

CHAPTER 322

APPROPRIATIONS AND OTHER PROVISIONS RELATING TO HUMAN SERVICES, EDUCATION, CULTURAL AFFAIRS, TRANSPORTATION, PERSONNEL, AND FINANCE

H.F. 799

AN ACT relating to and making appropriations to the department of human services, state board of regents, department of cultural affairs, state department of transportation, department of personnel, and Iowa finance authority, the authorization for the issuance of revenue bonds, and providing an effective date.

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

DEPARTMENT OF HUMAN SERVICES

Section 1. There is appropriated from the general fund of the state to the department of human services 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. For one-time emergency grants to licensed child care centers located in cities with a population of less than five thousand to be used to assist the centers in meeting staffing or other state licensing requirements, on the condition that the maximum grant is two thousand five hundred dollars:

..... \$ 25,000

*2. For major maintenance projects at the institutions to correct cited violations of codes or standards, projects to bring facilities into compliance, and projects to repair or replace critical deteriorated components or equipment:

..... \$ 483,000

The department of human services shall expend the funds appropriated in this subsection in the following priority at the following named facilities for the major maintenance projects designated:

<i>FACILITY</i>	<i>PROJECT</i>
a. <i>Glenwood</i>	<i>Building 102 handicap bathrooms, replace floors</i>
b. <i>Independence</i>	<i>Reconstruct escapes — Reynolds wings</i>
c. <i>Mount Pleasant</i>	<i>Complete electrical redistribution wiring</i>
d. <i>Woodward</i>	<i>Fire alarm system — chapel</i>
e. <i>Woodward</i>	<i>Fire alarm — Linden court A/C, power plant</i>
f. <i>Eldora</i>	<i>Reroof living units 7 and 8</i>
g. <i>Marshalltown</i>	<i>Replace brick, seal, waterproof — Heinz hall</i>
h. <i>Marshalltown</i>	<i>Exterior foyer — Dack building (south)</i>
i. <i>Toledo</i>	<i>Replace domestic hot and cold water lines</i>
j. <i>Toledo</i>	<i>Replace steam and cond. lines in tunnel</i>
k. <i>Woodward</i>	<i>Replace roof — 12 patient living units</i>

3. For major maintenance projects and capital improvements at the mental health institutes and hospital-schools:

..... \$ 850,000

The department shall fund the projects according to their designated priority need.

4. For capital improvements at the juvenile institutions:

..... \$ 500,000

The department shall fund the projects at Toledo and Eldora institutions according to their designated priority needs.*

5. Notwithstanding section 8.39, funds appropriated in the department for the purposes designated in subsections 2, 3, and 4 are not subject to transfer. However, nothing in this Act prohibits the department from transferring moneys from other sources to be used for the purposes designated in subsections 2, 3, and 4.

*Item veto; see message at end of the Act

*Sec. 2. There is appropriated from the general fund of the state to the department of human services 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:

For start-up costs associated with the development of juvenile emergency shelters and group homes for the placement of juveniles who have a high risk of the commission of a crime or a delinquent act and who need placement out-of-home and need specialized programs such as substance abuse or education programs:

..... \$ 250,000*

STATE BOARD OF REGENTS

Sec. 3. BOARD OF REGENTS PROJECTS. From funds in the state treasury not otherwise appropriated that are in excess of a fiscal year ending balance deemed sufficient by the governor, based upon the June 30, 1989, fiscal year ending balance, 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 amount in excess of the ending balance deemed sufficient by the governor, not exceeding \$33,940,000, for the following projects:

- 1. For undergraduate education building planning at the state university of Iowa:
..... \$ 1,000,000
- 2. For pharmacy building addition planning and pharmacy building addition construction and equipment at the state university of Iowa:
..... \$ 11,200,000
- 3. For McLean hall remodeling at the state university of Iowa:
..... \$ 1,000,000
- 4. For Gilman hall remodeling and equipment at Iowa state university of science and technology:
..... \$ 7,040,000
- 5. For agronomy building equipment at Iowa state university of science and technology:
..... \$ 1,000,000
- 6. For livestock units for swine and cattle at Iowa state university of science and technology:
..... \$ 2,000,000
- 7. For the library addition new construction and equipment for the university of northern Iowa:
..... \$ 7,000,000
- 8. For Wright hall remodeling at the university of northern Iowa:
..... \$ 2,700,000
- 9. For the classroom office building equipment for the university of northern Iowa:
..... \$ 1,000,000

If the ending fund balance is not deemed sufficient by the governor to fund all of the projects listed in this section, the governor shall determine, based upon the ending fund balance, which projects shall be funded and shall certify to the state board of regents and to the department of revenue and finance the projects to be funded. A project not funded under this section shall be funded under section 4 of this Act.

The moneys appropriated in this section shall not be committed by the state board of regents or paid, either in full or in part, until the governor has certified to the department of revenue and finance that the estimated budget resources for the fiscal year beginning July 1, 1989, are sufficient to pay all other appropriations in full and are sufficient to pay the appropriations made in this section for the projects that the governor determines shall be funded.

Notwithstanding section 8.33, unobligated or unencumbered funds appropriated in this section for the fiscal year beginning July 1, 1989, and ending June 30, 1990, remaining on June 30, 1990, shall not revert to the general fund of the state until September 30, 1992. However, if a project for which the funds are appropriated is completed prior to June 30, 1992, the remaining unobligated or unencumbered funds shall revert to the general fund of the state on September 30 following the end of the fiscal year in which the project is completed.

*Item veto; see message at end of the Act

Sec. 4. BONDING AUTHORIZATION. If the excess in the ending general fund balance under section 3 of this Act is not sufficient to fund any or all of the projects listed in section 3 of this Act pursuant to the certification of the governor as provided in section 3 of this Act, the funding for the projects listed in section 3 of this Act shall be obtained using this section.

The general assembly declares that the state board of regents has met the requirements of section 262A.3 regarding the preparation and submission to the general assembly of the proposed ten-year building program for each institution of higher learning under the jurisdiction of the state board of regents, and the general assembly hereby approves that ten-year building program as submitted. The general assembly finds that the projects contained in the building program are deemed necessary for the proper performance of the instructional, research, and service functions of the institutions, pursuant to section 262A.4, and to further the educational objectives of the institutions, the general assembly authorizes the state board of regents during the fiscal year beginning July 1, 1989, to undertake, plan, construct, equip, and otherwise carry out at the institutions of higher learning under the jurisdiction of the board all of the projects listed in section 3 of this Act which are not funded under section 3 of this Act, and the general assembly authorizes the state board of regents to borrow money and to issue and sell negotiable revenue bonds in the manner provided in sections 262A.5 and 262A.6 in order to pay all or any part of the cost of carrying out the projects not funded under section 3 of this Act, and the cost of issuance of bonds, at any institution in a total amount not exceeding \$33,940,000, the remaining cost of the projects to be financed by capital appropriations or by federal or other funds lawfully available. The negotiable revenue bonds shall be payable solely from and secured by an irrevocable pledge of a sufficient portion of the student fees and charges and institutional income received by the particular institution. No commitment is implied or intended by approval of the general assembly to fund any portion of the proposed ten-year building program submitted by the state board of regents beyond the projects listed in section 3 of this Act.

During the biennium which commences July 1, 1989, and which ends June 30, 1991, the maximum amount of bonds which the state board of regents expects to issue under chapter 262A pursuant to this section, unless additional bonding is authorized, is \$33,940,000, all or any part of which may be issued during the fiscal year ending June 30, 1990, and if all of that amount should not be issued during that fiscal year, any remaining balance may be issued during the fiscal year ending June 30, 1991. The general assembly hereby approves the plan of financing contained in this section and authorizes the issuance of bonds under this section and chapter 262A.

The state board of regents shall present the construction budgets developed for each of the state university of Iowa projects to the legislative council for approval prior to the commencement of construction on those projects.

If the amount of bonds issued under this section for a project exceeds the actual cost of that project provided in section 3 of this Act, the amount of the difference shall be used to pay the principal and interest due on bonds issued under chapter 262A.

**Sec. 5. 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 is necessary, to be used for the purposes designated:*

For asbestos removal at the state school for the deaf:
..... \$ 25,000

*Notwithstanding section 8.39, funds appropriated in this section shall be used for the purposes designated and are not subject to transfer.**

*Item veto; see message at end of the Act

**DEPARTMENT OF CULTURAL AFFAIRS*

Sec. 6. 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 amount, or so much thereof as is necessary, to be used for the purposes designated:

For the replacement of the channel 12 transmitter of the public broadcasting division:
..... \$ 500,000

*Notwithstanding section 8.39, funds appropriated under this section shall only be used for the purposes designated and are not subject to transfer.**

PUBLIC BROADCASTING DIVISION

Sec. 7. Notwithstanding the funding restrictions, requirements relating to the development of a request for proposal, and certification by the department of management, contained in section 18.136, if 1989 Iowa Acts, House File 774, is enacted by the general assembly, of the moneys appropriated in section 18.137, if 1989 Iowa Acts, House File 774, is enacted by the general assembly, notwithstanding the certification requirement, \$600,000 may be used, if necessary, by the public broadcasting division of the department of cultural affairs, to match federal funds awarded prior to the enactment date of 1989 Iowa Acts, House File 774, for the implementation of an educational telecommunications system.

Sec. 8. Section 261.103, subsection 1, if 1989 Iowa Acts, House File 774, is enacted by the general assembly, is amended to read as follows:

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.

Sec. 9. NATURAL HERITAGE PROMOTION. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1988, and ending June 30, 1989, the following amount, or so much thereof as is necessary, to support the convention of the outdoor writer's association of America in order to promote Iowa's natural heritage and state tourism:

..... \$ 20,000

The department of natural resources and the department of economic development shall cooperate in the implementation of this section.

**STATE DEPARTMENT OF TRANSPORTATION*

Sec. 10. There is appropriated from the general fund of the state to the state department of transportation 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 essential air service airport terminal improvements:
..... \$ 300,000

In selecting projects, the state department of transportation shall give preference to projects that will assist in maintaining and attracting air service. The state department of transportation shall provide funding for as many essential air service communities as possible based on merit and need. Priority shall be given to those airports with projects closest to completion. Those airports that use moneys from this program must complete their projects in the

*Item veto; see message at end of the Act

fiscal year beginning July 1, 1989. The state department of transportation shall notify essential air service airports of this program and make tentative selection of projects forty-five days from the effective date of this Act.*

***DEPARTMENT OF PERSONNEL**

Sec. 11. There is appropriated from the general fund of the state to the department of personnel 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 site purchase, planning, design, and site preparation to establish a child care center at the capitol complex:

..... \$ 300,000

1. The department of personnel shall survey the state employees located at the capitol complex to determine interest in on-site child day care services. The survey shall include but is not limited to an assessment of all of the following items:

- a. The number and ages of children of employees who express an intent to utilize a child care center established at the capitol complex.
- b. The time of day during which child day care services are desired.
- c. The work location of interested employees.
- d. The potential impact of establishing child day care services at the capitol complex upon private child day care providers.

2. By October 1, 1989, the department shall report the results of the child day care survey to the state employees child care council which is created in the department of personnel. The council shall determine the level of need for a capitol complex child care center and shall monitor the planning to establish a child care center in the capitol complex. The membership of the council shall include representatives of each of the unions representing state employees and the directors of the following departments or the directors' designees: the department of general services, the department of personnel, the department of human services, the state department of transportation, and the Iowa department of public health. The council shall determine its own operating procedures.

3. If the survey of capitol complex employees identifies an intent for twenty or more children to utilize child day care services, the department of personnel shall commence efforts to establish a child care center at the capitol complex, including commencement of the transfer of moneys appropriated in this section to the department of general services in an amount sufficient to purchase and prepare a site, develop a design, and plan for the establishment of a child care center located within the capitol complex with sufficient capacity for the number of children to be provided day care services as determined by the state employees child care council.*

***DEPARTMENT OF HUMAN SERVICES**

Sec. 12. There is appropriated from the general fund of the state to the department of human 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 outreach, recruitment, and training of new child day care providers:

..... \$ 200,000

Of the funds appropriated in this section up to \$25,000 may be used to develop and distribute start-up kits for establishing child day care services. The use of the remaining funds shall include the recruitment of new child day care providers and the training of family and group day care home providers and of child care center administrators and other staff.*

***IOWA FINANCE AUTHORITY**

Sec. 13.

1. There is appropriated from the general fund of the state to the housing trust fund created pursuant to section 220.100, subsection 1, 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:

*Item veto; see message at end of the Act

For the programs established in section 220.100, subsection 2:

..... \$ 1,500,000

2. *As nearly as practicable, of the moneys appropriated in subsection 1, the Iowa finance authority should allocate ten percent for the homeless grant program under section 220.100, subsection 2, paragraph "a"; twenty percent for the home maintenance and repair program under section 220.100, subsection 2, paragraph "b"; thirty-five percent for the rental rehabilitation program under section 220.100, subsection 2, paragraph "c"; and thirty-five percent for the home ownership incentive program under section 220.100, subsection 2, paragraph "d". After February 1, 1990, moneys allocated to a program under section 220.100, subsection 2, may be reallocated by the authority to another program under that subsection if the other program has more need. In providing funds under the home maintenance and repair program and the home ownership incentive program, the authority shall, to the extent feasible, make funds available under the programs for purposes of pilot projects for sweat-equity housing cooperatives.*

3. *Of the moneys appropriated in subsection 1 that are allocated to the homeless grant program, up to thirty percent may be used for grants for operating costs of homeless shelters.*

4. *As nearly as practicable, of the moneys appropriated in subsection 1 that are allocated to the home maintenance and repair program, the rental rehabilitation program, and the home ownership incentive program, twenty-five percent from each program should be used to assist very low-income families and seventy-five percent from each program should be used to assist lower income families.*

5. *The assistance provided by the authority under the home ownership incentive program shall include, but not be limited to, the following kinds:*

a. *Closing costs assistance.*

b. *Down payment assistance.*

c. *Home maintenance and repair assistance.*

d. *Loan processing assistance through a loan endorser review contractor who would act on behalf of the authority in assisting lenders in processing loans that will qualify for government insurance or guarantee or for financing under the authority's mortgage revenue bond program.*

e. *Mortgage insurance program.*

Not more than fifty percent of the assistance provided by the authority under the home ownership incentive program shall be provided under paragraphs "d" and "e".

6. *Assistance provided under the home ownership incentive program shall be limited to mortgages under thirty-five thousand dollars, except in those areas of the state where the median price of homes exceeds the state average. In providing the assistance under the home ownership incentive program, the authority shall require substantial seller participation of not less than two percent of the mortgage amount, which participation includes, but is not limited to, home ownership maintenance funding, down payment assistance, payment of closing costs, or rehabilitation costs.*

7. *The authority, in conjunction with the department of economic development, shall work with the private sector to set up workshops to educate housing sponsors on the housing programs available and to assist housing sponsors in the application process.**

Sec. 14. Section 9 of this Act, being deemed of immediate importance, takes effect upon its enactment.

Approved June 5, 1989, except those items which I hereby disapprove and which are designated as section 1, subsection 2 in its entirety; section 1, subsection 3 in its entirety; section 1, subsection 4 in its entirety; section 2 in its entirety; that portion of section 4 which is herein bracketed in ink and initialed by me; section 5 in its entirety; section 6 in its entirety; section 10 in its entirety; section 11 in its entirety; section 12 in its entirety; and section 13 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 799, an Act relating to and making appropriations to the department of human services, state board of regents, department of cultural affairs, state department of transportation, department of personnel, and Iowa finance authority, the authorization for the issuance of revenue bonds, and providing an effective date.

This bill appropriates funds for a number of projects and programs that had previously been vetoed in Senate File 363 — the supplemental appropriations bill. With this additional spending in Fiscal Year 1990, the legislature exceeded my budget for that year by approximately \$35 million. The result: a likely state deficit budget or tax increase in Fiscal Year 1991. As a result, a substantial amount of the spending in this bill must again be vetoed in order to prevent a tax increase to support this excessive spending.

Moreover, House File 799 does include provisions to fund on a contingency basis a number of important projects that I had recommended for the Board of Regents. I believe that it is important that those projects be funded on a cash rather than on a debt-financing basis. In order to ensure that will be possible, some of the other spending included in House File 799 must be excised.

House File 799 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 1, subsection 2, in its entirety. This item appropriates approximately \$483,000 to the Department of Human Services for various projects at its institutions. I already approved approximately \$500,000 for this purpose in Senate File 363. Moreover, the absolute emergency needs that the institutions face can be addressed with already appropriated funds or through performance of duty authority granted to the Executive Council.

I am unable to approve the item designated as Section 1, subsection 3, in its entirety. This provision in the bill appropriates \$850,000 to the Department of Human Services for major maintenance and capital improvements at the Mental Health Institute's hospital and schools. I previously vetoed an identical appropriation in Senate File 363 and must veto this item again because of the excessive spending included in the legislature's budget.

I am unable to approve the item designated as Section 1, subsection 4, in its entirety. This subsection appropriates \$500,000 to the juvenile institutions that are part of the Department of Human Services. I previously authorized \$600,000 to be used at Eldora to renovate and update the student housing building. This is the most critical need for the department and, given the fiscal constraints of this state, is the only project that can be funded at this time.

I am unable to approve the item designated as Section 2, in its entirety. This provision in the bill appropriates \$250,000 to the Department of Human Services for the development of juvenile emergency centers and group homes. I understand the importance of providing alternative facilities for juveniles and have approved an appropriation for detention facilities in House File 785. This appropriation overlaps that provision and, therefore, is not approved.

I am unable to approve the designated portion of Section 4. This provision in House File 799 would require the State Board of Regents to present construction budgets for State University of Iowa projects to the legislative council for approval prior to the beginning of the construction of any project. Such a requirement is a clear encroachment on executive branch authority to manage state government. It would be inappropriate for the legislative council to be involved in the minute details of each construction project.

I am unable to approve the item designated as Section 5, in its entirety. This provision provides \$25,000 to the School for the Deaf for a capital project. I vetoed a similar provision in Senate File 363. Given the substantial increase in the budget provided to the special schools, any relatively small emergency needs of those institutions should be able to be met within their operating budgets.

I am unable to approve the item designated as Section 6, in its entirety. This section appropriates \$500,000 to the Department of Cultural Affairs to replace the Channel 12 transmitter for the Public Broadcasting System. A similar provision was vetoed in Senate File 363 and limited state funds do not allow for its approval at this time.

I am unable to approve the item designated as Section 10, in its entirety. Section 10 appropriates \$300,000 of general funds for essential air service airport terminal improvements. I have approved \$250,000 from the State Aviation Trust Fund to continue these airport terminal improvement projects. However, I believe it is inappropriate to begin the funding of these projects from the general fund and the priority in the long term should be on the critical needs of the runways for many of our smaller airports throughout the state.

I am unable to approve the item designated as Section 11, in its entirety. This provision appropriates \$300,000 to the Department of Personnel for the establishment of a child care center in the capitol complex. I understand and support efforts to provide appropriate child care options for employees of state government. That is why we incorporated into our collective bargaining agreement an option that allows employees to designate, on a pre-tax basis, a portion of their benefits to be used for the child care provider of their choice. This provides a substantial benefit to many of our state employees and provides for a greater flexibility in the selection of child care providers. As a result, I believe that \$300,000 for this purpose is unnecessary and inappropriate at this time.

I am unable to approve the item designated as Section 12, in its entirety. This section appropriates \$200,000 to the Department of Human Services for recruitment of new child day care providers. This is the same provision that I vetoed in Senate File 363. I have separately approved in Senate File 541 an appropriation increase of \$200,000 for start-up grants, fire safety, equipment, and training for new child care centers. This also includes authorization to recruit new child care providers. As a result, this appropriation would appear to duplicate the funding approved in Senate File 541 and cannot be approved.

I am unable to approve the item designated as Section 13 in its entirety. Section 13 appropriates \$1.5 million to the Iowa Housing Finance Authority for new housing programs. Over \$5 million is available to the Iowa Housing Finance Authority in Fiscal Year 1990 for housing programs — \$3.6 million above the Fiscal Year 1989 funding level. The \$1.5 million appropriation included in this bill does not provide for any additional housing programs beyond those already receiving funding through the lottery appropriations that I had recommended. Therefore, this general fund appropriation is rendered unnecessary, particularly given the fiscal constraints of the state's general fund.

In short, the \$4.9 million vetoed in House File 799 represents excessive or duplicative spending similar to that vetoed in Senate File 363. Moreover, the reasons for many of the vetoes are similar — without trimming this spending from the state's general fund, we could force the state into a deficit position in Fiscal Year 1991.

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 799 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*