

**CHAPTER 1211**

**APPROPRIATIONS – ADMINISTRATION AND REGULATION**

*H.F. 2416*

**AN ACT** relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, providing for legislative studies, providing an effective date, and other properly related matters.

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

Section 1. **AUDITOR OF STATE.** There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	1,344,845
.....	FTEs	112.50

The auditor of state may retain additional full-time equivalent positions as is reasonable and necessary to perform governmental subdivision audits which are reimbursable pursuant to section 11.20 or 11.21, to perform audits which are requested by and reimbursable from the federal government, and to perform work requested by and reimbursable from departments or agencies pursuant to section 11.5A or 11.5B. The auditor of state shall notify the department of management, the legislative fiscal committee, and the legislative fiscal bureau of the additional full-time equivalent positions retained.

Sec. 2. **IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD.** There is appropriated from the general fund of the state to the Iowa ethics and campaign disclosure board for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, for the purposes designated:

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

.....	\$	420,554
.....	FTEs	8.00

Sec. 3. **DEPARTMENT OF COMMERCE.** There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. **ADMINISTRATIVE SERVICES DIVISION**

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

.....	\$	235,556
.....	FTEs	2.00

It is the intent of the general assembly that the two positions authorized in this subsection for the division shall coordinate the administrative services to be provided to the divisions in the department. These two positions are under the direct supervision of, and shall report to, the director of the department.

The division of administrative services shall assess each division within the department of commerce and the office of consumer advocate within the department of justice a pro rata share of the operating expenses of the division of administrative services. The pro rata share shall be determined pursuant to a cost allocation plan established by the division of administrative services and agreed to by the administrators of the divisions and the consumer advocate. To the extent practicable, the cost allocation plan shall be based on the proportion of the

administrative expenses incurred on behalf of each division and the office of consumer advocate. Each division and the office of consumer advocate shall include in its charges assessed or revenues generated, an amount sufficient to cover the amount stated in its appropriation, any state assessed indirect costs determined by the department of revenue and finance, and the cost of services provided by the division of administrative services.

**2. ALCOHOLIC BEVERAGES DIVISION**

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

.....	\$	1,824,481
.....	FTEs	32.50

**3. BANKING DIVISION**

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

.....	\$	5,506,749
.....	FTEs	84.00

**4. CREDIT UNION DIVISION**

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

.....	\$	1,076,131
.....	FTEs	20.00

**5. INSURANCE DIVISION**

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

.....	\$	3,013,049
.....	FTEs	91.50

Of the amounts appropriated in this section to the insurance division, not more than \$100,000 shall be used for the regulation of health insurance purchasing cooperatives.

The insurance division shall monitor public utilization of the coverages identified in chapter 514C under managed care plans in this state.

The insurance division may reallocate authorized full-time equivalent positions as necessary to respond to accreditation recommendations or requirements. The insurance division expenditures for examination purposes may exceed the projected receipts, refunds and reimbursements, estimated pursuant to section 505.7, subsection 7, including the expenditures for retention of additional personnel, if the expenditures are fully reimbursable and the division first does both of the following:

- a. Notifies the department of management, legislative fiscal bureau, and the legislative fiscal committee of the need for the expenditures.
- b. Files with each of the entities named in paragraph "a" the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

**6. PROFESSIONAL LICENSING AND REGULATION DIVISION**

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

.....	\$	923,357
.....	FTEs	14.00

**7. UTILITIES DIVISION**

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

.....	\$	5,227,076
.....	FTEs	79.00

The utilities division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for utility regulation. Before the division expends or encumbers an amount in excess of the funds budgeted for regulation, the director of the department of management shall approve the

expenditure or encumbrance. Before approval is given, the director of the department of management shall determine that the regulation expenses exceed the funds budgeted by the general assembly to the division and that the division does not have other funds from which regulation expenses can be paid. Upon approval of the director of the department of management the division may expend and encumber funds for excess regulation expenses. The amounts necessary to fund the excess regulation expenses shall be collected from those utility companies being regulated which caused the excess expenditures, and the collections shall be treated as repayment receipts as defined in section 8.2.

Sec. 4. LEGISLATIVE AGENCIES. There is appropriated from the general fund of the state to the following named agencies for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. COMMISSION ON UNIFORM STATE LAWS

For support of the commission and expenses of the members:

.....	\$	22,741
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2. NATIONAL CONFERENCE OF STATE LEGISLATURES

For support of the membership assessment:

.....	\$	91,427
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Sec. 5. DEPARTMENT OF GENERAL SERVICES. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION

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

.....	\$	1,188,790
.....	FTEs	31.35

2. INFORMATION SERVICES

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

.....	\$	5,623,195
.....	FTEs	141.60

3. PROPERTY MANAGEMENT

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

.....	\$	3,994,000
.....	FTEs	114.00

In addition to the requirements in section 8.39, the department of general services shall not change the appropriations for the purposes designated in subsections 1 through 3 from the amounts appropriated under those subsections unless notice of the revisions is given prior to their effective date to the legislative fiscal bureau. The notice shall include information on the department's rationale for making the changes.

Savings achieved in providing telephone services shall be used by the department of general services to increase efficiencies in the provision of those services. The department of general services shall report not later than August 31, 1997, on the projects undertaken to the chairpersons and the ranking members of the joint appropriations subcommittee on administration and regulation and to the legislative fiscal bureau. The report shall include a listing of the projects and efficiencies undertaken during the fiscal year, the cost of each project, and the benefits, including the projected savings on an annual basis and for the life of the efficiency improvement.

There is appropriated from the rebuild Iowa infrastructure fund to the property management division of the department of general services for the fiscal year beginning July 1, 1996,

and ending June 30, 1997, the sum of \$50,000, or so much thereof as is necessary, to be used for purposes provided in this subsection.

4. CAPITOL PLANNING COMMISSION

For expenses of the members in carrying out their duties under chapter 18A:

..... \$ 2,000

5. RENTAL SPACE

For payment of lease or rental costs of buildings and office space at the seat of government as provided in section 18.12, subsection 9, notwithstanding section 18.16:

..... \$ 656,104

6. UTILITY COSTS

For payment of utility costs and for not more than the following full-time equivalent positions:

..... \$ 2,000,444

..... FTEs 1.00

The department of general services may use funds appropriated in this subsection for utility costs to fund energy conservation projects in the state capitol complex which will have a 100 percent payback within a 24-month period. In addition, notwithstanding sections 8.33 and 18.12, subsection 11, any excess funds appropriated for utility costs in this subsection shall not revert to the general fund of the state on June 30, 1997, and these funds shall be used for implementation of energy conservation projects having a payback of 100 percent within a two-year to six-year period. The department of general services shall report not later than August 31, 1997, on the projects having 100 percent payback within a six-year period to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation and to the legislative fiscal bureau. The report shall include a listing of the projects undertaken, the cost of each project, and the projected savings on an annual basis and for the life of the project.

7. TERRACE HILL OPERATIONS

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

..... \$ 188,701

..... FTEs 4.00

Sec. 6. REVOLVING FUNDS. There is appropriated from the designated revolving funds to the department of general services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CENTRALIZED PRINTING

From the centralized printing permanent revolving fund established by section 18.57 for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 932,915

..... FTEs 26.05

2. CENTRALIZED PRINTING - REMAINDER

The remainder of the centralized printing permanent revolving fund is appropriated for the expense incurred in supplying paper stock, offset printing, copy preparation, binding, distribution costs, original payment of printing and binding claims and contingencies arising during the fiscal year beginning July 1, 1996, and ending June 30, 1997, which are legally payable from this fund.

3. CENTRALIZED PURCHASING

From the centralized purchasing permanent revolving fund established by section 18.9 for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 816,123

..... FTEs 17.05

4. CENTRALIZED PURCHASING – REMAINDER

The remainder of the centralized purchasing permanent revolving fund is appropriated for the payment of expenses incurred through purchases by various state departments and for contingencies arising during the fiscal year beginning July 1, 1996, and ending June 30, 1997, which are legally payable from this fund.

5. VEHICLE DISPATCHER

From the vehicle dispatcher revolving fund established by section 18.119 for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	627,701
.....	FTEs	15.00

6. VEHICLE DISPATCHER – REMAINDER

The remainder of the vehicle dispatcher revolving fund is appropriated for the purchase of gasoline, gasohol, oil, tires, repairs, and all other maintenance expenses incurred in the operation of state-owned motor vehicles and for contingencies arising during the fiscal year beginning July 1, 1996, and ending June 30, 1997, which are legally payable from this fund.

The vehicle dispatcher shall report, not later than February 15, 1997, to the chairpersons and the ranking members of the joint appropriations subcommittee on administration and regulation and to the legislative fiscal bureau regarding the efficiencies of the vehicle fleet and the changes in the efficiencies. The report shall include the cost per mile, fuel efficiencies, maintenance costs, useful life, the costs of extending the useful life, and other measures which the vehicle dispatcher or the legislative fiscal bureau finds appropriate. The information shall be reported for each general type of vehicle. The overhead costs shall also be reported with the total costs of the vehicle dispatcher operations.

The department of general services shall report to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation and the legislative fiscal bureau not later than February 15, 1997, a comparison of the performance of vehicles burning an 85 percent ethanol mixture and those burning a 10 percent ethanol mixture. The report shall include, but is not limited to, average mileage, vehicle life, and problems encountered.

Sec. 7. GOVERNOR AND LIEUTENANT GOVERNOR. There is appropriated from the general fund of the state to the offices of the governor and the lieutenant governor for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

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

.....	\$	1,145,681
.....	FTEs	17.25

2. TERRACE HILL QUARTERS

For salaries, support, maintenance, and miscellaneous purposes for the governor’s quarters at Terrace Hill, and for not more than the following full-time equivalent positions:

.....	\$	67,254
.....	FTEs	2.00

3. ADMINISTRATIVE RULES COORDINATOR

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

.....	\$	111,781
.....	FTEs	3.00

4. NATIONAL GOVERNORS’ ASSOCIATION

For payment of Iowa’s membership in the national governors’ association:

.....	\$	62,435
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Sec. 8. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. FINANCE AND SERVICES DIVISION

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

.....	\$	495,682
.....	FTEs	21.00

2. AUDITS DIVISION

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

.....	\$	372,432
.....	FTEs	11.00

3. APPEALS AND FAIR HEARINGS DIVISION

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

.....	\$	170,823
.....	FTEs	24.50

4. INVESTIGATIONS DIVISION

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

.....	\$	756,040
.....	FTEs	35.00

5. HEALTH FACILITIES DIVISION

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

.....	\$	1,797,191
.....	FTEs	103.00

It is the intent of the general assembly that \$120,000 and 2 FTEs included in this subsection shall be used for additional inspections of state-licensed residential care facilities only.

6. INSPECTIONS DIVISION

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

.....	\$	600,210
.....	FTEs	13.00

7. EMPLOYMENT APPEAL BOARD

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

.....	\$	33,181
.....	FTEs	14.00

The employment appeal board shall be reimbursed by the labor services division of the department of employment services for all costs associated with hearings conducted under chapter 91C, related to contractor registration. The board may expend, in addition to the amount appropriated under this subsection, additional amounts as are directly billable to the labor services division under this subsection and to retain the additional full-time equivalent positions as needed to conduct hearings required pursuant to chapter 91C.

8. STATE FOSTER CARE REVIEW BOARD

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

.....	\$	547,579
.....	FTEs	13.00

The department of human services, in coordination with the state foster care review board and the department of inspections and appeals, shall submit an application for funding

available pursuant to Title IV-E of the federal Social Security Act for claims for state foster care review board administrative review costs.

The department of inspections and appeals shall provide an accounting of all costs associated with negotiating agreements and compacts pursuant to section 10A.104, subsection 10, and all costs associated with monitoring such agreements and compacts. Information in the accounting shall include the dates and destinations of all travel related to the negotiations and monitoring, and all costs associated with the personnel involved, including salary, travel, and support costs.

The department of inspections and appeals may charge state departments, agencies, and commissions for services rendered and the payment received shall be considered repayment receipts as defined in section 8.2.

Notwithstanding section 8.33, any funds remaining from the funds appropriated to the state foster care review board for the fiscal year beginning July 1, 1995, pursuant to 1995 Iowa Acts, chapter 219, shall not revert until August 31, 1998. Any such funds remaining shall be used by the state foster care review board for program operations during the fiscal years beginning July 1, 1996, and ending June 30, 1998.

Sec. 9. RACETRACK REGULATION. There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	1,789,375
.....	FTEs	24.07

It is the intent of the general assembly that the state racing and gaming commission may expend funds during the fiscal year beginning July 1, 1996, and ending June 30, 1997, as approved by the department of management, for regulation of live and simultaneously telecast pari-mutuel racing at the Waterloo greyhound park if the national cattle congress is issued a license from the state racing and gaming commission for the conduct of pari-mutuel racing.

Sec. 10. EXCURSION BOAT REGULATION. There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the excursion boat gambling laws, and for not more than the following full-time equivalent positions:

.....	\$	1,128,828
.....	FTEs	23.79

It is the intent of the general assembly that the racing and gaming commission shall only employ additional full-time equivalent positions for riverboat gambling enforcement as authorized by the department of management as needed for enforcement on new riverboats. If more than nine riverboats are operating during the fiscal year beginning July 1, 1996, and ending June 30, 1997, the commission may expend no more than \$84,917 for no more than 2 FTEs for each additional riverboat in excess of nine. The additional expense associated with the positions shall be paid from fees assessed by the commission as provided in chapter 99F.

Notwithstanding section 8.39, funds shall not be transferred to the department of inspections and appeals which would be used for monitoring Indian gaming.

Sec. 11. USE TAX APPROPRIATION. There is appropriated from the use tax receipts collected pursuant to section 423.7 prior to their deposit in the road use tax fund pursuant to

section 423.24, subsection 1, to the appeals and fair hearings division of the department of inspections and appeals for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 1,012,835

Sec. 12. DEPARTMENT OF MANAGEMENT. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

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

..... \$ 2,073,779

..... FTEs 30.00

2. LAW ENFORCEMENT TRAINING REIMBURSEMENTS

For reimbursement to local law enforcement agencies for the training of officers who resign pursuant to section 384.15, subsection 7:

..... \$ 47,500

3. COUNCIL OF STATE GOVERNMENTS

For support of the membership assessment:

..... \$ 75,500

Sec. 13. ROAD USE TAX APPROPRIATION. There is appropriated from the road use tax fund to the department of management for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 56,000

The department of management shall report to the chairpersons and ranking members of the senate and house committees on appropriations, the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation, and the legislative fiscal bureau, the number of furloughs and the number of layoffs that occur in each state agency, the savings associated with those furloughs and layoffs, the effect of the furloughs and layoffs on services provided by the state agency, and other relevant information. The department shall provide a year-end report summarizing the information for the fiscal year beginning July 1, 1996, which will be due by September 1, 1997.

*\*When addressing staffing targets for state agencies, the department of management shall state the number of staff authorized for a state agency in terms of full-time equivalent positions.\**

Sec. 14. DEPARTMENT OF PERSONNEL. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated including the filing of quarterly reports as required in this section:

1. OPERATIONS

For salaries, support, maintenance, and miscellaneous purposes for the director's staff, information services, data processing, and financial services, and for not more than the following full-time equivalent positions:

..... \$ 992,321

..... FTEs 17.08

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

2. PROGRAM DELIVERY SERVICES

For salaries for personnel services, employment law and labor relations and training for not more than the following full-time equivalent positions:

.....	\$	1,292,434
.....	FTEs	33.20

3. PROGRAM ADMINISTRATION AND DEVELOPMENT

For salaries for employment, compensation, and benefits and workers' compensation and for not more than the following full-time equivalent positions:

.....	\$	1,511,191
.....	FTEs	34.80

Any funds received by the department for workers' compensation purposes other than the funds appropriated in subsection 3 shall be used only for the payment of workers' compensation claims.

The funds for support, maintenance, and miscellaneous purposes for personnel assigned to program delivery under subsection 2 and program administration and development under subsection 3 are payable from the appropriation made in subsection 1.

The department of personnel shall report semi-annually to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation concerning the number of vacancies in existing full-time equivalent positions and the average time taken to fill the vacancies. The reports shall include quarterly and annual averages organized according to state agency and general occupational category as established by the federal equal employment opportunity commission. All departments and agencies of the state shall cooperate with the department in the preparation of the reports.

The department of personnel shall report annually to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation concerning the number of private consultant contracts of one year or more which are entered into or extended each year by the departments and agencies of the state. All departments and agencies of the state shall cooperate with the department in the preparation of this report.

The department of personnel shall submit, annually, a report to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation and to the legislative fiscal bureau regarding the results of the state's top achievement recognition program. The reports submitted shall include, but are not limited to, identification of the recipients, a description of the meritorious achievements, and the awards conferred.

Sec. 15. IPERS. There is appropriated from the Iowa public employees' retirement system fund to the department of personnel for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system:

.....	\$	4,368,900
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2. It is the intent of the general assembly that the Iowa public employees' retirement system employ sufficient staff within the appropriation provided in this section to meet the developing requirements of the investment program.

Sec. 16. PRIMARY ROAD FUND APPROPRIATION. There is appropriated from the primary road fund to the department of personnel for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes to provide personnel services for the state department of transportation:

.....	\$	358,671
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Sec. 17. ROAD USE TAX FUND APPROPRIATION. There is appropriated from the road use tax fund to the department of personnel for the fiscal year beginning July 1, 1996, and

ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes to provide personnel services for the state department of transportation:

..... \$ 58,388

Sec. 18. STATE WORKERS' COMPENSATION CLAIMS. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution, subject to approval of the department of management, to various state departments to fund the premiums for paying workers' compensation claims which are assessed to and collected from the state department by the department of personnel based upon a rating formula established by the department of personnel:

..... \$ 5,884,740

The premiums collected by the department of personnel shall be segregated into a separate workers' compensation fund in the state treasury to be used for payment of state employees' workers' compensation claims. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in this workers' compensation fund at the end of the fiscal year shall not revert but shall be available for expenditure for purposes of the fund for subsequent fiscal years.

Sec. 19. DEPARTMENT OF REVENUE AND FINANCE. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated, and for not more than the following full-time equivalent positions used for the purposes designated in subsections 1 through 3:

..... FTEs 576.43

1. COMPLIANCE

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 10,789,038

2. STATE FINANCIAL MANAGEMENT

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 9,717,637

3. INTERNAL RESOURCES MANAGEMENT

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 6,025,904

4. COLLECTION COSTS AND FEES

For payment of collection costs and fees pursuant to section 422.26:

..... \$ 45,000

5. a. In addition to the requirements in section 8.39, the department of revenue and finance shall not change the appropriations for the purposes designated in subsections 1 through 3 from the amounts appropriated in those subsections unless notice of the revisions is given prior to their effective date to the legislative fiscal bureau. The notice shall include information on the department's rationale for making the changes.

b. The department of revenue and finance shall report quarterly to the legislative fiscal bureau concerning progress in the implementation of generally accepted accounting principles, including determination of reporting entities, fund classifications, modification of the Iowa financial accounting system, progress on preparing a comprehensive annual financial report, and the most current estimate of the general fund balance based on current generally accepted accounting principles.

c. The director of revenue and finance shall report annually to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation and the legislative fiscal bureau on the implementation and financial status of the integrated

revenue information system. The report shall include any changes from the scheduled progress including expenditures or estimated revenue.

d. The director of revenue and finance shall prepare and issue a state appraisal manual and the revisions to the state appraisal manual as provided in section 421.17, subsection 18, without cost to a city or county.

Sec. 20. LOTTERY. There is appropriated from the lottery fund to the department of revenue and finance for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes for the administration and operation of lottery games, and for not more than the following full-time equivalent positions:	\$	7,494,998
.....	FTEs	120.00

Sec. 21. MOTOR VEHICLE FUEL TAX APPROPRIATION. There is appropriated from the motor vehicle fuel tax fund created by section 452A.77 to the department of revenue and finance for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the provisions of chapter 452A and the motor vehicle use tax program:	\$	1,034,482
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Sec. 22. SECRETARY OF STATE. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION AND ELECTIONS

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

.....	\$	368,508
.....	FTEs	5.00

2. BUSINESS SERVICES

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

.....	\$	1,745,502
.....	FTEs	32.00

Sec. 23. STATE-FEDERAL RELATIONS. There is appropriated from the general fund of the state to the office of state-federal relations for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	240,172
.....	FTEs	3.00

Sec. 24. TREASURER. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	902,594
.....	FTEs	27.80

The office of treasurer of state shall supply clerical and secretarial support for the executive council.

**Sec. 25. SURCHARGE FOR THE SECOND INJURY FUND – TASK FORCE.**

1. For the fiscal period commencing on the effective date of this section and ending June 30, 1997, the treasurer of state may assess a surcharge on workers' compensation weekly benefits paid in the state during the fiscal year commencing July 1, 1994. The surcharge is payable by all self-insured employers making weekly benefit payments and all insurers making weekly benefit payments on behalf of insured employers. The surcharge applies to all workers' compensation insurance policies and self-insurance coverages of employers approved for self-insurance by the commissioner of insurance pursuant to section 87.4 or 87.11, and to the state of Iowa, its departments, divisions, agencies, commissions, and boards, or any political subdivision coverages whether insured or self-insured. The surcharge shall not apply to any reinsurance or retrocessional transaction under section 520.4 or 520.9. The treasurer of state shall base the surcharge for each payor upon the payor's pro rata share of weekly benefits paid in the state during the fiscal year commencing July 1, 1994. The treasurer may use reports of weekly benefits paid derived from the last completed policy or reporting year, or other consistent allocation methodology. The surcharge is collectable by an insurer or from its policyholders if the insured employer fails to pay the insurer. An insurance carrier, its agent, or a third-party administrator shall not be entitled to any portion of the surcharge as a fee or commission for its collection. The surcharge is not subject to any taxes, licenses, or fees. The surcharge is not deemed to be an assessment or tax, but shall be deemed an additional benefit paid for injuries compensable under the second injury fund. However, the treasurer of state shall not collect over \$870,000 in assessing the surcharge.

2. a. A second injury task force is created. The task force shall consist of representatives of business and labor appointed by the industrial commissioner who shall serve as chairperson of the task force. The task force shall study issues relating to the second injury fund including, but not limited to, the following:

- (1) The role and purpose of the second injury fund within the workers compensation system.
- (2) The source of funding for administrative expenses.
- (3) The need for continuation of the second injury fund.
- (4) The continuation of the surcharge imposed by this section.

b. The second injury task force shall complete its study and submit its recommendations to the chairpersons and ranking members of the standing committee on business and labor and the standing committee on labor and industrial relations of the general assembly by January 15, 1997.

c. The second injury task force is abolished upon submission of its report and recommendations to the general assembly as provided in this subsection.

3. The surcharges collected pursuant to this section shall be deposited in the second injury fund.

4. The administrative costs and expenses incurred by the treasurer of state, the attorney general, the second injury fund, or the department of revenue and finance, in connection with the second injury fund, may be paid from the fund to the extent authorized by 1995 Iowa Acts, chapter 219, section 25, and this section. However, the payment of administrative costs and expenses incurred by the treasurer of state, the attorney general, the second injury fund, and the department of revenue and finance, as authorized in this subsection, shall only be permitted for administrative costs and expenses incurred in the fiscal year commencing July 1, 1996, and ending June 30, 1997, and shall not exceed \$170,000.

5. An insurer or self-insurer shall pay a surcharge imposed by this section no later than thirty days following the assessment.

6. a. If an insurer, policyholder, or self-insurer withdraws from doing business in this state before the surcharges authorized by this section become due, or fails or neglects to pay the surcharge imposed, the treasurer of state shall at once proceed to collect the surcharge, and may employ such legal process as may be necessary for that purpose, and when so collected shall deposit the surcharge into the second injury fund. The treasurer may bring the

suit in any court of this state having jurisdiction, and reasonable attorney's fees may be taxed as costs in the suit.

b. If the surcharges imposed by this section are not paid or transferred when due, the insurer, policyholder, or self-insurer responsible for the failure shall be required to pay, as part of the surcharge, interest on the surcharge at the rate of one and one-half percent per month for each month or fraction of a month delinquent. If the treasurer of state prevails in any dispute concerning the assessment of a surcharge which has not been paid or transferred, interest shall be paid upon the amount found due to the state at the rate of one and one-half percent per month for each month or fraction of a month delinquent.

c. An insurer is not liable for a surcharge which is not paid to the insurer by the policyholder or employer provided the insurer has made good faith efforts to collect the surcharge from the policyholder or employer. An insurance carrier shall report to the treasurer of state a policyholder or employer who fails to pay a surcharge within thirty days of its due date.

d. In any action concerning the amount of a surcharge imposed by this section, any other surcharge shall continue to be made based upon the amount assessed by the treasurer of state. In the event of an overpayment, the excess amount paid may be credited against future payments otherwise due.

e. An employer who fails to pay the surcharges imposed under this section shall not be allowed to purchase workers' compensation insurance coverage or to renew a self-insurance authorization unless and until the surcharge has been paid.

7. For the purposes of this section, "insurer" includes a self-insurance group approved by the commissioner of insurance pursuant to section 87.4.

Sec. 26. IMPLEMENTATION OF FUNDING REDUCTIONS – INTENT OF GENERAL ASSEMBLY. It is the intent of the general assembly that the departments, agencies, and offices of the executive department of state government shall implement funding reductions through organizational changes which reduce supervisory positions, vertically and horizontally, and increase the span of control of the remaining supervisors as recommended by the governor's committee on government spending reform.

Sec. 27. ELIMINATION OF VACANT UNFUNDED JOBS. The state departments, agencies, or offices receiving appropriations under this Act shall eliminate, within thirty days after the beginning of a fiscal year, all vacant unfunded positions on the table of organization of the state department, agency, or office.

Sec. 28. STATE COMMUNICATIONS NETWORK – REDUCTION OF TRAVEL AND RELATED EXPENSES. The offices of the governor and lieutenant governor, the office of secretary of state, the office of treasurer of state, the auditor of state, the department of commerce, the department of inspections and appeals, the Iowa ethics and campaign disclosure board, the department of general services, the department of management, the department of revenue and finance, and the department of personnel shall use the services of the state communications network as much as possible for interagency communication, meetings, and conferences to reduce travel and related expenses for the respective offices or departments.

Sec. 29. REPORT OF ADDITIONAL INCOME AND EXPENDITURES. The state departments, agencies, and offices receiving appropriations under this Act shall report all expenses in excess of the funds appropriated from any statutory revolving funds during the fiscal year beginning July 1, 1995, and ending June 30, 1996. The report shall also include any income and the beginning and ending balances of the revolving funds.

The report required pursuant to this section shall be submitted not later than September 30, 1996, for expenditures made during the fiscal year beginning July 1, 1995, and ending June 30, 1996, to the chairpersons and ranking members of the joint appropriations subcommittee on administration and regulation and the legislative fiscal bureau.

Sec. 30. STUDY OF LOTTERY INTERNAL OPERATION.

1. The legislative fiscal bureau shall conduct a study of the administrative practices and advertising practices of the state lottery. The legislative fiscal bureau shall report its findings to the legislative fiscal committee, legislative council, and to the interim legislative study committee established pursuant to subsection 2.

2. The legislative council is requested to establish an interim study of the administrative practices and advertising practices of the state lottery. The study committee shall evaluate the information received from the legislative fiscal bureau pursuant to subsection 1 and make recommendations to be submitted to the legislative council and the general assembly in January 1997.

Sec. 31. FEDERAL GRANTS. 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. 32. Section 99D.11, subsection 6, paragraph b, Code 1995, is amended to read as follows:

b. The commission may authorize the licensee to simultaneously telecast within the racetrack enclosure, for the purpose of pari-mutuel wagering, a horse or dog race licensed by the racing authority of another state. It is the responsibility of each licensee to obtain the consent of appropriate racing officials in other states as required by the federal Interstate Horseracing Act of 1978, 15 U.S.C. § 3001-3007, to televise races for the purpose of conducting pari-mutuel wagering. A licensee may also obtain the permission of a person licensed by the commission to conduct horse or dog races in this state to televise races conducted by that person for the purpose of conducting pari-mutuel racing. However, arrangements made by a licensee to televise any race for the purpose of conducting pari-mutuel wagering are subject to the approval of the commission, and the commission shall select the races to be televised. The races selected by the commission shall be the same for all licensees approved by the commission to televise races for the purpose of conducting pari-mutuel wagering. The commission shall not authorize the simultaneous telecast or televising of and a licensee shall not simultaneously telecast or televise any horse or dog race for the purpose of conducting pari-mutuel wagering unless the simultaneous telecast or televising is done at the racetrack of a licensee that schedules no less than sixty performances of nine live races each day of the season. For purposes of the taxes imposed under this chapter, races televised by a licensee for purposes of pari-mutuel wagering shall be treated as if the races were held at the racetrack of the licensee. Notwithstanding any contrary provision in this chapter, the commission may allow a licensee to adopt the same deductions as those of the pari-mutuel racetrack from which the races are being simultaneously telecast.

Sec. 33. Section 321.19, subsection 1, unnumbered paragraph 2, Code Supplement 1995, is amended to read as follows:

The department shall furnish, on application, free of charge, distinguishing plates for vehicles thus exempted, which plates except plates on Iowa highway safety patrol vehicles shall bear the word "official" and the department shall keep a separate record. Registration plates issued for Iowa highway safety patrol vehicles, except unmarked patrol vehicles, shall bear two red stars on a yellow background, one before and one following the registration number on the plate, which registration number shall be the officer's badge number. Registration plates issued for a county sheriff's patrol vehicles shall display one seven-pointed gold star followed by the letter "S" and the call number of the vehicle. However, the director of general services or the director of transportation may order the issuance of regular registration plates for any exempted vehicle used by peace officers in the enforcement of the law, persons enforcing chapter 124 and other laws relating to controlled substances, persons in the department of justice, the alcoholic beverages division of the department of commerce, and the department of inspections and appeals who are regularly assigned to conduct investigations which

cannot reasonably be conducted with a vehicle displaying "official" state registration plates, and persons in the lottery division of the department of revenue and finance whose regularly assigned duties relating to security or the carrying of lottery tickets cannot reasonably be conducted with a vehicle displaying "official" registration plates. For purposes of sale of exempted vehicles, the exempted governmental body, upon the sale of the exempted vehicle, may issue for in-transit purposes a pasteboard card bearing the words "Vehicle in Transit", the name of the official body from which the vehicle was purchased, together with the date of the purchase plainly marked in at least one-inch letters, and other information required by the department. The in-transit card is valid for use only within forty-eight hours after the purchase date as indicated on the bill of sale which shall be carried by the driver.

Sec. 34. EFFECTIVE DATE. Section 25 of this Act, relating to the second injury fund, being deemed of immediate importance, takes effect upon enactment.

*Approved May 28, 1996, except the item which I hereby disapprove and which is designated as Section 13, unnumbered and unlettered paragraph 3 in its entirety. My reason for vetoing this item is 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 Mr. Secretary:

I hereby transmit House File 2416, an Act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, providing for legislative studies, providing an effective date, and other properly related matters.

House File 2416 is therefore approved on this date with the following exception, which I hereby disapprove.

I am unable to approve the item designated as Section 13, unnumbered and unlettered paragraph 3, in its entirety. This item would require the Department of Management to set staffing targets for agencies in terms of full-time equivalents rather than in terms of head counts. The executive branch should maintain flexibility to use reporting formats that best meet its management needs.

For the above reason, I hereby respectfully disapprove this item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2416 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, Governor