

Sec. 13. FEDERAL FUNDS APPROPRIATED. All federal grants to and the federal receipts of the agencies affected by this Act which are received and may be expended for purposes of this Act are appropriated for those purposes and as set forth in the federal grants or receipts.

Sec. 14. USE OF SURPLUS HEALTH INSURANCE FUNDS. The executive council shall transfer an amount, as determined by the department of management, from the health insurance surplus account to the health insurance premium operating account for the fiscal year beginning July 1, 1998, to reduce insurance premiums. Any amount remaining in the health insurance premium operating account at the end of the fiscal year beginning July 1, 1998, shall be transferred to the health insurance surplus account.

Sec. 15. STATE TROOPER MEAL ALLOWANCE. The sworn peace officers in the department of public safety who are not covered by a collective bargaining agreement negotiated pursuant to chapter 20, excluding capitol police supervisors, shall receive the same per diem meal allowance as the sworn peace officers in the department of public safety who are covered by a collective bargaining agreement negotiated pursuant to chapter 20.

The department of management shall estimate the cost of providing per diem meal allowances as provided in this section and shall allocate the funding for the allowance from the salary adjustment fund.

Sec. 16. SALARY MODEL ADMINISTRATOR/COORDINATOR. Of the funds appropriated by section 6 of this Act, \$57,784 for the fiscal year beginning July 1, 1998, is allocated to the department of management for salary and support of the salary model administrator/coordinator who shall work in conjunction with the legislative fiscal bureau to maintain the state's salary model used for analyzing, comparing, and projecting state employee salary and benefit information, including information relating to employees of the state board of regents. The information shall be used in collective bargaining processes under chapter 20 and in calculating the funding needs contained within the annual salary adjustment legislation. A state employee organization as defined in section 20.3, subsection 4, may request information produced by the model, but the information provided shall not contain information attributable to individual employees.

Approved May 6, 1998

CHAPTER 1215

APPROPRIATIONS — EDUCATION

H.F. 2533

AN ACT relating to the funding of, operation of, and appropriation of moneys to the college student aid commission, the department of cultural affairs, the department of education, and the state board of regents, providing related statutory changes, and providing effective dates.

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

COLLEGE STUDENT AID COMMISSION

Section 1. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION

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

.....	\$	319,936
.....	FTEs	5.40

2. UNIVERSITY OF OSTEOPATHIC MEDICINE AND HEALTH SCIENCES

a. For forgivable loans to Iowa students attending the university of osteopathic medicine and health sciences under the forgivable loan program pursuant to section 261.19:

.....	\$	379,260
-------	----	---------

b. For the university of osteopathic medicine and health sciences for an initiative in primary health care to direct primary care physicians to shortage areas in the state:

.....	\$	395,000
-------	----	---------

3. STUDENT AID PROGRAMS

For payments to students for the Iowa grant program:

.....	\$	1,161,850
-------	----	-----------

4. NATIONAL GUARD TUITION AID PROGRAM

For purposes of providing national guard tuition aid under the program established in section 261.21:

.....	\$	833,900
-------	----	---------

5. CHIROPRACTIC GRADUATE STUDENT FORGIVABLE LOAN PROGRAM

For purposes of providing forgivable loans under the program established in section 261.71:

.....	\$	71,400
-------	----	--------

Sec. 2. There is appropriated from the loan reserve account to the college student aid commission for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

For operating costs of the Stafford loan program including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,151,983
.....	FTEs	34.60

Sec. 3. Notwithstanding the maximum allowed balance requirement of the scholarship and tuition grant reserve fund as provided in section 261.20, there is appropriated from the scholarship and tuition grant reserve fund to the college student aid commission for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the moneys remaining in the fund following transfer, pursuant to section 261.20 for the fiscal years ending June 30, 1997, and June 30, 1998, which are to be used for purposes of Iowa vocational-technical tuition grants in accordance with section 261.17. Funds appropriated in this section are in addition to funds appropriated in section 261.25, subsection 3.

Sec. 4. The department of revenue and finance shall deposit interest earned on the Pub. L. No. 105-33 recall account within the office of the treasurer of state during the fiscal year ending June 30, 1998, in the fund 61 default reduction account. Moneys in the fund 61 default reduction account are appropriated to the college student aid commission for the fiscal year beginning July 1, 1998, and ending June 30, 1999, for purposes of issuing emergency loans to assist needy students in avoiding default on a guaranteed or parental loan made under chapter 261.

DEPARTMENT OF CULTURAL AFFAIRS

Sec. 5. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

* Item veto; see message at end of the Act

1. 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:

.....	\$	1,328,615
.....	FTEs	10.00

2. HISTORICAL DIVISION

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

.....	\$	3,078,788
.....	FTEs	65.70

Of the full-time equivalent positions appropriated for in this subsection, 1.20 FTEs represent the transition of personnel services contracts to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of chapter 20 shall not govern this transition movement into these full-time equivalent positions during the period beginning July 1, 1998, and ending August 31, 1998.

3. HISTORIC SITES

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

.....	\$	587,040
.....	FTEs	8.00

4. ADMINISTRATION

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

.....	\$	230,571
.....	FTEs	4.30

The department of cultural affairs shall coordinate activities with the tourism division of the department of economic development to promote attendance at the state historical building and at this state's historic sites.

5. LOCAL ARTS COMPREHENSIVE EDUCATIONAL STRATEGIES PROGRAM (LACES)

For contracting with the Iowa alliance for arts education to execute their local arts comprehensive educational strategies:

.....	\$	25,000
-------	----	--------

6. COMMUNITY CULTURAL GRANTS

For planning and programming for the community cultural grants program established under section 303.3, and for not more than the following full-time equivalent position:

.....	\$	711,757
.....	FTE	.70

Sec. 6. HISTORIC SITES — WESTERN TRAILS CENTER. Notwithstanding section 8.33, the unencumbered or unobligated moneys remaining at the end of the fiscal year ending June 30, 1998, from the appropriations made in 1997 Iowa Acts, chapter 212, section 5, subsection 3, shall not revert but shall be available for expenditure during subsequent fiscal years for purposes of support, staffing, marketing, outreach, and programs at the western trails center in Council Bluffs.

Sec. 7. NATIONAL ARTS RANKING SURVEYS. The department of cultural affairs shall, when calculating the amount of state financial assistance for the arts in national ranking surveys, include the amount appropriated for the local arts comprehensive educational strategies program, as well as the total estimated cost of the fine arts elements included in a plan and specifications for a state building or group of state buildings in accordance with section 304A.10.

* Item veto; see message at end of the Act

DEPARTMENT OF EDUCATION

Sec. 8. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION

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

.....	\$	5,586,130
.....	FTEs	98.45

Of the full-time equivalent positions appropriated for in this section, 2.50 FTEs represent the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of chapter 20 shall not govern this transition movement into these full-time equivalent positions during the period beginning July 1, 1998, and ending August 31, 1998.

2. VOCATIONAL EDUCATION ADMINISTRATION

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

.....	\$	547,642
.....	FTEs	15.60

3. BOARD OF EDUCATIONAL EXAMINERS

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

.....	\$	201,973
.....	FTEs	2.00

4. VOCATIONAL REHABILITATION SERVICES DIVISION

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

.....	\$	4,458,972
.....	FTEs	302.58

Of the full-time equivalent positions appropriated for in this section, .33 FTE represent the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of chapter 20 shall not govern this transition movement into these full-time equivalent positions during the period beginning July 1, 1998, and ending August 31, 1998.

From the funds appropriated in this subsection, up to \$2,000,000 shall be used to provide services to persons without regard to an order of selection. The division shall seek additional local matching funds in an amount sufficient to avoid any loss of federal funds.

The division of vocational rehabilitation services shall seek a waiver from the federal government to accept assessments of clients performed by area education agencies or any other governmental subdivision. The division shall also seek additional federal waivers to improve and increase the availability of supported employment services to Iowans.

The division of vocational rehabilitation services shall seek funds other than federal funds, which may include but are not limited to local funds from local provider entities, community colleges, area education agencies, and local education agencies, for purposes of matching federal vocational rehabilitation funds. The funds collected by the division may exceed the amount needed to match available federal vocational rehabilitation funds in an effort to qualify for additional federal funds when such funds become available.

Except where prohibited under federal law, the division of vocational rehabilitation services of the department of education shall accept client assessments, or assessments of potential clients, performed by other agencies in order to reduce duplication of effort.

Notwithstanding the full-time equivalent position limit established in this subsection, for the fiscal year ending June 30, 1999, if federal funding is received to pay the costs of additional employees for the vocational rehabilitation services division who would have duties

relating to vocational rehabilitation services paid for through federal funding, authorization to hire not more than four additional full-time equivalent employees shall be provided, the full-time equivalent position limit shall be exceeded, and the additional employees shall be hired by the division.

The division of vocational rehabilitation services shall enter into a chapter 28E agreement with the creative employment options program at the state university of Iowa to enable the division to count as a local match the state funds appropriated to the university for purposes of the creative employment options program.

b. For matching funds for programs to enable persons with severe physical or mental disabilities to function more independently, including salaries and support, and for not more than the following full-time equivalent positions:

.....	\$	75,631
.....	FTEs	1.50

The highest priority use for the moneys appropriated under this lettered paragraph shall be for programs that emphasize employment and assist persons with severe physical or mental disabilities to find and maintain employment to enable them to function more independently.

5. STATE LIBRARY

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

.....	\$	3,072,098
.....	FTEs	21.00

Reimbursement of the institutions of higher learning under the state board of regents for participation in the access plus program during the fiscal year beginning July 1, 1998, and ending June 30, 1999, shall not exceed the total amount of reimbursement paid to the regents institutions of higher learning for participation in the access plus program during the fiscal year beginning July 1, 1997, and ending June 30, 1998.

6. REGIONAL LIBRARY

For state aid:

.....	\$	1,637,000
-------	----	-----------

7. PUBLIC BROADCASTING DIVISION

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

.....	\$	7,374,296
.....	FTEs	105.80

Of the full-time equivalent positions appropriated for in this section, 5.80 FTEs represent the transition of personnel services contractors to full-time equivalent positions. The merit system provisions of chapter 19A and the provisions of chapter 20 shall not govern this transition movement into these full-time equivalent positions during the period beginning July 1, 1998, and ending August 31, 1998.

8. VOCATIONAL EDUCATION TO SECONDARY SCHOOLS

For reimbursement for vocational education expenditures made by secondary schools:

.....	\$	3,308,850
-------	----	-----------

Funds appropriated in this subsection shall be used for expenditures made by school districts to meet the standards set in sections 256.11, 258.4, and 260C.14 as a result of the enactment of 1989 Iowa Acts, chapter 278. Funds shall be used as reimbursement for vocational education expenditures made by secondary schools in the manner provided by the department of education for implementation of the standards set in 1989 Iowa Acts, chapter 278.

9. SCHOOL FOOD SERVICE

For use as state matching funds for federal programs that shall be disbursed according to federal regulations, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

* Item veto; see message at end of the Act

.....	\$	2,716,859
.....	FTEs	14.00

10. 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 \$20 per pupil and shall not exceed the comparable services offered to resident public school pupils:

.....	\$	700,000
-------	----	---------

11. VOCATIONAL AGRICULTURE YOUTH ORGANIZATION

To assist a vocational agriculture youth organization sponsored by the schools to support the foundation established by that vocational agriculture youth organization and for other youth activities:

.....	\$	107,900
-------	----	---------

12. FAMILY RESOURCE CENTERS

For support of the family resource center demonstration program established under chapter 256C:

.....	\$	120,000
-------	----	---------

If legislation providing for the creation of an Iowa empowerment board, an Iowa empowerment fund, and for the appropriation of moneys to be administered by a community empowerment area, is enacted by the Seventy-seventh General Assembly, 1998 Session,* funds shall not be appropriated for purposes of the family resource centers in fiscal years succeeding the fiscal year ending June 30, 1999.

13. AREA EDUCATION AGENCY AUDIT

For allocation to the auditor of state for the costs of conducting the audit of area education agencies as provided in section 60 of this Act, if enacted:

.....	\$	75,000
-------	----	--------

14. COMMUNITY COLLEGES

For general state financial aid, including general financial aid to merged areas in lieu of personal property tax replacement payments, to merged areas as defined in section 260C.2, for vocational education programs in accordance with chapters 258 and 260C:

.....	\$	135,366,156
-------	----	-------------

The funds appropriated in this subsection shall be allocated as follows:

- | | | |
|---------------------------|----|------------|
| a. Merged Area I | \$ | 6,480,559 |
| b. Merged Area II | \$ | 7,622,742 |
| c. Merged Area III | \$ | 7,169,222 |
| d. Merged Area IV | \$ | 3,494,817 |
| e. Merged Area V | \$ | 7,303,720 |
| f. Merged Area VI | \$ | 6,784,474 |
| g. Merged Area VII | \$ | 9,696,919 |
| h. Merged Area IX | \$ | 11,891,522 |
| i. Merged Area X | \$ | 18,518,801 |
| j. Merged Area XI | \$ | 19,759,493 |
| k. Merged Area XII | \$ | 7,821,349 |
| l. Merged Area XIII | \$ | 8,011,904 |
| m. Merged Area XIV | \$ | 3,542,758 |
| n. Merged Area XV | \$ | 11,070,562 |
| o. Merged Area XVI | \$ | 6,197,314 |

Sec. 9. DISTRIBUTION OF FUNDS APPROPRIATED. For the fiscal year beginning July 1, 1998, and ending June 30, 1999, moneys appropriated by the general assembly from the general fund to the department of education for community colleges for a fiscal year shall be allocated to each community college by the department of education in the following manner:

1. BASE FUNDING. The base funding for a fiscal year shall be equal to the amount each community college received as an allocation from appropriations made from the general fund of the state in the most recent fiscal year.

* See chapters 1206 and 1216 herein

2. DISTRIBUTION FOR INFLATION. First priority shall be to give each college an increase based upon inflation. The inflation increase shall be not less than two percent. However, the inflation increase shall be equal to the national inflation rate, if it exceeds two percent, if the amount of state aid appropriated is equal to or greater than the national inflation rate.

3. DISTRIBUTION BASED ON PROPORTIONAL SHARE OF ENROLLMENT. The balance of the growth in state aid appropriations, once the inflation increase has been satisfied, shall be distributed based on each college's proportional share of enrollment. However, a minimum of one percent of the total growth shall be distributed in this manner.

4. If the total appropriation made by the general assembly is less than two percent growth, the entire increase shall be distributed as inflation.

Sec. 10. READING RECOVERY. The department of education shall analyze the expenditures of the moneys appropriated during the fiscal year beginning July 1, 1997, for purposes of the reading recovery program, and shall provide the analysis to the general assembly and the legislative fiscal bureau in a report not later than January 1, 1999. The analysis shall include moneys appropriated for fiscal year 1997-1998 and fiscal year 1998-1999. Priority for training shall be given to teachers employed by school districts and accredited nonpublic schools in Iowa. The department shall make every reasonable effort to publicize and promote the use of the center.

Sec. 11. Notwithstanding section 8.33 and 1997 Iowa Acts, chapter 209, section 10, the funds appropriated in 1997 Iowa Acts, chapter 209, section 10, subsection 11, to the department of education to develop an initiative to improve access to education through distance learning in postsecondary institutions, which remain unencumbered or unobligated on June 30, 1998, shall not revert to the general fund of the state but shall be reallocated to the division of libraries and information services for purposes of the open access program.

Sec. 12. Notwithstanding section 8.33 and section 294A.25, subsection 5, of the funds appropriated and paid to the department of education for participation in the national assessment of education progress, that remain unencumbered or unobligated on June 30, 1998, the amount remaining shall not revert to the general fund of the state but shall be reallocated to the division of libraries and information services for purposes of the open access program.

**Sec. 13. Notwithstanding section 8.33 and 1997 Iowa Acts, chapter 212, section 7, subsection 15, the funds appropriated to the department of education and allocated for rehabilitating computers for schools and libraries, which remain unencumbered or unobligated on June 30, 1998, shall not revert to the general fund of the state but shall be reallocated to merged areas as defined in section 260C.2. The funds reallocated in this section shall be as follows:*

1. Merged Area I	\$	2,745
2. Merged Area II	\$	2,803
3. Merged Area III	\$	1,987
4. Merged Area IV	\$	1,015
5. Merged Area V	\$	1,978
6. Merged Area VI	\$	2,204
7. Merged Area VII	\$	3,582
8. Merged Area IX	\$	4,439
9. Merged Area X	\$	8,303
10. Merged Area XI	\$	8,294
11. Merged Area XII	\$	2,672
12. Merged Area XIII	\$	3,016
13. Merged Area XIV	\$	1,087
14. Merged Area XV	\$	3,853
15. Merged Area XVI	\$	2,022*

* Item veto; see message at end of the Act

Sec. 14. BOARD OF EDUCATIONAL EXAMINERS LICENSING FEES. Notwithstanding section 272.10, up to 85 percent of any funds received resulting from an increase in fees approved and implemented for licensing by the state board of educational examiners after July 1, 1997, shall be available for the fiscal year beginning July 1, 1998, to the state board for purposes related to the state board's duties, including, but not limited to, additional full-time equivalent positions. The director of revenue and finance shall draw warrants upon the treasurer of state from the funds appropriated as provided in this section and shall make the funds resulting from the increase in fees available during the fiscal year to the state board on a monthly basis.

Sec. 15. DIGITAL TELEVISION CONVERSION. If 1998 Iowa Acts, House File 2395, section 5, relating to a study of digital television conversion by the public broadcasting division of the department of education, is enacted,* and upon the request of a public radio broadcaster the division shall include in the study a review of the tower space availability and related cost efficiencies for broadcast antennas and associated equipment for the transmission of public radio station broadcasts.

Sec. 16. 1998 Iowa Acts, Senate File 2366, section 1, subsection 1, unnumbered paragraphs 2 **and 3**, if enacted,*** are amended by striking the unnumbered paragraphs.

STATE BOARD OF REGENTS

Sec. 17. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1998, and ending June 30, 1999, 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, and for not more than the following full-time equivalent positions:

.....	\$	1,188,254
.....	FTEs	15.63

The state board of regents, the department of management, and the legislative fiscal bureau shall cooperate to determine and agree upon, by November 15, 1998, the amount that needs to be appropriated for tuition replacement for the fiscal year beginning July 1, 1999.

The state board of regents shall submit a monthly financial report in a format agreed upon by the state board of regents office and the legislative fiscal bureau.

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:

.....	\$	27,868,702
-------	----	------------

c. For funds to be allocated to the southwest Iowa graduate studies center:

.....	\$	108,562
-------	----	---------

d. For funds to be allocated to the siouxland interstate metropolitan planning council for the tristate graduate center under section 262.9, subsection 21:

.....	\$	79,198
-------	----	--------

e. For funds to be allocated to the quad-cities graduate studies center:

.....	\$	162,570
-------	----	---------

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory

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

.....	\$	225,760,397
.....	FTEs	4,039.17

* Chapter 1223 herein

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

*** Chapter 1216 herein

b. University hospitals

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

.....	\$	31,018,671
.....	FTEs	5,505.98

The university of Iowa hospitals and clinics shall submit quarterly a report regarding the portion of the appropriation in this lettered paragraph expended on medical education. The report shall be submitted in a format jointly developed by the university of Iowa hospitals and clinics, the legislative fiscal bureau, and the department of management, and shall delineate the expenditures and purposes of the funds.

Funds appropriated in this lettered paragraph 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 lettered 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 45 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 150 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.

The total quota allocated to the counties for indigent patients for the fiscal year beginning July 1, 1998, shall not be lower than the total quota allocated to the counties for the fiscal year commencing July 1, 1997. The total quota shall be allocated among the counties on the basis of the 1990 census pursuant to section 255.16.

c. Psychiatric hospital

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

.....	\$	7,715,297
.....	FTEs	291.55

d. Hospital-school

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

.....	\$	6,511,712
.....	FTEs	163.58

e. Oakdale campus

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

.....	\$	3,036,711
.....	FTEs	63.58

f. State hygienic laboratory

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

.....	\$	3,683,664
.....	FTEs	102.49

g. Family practice program

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

.....	\$	2,225,663
.....	FTEs	180.74

h. Child health care services

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

.....	\$	520,184
.....	FTEs	10.18

i. Agricultural health and safety programs

For agricultural health and safety programs, and for not more than the following full-time equivalent positions:

.....	\$	266,191
.....	FTEs	3.48

j. Statewide cancer registry

For the statewide cancer registry, and for not more than the following full-time equivalent positions:

.....	\$	206,084
.....	FTEs	3.07

k. Substance abuse consortium

For funds to be allocated to the Iowa consortium for substance abuse research and evaluation, and for not more than the following full-time equivalent positions:

.....	\$	69,241
.....	FTEs	1.15

l. Center for biocatalysis

For the center for biocatalysis, and for not more than the following full-time equivalent positions:

.....	\$	1,040,426
.....	FTEs	10.40

m. National advanced driving simulator

For the national advanced driving simulator, and for not more than the following full-time equivalent positions:

.....	\$	273,115
.....	FTEs	3.58

n. For the primary health care initiative in the college of medicine and for not more than the following full-time equivalent positions:

.....	\$	831,776
.....	FTEs	11.00

From the funds appropriated in this lettered paragraph, \$330,000 shall be allocated to the department of family practice at the state university of Iowa college of medicine for family practice faculty and support staff.

o. Birth defects registry

For the birth defects registry:

.....	\$	50,000
-------	----	--------

p. Creative employment options

For creative employment options:

.....	\$	200,000
-------	----	---------

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university

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

.....	\$	177,823,124
.....	FTEs	3,598.44

From the funds appropriated in this lettered paragraph, \$40,000 shall be allocated for purposes of the institute for public leadership.

b. Agricultural experiment station

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

.....	\$	33,859,639
.....	FTEs	546.98

c. Cooperative extension service in agriculture and home economics

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

.....	\$	21,596,852
.....	FTEs	443.91

From the funds appropriated in this lettered paragraph, \$5,672 shall be used for salary annualization, \$150,000 shall be used for the food, fiber, and environmental science program, and \$766,000 shall be used for the value-added agricultural projects as part of the extension 21 program.

d. Leopold center

For agricultural research grants at Iowa state university under section 266.39B, and for not more than the following full-time equivalent positions:

.....	\$	573,488
.....	FTEs	11.25

e. World food prize

.....	\$	250,000
-------	----	---------

f. Livestock disease research

For deposit in and the use of the livestock disease research fund under section 267.8, and for not more than the following full-time equivalent positions:

.....	\$	276,729
.....	FTEs	3.17

g. Bioinformatics

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

.....	\$	200,000
.....	FTE	1.00

4. UNIVERSITY OF NORTHERN IOWA

a. General university

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

.....	\$	79,518,141
.....	FTEs	1,370.98

b. Recycling and reuse center

For purposes of the recycling and reuse center, and for not more than the following full-time equivalent position:

.....	\$	240,622
.....	FTE	1.00

5. STATE SCHOOL FOR THE DEAF

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

.....	\$	7,230,884
.....	FTEs	124.14

6. IOWA BRAILLE AND SIGHT SAVING SCHOOL

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

.....	\$	4,029,325
.....	FTEs	91.36

7. TUITION AND TRANSPORTATION COSTS

For payment to local school boards for the tuition and transportation costs of students residing in the Iowa braille and sight saving school and the state school for the deaf pursuant to section 262.43 and for payment of certain clothing and transportation costs for students at these schools pursuant to section 270.5:

.....	\$	16,941
-------	----	--------

Sec. 18. MEDICAL ASSISTANCE — SUPPLEMENTAL AMOUNTS. For the fiscal year beginning July 1, 1998, and ending June 30, 1999, the department of human services shall continue the supplemental disproportionate share and a supplemental indirect medical education adjustment applicable to state-owned acute care hospitals with more than 500 beds and shall reimburse qualifying hospitals pursuant to that adjustment with a supplemental amount for services provided medical assistance recipients. The adjustment shall generate supplemental payments intended to equal the state appropriation made to a qualifying hospital for treatment of indigent patients as provided in chapter 255. To the extent of the supplemental payments, a qualifying hospital shall, after receipt of the funds, transfer to the department of human services an amount equal to the actual supplemental payments that were made in that month. The aggregate amounts for the fiscal year shall not exceed the state appropriation made to the qualifying hospital for treatment of indigent patients as provided in chapter 255. The department of human services shall deposit the portion of these funds equal to the state share in the department's medical assistance account and the balance shall be credited to the general fund of the state. To the extent that state funds appropriated to a qualifying hospital for the treatment of indigent patients as provided in chapter 255 have been transferred to the department of human services as a result of these supplemental payments made to the qualifying hospital, the department shall not, directly or indirectly, recoup the supplemental payments made to a qualifying hospital for any reason, unless an equivalent amount of the funds transferred to the department of human services by a qualifying hospital pursuant to this provision is transferred to the qualifying hospital by the department.

If the state supplemental amount allotted to the state of Iowa for the federal fiscal year beginning October 1, 1998, and ending September 30, 1999, pursuant to section 1923(f)(3) of the federal Social Security Act, as amended, or pursuant to federal payments for indirect medical education is greater than the amount necessary to fund the federal share of the supplemental payments specified in the preceding paragraph, the department of human services shall increase the supplemental disproportionate share or supplemental indirect medical education adjustment by the lesser of the amount necessary to utilize fully the state supplemental amount or the amount of state funds appropriated to the state university of Iowa general education fund and allocated to the university for the college of medicine. The state university of Iowa shall transfer from the allocation for the college of medicine to the department of human services, on a monthly basis, an amount equal to the additional supplemental payments made during the previous month pursuant to this paragraph. A qualifying hospital receiving supplemental payments pursuant to this paragraph that are greater than the state appropriation made to the qualifying hospital for treatment of indigent patients as provided in chapter 255 shall be obligated as a condition of its participation in the medical assistance program to transfer to the state university of Iowa general education fund on a monthly basis an amount equal to the funds transferred by the state university of Iowa to the department of human services. To the extent that state funds appropriated to the state university of Iowa and allocated to the college of medicine have been transferred to the department of human services as a result of these supplemental payments made to the qualifying hospital, the department shall not, directly or indirectly, recoup these supplemental

payments made to a qualifying hospital for any reason, unless an equivalent amount of the funds transferred to the department of human services by the state university of Iowa pursuant to this paragraph is transferred to the qualifying hospital by the department.

Continuation of the supplemental disproportionate share and supplemental indirect medical education adjustment shall preserve the funds available to the university hospital for medical and surgical treatment of indigent patients as provided in chapter 255 and to the state university of Iowa for educational purposes at the same level as provided by the state funds initially appropriated for that purpose.

The department of human services shall, in any compilation of data or other report distributed to the public concerning payments to providers under the medical assistance program, set forth reimbursements to a qualifying hospital through the supplemental disproportionate share and supplemental indirect medical education adjustment as a separate item and shall not include such payments in the amounts otherwise reported as the reimbursement to a qualifying hospital for services to medical assistance recipients.

For purposes of this section, "supplemental payment" means a supplemental payment amount paid for medical assistance to a hospital qualifying for that payment under this section.

Sec. 19. STATE UNIVERSITY OF IOWA — DEPARTMENT OF HUMAN SERVICES. The department of human services shall transfer to the state university of Iowa for the purposes of the creative employment options program the same amount of moneys in the fiscal year beginning July 1, 1998, and ending June 30, 1999, as was transferred in the fiscal year beginning July 1, 1997, and ending June 30, 1998.

Sec. 20. For the fiscal year beginning July 1, 1998, and ending June 30, 1999, the state board of regents may 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. 21. Notwithstanding section 270.7, the department of revenue and finance shall pay the state school for the deaf and the Iowa braille and sight saving school the moneys collected from the counties during the fiscal year beginning July 1, 1998, for expenses relating to prescription drug costs for students attending the state school for the deaf and the Iowa braille and sight saving school.

Sec. 22. 1997 Iowa Acts, chapter 212, section 11, subsection 1, paragraph b, subparagraph (2), is amended to read as follows:

(2) ~~Notwithstanding section 8.33, funds~~ Funds appropriated in this lettered paragraph remaining unencumbered or unobligated on June 30, 1998, shall ~~not~~ revert to the general fund of the state ~~but shall be available for expenditure for the purposes listed in this lettered paragraph during the subsequent fiscal year.~~

Sec. 23. Section 256.9, subsection 29, Code 1997, is amended by striking the subsection.

*Sec. 24. Section 256.16, unnumbered paragraph 1, Code 1997, is amended to read as follows:

*Pursuant to section 256.7, subsection 5, the state board shall adopt rules requiring all higher education institutions providing practitioner preparation to include in the professional education program, preparation that contributes to education of students with disabilities and students who are gifted and talented, along with preparation in reading recovery and other reading programs, which must be successfully completed before graduation from the practitioner preparation program.**

*Sec. 25. Section 256.22, subsection 1, unnumbered paragraph 1, if enacted by 1998 Iowa Acts, Senate File 2366, is amended to read as follows:

Subject to an appropriation of sufficient funds by the general assembly, the department shall establish a frontier school and extended year school grant program to provide for the

allocation of grants to school districts, or a collaboration of school districts, to provide technical assistance for conversion of an existing school to a frontier school or to an extended school year calendar, or for investigating the possibility of converting an existing school within a district to a frontier school or to an extended school year calendar. A district that wants to participate in the program shall submit to the department a written request for a grant by ~~September~~ October 1, 1998. The school district or collaboration of school districts shall agree to appoint a planning committee composed of parents, guardians, teachers, administrators, and individuals representing business, and the local community. The school district or collaboration shall also indicate in its request its intention to use any grant moneys received under this section to examine, at a minimum, all of the following:*

*Sec. 26. Section 256.22, subsections 2 and 5, if enacted by 1998 Iowa Acts, Senate File 2366, are amended to read as follows:

2. Grant moneys shall be distributed to qualifying school districts by the department no later than ~~October 15, 1998~~ 30 annually. Grant amounts shall be distributed as determined by the department. Not more than fifteen of the grants awarded per year in accordance with this section shall be used for purposes of frontier school planning or conversion. A grant awarded to a school district under this section shall not exceed twenty-five thousand dollars. Notwithstanding the other provisions of this section, the department shall not award grant moneys for technical assistance for conversion of an existing school to a frontier school or to an extended school year calendar prior to July 1, 1999.

5. Except as provided in this subsection, frontier schools are exempt from all statutes and rules applicable to a school, a school board, or a school district, although a frontier school may elect to comply with one or more provisions of statute or rule. However, a frontier school shall meet all applicable state and local health and safety requirements; ~~the frontier school shall be organized and operated as a nonprofit cooperative association under chapter 498 or nonprofit corporation under chapter 504A;~~ the provisions of chapters 21 and 22 shall apply to meetings and records of the frontier school board; and frontier schools are subject to and shall comply with chapters 216 and 216A relating to civil and human rights, and sections 275.55A, 279.9A, 280.17B, 280.21B, and 282.4, relating to suspension and expulsion of a student. The frontier school shall employ or contract with necessary teachers, as defined in section 272.1, who hold a valid license with an endorsement for the type of service for which the teacher is employed. Frontier schools are subject to the same financial audits, audit procedures, and audit requirements as a school district. The audits shall be consistent with the requirements of sections 11.6, 11.14, 11.19, 256.9, subsection 19, and section 279.29, except to the extent deviations are necessary because of the program at the school. The department, auditor of state, or the legislative fiscal bureau may conduct financial, program, or compliance audits. The provisions of chapter 20 shall not apply to the board of directors of a frontier school or its employees.*

Sec. 27. Section 256.22, if enacted by 1998 Iowa Acts, Senate File 2366, section 4,** is amended by adding the following new subsection:

NEW SUBSECTION. 6. Notwithstanding section 8.33, unencumbered or unobligated funds remaining on June 30 of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year for purposes of this section.

*Sec. 28. NEW SECTION. 256.24 MATHEMATICS PILOT PROGRAMS.

1. The Iowa mathematics and science coalition shall administer a two-year mathematics pilot program to help teachers become aware of possibilities for mathematics instruction other than traditional approaches and discuss those approaches with other teachers, employ new problem-centered approaches, develop routines that create an environment that promotes problem solving and student autonomy, and integrate new approaches to teaching mathematics in the regular mathematics curriculum.

* Item veto; see message at end of the Act

** Chapter 1216 herein

2. The Iowa mathematics and science coalition shall locate the pilot programs in at least four public school districts, one located in a large school district, one located in a medium-sized school district, and two located in small school districts. In the case of a large school district, the district shall apply for a secondary school in the district provided that the middle and elementary schools within the secondary school attendance area shall be represented in the application. Districts participating in the program shall require all teachers employed by the district who teach mathematics to participate in the pilot program. However, in the case of a large district, only teachers employed to teach mathematics in the secondary school for which the application was made, and the teachers employed to teach mathematics in the middle and elementary schools within the secondary school attendance area, shall be required to participate in the pilot program. For purposes of this section, a large school district is a district with an actual enrollment of five thousand or more pupils; a medium-sized school district is a district with an actual enrollment that is greater than one thousand one hundred ninety-nine pupils, but less than five thousand pupils; and a small school district is a district with an actual enrollment of one thousand one hundred ninety-nine or fewer pupils.

3. Funds appropriated for purposes of this section may be used for administrative costs of the program and shall be used to provide partial financial assistance to a participating school district. The portion of the program costs for which a district does not receive financial assistance pursuant to this section shall be paid by the district. However, the district may use phase III funds to pay this portion of the program costs.*

*Sec. 29. Section 256.44, subsection 3, if enacted by 1998 Iowa Acts, Senate File 2366, section 5, is amended to read as follows:

3. To receive a five-year annual award for achieving certification by the national board of professional teaching standards, a teacher shall apply to the department within one year of eligibility. Payment for awards shall be made only upon departmental approval of an application or recertification of eligibility. A nonrenewable term of eligibility shall be for five years or for the years the certificate is valid, whichever time period is shorter. In order to continue receipt of payments, a recipient shall annually recertify eligibility. It is the intent of the general assembly to appropriate not more than one million dollars from the general fund for purposes of this program during the lifetime of this program.*

Sec. 30. Section 257B.1A, Code 1997, is amended by striking the section and inserting in lieu thereof the following:

257B.1A INTEREST FOR IOWA SCHOOLS FUND — TRANSFER OF INTEREST.

An interest for Iowa schools fund is established in the office of treasurer of state. The department of revenue and finance shall deposit interest earned on the permanent school fund in the interest for Iowa schools fund. The treasurer shall transfer moneys in the interest for Iowa schools fund on a quarterly basis as follows:

1. Fifty-five percent of the moneys deposited in the fund to the department of education for allocation to assist school districts in developing reading recovery programs. From the moneys allocated in this subsection, \$100,000 shall be distributed to the reading recovery center, and the remaining balance shall be distributed to the area education agencies in the proportion that the number of children who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, in the basic enrollment of grades one through six in the area served by an agency, bears to the sum of the number of children who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, in the basic enrollments of grades one through six in all of the areas served by area education agencies in the state for the budget year.

2. Forty-five percent of the moneys deposited in the fund to the credit of the international center endowment fund of the international center for gifted and talented education established in section 263.8A.

Sec. 31. Section 260C.28, subsection 3, Code 1997, is amended to read as follows:

* Item veto; see message at end of the Act

3. If the board of directors wishes to certify for a levy under subsection 2, the board shall direct the county commissioner of elections to call an election to submit the question of such authorization for the board at a regular or special election. If a majority of those voting on the question at the election favors authorization of the board to make such a levy, the board may certify for a levy as provided under subsection 2 during each of the ten years following the election. If a majority of those voting on the question at the election does not favor authorization of the board to make a levy under subsection 2, the board shall not submit the question to the voters again until ~~twelve months~~ three hundred fifty-five days have ~~lapsed~~ elapsed from the election.

**Sec. 32. Section 261.2, Code 1997, is amended by adding the following new subsection:
NEW SUBSECTION. 15. Be prohibited from expending interest moneys earned on accounts of the commission located within the office of the treasurer of state unless the general assembly specifically appropriates the interest moneys for use by the commission. If the general assembly appropriates interest moneys transferred from the Pub. L. No. 105-33 recall account within the office of the treasurer of state to the fund 61 default reduction account, the commission shall adopt rules for the expenditure of the interest moneys for purposes of issuing emergency loans to assist needy students in avoiding default on a guaranteed or parental loan made under this chapter.**

Sec. 33. Section 261.12, subsection 1, paragraph b, Code Supplement 1997, is amended to read as follows:

b. For the fiscal year beginning July 1, ~~1996~~ 1998, and for each following fiscal year, three thousand ~~four~~ six hundred fifty dollars.

Sec. 34. Section 261.17, Code Supplement 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. All classes, including liberal arts classes, identified by the community college as required for completion of the student's vocational-technical or career option program shall be considered a part of the student's vocational-technical or career option program for the purpose of determining the student's eligibility for a grant. Notwithstanding subsection 2, if a student is making satisfactory academic progress but the student cannot complete a vocational-technical or career option program in the time frame allowed for a student to receive a vocational-technical tuition grant as provided in subsection 2 because additional classes are required to complete the program, the student may continue to receive a vocational-technical tuition grant for not more than one additional enrollment period.

Sec. 35. Section 261.17, subsection 6, Code Supplement 1997, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Establish a late application deadline for new applicants which shall not be earlier than August 1 of the fiscal year in which the appropriation received pursuant to section 261.25, subsection 3, is made. From the funds appropriated by section 261.25, subsection 3, not less than sixty-three thousand dollars shall be used for tuition grants for late applicants as provided in this paragraph.

Sec. 36. **NEW SECTION.** 261.24 IOWA STATE FAIR SCHOLARSHIP.

The Iowa state fair scholarship fund is established in the office of treasurer of state to be administered by the commission. The commission shall adopt rules pursuant to chapter 17A for the administration of this section. The rules shall provide, at a minimum, that only residents of Iowa who have actively participated in the Iowa state fair and graduated from an accredited secondary school in Iowa shall be eligible to receive an Iowa state fair scholarship for matriculation at an eligible institution as defined in section 261.35. Notwithstanding section 12C.7, interest earned on money in the Iowa state fair scholarship fund shall be deposited into the fund and may be used by the commission only for Iowa state fair scholarship awards.

Sec. 37. Section 261.25, subsections 1 and 3, Code Supplement 1997, 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 ~~forty-one~~ forty-four million six hundred sixty-four thousand seven hundred fifty dollars for tuition grants.

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

Sec. 38. Section 261.25, Code Supplement 1997, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ninety thousand dollars for the industrial technology forgivable loan program established in section 261.111.

Sec. 39. NEW SECTION. 261.111 INDUSTRIAL TECHNOLOGY FORGIVABLE LOAN PROGRAM.

1. There is established an industrial technology forgivable loan program to be administered by the college student aid commission. An individual is eligible for the forgivable loan program if the individual meets all of the following conditions:

a. Is a resident of this state who is enrolled as a sophomore, junior, or senior in the area of industrial technology education at an institution of higher learning under the control of the state board of regents or an accredited private institution as defined in section 261.9, or is a resident of this state who is enrolled in the area of industrial technology at a community college in the state and the credits for the coursework in industrial technology are transferable to an institution of higher learning under the control of the state board of regents, or to an accredited private institution as defined in section 261.9.

b. Completes and files an application for an industrial technology forgivable loan. The individual shall be responsible for the submission of the parents' confidential statement for processing to both the commission and the institution in which the applicant is enrolling.

c. Reports promptly to the commission any information requested.

d. Files a new application and parents' confidential statement annually on the basis of which the applicant's eligibility for a renewed industrial technology forgivable loan will be evaluated and determined.

2. Forgivable loans to eligible students shall not become due until after the student graduates or leaves school. The individual's total loan amount, including principal and interest, shall be reduced by twenty percent for each year in which the individual remains an Iowa resident and is employed by a school district or an accredited nonpublic school as an industrial technology teacher. If the commission determines that the person does not meet the criteria for forgiveness of the principal and interest payments, the commission shall establish a plan for repayment of the principal and interest over a ten-year period. If a person required to make the repayment does not make the required payments, the commission shall provide for payment collection.

3. There is created an industrial technology forgivable loan repayment fund for deposit of payments made by forgivable loan recipients who do not fulfill the conditions of the forgivable loan program. Notwithstanding section 8.33, moneys deposited in the industrial technology forgivable loan repayment fund shall not revert to the general fund of the state at the end of any fiscal year but shall remain in the industrial technology forgivable loan repayment fund and be continuously available to make additional loans under the program.

Sec. 40. NEW SECTION. 261.112 INDUSTRIAL TECHNOLOGY FORGIVABLE LOAN ADMINISTRATION.

1. The college student aid commission shall administer the industrial technology forgivable loan program. The amount of an industrial technology forgivable loan shall not exceed three thousand dollars annually, or the amount of the student's established financial need, whichever is less.

2. The interest rate for the forgivable loan shall be equal to the interest rate collected by an eligible lender under the Iowa guaranteed student loan program for the year in which the forgivable loan is made.

Sec. 41. Section 279.14, subsection 2, if enacted by 1998 Iowa Acts, Senate File 2366,* is amended by striking the subsection and inserting in lieu thereof the following:

2. The determination of standards of performance expected of school district personnel shall be reserved as an exclusive management right of the school board and shall not be subject to mandatory negotiations under chapter 20. Notwithstanding chapter 20, objections to the procedures, use, or content of an evaluation in a teacher termination proceeding brought before the school board in a hearing held in accordance with section 279.16 or 279.27 shall not be subject to the grievance procedures negotiated in accordance with chapter 20. A school district shall not be obligated to process any evaluation grievance after service of a notice and recommendation to terminate an individual's continuing teaching contract in accordance with chapter 279.

Sec. 42. Section 279.14A, subsection 1, if enacted by 1998 Iowa Acts, Senate File 2366,** is amended to read as follows:

1. The department of education shall establish and implement a voluntary practitioner performance improvement program that shall provide technical assistance to teachers and administrators from each public school district and area education agency. Individuals under contract with a school district may receive technical assistance in accordance with this subsection. The department shall consult with the Iowa state education association, the Iowa association of school boards, the school administrators of Iowa, the professional educators of Iowa, and, as practicable, other entities providing similar programs, in developing the program. At a minimum, the program shall provide administrators with training, including but not limited to, seminars and written materials, relating to the areas of employment policies and procedures, employment documentation, performance evaluations, corrective performance techniques, discipline, termination, and support by qualified individuals for implementation of the program. The program shall not be used to provide consultation or assistance on specific employment situations. Training received by an administrator in accordance with this section shall apply toward an administrator's evaluator approval renewal.

Sec. 43. Section 279.19, Code 1997, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding any provision to the contrary, the grievance procedures of section 20.18 relating to job performance or job retention shall not apply to a teacher during the first two years of the teacher's probationary period. However, this paragraph shall not apply to a teacher who has successfully completed a probationary period in a school district in Iowa.

Sec. 44. Section 279.51, subsection 4, Code Supplement 1997, is amended to read as follows:

4. The department shall seek assistance from ~~the first in the nation in education foundation established in chapter 257A and other~~ foundations and public and private agencies in the evaluation of the programs funded under this section, and in the provision of support to school districts in developing and implementing the programs funded under this section.

***Sec. 45. Section 279.60, subsection 5, if enacted by 1998 Iowa Acts, Senate File 2366, section 29, is amended to read as follows:

5. The ranked list of nominees shall be submitted to the board of directors of the school district for review and approval. The board of directors shall be responsible for determining the number of awards and the amount of the awards based upon the moneys received by the

* Chapter 1216, §24 herein

** Chapter 1216, §25 herein

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

school district pursuant to section 279.61. The board of directors shall also consult with practitioners to plan appropriate recognition events within the school district for presentation of the awards.*

Sec. 46. Section 294A.19, unnumbered paragraph 2, Code 1997, is amended to read as follows:

Annually, by November 1, the department shall summarize the information contained in the phase III reports filed by the school districts and area education agencies. The reports summary shall be available upon request contain information including the numbers of districts and area education agencies that have implemented a performance-based pay plan, a supplemental pay plan, a combination of a performance-based and supplemental pay plan, and the number of districts and area education agencies that have established comprehensive school transformation programs. The summary shall highlight and briefly describe innovative and successful uses of phase III funds that have had a positive effect on student achievement within the district as measured by means of a widely recognized educational assessment tool or test. The department, in conjunction with the legislative fiscal bureau, shall identify additional items to be reported. Copies of the annual summary shall be submitted to each school district, the general assembly, and the legislative fiscal bureau by December 1.

*Sec. 47. Section 294A.25, subsection 5, Code Supplement 1997, is amended by striking the subsection and inserting in lieu thereof the following:

5. For the fiscal year beginning July 1, 1998, and for each succeeding fiscal year, the amount of fifty thousand dollars to be paid to the department of cultural affairs for contracting with the Iowa alliance for arts education to execute the local arts comprehensive educational strategies program.*

*Sec. 48. Section 294A.25, subsection 6, Code Supplement 1997, is amended to read as follows:

6. For the fiscal year beginning July 1, 1997 1998, and ending June 30, 1998 each succeeding fiscal year, the amount of fifty thousand dollars to the department of education for the geography alliance.*

*Sec. 49. Section 294A.25, subsection 9, Code Supplement 1997, is amended by striking the subsection and inserting in lieu thereof the following:

9. For the fiscal year beginning July 1, 1998, and for each succeeding fiscal year, the amount of fifty thousand dollars to the department of education for the Iowa mathematics and science coalition from phase III moneys.*

Sec. 50. Section 294A.25, subsection 10, Code Supplement 1997, is amended to read as follows:

10. For the fiscal year beginning July 1, 1997 1998, and ending June 30, 1998 for each succeeding fiscal year, the amount of seventy thousand dollars to the state board of regents for equal distribution to the Iowa braille and sight saving school and the Iowa state school for the deaf from phase III moneys.

Sec. 51. Section 294A.25, subsection 11, Code Supplement 1997, is amended to read as follows:

11. For the fiscal year beginning July 1, 1997 1998, and ending June 30, 1998 1999, to the department of education from phase III moneys the amount of one million two hundred fifty thousand dollars for support for the operations of the new Iowa schools development corporation and for school transformation design and implementation projects administered by the corporation. Of the amount provided in this subsection, one hundred fifty thousand dollars shall be used for the school and community planning initiative.

Sec. 52. Section 294A.25, Code Supplement 1997, is amended by adding the following new subsections:

* Item veto; see message at end of the Act

**NEW SUBSECTION. 6A. For each fiscal year of the fiscal period beginning July 1, 1998, and ending June 30, 2000, the amount of seventy-five thousand dollars from phase III moneys to the department of education for distribution to the Iowa mathematics and science coalition for purposes of mathematics pilot programs in accordance with section 256.24.*

*NEW SUBSECTION. 10A. For the fiscal year beginning July 1, 1998, and ending June 30, 1999, the amount of thirty-five thousand dollars from phase III moneys to the department of education for allocation to the Sioux City community school district for purposes of developing and implementing a listening curriculum.**

*NEW SUBSECTION. 12. For the fiscal year beginning July 1, 1998, *and for each succeeding fiscal year,* to the department of education from phase III moneys the amount of one hundred fifty thousand dollars to the Iowa public broadcasting division for overnight transmitter feeds.*

Sec. 53. Section 303.1, subsection 2, Code 1997, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Encourage the use of volunteers throughout its divisions, especially for purposes of restoring books and manuscripts.

Sec. 54. *NEW SECTION. 303.3A ARTS AND CULTURAL CONFERENCES AND CAUCUSES.*

1. For the purposes of this section, the following definitions apply:

a. "Arts" means music, dance, theater, opera and music theater, visual arts, literature, design arts, media arts, and folk and traditional arts.

b. "Culture" or "cultural" means programs and activities which explore past and present human experience.

c. "Department" means the department of cultural affairs.

d. "Enhancement" means programs that allow arts and cultural organizations to improve or enhance the quality of programs currently offered, and increase and support professional and student artists and arts educators.

e. "Outreach" means programs that increase rural access to cultural resources, social awareness, cultural diversity, and which serve special populations.

2. The department shall administer regional conferences and a statewide caucus on arts and cultural enhancement. The purpose of the conferences and caucus is to encourage the development of the arts and culture in the state by identifying opportunities for programs involving education, outreach, and enhancement; by reviewing possible changes in enhancement program policies, programs, and funding; and by making recommendations to the department regarding funding allocations and priorities for arts and cultural enhancement.

3. Every four years beginning in June 2001, the department shall convene a statewide caucus on arts and cultural enhancement.

a. Prior to the statewide caucus, the department shall make arrangements to hold a conference in each of several regions of the state as determined by the Iowa arts council. The department shall promote attendance of interested persons at each conference. A designee of the department shall serve as temporary chairperson until persons attending the conference elect a chairperson. The department shall provide persons attending the conference with current information regarding cultural programs and expenditures. Persons attending the conference shall identify opportunities for programs in the areas of education, outreach, and enhancement, and make recommendations in the form of a resolution. The persons attending the conference shall elect six persons from among the attendees to serve as regional, voting delegates to the statewide caucus. The conference attendees shall elect a chairperson from among the six representatives. Other interested persons are encouraged to attend the statewide caucus as nonvoting attendees.

b. The department shall charge a reasonable fee for attendance at the statewide caucus on arts and cultural enhancement.

c. A designee of the department shall call the statewide caucus to order and serve as

* Item veto; see message at end of the Act

temporary chairperson until persons attending the caucus elect a chairperson. Persons attending the caucus shall discuss the recommendations of the regional conferences and decide upon recommendations to be made to the department and the general assembly. Elected chairpersons of the regional conferences shall meet with representatives of the department and present the recommendations of the caucus.

Sec. 55. Section 304A.10, Code 1997, is amended to read as follows:

304A.10 COST OF FINE ARTS — PERCENTAGE.

The total estimated cost of the fine arts elements included in a plan and specifications for a state building or group of state buildings in accordance with the purposes of this division shall in no case be less than one-half of one percent of the total estimated cost of such building or group of buildings. This percentage allocation shall not be diminished by professional fees. By September 1 annually, the contracting officer or principal user shall submit to the department of cultural affairs the total amount of state financial assistance expended in accordance with this section during the previous fiscal year. If deemed in the best interests of the citizens, funds allocated for the acquisition of fine arts may be accumulated over more than one appropriation or fiscal period or combined to complete significant projects, however, this sentence does not authorize interproject transfers. The total estimated cost of the fine arts elements included in a plan and specifications for a state building or group of state buildings in accordance with this section shall be included by the department of cultural affairs in calculating the amount of state financial assistance for the arts for purposes of national ranking surveys. By January 1 annually, the department of cultural affairs shall submit a summary of the total amount of state financial assistance expended in accordance with this section and for which state buildings the assistance was expended.

Sec. 56. Section 256.17A, if enacted by 1998 Iowa Acts, Senate File 2366, section 3,* is repealed.

Sec. 57. Chapters 257A and 303C, Code 1997, are repealed.

Sec. 58. 1998 Iowa Acts, Senate File 2366, section 40, if enacted,* is amended to read as follows:

SEC. 40. EMERGENCY RULES. The department may adopt emergency rules as necessary for the administration of chapter 256E and sections ~~256.17A~~ 256.22, 257.13, and 279.60, if enacted.

Sec. 59. Notwithstanding section 257A.4, Code 1997, with the repeal of chapter 257A pursuant to this Act, the rights and properties of the first in the nation in education foundation shall remain with the nonprofit corporation which shall continue its existence as a nonprofit corporation but shall no longer be a quasi-public instrumentality. However, debts and other financial obligations shall not succeed to the state.

Sec. 60. AUDIT OF AREA EDUCATION AGENCIES. Subject to an appropriation of sufficient funds by the general assembly, the auditor of state shall analyze area education agency finances and operations for the 1996-1997 fiscal year. In conducting the analysis, the auditor of state shall utilize reports on audits of area education agencies conducted in accordance with section 11.6, information available from the department of education, the department of management, the area education agencies, and from any other source necessary. The auditor of state shall have access to all records of the area education agencies.

The analysis shall include, but shall not be limited to, major areas of expenditure by area education agency districts, such as media services, special education services, additional services pursuant to section 273.7, services to school districts pursuant to section 273.7A, services for preschool children with disabilities, juvenile shelter services, and detention home instruction; and a comparison by area education agency of staffing levels, number of students served, purchase or lease of equipment and facilities, and funding from local school districts. The results of the analysis, and any recommendations, shall be submitted to the

* Chapter 1216 herein

general assembly and the legislative fiscal bureau by January 1, 1999, and shall be utilized in the comprehensive study of school finance requested in accordance with House Concurrent Resolution 15, if resolved by the Seventy-seventh General Assembly.*

****Sec. 61. CONTINGENT APPROPRIATION.** *In the event the funds transferred in accordance with section 257B.1A are not received by the department of education in the fiscal year beginning July 1, 1998, and ending June 30, 1999, for allocation to assist school districts in developing reading recovery programs, in addition to the allocations provided for in section 294A.25, there is allocated to the department of education for the fiscal year beginning July 1, 1998, and ending June 30, 1999, from phase III moneys, \$200,000, or so much thereof as is necessary, for allocation to assist school districts in developing reading recovery programs. From the moneys allocated in this section, \$100,000 shall be distributed to the reading recovery center, and the remaining balance shall be distributed to the area education agencies in the proportion that the number of children who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, in the basic enrollment of grades one through six in the area served by an agency, bears to the sum of the number of children who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. § 1751-1785, in the basic enrollments of grades one through six in all of the areas served by area education agencies in the state for the budget year.***

Sec. 62. EFFECTIVE DATES.

****1.** *Section 6 of this Act, relating to historic sites and the western trails center, being deemed of immediate importance, takes effect upon enactment.***

****2.** *Sections 11 and 12 of this Act, relating to reallocation of moneys to the division of libraries and information services for purposes of the open access program, being deemed of immediate importance, take effect upon enactment.*

3. *Section 13 of this Act, relating to the nonreversion of funds appropriated for rehabilitating computers for school and libraries, being deemed of immediate importance, takes effect upon enactment.***

4. *Section 14 of this Act, relating to the state board of educational examiners licensing fees, being deemed of immediate importance, takes effect upon enactment.*

5. *Section 22 of this Act, relating to the reversion of funds appropriated for tuition replacement, being deemed of immediate importance, takes effect upon enactment.*

Sec. 63. *Sections 23 and 59 of this Act, relating to the first in the nation in education foundation, section 36 of this Act, relating to the Iowa state fair scholarship, and the portion of section 57 of this Act repealing chapter 257A, take effect December 31, 1998.*

Section 56 of this Act, relating to the repeal of section 256.17A, being deemed of immediate importance, takes effect upon enactment.

Approved May 8, 1998, except the items which I hereby disapprove and which are designated as Sections 3 and 4 in their entirety; Section 6 in its entirety; that portion of Section 8, subsection 4, paragraph a which is herein bracketed in ink and initialed by me; Sections 11, 12 and 13 in their entirety; that portion of Section 16 which is herein bracketed in ink and initialed by me; Sections 24, 25 and 26 in their entirety; Sections 28 and 29 in their entirety; Section 32 in its entirety; Section 45 in its entirety; Sections 47, 48 and 49 in their entirety; those portions of Section 52 which are herein bracketed in ink and initialed by me; Section 61 in its entirety; and Section 62, subsections 1, 2, and 3 in their 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

* HCR 15 adopted by the General Assembly on April 20, 1998; school finance study approved by the Legislative Council on May 27, 1998

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

Dear Mr. Secretary:

I hereby transmit House File 2533, an Act relating to the funding of, operation of, and appropriation of moneys to the College Student Aid Commission, the Department of Cultural Affairs, the Department of Education, and the State Board of Regents, providing related statutory changes, and providing effective dates.

House File 2533 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 3, in its entirety. This item appropriates moneys remaining in the Scholarship and Grant Reserve Fund for Vocational Technical Tuition Grants. The purpose of the Scholarship and Grant Reserve Fund is to alleviate funding shortfalls for scholarship and tuition grant programs. The funds that are currently available need to remain in the fund for this purpose.

I am unable to approve the items designated as Sections 4 and 32, in their entirety. These items specify how the interest earned on Public Law No. 105-33 Recall Account is to be used. Federal law adequately governs the Iowa College Student Aid Commission's use of interest earned on the Recall Account. The College Student Aid Commission should be encouraged to implement a comprehensive default reduction program.

I am unable to approve the items designated as Section 6, and Section 62, subsection 1, in their entirety. These items require the carryover of fiscal year 1998 reversions to be used for marketing, outreach, support and programs at the Western Trails Center. Significant state funding for the Western Trails Center has been provided from the Rebuild Iowa Infrastructure Account.

I am unable to approve the designated portion of Section 8, subsection 4, paragraph a. This item requires the Division of Vocational Rehabilitation to enter into a 28E agreement with Creative Employment Options at the University of Iowa in an effort to count the state funds appropriated to the University as a local match. The United States Department of Education has indicated that implementation of this requirement would result in rejection of the State Plan for Vocational Rehabilitation and preclude federal funding for vocational rehabilitation in Iowa.

I am unable to approve the items designated as Sections 11, 12, 13 and 62, subsections 2 and 3, in their entirety. These items allow anticipated fiscal year 1998 reversions to carry over into fiscal year 1999 to fund ongoing programs. It is inappropriate to use one-time funding sources for ongoing programs.

I am unable to approve the items designated as Sections 28, 47, 48 and 49, in their entirety, the designated portions of Section 52, and Section 61, in its entirety. These items provide appropriations from Phase III of Educational Excellence for ongoing programs that are unrelated to the purpose of Phase III. Appropriations, particularly standing appropriations, which are unrelated to the purpose of Phase III are an inappropriate use of Educational Excellence funding.

I am unable to approve the designated portion of Section 16, and the items designated as Sections 24, 25, 26, 29 and 45, in their entirety. These items contain language that links with the action I am taking on Senate File 2366, the education reform bill. I cannot approve these items until a comprehensive school reform package is enacted, and I cannot support a \$1 million lifetime limit on funding for national board certification award recipients.

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 2533 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*