traditional student recruitment methods which are designed to encourage minority students in grades seven through twelve to pursue postsecondary academic courses of study.

c. Identification, at each of the regents' universities, of courses of study to be targeted for the recruitment of minority students.

d. Offerings at the regents' universities of innovative programs, which are experience oriented, for families with minority children.

2. The board of regents shall establish a voucher program for students in grades seven through twelve. Vouchers may be obtained by any qualified secondary student at any regents' university upon completion of a college-bound program provided under subsection 1. Students may receive one voucher for each program. One or more vouchers entitle a student to

priority over other persons applying for grants under the Iowa minority academic grants for economic success program established in section 261.101. Vouchers shall be submitted with the grant application within one year after a student graduates from high school at any higher education institution which offers grants under the Iowa minority academic grants for economic success program. Vouchers earned can only be used by the person who participated in the college-bound voucher program and are not transferable. Vouchers issued by a university under this program shall be signed by the president of the university.

3. The board of regents shall adopt rules to establish program guidelines for the universities under the board's control and for the administration and coordination of program efforts. Rules adopted shall include methods of recording data relating to voucher recipients and making the data available to the college aid commission.

Sec. 65. NEW SECTION. 262.93 REPORTS TO GENERAL ASSEMBLY.

The college aid commission and the state board of regents each shall submit, by January 1 of each year, a report on the progress and implementation of the programs which they administer under sections 261.102 through 261.105, 262.82, and 262.92. The reports shall include, but are not limited to, the numbers of students participating in the programs and allocation of funds appropriated for the programs.

Sec. 66. DEPARTMENT OF EDUCATION STUDY. The department of education, in cooperation with the college aid commission, shall conduct a study of Iowa minority students' postsecondary educational needs and develop recommendations for programs, or additions to existing programs, which are designed to meet the needs of those students not currently served by existing recruitment, educational, and grant programs. The recommendations shall be submitted in a report to the general assembly which convenes in January of 1990.

Sec. 67. NEW SECTION. 263.8B INTEREST EARNINGS. If the interest earned on moneys accumulated by campus organizations at the university of Iowa is not available for expenditure by those respective campus organizations, the university of Iowa shall allocate that interest to campus improvements that are of benefit to students and have been accepted by the student government or to the student financial aid office to be used for the work-study program.

Sec. 68. NEW SECTION. 263A.13 HOSPITAL REPORTS TO GENERAL ASSEMBLY.

The university of Iowa hospitals and clinics shall compile and transmit to the general assembly the following information by December 15 of each fiscal year:

1. Revenue from all income sources, by source, including but not limited to state appropriations, other state funds, tuition income, patient charges, payments from political subdivisions, interest income, and gifts, and grants from public and private sources.

2. Expenditures by program and revenue source.

3. Net revenue over spending from hospital operations, including the method used to calculate the results.

The legislative fiscal bureau shall develop forms for collecting the information required in this subparagraph.

**Sec. 69. Section 265.6, Code 1989, is amended to read as follows:*

265.6 STATE AID APPLICABLE.

If the state board of regents has established a laboratory school, it the school shall count each pupil enrolled in the school and shall receive state aid pursuant to chapters 281 and 442 for each pupil enrolled in the laboratory school, as a result of open enrollment under section 282.18, in the same amount as the public school district in which the pupil resides would receive aid for that pupil and shall transmit the amount received to the institution of higher education at which the laboratory school has been established. If the board of a school district terminates a contract with the state board of regents for attendance of pupils in a laboratory school, the school district shall inform the state comptroller department of management of the number of these pupils who are enrolled in the district on the second third Friday of the following September. The state comptroller department of management shall pay to the school

*district, from funds appropriated in section 442.26, an amount equal to the amount of state aid paid for each pupil in that school district for that school year in payments made as provided in section 442.26. However, payments shall not be made for pupils for which an advance is received by the district under section 442.28.**

Sec. 70. NEW SECTION. 266.20 INTEREST EARNINGS.

If the interest earned on moneys accumulated by campus organizations at the Iowa state university of science and technology is not available for expenditure by those respective campus organizations, the Iowa state university of science and technology shall allocate that interest to campus improvements that are of benefit to students and have been accepted by the student government or to the student financial aid office to be used for the work-study program.

Sec. 71. NEW SECTION. 266.39A AGRICULTURAL RESEARCH.

Iowa state university of science and technology shall conduct continuing agricultural research to provide information about environmental and social impacts of agricultural research on the small or family farm and information about population trends and impact of the trends on Iowa agriculture, in addition to research that may include the categories specified in section 266.39B, subsection 2. The research shall include an agricultural land tenure study conducted every five years to determine the ownership of farmland, by county, and to analyze the ownership trends, using the categories of land ownership defined in chapter 172C.

Sec. 72. NEW SECTION. 266.39B RESEARCH GRANTS.

1. A comprehensive agricultural research program is established at the Leopold center for sustainable agriculture at Iowa state university of science and technology to provide financial assistance for agricultural research within Iowa. The Leopold center shall establish a grant program for projects designated by the general assembly and other projects deemed necessary for the betterment of agriculture within the state. All funds from the program shall be available to public and private entities in Iowa on a competitive grant basis. Approved research proposals shall meet all of the following criteria:

a. The research shall assist Iowa in maintaining productive soil, viable communities, and farms with incomes sufficient to support a family.

b. The research shall enhance the profitability of farmers.

c. The research shall lead to farming which enhances and preserves Iowa's environment.

2. The research grants shall include:

a. Long-term and basic research with preference given to projects which have no traditional funding sources or require a long period of time to produce positive or negative results.

b. Emergency response research with preference given to projects which relate to issues expected to address problems occurring within the next five years, which relate to problems that could have substantial social and economic costs, or which offer research opportunities that may be lost if a delay occurs.

c. Grants available for matching federal or private funds for projects which are a necessary component of other grants or will produce the highest ratio of outside funds to state funds.

d. Crop and livestock research relating to the growth, processing, or marketing of agricultural output, the enhancement of the quality of crops, the lowering of the costs of production, or the avoidance of contamination to food, water, or soil.

e. Alternative crop research to enhance the opportunity for self-employment, to promote site-appropriate crops, to assist the state in becoming more self-sufficient in food and energy resources, to grow, process, and market new crops, or to develop the infrastructure to support new crops.

f. Research dissemination which will expand the knowledge of potential producers, or will collect, create, or disseminate agricultural knowledge, which will encourage the exchange of agriculturally related information among researchers, or which will provide access to farmers to information resources related to agriculture.

g. Agriculture health and safety research to identify, investigate, and increase awareness of agriculture safety problems, develop practical solutions to agriculture safety problems,

*Item veto; see message at end of the Act

develop ways to increase awareness and use of safety practices and devices, to improve medical professionals' ability to diagnose farm-related problems, or to reduce the accident and mortality rate in the agricultural industry.

Sec. 73. NEW SECTION. 268.3 INTEREST EARNINGS.

If the interest earned on moneys accumulated by campus organizations at the university of northern Iowa is not available for expenditure by those respective campus organizations, the university of northern Iowa shall allocate that interest to campus improvements that are of benefit to students and have been accepted by the student government or to the student financial aid office to be used for the work-study program.

Sec. 74. Section 282.19, Code 1989, is amended to read as follows:

282.19 CHILD LIVING IN FOSTER CARE FACILITY.

A child who is living in a licensed child foster care facility as defined in section 237.1, ~~in this state~~ or in a facility that provides residential treatment as "facility" is defined in section 125.2, which is located in a school district other than the school district in which the child resided before receiving foster care may enroll in and attend an accredited school in the school district in which the child is living. The instructional costs for students who do not require special education shall be paid as provided in section 282.31, subsection 1, paragraph "b" or for students who require special education shall be paid as provided in section 282.31, subsections 2 or 3.

Sec. 75. Section 294A.19, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. School districts and area education agencies shall not charge other school districts or area education agencies for plans or information about innovative phase III plans that they have developed.

***Sec. 76. NEW SECTION. 298.14 BUILDING REPLACEMENT PROPERTY TAX.**

*In order to protect the health, safety, and well-being of the public school children in this state, the director of the department of education shall order closed temporary portable classrooms that have been in use by school districts in excess of twelve years if the school district has not approved the schoolhouse tax under section 278.1, subsection 7, has defeated at least one proposal to issue general obligation bonds under section 298.18 since July 1, 1979, and consists of more than five hundred square miles. The board of directors of a school district for which the temporary buildings have been ordered closed by the director of the department of education, shall certify for levy, for a period not exceeding ten years, a building replacement property tax of not exceeding sixty-seven and one-half cents per thousand dollars of assessed valuation in the school district. The proceeds of the building replacement property tax shall be used for construction or remodeling of school buildings to replace the classrooms provided by the temporary portable buildings.**

Sec. 77. Section 302.1A, subsection 2, unnumbered paragraph 1, Code 1989, is amended to read as follows:

For a transfer of interest earned to the first in the nation in education foundation, prior to July 1, October 1, January 1, and March 1 of each year, the governing board of the first in the nation in education foundation established in section 257A.2 shall certify to the director of revenue and finance the cumulative total value of contributions received under section 257A.7 for deposit in the fund and for the use of the foundation. The cumulative total value of contributions received includes the value of the amount deposited in the national center endowment fund established in section 263.8A in excess of seven eight hundred fifty seventy-five thousand dollars. The value of in-kind contributions shall be based upon the fair market value of the contribution determined for income tax purposes.

Sec. 78. Section 302.1A, subsection 3, Code 1989, is amended to read as follows:

3. For a transfer of interest earned to the national center endowment fund established in section 263.8A, prior to July 1, October 1, January 1, and March 1 of each year, the state

*Item veto; see message at end of the Act

University of Iowa shall certify to the department of revenue and finance the cumulative total value of contributions received and deposited in the national center endowment fund. The department of revenue and finance shall dedicate the interest earned on a portion of the permanent school fund to the national center in the manner provided in this subsection. The portion of the permanent school fund that is used to determine the dedicated amount of interest earned for a year shall equal one-half the cumulative total value of the contributions deposited in the national center endowment fund, not to exceed seven eight hundred fifty seventy-five thousand dollars. The Within fifteen days following certification by the state university of Iowa, the department of revenue and finance shall transmit the interest earned on the dedicated amount to the state University of Iowa for the use of the national center for gifted and talented education.

Sec. 79. Section 303.16, subsection 7, Code 1989, is amended to read as follows:

7. The department may use ~~twenty-five thousand dollars~~ ten percent of the amount appropriated to the department, but in no event more than seventy-five thousand dollars for administration of the grant and loan program.

Sec. 80. Section 524.107, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Notwithstanding subsections 1 and 2, an organization formed for educational purposes in association with an accredited school which engages in the receipt of deposits of no more than twenty dollars per depositor, may use the words "educational bank", the use of which is otherwise restricted in subsection 2, and such an educational bank is not a bank within the meaning or scope of regulation of this chapter.

Sec. 81. 1989 Iowa Acts, Senate File 59, section 1, unnumbered paragraphs 2, 3, 4, 9, 10, 11, and 12, are amended to read as follows:

By September 15 of the preceding school year the parent or guardian shall informally notify the district of residence, and not later than November 1 of the preceding school year, the parent or guardian shall send notification to the district of residence and to the department of education on forms prescribed by the department of education that the parent or guardian intends to enroll the parent's or guardian's child in a public school in another school district. The parent or guardian shall describe the reason that exists for enrollment in the receiving district that is not present in the district of residence. The board of the district of residence shall transmit a copy of the form to the receiving school district within five days after its receipt. During the 1990-1991 school year, if the board of the district of residence determines that transmission of the request will result in a loss of greater than five percent of the district's certified enrollment for ~~that the previous year~~, the board of the district of residence may deny the request for the 1990-1991 school year. During the 1991-1992 school year, if the board of the district of residence determines that transmission of the request will result in a loss of greater than ten percent of the district's certified enrollment for the previous year, the board of the district of residence may deny the request for the 1991-1992 school year. If, however, a failure to transmit a request will result in enrollment of students from the same nuclear family in different school districts, the request shall be transmitted to the receiving district for enrollment. The board of each school district shall adopt a policy relating to the order in which requests for enrollment in other districts shall be considered. The board of the receiving school district shall enroll the pupil in a school in the receiving district for the following school year unless the receiving district does not have classroom space for the pupil. In all districts involved with volunteer or court-ordered desegregation, minority and nonminority student ratios shall be maintained according to the desegregation plan or order. The superintendent of a district subject to volunteer or court-ordered desegregation may deny a request for transfer under this section if the superintendent finds that enrollment or release of a pupil will adversely affect the district's implementation of the desegregation order or plan. If, however, a transfer request would facilitate a voluntary or court-ordered desegregation plan, the district shall give priority to granting the request over other requests. A parent or guardian, whose request has been denied because of a desegregation order or plan, may appeal the decision of the superintendent to the board of the district in which the request was denied. The board may either

uphold or overturn the superintendent's decision. A decision of the board to uphold the denial of the request is subject to appeal under section 290.1.

Each district shall provide notification to the parent or guardian relating to the transmission or denial of the request. A district of residence shall provide for notification of transmission or denial to a parent or guardian within three days of board action on the request. A receiving district shall provide notification to a parent or guardian, within fifteen days of receipt of the request, of whether the child will be enrolled in that district or whether the request is to be denied.

A request under this section is for a period of not less than four years unless the pupil will graduate, the pupil's family moves to another school district, or the parent or guardian petitions the receiving district for permission to enroll the child in a different district, which may include the district of residence, within the four-year period. If the parent or guardian requests permission of the receiving district to enroll the child in a different district within the four-year period, the receiving district school board may transmit a copy of the request to the other school district within five days of the receipt of the request. The new receiving district shall enroll the pupil in a school in the district unless there is insufficient classroom space in the district or unless enrollment of the pupil would adversely affect court ordered or voluntary desegregation orders affecting a district. A denial of a request to change district enrollment within the four-year period shall be subject to appeal under section 290.1.

The board of directors of the district of residence shall pay to the receiving district the lower district cost per pupil of the two districts, plus any moneys received for the pupil as a result of non-English speaking weighting under section 442.4, subsection 6, for each school year. The district of residence shall also transmit the phase III moneys allocated to the district for the full-time equivalent attendance of the pupil, who is the subject of the request, to the receiving district specified in the request for transfer. ~~However, if the district of residence has outstanding obligations on school bonds, has entered into a rental or lease arrangement under section 279.26, or has entered into a loan agreement in anticipation of the collection of the schoolhouse tax under section 297.36, only fifty percent of the property tax portion of the district cost per pupil shall be paid to the receiving district for the first three years of the transfer, unless the debt is paid before the end of the three years. If the debt is paid in less than three years from the date of the transfer or if three years pass, from the date of the transfer, without retirement of the district of residence's debt obligation, whichever date is sooner, the full amount of the district cost per pupil shall then be paid to the receiving district.~~ If a request filed under this section is for a child requiring special education under chapter 281, the request to transfer to the other district shall only be granted if the receiving district maintains a special education instructional program which is appropriate to meet the child's educational needs and the enrollment of the child in the receiving district's program would not cause the size of the class in that special education instructional program in the receiving district to exceed the maximum class size in rules adopted by the state board of education for that program. For pupils requiring special education, the board of directors of the district of residence shall pay to the receiving district the actual costs incurred in providing the appropriate special education. Quarterly payments shall be made to the receiving district. If the transfer of a pupil from one district to another results in a transfer from one area education agency to another, the sending district shall forward a copy of the request to the sending district's area education agency. The receiving district shall forward a copy of the request to the receiving district's area education agency. Any moneys received by the area education agency of the sending district for the child who is the subject of the request shall be forwarded to the receiving district's area education agency. Notwithstanding section 285.1 relating to transportation of non-resident pupils, the parent or guardian is responsible for transporting the pupil without reimbursement to and from a point on a regular school bus route of the receiving district. A receiving district shall not send school vehicles into the district of residence of the pupil using the open enrollment option under this section, for the purpose of transporting the pupil to and from school in the receiving district, ~~unless. If the child meets the economic eligibility requirements, established under the federal National School Lunch and Child Nutrition Acts, 42 U.S.C. § 1751-1785, for free or reduced price lunches. If the child meets those requirements,~~

the sending district shall be responsible for providing transportation or paying the pro rata cost of the transportation to a parent or guardian for transporting the child to and from a point on a regular school bus route of a contiguous receiving district unless the cost of providing transportation or the pro rata cost of the transportation to a parent or guardian exceeds the average transportation cost per pupil transported for the previous school year in the district. If the cost exceeds the average transportation cost per pupil transported for the previous school year, the sending district shall only be responsible for that average per pupil amount. A sending district which provides transportation for a child to a contiguous receiving district under this paragraph may withhold from the district cost per pupil amount, that is to be paid to the receiving district, an amount which represents the average or pro rata cost per pupil for transportation, whichever is less.

A student who has been paying tuition and attending school on or before March 25, 1989, in a district other than the student's district of residence shall be permitted to attend school in the district where the student has been paying tuition, during the 1989-1990 school year, by filing a request to use the open enrollment option under this section by August 1, 1989.

If a student has been paying tuition and attending an accredited nonpublic school during the 1988-1989 school year, which is located in a public school district other than the student's public school district of residence, and the nonpublic school discontinues the grade or school which the student would have attended during the 1989-1990 school year, after June 30, 1988, but before August 1, 1989, the student shall be permitted to attend a public school, located within the public school district where the nonpublic school was located, during the 1989-1990 school year if the receiving public school district agrees to accept the student and the student's parent or guardian files a request to use the open enrollment option under this section by August 1, 1989. The public school district where the nonpublic school was located shall count the student in the September 1989 enrollment count.

A student, whose district of residence, for the purposes of school attendance, changes ~~during the~~ by August 1, 1989-1990 school year, shall be permitted to attend school during the 1989-1990 school year in the district in which the student attended during the 1988-1989 school year if a request to use the open enrollment option under this section is filed by August 1, 1989.

If a child, for which a request to transfer has been filed with ~~the a district of residencee~~, has been suspended or expelled in the district ~~of residencee~~, the receiving district named in the request may refuse the request to transfer until the child has been reinstated in the sending district of residencee.

*A laboratory school under chapter 265 shall be exempt from the provisions of this section.

If a request under this section is for transfer to a laboratory school, as described in chapter 265, the student, who is the subject of the request, shall not be included in the basic enrollment of the student's district of residence, and the laboratory school shall report the enrollment of the student directly to the department of education, unless the number of students from the district attending the laboratory school during the current school year, as a result of open enrollment under this section, exceeds the number of students enrolled in the laboratory school from that district during the 1988-1989 school year. If the number of students enrolled in the laboratory school from a district during the current year exceeds the number of students enrolled from that district during the 1988-1989 school year, those students who represent the difference between the current and the 1988-1989 school year enrollment figures shall be included in the basic enrollment of the students' districts of residence and the districts shall retain any moneys received as a result of the inclusion of the student in the district enrollment. The total number of students enrolled at a laboratory school during a school year shall not exceed six hundred seventy students. The regents' institution operating the laboratory school shall develop a student transfer policy designed to protect and promote the quality and integrity of the teacher education program at the laboratory school and to indicate the order in which and reasons why requests to transfer to a laboratory school shall be considered. A laboratory school may deny a request for transfer under the policy. A denial of a request to transfer under this paragraph is not subject to appeal under section 290.1.*

*Item veto; see message at end of the Act

Sec. 82. NOTIFICATION OF RECEIPT OF NONSTATE FUNDS. All constitutional and statutory offices, administrative departments, and independent agencies shall notify the department of management and the legislative fiscal bureau of any request for, approval of, or an award of federal or other nonstate funds, or of the loss of federal or other nonstate funds during the fiscal period beginning October 1, 1988, and ending September 30, 1989. The notification shall be made no later than December 15, 1989, and shall include the name of the grantor and of the funding grant, the estimated amount of funds, and the planned expenditures for the funds. The format of the notification shall be specified by the legislative fiscal bureau. This section applies to the state board of regents except that notification is not required for funds requested, approved, or awarded for individual services performed by a member of the faculty or staff at an institution under the control of the board when those services are performed on that member's behalf.

Sec. 83. Sections 261.51 through 261.53, Code 1989, are repealed.

Sec. 84. All federal grants to and the federal receipts of agencies appropriated funds under this Act not otherwise appropriated are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 85. Sections 6, 15, 22, 24, and 30 of this Act take effect upon their enactment.

Approved June 5, 1989, except those items which I hereby disapprove and which are designated as that portion of section 1, subsection 4, which is herein bracketed in ink and initialed by me; that portion of section 1, subsection 5, which is herein bracketed in ink and initialed by me; that portion of section 1, subsection 7, which is herein bracketed in ink and initialed by me; section 4 in its entirety; that portion of section 7, subsection 2, which is herein bracketed in ink and initialed by me; that portion of section 11, subsection 1, which is herein bracketed in ink and initialed by me; section 19, subsection 12, unnumbered and unlettered paragraph 5; section 19, subsection 12, unnumbered and unlettered paragraph 6; section 19, subsection 12, unnumbered and unlettered paragraph 7; section 60 in its entirety; those portions of section 19, subsections 2b, 3b, and 4b which are herein bracketed in ink and initialed by me; section 19, subsection 2b, unnumbered paragraph 2, subsection 3b, unnumbered paragraph 2, and subsection 4b, unnumbered paragraph 2; sections 22 and 23 in their entirety; section 26 in its entirety; section 30 in its entirety; section 35 in its entirety; section 69 in its entirety; and that portion of section 81 which is herein bracketed in ink and initialed by me; and section 76 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the secretary of state this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, *Governor*

Dear Madam Secretary:

I hereby transmit House File 774, an Act relating to the funding of, operation of, and appropriation of moneys to agencies, institutions, commissions, departments, and boards responsible for educational and cultural programs of this state, providing for the imposition of a tax, and providing effective dates.

House File 774 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the designated portion of Section 1, subsection 4. The Library Division received appropriations that exceeded my recommendations by \$550,000. Given the fiscal constraints of the state's budget, some of this substantial increase must be pared back. However, I left in the budget additional funds for office equipment and to fund the statewide open access program — a program that should be our highest priority in providing library services for Iowans throughout our state. I have item vetoed an additional \$150,000 for collections development. In order to help ensure an ending balance for Fiscal Year 1991, these additional ongoing expenditures can and must be eliminated.

I am unable to approve the designated portion of Section 1, subsection 5. This provision provides for an additional \$67,500 to the Public Broadcasting Division to provide instructional guides to local schools. If the division needs additional funds for that purpose, appropriate fees could be charged. However, the department has provided for these instructional guides without charge or additional appropriations in the past and that would be the preferable option for the future.

I am unable to approve the designated portion of Section 1, subsection 7. This language gives the regional libraries an additional \$50,000 above my recommendation for access to special collections. The regional library system in the state is well funded at the present time and additional funds, given the fiscal constraints of the state, are not required at this time.

I am unable to approve the item designated as Section 4, in its entirety. This provision authorizes the Public Broadcasting Division of the Department of Cultural Affairs to use the Iowa facilities improvement corporation to purchase ultrahigh frequency transmitters. I vetoed similar language in last year's bill because I do not plan on authorizing additional revenue bonding from the facilities improvement corporation. Such bonding, in effect, incorporates debt service in the operating budgets of state agencies which I believe is fiscally unwise and imprudent.

I am unable to approve the designated portion of Section 7, subsection 2. This language in House File 774 appropriates \$200,000 of new funds for a new educational savings program. I have separately authorized the College Aid Commission to begin the development of the program. However, the concept has not yet been developed sufficiently to allow ICAC to offer any estimate as to the cost of the program. I have asked the College Aid Commission to review the program and recommend to me appropriate adjustments as I prepare my recommendations to the General Assembly next year.

I am unable to approve the designated portion of Section 11, subsection 1. This provision would require that the media services at area education agencies be administered separately. At the present time, the Department of Education is conducting a comprehensive study of the AEAs and their delivery of services. The Department should not be prevented from reviewing and, if appropriate, revising the administrative structure of the delivery of these services prior to the completion of this study.

I am unable to approve the item designated as Section 19, subsection 1a, unnumbered and unlettered paragraph 5. This language would prohibit the Board of Regents from spending funds to develop a new financial information system without approval of the Joint Education Appropriation Subcommittee. The board has no objection to providing information as required in this provision but appropriately objects to obtaining prior approval from the Joint Education Appropriation Subcommittee before beginning the development of such an information

system. The board is working closely with the Department of Revenue and Finance in the development of a system that will be compatible with that used by the state. I believe the Joint Education Appropriation Subcommittee was concerned about such compatibility. However, prior approval before a new system can be developed is an inappropriate intrusion of the legislative branch in the executive branch's responsibilities. I have asked the Board of Regents to provide the requested information to the Joint Education Appropriation Subcommittee members on this issue.

I am unable to approve the item designated as Section 19, subsection 1a, unnumbered and unlettered paragraph 6. This language in House File 774 requires a separate budget procedure for particular budget units within the Board of Regents. At the present time, the Department of Management is undertaking a comprehensive review of our budget process and we are considering the development of performance based budgets. Directing certain budget units to use a separate budget process could cause further confusion rather than clarifying the budget making decision process.

I am unable to approve the item designated as Section 19, subsection 1a, unnumbered and unlettered paragraph 7, and Section 60, in its entirety. These provisions would prohibit the State Board of Regents from using reimbursements from the institutions to assist in the funding of the board office. At the present time, the board does seek reimbursement for extraordinary expenditures such as presidential searches and organizational audits. The board needs to maintain the flexibility of conducting such special studies and functions with the assistance of the institutions. Therefore, this language cannot be approved.

I am unable to approve the designated portions of Section 19, subsections 2b, 3b, and 4b. I appreciate the fact that the General Assembly appropriated funds necessary to provide for double digit faculty salary increases at our state universities for the third year in a row. This action will greatly increase the competitiveness and the quality of our institutions and represents an extraordinary commitment by state policy makers to improve the quality of higher education in Iowa. However, the objectionable language in this subsection would severely restrict the Regents in developing faculty salary policy. The provision requires the Board of Regents to maintain the total faculty base budget despite enrollment trends or opportunities for savings or reassignment of personnel that result from the organizational audit. While the Regents ought to be required to provide an average increase in faculty salaries in the double digit range, we should not limit their flexibility in making adjustments that are essential to appropriately manage the institutions.

I am unable to approve the item designated as Section 19, subsection 2b, unnumbered paragraph 2, subsection 3b, unnumbered paragraph 2, and subsection 4b, unnumbered paragraph 2. These provisions would appear to require the approval of the Joint Education Appropriation Subcommittee in the General Assembly in the 1990 session in order to expend receipts from tuition, student fees and institutional income if the receipts differ from that currently estimated by the institutions. The institutions need to retain the flexibility to utilize additional fee or tuition income to respond to enrollment pressures. If prior approval were needed and enrollments increase, the institutions presumably would not be able to add additional faculty to teach additional classes. This limitation on needed administrative flexibility cannot be approved.

I am unable to approve the items designated as Sections 22 and 23, in their entirety. These sections of the bill appropriate \$1,050,000 in Fiscal Year 1989 for library automation at the three universities. With less than a month remaining in this fiscal year, I believe it is inappropriate to make a supplemental appropriation for such a long-term project. Moreover, the provisions in this bill would require that these funds be included in the base budget of the institutions — thus incorporating what should be one-time capital expenditures into the operating budgets. While I certainly understand the need to further automate the libraries at the institutions, I believe that the additional funds provided in the Regents' operating budgets should provide for some ability to undertake further automation efforts in the future. In

addition, the budgetary flexibility that these item vetoes have provided for should assist the Regent institutions in allocating any additional receipts in this direction.

I am unable to approve the item designated as Section 26, in its entirety. This provision requires the Board of Regents to borrow money to finance energy conservation projects. The Regents have assured me they are strongly committed to an effective program of energy conservation. But a provision requiring the borrowing of funds to complete such projects is fiscally unwise. Regent institutions are in the process of completing a comprehensive engineering analysis of all buildings as required by the last General Assembly. Upon the completion of this analysis, the institutions will be able to identify energy conservation projects on a priority basis and will be developing funding alternatives to implement those improvements.

I am unable to approve the item designated as Section 30, in its entirety. This section, in effect, appropriates \$500,000 of general fund money to AEA 14. I understand the special funding problems that the administrators of AEA 14 believe they are facing at the present time. Indeed, to address those concerns, I authorized additional expenditures of special needs funds within the school aid bill for that purpose. However, I believe it is inappropriate to be using unspent funds from other AEAs and additional appropriations from the general fund to further supplement the operating budget of that particular area education agency. The Department of Education is conducting a comprehensive study of AEA services and the structure of these entities. That study is due to be completed by January 1. We should not be providing this substantial increase in general funds subsidies to any particular AEA until the study has been completed and final recommendations are made by the Department of Education.

I am unable to approve the item designated as Section 35, in its entirety. This provision of House File 774 appropriates \$250,000 to the Department of General Services to implement the telecommunications network. I am very pleased that the General Assembly has included in this bill a funding mechanism to build the telecommunications network for our state. I believe that action is an historic step forward in education and economic development for Iowa. However, this administration carefully reviewed the possibility of any need for additional administrative funds to develop the revised request for proposals. Recommendations were made that no additional funds were needed — the state's current staff and the expertise available within state government was deemed sufficient to meet this need. Therefore, I do not believe that the \$250,000 new appropriation to the Department of General Services is necessary or appropriate at this time. In the longer term, funding may need to be provided to the department to manage the system's operations.

I am unable to approve the item designated as Section 69, in its entirety, and the designated portion of Section 81. These provisions allow the Price Laboratory School at the University of Northern Iowa to participate in open enrollment. The language also provides that if enrollment increases at the lab school as a result of open enrollment, the students will remain in the resident's district enrollment figures. The result: these students would be funded twice by the state. Such duplicate state funding for K-12 students in Iowa cannot be approved.

I am unable to approve the item designated as Section 76, in its entirety. This section of House File 774 requires the Director of the Department of Education to close the temporary classrooms being used in the Western Dubuque School District. Upon such closure, the board of that school district is allowed to levy without voter approval a building replacement property tax to replace the portable classrooms. While I understand the need to replace these classrooms, the decision to do so should remain a local matter and the method of doing so should not be mandated by the state. Moreover, voters in that district have had the opportunity to vote on bond issues related to classroom space several times. A strategy that may garner local support would be to propose a bond issue strictly limited to the replacement of the portable classrooms. Regardless, the state should not be interceding in a local bond issue and authorizing an additional property tax levy after the local voters have turned it down.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 774 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*