

I am unable to approve the designated portion of Section 11, subsection 1. This would provide \$1,000,000 for infrastructure improvements at commercial air service airports in fiscal year 2001.

I am unable to approve the designated portion of Section 11, subsection 3. This would provide that none of the funds appropriated shall be used for the acquisition of land by involuntary condemnation for recreational trail projects. This is an unduly restrictive approach to dealing with recreational trail projects.

I am unable to approve the designated portion of Section 12. This would appropriate \$1,060,000 for county fair infrastructure improvements in fiscal year 2001.

I am unable to approve the designated portions of Section 15, subsection 2 and 3. These items appropriate \$2,000,000 for agriculture drainage wells and \$1,500,000 for soil conservation projects in fiscal year 2001.

I am unable to approve the designated portions of Section 16, subsections 1, 2, 3, 5, and 7. These items appropriate \$3,500,000 for a recreational grants program; \$4,200,000 for lake dredging projects; \$2,300,000 for marine fuel tax projects; \$1,000,000 for water quality monitoring, and \$250,000 for planting of trees in fiscal year 2001.

I am unable to approve the designated portion of Section 18. This item would appropriate \$10,500,000 for the resource enhancement protection fund in fiscal year 2001.

I am unable to approve the designated portions of Section 25, subsections 1, 2, and 3. These items establish a seven-member review committee for the community attraction and tourism development program. The department of economic development has the expertise and resources to make decisions about implementation and administration of the program.

For the above reasons, I hereby respectfully approve House File 772 with the exceptions noted above.

Sincerely,  
THOMAS J. VILSACK, Governor

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## CHAPTER 205

### APPROPRIATIONS — EDUCATION

S.F. 464

**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, 1999, and ending June 30, 2000, 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:

.....	\$	331,727
.....	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
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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
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3. STUDENT AID PROGRAMS

For payments to students for the Iowa grant program:

.....	\$	1,161,850
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4. NATIONAL GUARD TUITION AID PROGRAM\*

For purposes of providing national guard tuition aid\* under the program established in section 261.86:

.....	\$	833,900
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5. CHIROPRACTIC GRADUATE STUDENT FORGIVABLE LOAN PROGRAM

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

.....	\$	100,000
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6. TEACHER SHORTAGE FORGIVABLE LOAN PROGRAM

For the teacher shortage forgivable loan program established in section 261.111:

.....	\$	250,000
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*\*\*Sec. 2. There is appropriated from the loan reserve account to the college student aid commission for the fiscal year beginning July 1, 1999, and ending June 30, 2000, the following amount, or so much thereof as may be necessary, to be used for the purposes 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:*

.....	\$	5,226,983
.....	FTEs	33.61**

*\*\*Sec. 3. 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, 1999, 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, 1999, and ending June 30, 2000, for purposes of issuing emergency loans to assist needy students in avoiding default on a guaranteed or parental loan made under chapter 261.\*\**

**Sec. 4. REMAINING NATIONAL GUARD TUITION AID PROGRAM BALANCE.** Notwithstanding section 8.33, the unencumbered or unobligated moneys remaining at the end of the fiscal year ending June 30, 1999, from the appropriations made in 1998 Iowa Acts, chapter 1215, section 1, subsection 4, shall not revert but shall be available for expenditure during the subsequent fiscal year for the purposes of the national guard tuition aid program.\*\*\*

**Sec. 5. REMAINING INDUSTRIAL TECHNOLOGY FORGIVABLE LOAN PROGRAM BALANCE.** Notwithstanding section 8.33 or section 261.25, subsection 4, Code 1999, or any other provision to the contrary, unencumbered or unobligated funds remaining on June 30, 1999, for purposes of the industrial technology forgivable loan program established in section 261.111, shall be available to the college student aid commission for expenditure for

\* See chapter 208, §70 herein

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

\*\*\* See chapter 208, §71 herein

the fiscal year beginning July 1, 1999, and for succeeding fiscal years for the purposes of the teacher shortage forgivable loan program established in section 261.111 if enacted by an Act of the 1999 Session.\*

DEPARTMENT OF CULTURAL AFFAIRS

Sec. 6. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 1999, and ending June 30, 2000, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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:

.....	\$	1,444,795
.....	FTEs	10.00

2. HISTORICAL DIVISION

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

.....	\$	3,188,307
.....	FTEs	65.70

3. HISTORIC SITES

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

.....	\$	596,001
.....	FTEs	8.00

4. ADMINISTRATION

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

.....	\$	236,562
.....	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
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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:

.....	\$	713,557
.....	FTEs	0.70

DEPARTMENT OF EDUCATION

Sec. 7. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1999, and ending June 30, 2000, 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:

.....	\$	5,719,322
.....	FTEs	98.45

\* See this chapter, §41 herein

2. VOCATIONAL EDUCATION ADMINISTRATION

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

.....	\$	554,481
.....	FTEs	15.60

3. BOARD OF EDUCATIONAL EXAMINERS

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

.....	\$	205,396
.....	FTEs	2.00

b. For purposes of implementing a multilevel voluntary para-educator licensing system in accordance with section 272.12:

.....	\$	50,000
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4. VOCATIONAL REHABILITATION SERVICES DIVISION

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

.....	\$	4,631,873
.....	FTEs	302.25

From the funds appropriated in this lettered paragraph, 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 lettered paragraph, for the fiscal year ending June 30, 2000, 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 4.00 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, or take whatever other action is necessary, 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:

.....	\$	76,067
.....	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.

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

5. STATE LIBRARY

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

.....	\$	3,153,168
.....	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, 1999, and ending June 30, 2000, 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, 1998, and ending June 30, 1999.

b. For a one-year enrich Iowa pilot program:

.....	\$	700,000
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(1) Funds allocated for purposes of the enrich Iowa pilot program as provided in this lettered paragraph shall be distributed by the division of libraries and information services to eligible public libraries that are in compliance with performance measures adopted by rule by the commission. The funds allocated as provided in this lettered paragraph shall not be used for the costs of administration by the division. The amount distributed to each eligible public library shall be based upon the following:

- (a) The level of compliance by the eligible public library with the performance measures adopted by the commission as provided in this subsection.
- (b) The number of people residing within an eligible library's geographic service area for whom the library provides services.
- (c) The amount of other funding the eligible public library received in the previous fiscal year for providing services to rural residents and to contracting communities.

(2) Moneys received by a public library under this lettered paragraph shall supplement, not supplant, any other funding received by the library.

(3) For purposes of this section, "eligible public library" means a public library that meets at least all of the following requirements:

- (a) Submits to the division all of the following:
  - (i) The report provided for under section 256.51, subsection 1, paragraph "h".
  - (ii) An application and accreditation report, in a format approved by the commission, that provides evidence of the library's compliance with at least one level of the standards established in accordance with section 256.51, subsection 1, paragraph "k".
  - (iii) Any other application or report the division deems necessary for the implementation of the enrich Iowa program.
- (b) Participates in the library resource and information sharing programs established by the state library.
- (c) Is a public library established by city ordinance or a county library as provided in chapter 336.

(4) Each eligible public library shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section, and shall annually submit this listing to the division.

(5) By January 15, 2000, the division shall submit a program evaluation report to the general assembly and the governor detailing the uses and the impacts of funds allocated under this lettered paragraph. It is the intent of the general assembly to address the continuation of the enrich Iowa pilot program during the 2000 legislative session.

6. REGIONAL LIBRARY

For state aid:

.....	\$	1,687,000
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The division of libraries and information services shall submit a list of current regional library employees and their salaries to the department of management by August 1, 1999. The list shall be used by the department for purposes of calculating the annual salary increase need, based on the salary increases negotiated by the American federation of state,

county, and municipal employees. The amount calculated by the department for salary need shall be included in the regional library budget request submitted to the governor for the fiscal year beginning July 1, 2000, and ending June 30, 2001.

**7. PUBLIC BROADCASTING DIVISION**

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

.....	\$	7,661,324
.....	FTEs	106.40

**8. VOCATIONAL EDUCATION TO SECONDARY SCHOOLS**

For reimbursement for vocational education expenditures made by secondary schools:

.....	\$	3,308,850
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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:

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

**10. IOWA EMPOWERMENT FUND**

For deposit in the school ready children grants account of the Iowa empowerment fund created in section 71.8:

.....	\$	10,400,000
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**11. 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:

.....	\$	650,000
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**12. 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
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**13. NATIONAL BOARD CERTIFICATION**

For the issuance of national board certification awards in accordance with section 256.44, if 1999 Iowa Acts, House File 766, is enacted\*:

.....	\$	1,000,000
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Notwithstanding section 8.33, funds appropriated for purposes of this section which remain unencumbered or unobligated at the close of the fiscal year, shall not revert but shall be available for expenditure for purposes of issuing national board certification awards during the succeeding fiscal year.

**14. EMPLOYABILITY SKILLS ASSESSMENTS REIMBURSEMENTS**

For reimbursement of school district claims for the costs of acquiring and using employability skills assessment tools as provided in this subsection:

.....	\$	185,000
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a. The department of education shall reimburse school district claims for the costs of acquiring, administering, and scoring assessment tools to assess the employability skills of students. The director of education shall identify available employability skills assessment tools that school districts may use to meet the claim reimbursement requirements of this subsection.

\* Chapter 142 herein

b. In order to be eligible for reimbursement under this subsection, a school district shall submit a claim on forms provided by the department by July 15, 2000, and the claim shall state the actual costs incurred and shall be accompanied by an affidavit of an officer of the school district affirming the accuracy of the claim.

c. A school district that submits to the department a claim for reimbursement in accordance with this subsection shall develop and integrate specific employability skills goals and activities into the comprehensive school improvement plan required under section 256.7, subsection 21, paragraph "a".

d. The department of education shall certify to the department of revenue and finance the amounts of approved claims to be paid, and the department of revenue and finance shall draw warrants payable to school districts with approved claims, taking into consideration the relative budget and cash position of the state resources.

e. Moneys received under this subsection shall not be commingled with state aid payments made under section 257.16 to a school district and shall be accounted for by the school district separately from state aid payments. Payments made to a school district under this subsection are miscellaneous income for purposes of chapter 257.

f. If the funds appropriated in this subsection are insufficient to pay in full the claims submitted by school districts and approved by the department, the amounts of approved claims shall be prorated among all school districts with approved claims.

15. BEGINNING TEACHER INDUCTION PROGRAM

For purposes of the beginning teacher induction program as provided in section 256E.2:

..... \$ 300,000  
Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

16. 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:

.....	\$	141,577,403
The funds appropriated in this subsection shall be allocated as follows:		
a. Merged Area I .....	\$	6,788,405
b. Merged Area II .....	\$	7,981,873
c. Merged Area III .....	\$	7,452,448
d. Merged Area IV .....	\$	3,638,156
e. Merged Area V .....	\$	7,598,634
f. Merged Area VI .....	\$	7,059,555
g. Merged Area VII .....	\$	10,138,631
h. Merged Area IX .....	\$	12,444,971
i. Merged Area X .....	\$	19,480,613
j. Merged Area XI .....	\$	20,720,212
k. Merged Area XII .....	\$	8,173,625
l. Merged Area XIII .....	\$	8,395,697
m. Merged Area XIV .....	\$	3,684,420
n. Merged Area XV .....	\$	11,561,901
o. Merged Area XVI .....	\$	6,458,262

Sec. 8. DISTRIBUTION OF FUNDS APPROPRIATED. For the fiscal year beginning July 1, 1999, and ending June 30, 2000, 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.

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 2 percent. However, the inflation increase shall be equal to the national inflation rate, if it exceeds 2 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 2 percent growth, the entire increase shall be distributed as inflation.

**Sec. 9. BOARD OF EDUCATIONAL EXAMINERS LICENSING FEES.** Notwithstanding section 272.10, up to 85 percent of any funds received annually 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, 1999, 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. 10. FISCAL YEAR 1999-2000 EXTENDED SCHOOL YEAR GRANT MONEYS — DISTRIBUTION.**

1. Notwithstanding section 8.33 and section 256.22, subsection 4, from the funds appropriated in 1998 Iowa Acts, chapter 1216, section 1, subsection 1, to the department of education for extended school year grants, which remain unencumbered or unobligated on June 30, 1999, the sum of \$735,000 shall not revert to the general fund of the state and shall not be available for expenditure for the following fiscal year for purposes of extended school year grants, but shall be reallocated by the department as follows:

a. The sum of \$200,000 to the board of educational examiners for a one-year pilot program study to assess the performance of teacher education graduates at no charge to the graduates. The department of education, the board of educational examiners, and the college student aid commission shall determine the number of students that will be tested at each postsecondary institution that provides an approved practitioner preparation program in a manner that will result in a reliable statistical sampling. It is the intent of the general assembly that if the board recommends statewide implementation of the assessment prior to initial licensure, the costs of an assessment shall be paid by the teacher education graduate applying for initial licensure.

b. The sum of \$100,000 to the division of libraries and information services for promotion of the next decennial federal census.

c. The sum of \$100,000 to the department of education for distribution to the reading recovery center.

d. The sum of \$120,000 to the department of education for support of the family resource center demonstration program established under chapter 256C.

e. The sum of \$165,000 to the department of education for reimbursement of school district claims for the costs of acquiring and using employability skills assessment tools as provided in section 7, subsection 14, of this Act.

f. The sum of \$50,000 to the department of cultural affairs for the local arts comprehensive educational strategies program (LACES) for contracting with the Iowa alliance for arts education to execute their local arts comprehensive educational strategies. The sum reallocated in this lettered paragraph is in addition to funds appropriated in section 6, subsection 5, of this Act.

Sec. 11. REGIONAL LIBRARIES STUDY. The legislative council is requested to establish an interim study committee to review the issues concerning making regional library staff state employees. The interim study committee shall submit a report of recommendations concerning these issues and recommendations for any necessary legislation to the general assembly by December 1, 1999.

Sec. 12. COMMUNITY COLLEGE GOVERNANCE TASK FORCE. The legislative council is requested to establish an interim task force consisting of members of both political parties from both houses of the general assembly, the office of the governor, representatives of the Iowa association of community college trustees, the Iowa association of community college presidents, and the division of community colleges and workforce preparation of the department of education, to identify and study options for restructuring the community college governance system. The goal of the task force shall be to determine a plan for a community college governance structure that causes community colleges to operate more cooperatively, effectively, and efficiently as a state system, while recognizing the strong local character of community colleges. The task force shall review the current community college governance system; ongoing collaborative efforts among the community colleges; the relationships between the community colleges and local school districts, accredited nonpublic schools, other accredited postsecondary institutions in Iowa, and the department of education; and changes necessary to enhance the accountability of community colleges. The task force shall submit its findings and recommendations for a plan for a restructuring of the community college governance system that achieves the goals set forth in this section in a report to the chairpersons and ranking members of the senate and house standing committees on education and the joint appropriations subcommittee on education by December 1, 1999.

STATE BOARD OF REGENTS

Sec. 13. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1999, and ending June 30, 2000, 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:

.....	\$	1,235,518
.....	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, 1999, the amount that needs to be appropriated for tuition replacement for the fiscal year beginning July 1, 2000.

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:

.....	\$	27,927,851
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c. For funds to be allocated to the southwest Iowa graduate studies center:

.....	\$	111,113
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d. For funds to be allocated to the siouxland interstate metropolitan planning council for the tristate graduate center under section 262.9, subsection 21:

.....	\$	81,716
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e. For funds to be allocated to the quad-cities graduate studies center:

.....	\$	167,086
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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:

.....	\$	237,554,141
.....	FTEs	4,048.62

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:

.....	\$	31,812,568
.....	FTEs	5,511.67

The university of Iowa hospitals and clinics shall, within the context of chapter 255 and when medically appropriate, make reasonable efforts to extend the university of Iowa hospitals and clinics' use of home telemedicine and other technologies to reduce the frequency of visits to the hospital required by indigent patients. The university of Iowa hospitals and clinics shall submit a report to the general assembly and the legislative fiscal bureau by January 15, 2000, describing its use of these technologies to accomplish this purpose.

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, 1999, shall not be lower than the total quota allocated to the counties for the fiscal year commencing July 1, 1998. 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:

.....	\$	7,968,070
.....	FTEs	292.18

d. Hospital-school

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

.....	\$	6,991,199
.....	FTEs	161.56

From the funds appropriated in this lettered paragraph, \$200,000 shall be allocated for purposes of the creative employment options program.

e. Oakdale campus

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

.....	\$	3,100,866
.....	FTEs	60.58

f. State hygienic laboratory

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

.....	\$	3,870,920
.....	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:

.....	\$	2,312,290
.....	FTEs	192.40

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:

.....	\$	601,434
.....	FTEs	9.36

i. Agricultural health and safety programs

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

.....	\$	272,634
.....	FTEs	3.48

j. Statewide cancer registry

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

.....	\$	209,730
.....	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:

.....	\$	72,028
.....	FTEs	1.15

l. Center for biocatalysis

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

.....	\$	1,058,058
.....	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:

.....	\$	284,951
.....	FTEs	3.58

n. Primary health care initiative

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

.....	\$	865,623
.....	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 and for not more than the following full-time equivalent position:

.....	\$	50,000
.....	FTEs	0.90

p. School of public health and public health initiative

For purposes of establishing an accredited school of public health and to fund an initiative for the health and independence of elderly Iowans, and for not more than the following full-time equivalent positions:

.....	\$	1,050,000
.....	FTEs	16.00

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:

.....	\$	185,808,896
.....	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:

.....	\$	34,982,675
.....	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:

.....	\$	22,706,446
.....	FTEs	445.80

From the funds appropriated in this lettered paragraph, \$150,000 shall be used for the food, fiber, and environmental science program, and \$1,066,000 shall be used for the value-added agricultural projects as part of the extension 21 program.

*\*The cooperative extension service in agriculture and home economics at Iowa state university of science and technology shall conduct a study, in consultation with the department of human services, that identifies all educational materials, seminars, and assistance offered by the extension service which are duplicative, either directly or in subject area, of educational materials, seminars, and assistance offered by the department of human services. The cooperative extension service shall submit its findings in a report to the general assembly and the legislative fiscal bureau by January 15, 2000.\**

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:

.....	\$	574,983
.....	FTEs	11.25

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

e. 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:

.....	\$	277,573
.....	FTEs	3.17

f. Center for excellence in fundamental plant science

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

.....	\$	2,200,000
.....	FTEs	17.96

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:

.....	\$	83,402,982
.....	FTEs	1,402.86

b. Recycling and reuse center

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

.....	\$	244,025
.....	FTEs	1.50

c. Masters in social work

For implementation of a masters in social work program and for not more than the following full-time equivalent positions:

.....	\$	300,000
.....	FTEs	4.00

5. STATE SCHOOL FOR THE DEAF

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

.....	\$	7,737,161
.....	FTEs	126.60

6. IOWA BRAILLE AND SIGHT SAVING SCHOOL

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

.....	\$	4,303,242
.....	FTEs	91.05

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
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Sec. 14. STATE BOARD OF REGENTS STUDY. The state board of regents shall, in consultation with the Iowa association of independent colleges and universities and the Iowa coordinating council for post-high school education, complete a study of the number and type of undergraduate and graduate degree programs offered at the satellite locations of all institutions of higher learning under the control of the state board of regents and at the satellite locations of all accredited private postsecondary institutions. The study shall include a listing of degree programs currently in operation and those the Iowa coordinating council has approved, but which have not yet begun operation. By January 15, 2000, the state board of regents shall submit a report to the chairpersons and ranking members of the senate and house joint appropriations subcommittee on education, the legislative fiscal bureau, the secretary of the senate, and the chief clerk of the house of representatives, that contains the following information:

1. A listing of all satellite locations where degree programs are offered.
  2. A listing of all degree programs offered, identified by satellite location and postsecondary institution.
  3. The enrollment in each degree program by resident, nonresident, and the combined enrollment total.
  4. The date each degree program was approved by the Iowa coordinating council for post-high school education.
  5. The date each degree program actually began operation.
- For purposes of this section, "satellite" means a facility not attached to the campus of the main postsecondary institution.

Sec. 15. **MEDICAL ASSISTANCE — SUPPLEMENTAL AMOUNTS.** For the fiscal year beginning July 1, 1999, and ending June 30, 2000, 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, 1999, and ending September 30, 2000, 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. 16. 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, 1999, and ending June 30, 2000, as was transferred in the fiscal year beginning July 1, 1997, and ending June 30, 1998.

**Sec. 17.** For the fiscal year beginning July 1, 1999, and ending June 30, 2000, 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. 18.** 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, 1999, 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. 19.** Section 256.22, subsection 2, Code 1999, is amended to read as follows:

2. Grant moneys shall be distributed to qualifying school districts by the department no later than October 15, ~~1998~~ 1999. Grant amounts shall be distributed as determined by the department.

**Sec. 20.** Section 256.44, Code 1999, as amended by 1999 Iowa Acts, House File 766, if enacted,\* is amended by adding the following new subsection:

**NEW SUBSECTION.** 8. Notwithstanding section 8.33, funds appropriated for purposes of this section which remain unencumbered or unobligated at the close 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. 21. NEW SECTION. 256.67A INSURANCE ELIGIBILITY.**

Personnel employed by a regional library shall be considered state employees for purposes of eligibility for receiving employee health and dental insurance as provided to state employees by the department of personnel. If a regional library elects to participate in a state employee health and dental insurance program, the regional library shall continue to pay the costs of employee participation in a program from funds appropriated for purposes of the regional libraries by the general assembly.

\* Chapter 142 herein

Sec. 22. NEW SECTION. 256E.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Beginning teacher" means an individual serving under an initial provisional or conditional license, issued by the board of educational examiners under chapter 272, who is assuming a position as a classroom teacher.

2. "Board" means the board of directors of a school district or a collaboration of boards of directors of school districts.

3. "Classroom teacher" means an individual who holds a valid practitioner's license and who is employed under a teaching contract with a school district or area education agency in this state to provide classroom instruction to students.

4. "Department" means the department of education.

5. "Director" means the director of the department of education.

6. "District facilitator" means a licensed professional pursuant to chapter 272 who is appointed by a board to serve as the liaison between the board and the department for the beginning teacher induction program.

7. "Mentor" means an individual employed by a school district or area education agency as a classroom teacher who holds a valid license to teach issued under chapter 272. The individual must have a record of four years of successful teaching practice, must be employed as a classroom teacher on a nonprobationary basis, and must demonstrate professional commitment to the improvement of teaching and learning, and the development of beginning teachers.

Sec. 23. NEW SECTION. 256E.2 BEGINNING TEACHER INDUCTION PROGRAM ESTABLISHED — GRANTS.

1. If the general assembly appropriates moneys for purposes of teacher induction, the department of education shall coordinate a beginning teacher induction program to promote excellence in teaching, build a supportive environment within school districts, increase the retention of promising beginning teachers, and promote the personal and professional well-being of teachers.

2. The department shall adopt rules concerning the grant application and award process, including reasonable cost estimates for beginning teacher induction programs. The department may disapprove a plan submitted by a board if the plan does not meet the minimum criteria set forth in section 256E.3, subsection 2, or the plan exceeds the reasonable costs as determined by the department. If the cost estimates submitted by a board exceed reasonable cost estimates as determined by the department, the department shall work with the board to identify measures for reducing plan costs. If the department determines that moneys appropriated by the general assembly are insufficient to meet the grant requests for all approved beginning teacher induction program plans, the department shall award grants based on the geographic location and district population of the school districts with approved plans. Grants may be awarded in subsequent years based upon the most recent plan on file with the department. It is the intent of the general assembly that the department approve plans that incorporate local innovation and take into consideration local needs.

Sec. 24. NEW SECTION. 256E.3 DISTRICT FACILITATOR AND PLAN.

1. An area education agency shall prepare a model beginning teacher induction program plan and shall provide the model plan to each school district within its area. The plan shall include a model evaluation component by which a school district may measure the effectiveness of its program. Any modifications to the model plan shall be submitted to school districts as soon as practical. A board that wishes to participate in the program shall adopt a beginning teacher induction program plan and written procedures for the program, and may use, alter, or revise the model plan provided by the area education agency at the board's discretion.

2. A board that wishes to participate in the beginning teacher induction program shall appoint a district facilitator, whose duties shall include, but are not limited to, overseeing the

implementation of a plan for meeting the goals of the program as set forth in section 256E.2. The plan shall, at a minimum, provide the process for the selection of and the number of mentors; the mentor training process; the timetable by which the plan shall be implemented; placement of mentors and beginning teachers; the minimum amount of contact time between mentors and beginning teachers; the minimum amount of release time for mentors and beginning teachers for meetings for planning, demonstration, observation, feedback, and workshops; the process for dissolving mentor and beginning teacher partnerships; and the process for measuring the results of the program.

3. The district facilitator shall submit the plan, and the proposed costs of implementing the plan, to the board, which shall consider the plan and, once approved, submit the plan and a reasonable cost proposal to the department of education.

4. The district facilitator is encouraged to work with area education agencies and postsecondary institutions in the preparation and implementation of a plan.

5. The district facilitator shall place beginning teachers participating in the program in a manner that provides the greatest opportunity to work with the largest number of mentors.

**Sec. 25. NEW SECTION. 256E.4 BEGINNING TEACHER INDUCTION STATE SUBSIDY — FUND.**

1. A mentor in a beginning teacher induction program approved under this chapter shall be eligible for an award of five hundred dollars per semester, at a minimum, for participation in the program, which shall be paid from moneys received pursuant to this chapter by the school district.

2. Moneys received by a school district pursuant to this chapter shall be expended to provide mentors with awards in accordance with subsection 1, to implement the plan, to provide for a stipend for the district facilitator, and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district.

3. Moneys received by a school district under this chapter are miscellaneous income for purposes of chapter 257 or are considered encumbered. A school district shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section.

4. A beginning teacher induction fund is established in the office of the treasurer of state to be administered by the department. Moneys appropriated by the general assembly for deposit in the fund shall be used to provide funding to school districts pursuant to this section.

**Sec. 26. NEW SECTION. 256E.5 REPORTS.**

The board implementing an approved beginning teacher induction program as provided in this chapter shall submit an assessment of the program's results by July 1 of the fiscal year succeeding the year in which the school district received moneys under this chapter. The department shall annually report the statewide results of the program to the chairpersons and the ranking members of the senate and house education committees by January 1.

*\*Sec. 27. Section 261.2, Code 1999, 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. 28. Section 261.12, subsection 1, paragraph b, Code 1999, is amended to read as follows:

b. For the fiscal year beginning July 1, ~~1998~~ 1999, and for each following fiscal year, three thousand ~~six~~ nine hundred ~~fifty~~ dollars.

Sec. 29. Section 261.17, subsection 3, unnumbered paragraph 1, Code 1999, is amended to read as follows:

A qualified full-time student may receive vocational-technical tuition grants for not more than four semesters, ~~eight quarters~~ or the trimester or quarter equivalent of two full years of study. ~~The amount of a vocational-technical tuition grant to a~~ A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent ~~shall be equal to the amount of a tuition grant that would be paid to a full-time student times a number which represents the number of hours in which the part-time student is actually enrolled divided by twelve semester hours;~~ may receive vocational-technical tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study.

Sec. 30. Section 261.17, subsection 4, Code 1999, is amended to read as follows:

4. a. The amount of a vocational-technical tuition grant to a qualified full-time student shall not exceed the lesser of six hundred fifty dollars per year or the amount of the student's established financial need.

b. The amount of a vocational-technical tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent shall be equal to the amount of a vocational-technical tuition grant that would be paid to a full-time student, except that the commission shall prorate the amount in a manner consistent with the federal Pell grant program proration.

Sec. 31. Section 261.25, subsections 1 through 3, Code 1999, 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-four~~ forty-seven million six hundred sixty-four thousand seven hundred fifty dollars for tuition grants.

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of four hundred ~~seventy-four~~ ninety-eight thousand ~~eight~~ five hundred ~~forty~~ dollars for scholarships.

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

Sec. 32. Section 261.25, subsection 4, Code 1999, is amended by striking the subsection.

Sec. 33. Section 261.38, subsection 1, Code 1999, is amended to read as follows:

1. The commission shall establish a loan reserve account ~~from which any default on a guaranteed student loan shall be paid and an agency operating account as authorized by the federal Higher Education Act of 1965.~~ The commission shall credit to this account ~~these accounts~~ all moneys ~~designated exclusively for the reserve fund~~ provided for the state student loan program by the United States, the state of Iowa, or any of their agencies, departments or instrumentalities, as well as any funds accruing to the program which are not required for current administrative expenses. ~~The department of management shall determine the actuarially sound reserve requirement for the amount of guaranteed loans outstanding~~ commission may expend moneys in the loan reserve and agency operating accounts as authorized by the federal Higher Education Act of 1965.

Sec. 34. Section 261.38, subsection 2, Code 1999, is amended by striking the subsection.

Sec. 35. Section 261.38, subsections 3, 4, and 5, Code 1999, are amended to read as follows:

3. The payment of any funds for the default on a guaranteed student loan shall be solely from the loan reserve ~~account and agency operating accounts~~. The general assembly shall not be obligated to appropriate any moneys to pay for any defaults or to appropriate any moneys to be credited to the loan reserve account. The commission shall not give or lend the credit of the state of Iowa.

4. ~~Funds Notwithstanding section 8.33, funds on deposit in the loan reserve account or in the administrative account and operating accounts~~ shall not revert to the state general fund at the close of any fiscal year.

5. The treasurer of state shall invest any funds, including those in the loan reserve ~~account and operating accounts~~, and, ~~notwithstanding section 12C.7~~, the interest income earned shall be credited back to the ~~loan reserve appropriate~~ account.

Sec. 36. Section 261.38, subsection 6, Code 1999, is amended by striking the subsection.

Sec. 37. Section 261.38, subsection 7, unnumbered paragraph 1, Code 1999, is amended to read as follows:

The commission may ~~expend funds in the reserve account and~~ enter into agreements with the Iowa student loan liquidity corporation in order to increase access for students to education loan programs that the commission determines meet the education needs of Iowa residents. The agreements shall permit the establishment, funding, and operation of alternative education loan programs, as described in section 144(b)(1)(B) of the Internal Revenue Code of 1986 as amended, as defined in section 422.3, in addition to programs permitted under the federal Higher Education Act of 1965. In accordance with those agreements, the Iowa student loan liquidity corporation may issue bonds, notes, or other obligations to the public and others for the purpose of funding the alternative education loan programs. This authority to issue ~~such~~ bonds, notes, or other obligations shall be in addition to the authority established in the articles of incorporation and bylaws of the Iowa student loan liquidity corporation.

Sec. 38. Section 261.71, subsection 1, paragraph c, Code 1999, is amended to read as follows:

c. The student ~~practices~~ agrees to practice in an underserved area in the state of Iowa for a period of time to be determined by the commission at the time the loan is awarded.

Sec. 39. Section 261.71, subsections 2 and 3, Code 1999, are amended to read as follows:

2. ~~Of the moneys loaned to an eligible student, for each year of up to and including four years of practice in Iowa, an amount equal to twenty-five percent of the original principal and the proportionate share of accrued interest, or one thousand one hundred dollars, whichever is greater, shall be forgiven. If a student fails to complete a year of practice in the state, as practice is defined by the college student aid commission, the loan amount for that year shall not be forgiven. The contract for the loan repayment shall stipulate the time period the chiropractor shall practice in an underserved area in this state. In addition, the contract shall stipulate that the chiropractor repay any funds paid on the chiropractor's loan by the commission if the chiropractor fails to practice in an underserved area in this state for the required period of time.~~ Forgivable loans made to eligible students shall not become due, for repayment purposes, until one year after the student has graduated. A loan that has not been forgiven may be sold to a bank, savings and loan association, credit union, or non-profit agency eligible to participate in the guaranteed student loan program under the federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq., by the commission when the loan becomes due for repayment.

3. For purposes of this section "graduate student" means a student who has completed at least ninety semester hours, or the trimester or quarter equivalent, of postsecondary course

work at a public higher education institution or at an accredited private institution, as defined under section 261.9. “Underserved area” means a geographical area included on the Iowa governor’s health practitioner shortage area list, which is compiled by the center for rural health and primary care of the Iowa department of public health. The college student aid commission shall adopt rules, consistent with rules used for students enrolled in higher education institutions under the control of the state board of regents, for purposes of determining Iowa residency status of graduate students under this section. The commission shall also adopt rules which provide standards, guidelines, and procedures for the receipt, processing, and administration of student applications and loans under this section.

Sec. 40. NEW SECTION. 261.86 NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM.

1. A national guard educational assistance program is established to be administered by the college student aid commission for members of the Iowa national guard who are enrolled as undergraduate students in a community college, an institution of higher learning under the state board of regents, or an accredited private institution. The college student aid commission shall adopt rules pursuant to chapter 17A to administer this section. An individual is eligible for the national guard educational assistance program if the individual meets all of the following conditions:

- a. Is a resident of the state and a member of an Iowa army or air national guard unit while receiving educational assistance pursuant to this section.
- b. Satisfactorily completed required initial active duty training.
- c. Maintains satisfactory performance of duty upon return from initial active duty training, including attending a minimum ninety percent of scheduled drill dates and attending annual training.
- d. Is enrolled as an undergraduate student in a community college as defined in section 260C.2, an institution of higher learning under the control of the board of regents, or an accredited private institution as defined in section 261.9, and is maintaining satisfactory academic progress.
- e. Provides proper notice of national guard status to the community college or institution at the time of registration for the term in which tuition benefits are sought.
- f. Submits an application to the adjutant general of Iowa, on forms prescribed by the adjutant general, who shall determine eligibility and whose decision is final.

2. The amount of educational assistance received by a national guard member pursuant to this section shall be determined by the adjutant general and shall not exceed the resident tuition rate established for institutions of higher learning under the control of the state board of regents. If the amount appropriated in a fiscal year for purposes of this section is insufficient to provide educational assistance to all national guard members who apply for the program and who are determined by the adjutant general to be eligible for the program, the adjutant general shall determine the amount of educational assistance each eligible national guard member shall receive. However, educational assistance paid to an eligible national guard member shall not be less than an amount equal to fifty percent of the resident tuition rate established for institutions of higher learning under the control of the state board of regents. The adjutant general shall not determine educational assistance amounts based upon a national guard member’s unit, the location at which drills are attended, or whether the eligible individual is a member of the Iowa army or air national guard.

3. An eligible member of the national guard, attending an institution as provided in subsection 1, paragraph “d”, as a full-time student, shall not receive educational assistance under this section for more than eight semesters, or if attending as a part-time student for not more than sixteen semesters, of undergraduate study, or the trimester or quarter equivalent. A national guard member who has met the educational requirements for a baccalaureate degree is ineligible for educational assistance under this section.

4. The eligibility of applicants and amounts of educational assistance to be paid shall be certified by the adjutant general of Iowa to the college student aid commission, and all amounts that are or become due to a community college, accredited private institution, or

institution of higher learning under the control of the state board of regents under this section shall be paid to the college or institution by the college student aid commission upon receipt of certification by the president or governing board of the educational institution as to accuracy of charges made, and as to the attendance and academic progress of the individual at the educational institution. The college student aid commission shall maintain an annual record of the number of participants and the dollar value of the educational assistance provided.

5. For purposes of this section, unless otherwise required, "educational assistance" means the same as "cost of attendance" as defined in Title IV, part B, of the federal Higher Education Act of 1965 as amended.

Sec. 41. Section 261.111, Code 1999, is amended by striking the section and inserting in lieu thereof the following:

**261.111 TEACHER SHORTAGE FORGIVABLE LOAN PROGRAM.**

1. A teacher shortage forgivable loan program is established to be administered by the college student aid commission. An individual is eligible for the forgivable loan program if the individual is a resident of this state who is enrolled as a sophomore, junior, senior, or graduate student in an approved practitioner preparation program in a designated area in which teacher shortages are anticipated, 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.

2. The director of the department of education shall annually designate the areas in which teacher shortages are anticipated. The director shall periodically conduct a survey of school districts, accredited nonpublic schools, and approved practitioner preparation programs to determine current shortage areas and predict future shortage areas.

3. Each applicant shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for a teacher shortage forgivable loan. The individual shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed forgivable loan will be evaluated and determined.

4. 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 in Iowa by a school district or an accredited nonpublic school as a practitioner in the teacher shortage area for which the loan was approved. 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.

5. The amount of a teacher shortage forgivable loan shall not exceed three thousand dollars annually, or the amount of the student's established financial need, whichever is less.

6. The commission shall prescribe by rule the interest rate for the forgivable loan.

7. A teacher shortage forgivable loan repayment fund is created for deposit of payments made by forgivable loan recipients who do not fulfill the conditions of the forgivable loan program and any other moneys appropriated to or received by the commission for deposit in the fund. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to the general fund of the state at the end of any fiscal year but shall remain in the forgivable loan repayment fund and be continuously available to make additional loans under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

8. For purposes of this section, unless the context otherwise requires, "teacher" means the same as defined in section 272.1.

Sec. 42. Section 294A.25, subsections 6, 11, and 12, Code 1999, are amended to read as follows:

6. For the fiscal year beginning July 1, ~~1997 1999~~, and ending June 30, ~~1998 2000~~, ~~from phase III moneys~~ the amount of fifty thousand dollars to the department of education for the geography alliance.

11. For the fiscal year beginning July 1, ~~1998 1999~~, and ending June 30, ~~1999 2000~~, 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.

12. For the fiscal year beginning July 1, ~~1998 1999~~, and ending June 30, ~~2000~~, 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. 43. Section 294A.25, Code 1999, is amended by adding the following new subsections:

**NEW SUBSECTION.** 13. For the fiscal year beginning July 1, 1999, and ending June 30, 2000, to the department of education from phase III moneys the amount of fifty thousand dollars for participation in the national assessment of education progress.

**NEW SUBSECTION.** 14. For the fiscal year beginning July 1, 1999, and ending June 30, 2000, to the department of education from phase III moneys the amount of fifty thousand dollars for the Iowa mathematics and science coalition.

Sec. 44. Section 303.16, Code 1999, is amended by adding the following new subsection:

**NEW SUBSECTION.** 10. a. The general assembly finds that the country school that served Iowa's educational needs for much of its history offered a unique opportunity to students and communities, providing for multigenerational attendance, high educational performance, a safe environment, a focus for community support, and a caring, attentive environment.

b. A country schools historical resource preservation grant program is therefore established to be administered by the historical division for the preservation of one-room and two-room buildings once used as country schools. In developing grant approval criteria, the division shall place a priority on the educational uses planned for the country school building, which may include, but are not limited to, historical interpretation and use as a teaching museum or as an operational classroom accessible to a school district or accredited nonpublic school for provisional instructional purposes.

c. Notwithstanding any other provision of this section, the amount of a grant shall not exceed twenty-five thousand dollars and applicants shall match grant funding on a dollar-for-dollar basis, of which at least one-half of the local match must be in cash.

Sec. 45. EMERGENCY RULES. The department of education may adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of Code chapter 256E as enacted by this Act and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

Sec. 46. EMERGENCY RULES. The commission of libraries shall adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", adopting the performance measures referred to in 286 IAC 3.6 and implement the provisions of section 7, subsection 5, paragraph "b", of this Act, and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

Sec. 47. Sections 261.21 and 261.112, Code 1999, are repealed.

Sec. 48. EFFECTIVE DATES.

1. Section 4 of this Act, relating to the remaining national guard tuition aid balance, being deemed of immediate importance, takes effect upon enactment.

2. Section 5 of this Act, relating to the remaining industrial technology forgivable loan program balance, being deemed of immediate importance, takes effect upon enactment.

3. Section 9 of this Act, relating to board of educational examiners licensing fees, being deemed of immediate importance, takes effect upon enactment.

4. Section 10 of this Act, relating to the distribution of FY 1999-2000 extended school year grant moneys, being deemed of immediate importance, takes effect upon enactment.

5. Section 46 of this Act, relating to emergency rules, being deemed of immediate importance, takes effect upon enactment.

*Approved May 25, 1999, with exceptions noted.*

THOMAS J. VILSACK, Governor

Dear Mr. Secretary:

I hereby transmit Senate File 464, 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.

This bill, which provides funding for portions of our K-12 education and most of our higher education system, is a vital part of our state's efforts to provide the best educational system in the nation. I believe that this bill will build on our tradition of excellence in many areas of critical importance to Iowa.

I am pleased, for example, that the Legislature adopted my recommendation to fully fund formula increases for our community colleges. Iowa's community colleges are an important local resource for job training, community and economic development, and higher education, and this support will enhance their ability to carry forward with their mission.

I am also pleased that the Legislature supported my recommendations for a new public health initiative at the University of Iowa, a new center for plant science research at Iowa State University, and a new master's degree program in social work at the University of Northern Iowa. These will enhance the educational offerings and stature of our regents institutions and also contribute to key statewide objectives such as making Iowa the food capital of the world and providing affordable health care for all Iowans.

This bill also provides important resources for our communities. I am pleased that the Legislature has adopted my recommendation that we make a statewide commitment to upgrade our public libraries. Our local public libraries are an important community resource, and I would encourage the Legislature to follow up their one-year pilot project with a longer-term commitment to enrich Iowa through improvements to our local libraries.

I am encouraged that the Legislature has adopted a portion of my recommendation to reimburse local school districts for the costs of acquiring and using employability skills assessment tools for students. This is only a small part, however, of my recommendation to provide funds to test all state ninth and twelfth grade students. I recommended use of Work Keys, which is also supported by the Iowa Business Council. I am directing the Department of Education to utilize this tool as well, because it provides us the opportunity to develop a statewide standard for assessment of student work skills. Once implemented, Work Keys will be an outstanding

way for students to judge their progress toward attaining the skills they need in the workforce and for businesses to attain the qualified workers they need. I encourage the Legislature to provide the funding necessary to implement my recommendation statewide.

There are other important initiatives contained within this bill, including my recommendation to double the funding for local empowerment zones to bring needed early childhood services to Iowans, to provide additional support for tuition grants, to create a teacher shortage forgivable loan program and a beginning teacher induction program. I am hopeful that the Legislature will continue to work with me to provide the resources necessary to enhance these opportunities in the future.

Senate File 464 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 2 in its entirety. Sections 33 through 37 bring the Code in conformance with the Federal Higher Education Act of 1965, eliminating the need for this appropriation.

I am unable to approve the items designated as Section 3 and Section 27 in their entirety. This language limits default reduction services to a few emergency loan recipients. The College Student Aid Commission has designed a comprehensive default reduction program that will help a substantially larger number of needy students at risk of defaulting on their student loans. The Commission's program will provide access to expanded default avoidance resources developed by the Commission's Default Avoidance Task Force for all students attending Iowa colleges and universities, with priority given to low income students. Those who need additional assistance will have the opportunity to access the Commission's counseling service, which will provide individualized services. The Commission is also implementing a five-year pilot grant program for foster children. I encourage the Commission to continue to provide default reduction services to the maximum number of students with priority given to low income students.

I am unable to approve Section 7, subsection 4, paragraph a, unnumbered paragraph 7, which requires the division of vocational rehabilitation to enter into a 28E agreement with Creative Employment Options (CEO) at the University of Iowa for the purpose of counting CEO's state appropriation as a local match. This requirement conflicts with the federal Rehabilitation Act of 1973. Iowa's vocational rehabilitation plan would not be approved if this were implemented.

I am unable to approve the designated portion of Section 13, subsection 3, paragraph c, unnumbered paragraph 3. This would direct the cooperative extension service at Iowa State University, in consultation with the department of human services, to identify educational materials, seminars, and assistance which are duplicative, directly or in subject area, of educational materials, seminars, and assistance offered by the department of human services. The extension service is to submit a report to the General Assembly and the Legislative Fiscal Bureau by January 15, 2000. I have already expressed my concerns, in the human services appropriations bill, for required studies and reports that remove time and resources for the core work of state government, which is to provide services to Iowans. In this case, neither the department of human services nor the extension service was provided additional resources for this task. The broad requirements of the study would unnecessarily divert resources from the important services provided by the extension service.

For the above reasons, I hereby respectfully approve Senate File 464 with the exceptions noted above.

Sincerely,  
THOMAS J. VILSACK, *Governor*