

IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2245 are hereby approved as of this date.

Sincerely,
THOMAS J. VILSACK, Governor

CHAPTER 1166

MISCELLANEOUS APPROPRIATIONS,
REDUCTIONS, TRANSFERS, AND OTHER PROVISIONS
S.F. 2304

AN ACT relating to public funding and regulatory matters and making, reducing, and transferring appropriations for the fiscal year beginning July 1, 2001, and including an effective date.

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

DIVISION I
IOWA ECONOMIC EMERGENCY FUND

Section 1. SCHOOL FOUNDATION AID. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the department of management for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For supplanting an equal amount from the appropriation made from the general fund of the state for the fiscal year beginning July 1, 2001, pursuant to section 257.16, to pay that part of foundation aid which represents the allowable growth amounts for all school districts:
..... \$ 44,852,353

Sec. 2. EMERGENCY EXPENDITURES. The moneys appropriated in this division of this Act are declared to be appropriated for emergency expenditures as required in section 8.55, subsection 3, paragraph "a".

Sec. 3. EFFECT OF APPROPRIATIONS. An appropriation from the general fund of the state, which is supplanted by an appropriation from the Iowa economic emergency fund made in this division of this Act, shall be reduced by the amount of the appropriation which supplants it.

DIVISION II
UNIFORM REDUCTION EXEMPTION

Sec. 4. APPROPRIATIONS EXEMPT. The appropriations made from the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, for the following designated purposes are exempt from the uniform appropriation reduction made pursuant to this Act for the executive branch:

- 1. For medical assistance in 2001 Iowa Acts, chapter 191, section 7.

2. For child and family services in 2001 Iowa Acts, chapter 191, section 14.
3. For department of corrections facilities in 2001 Iowa Acts, chapter 186, section 4, and 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 7, subsection 1.
4. For community colleges in 2001 Iowa Acts, chapter 181, section 6, subsection 14, and 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 4.
5. For the college student aid commission in sections 261.25 and 261.85, and 2001 Iowa Acts, chapter 181, section 1.
6. For payments in lieu of tuition allocated by the state board of regents in 2001 Iowa Acts, chapter 176, section 19, and 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 5, subsection 1.
7. For the family development and self-sufficiency grant program administered by the department of human services.
8. For the following tax reimbursements: personal property tax replacement in section 405A.8, franchise tax revenue allocation in section 405A.10, livestock production tax credit refund in section 422.121, homestead tax credit in section 425.1, extraordinary property tax credit and reimbursement in section 425.39, family farm tax credit and agricultural land tax credit in sections 425A.1 and 426.1, military service tax credit in section 426A.1A, property tax relief in section 426B.1 and 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 1, subsection 13, industrial machinery, equipment and computers property tax replacement in section 427B.19A, and cigarette and little cigar tax stamps in section 453A.8.
9. For the following education-related purposes: Iowa early intervention block grant program in section 256D.5, subsection 1; foundation and supplementary aid under section 257.16; instructional support state aid to school districts in section 257.20; tuition grants in section 261.25, subsection 1; child development grants and other programs for at-risk children in section 279.51; educational excellence in section 294A.25; school improvement technology in section 256D.5, subsection 2; nonpublic school transportation in section 285.2; department of education for distribution to area education agency XVI in 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 18, subsection 2; and including but not limited to any of the purposes listed in this subsection that also received an appropriation in 2001 Iowa Acts, Second Extraordinary Session, chapter 6.
10. For Iowa communications network debt service in 2001 Iowa Acts, chapter 176, section 21, and 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 2.
11. For the department of commerce in 2001 Iowa Acts, chapter 187, section 3, and in standing appropriations and statutory provisions authorizing the department or its divisions to utilize fees for regulatory activities for the fiscal year beginning July 1, 2001.
12. For the department of human services for the family investment program in 2001 Iowa Acts, chapter 191, section 4.
13. For state unemployment compensation under chapter 96.
14. For legal services to persons in poverty grants in 2001 Iowa Acts, chapter 186, section 1, subsection 11, and for the state public defender in 2001 Iowa Acts, chapter 186, section 9, and for payment of special court costs and attorney fees under section 815.1.
15. For payments authorized in accordance with law by the state appeal board.
16. For the statewide fire and police retirement system in section 411.20, as limited by section 8.59.
17. For the deferred compensation program established for state employees under section 509A.12.
18. For deposit in the school ready children grants account of the Iowa empowerment fund in 2001 Iowa Acts, chapter 181, section 6, subsection 10.
19. For the department of public defense in 2001 Iowa Acts, chapter 186, section 12, and 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 9.
20. For the state school for the deaf and the Iowa braille and sight saving school in 2001 Iowa Acts, chapter 181, section 8, subsections 5 and 6, and 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 5, subsections 3 and 4.

DIVISION III
TRANSFERS OF APPROPRIATIONS

Sec. 5. RISK POOL. Notwithstanding sections 426B.1 and 426B.5, subsection 2, paragraph "d", subparagraph (6), there is transferred from the property tax relief fund risk pool created in section 426B.5, subsection 2, to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

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

Sec. 6. DEPRECIATION FUND. Notwithstanding section 18.120, there is transferred from the depreciation fund created in section 18.120 for the purchase of replacement motor vehicles and additions to the fleet, to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 2,200,000

Sec. 7. REGENTS INFRASTRUCTURE. Of the moneys appropriated to the state board of regents in 1997 Iowa Acts, chapter 215, section 23, subsection 1, paragraph "a", and allocated for construction of the livestock infectious disease isolation facility, there is transferred to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 2,797,000

Sec. 8. TRAILS. Of the moneys appropriated to the state department of transportation for trail projects in 1997 Iowa Acts, chapter 215, sections 12 and 13, and 1999 Iowa Acts, chapter 204, section 11, subsection 3, there is transferred to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 5,500,000

Sec. 9. AVIATION HANGARS. Of the moneys appropriated to the state department of transportation for general aviation hangar projects in 2000 Iowa Acts, chapter 1225, section 16, and deposited in an aviation hangar revolving loan fund, there is transferred to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 360,000

Sec. 10. HEALTHY IOWANS TOBACCO TRUST. Notwithstanding sections 12.65 and 12E.12, there is transferred from the healthy Iowans tobacco trust created in section 12.65 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 6,000,000

Moneys transferred pursuant to this section shall be from moneys deposited in the healthy Iowans tobacco trust which are not from proceeds from the tax-exempt bonds issued pursuant to chapter 12E.

Sec. 11. STRATEGIC INVESTMENT FUND. Notwithstanding section 15.313, subsection 2, there is transferred from the strategic investment fund created in section 15.313 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

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

Sec. 12. VALUE-ADDED AGRICULTURAL PRODUCTS. Notwithstanding section 15E.112, subsection 1, there is transferred from the value-added agricultural products and processes financial assistance fund created in section 15E.112 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 500,000

Sec. 13. BRUCELLOSIS AND TUBERCULOSIS ERADICATION FUND. Notwithstanding section 165.18, subsection 1, there is transferred from the brucellosis and tuberculosis eradication fund created in section 165.18 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

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

Sec. 14. REAP. Notwithstanding section 455A.19, there is transferred from the Iowa resources enhancement and protection fund created in section 455A.18 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 2,800,000

Sec. 15. ENVIRONMENT FIRST FUND. Notwithstanding section 8.57A, subsection 3, there is transferred from the environment first fund created in section 8.57A to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 3,000,000¹

Sec. 16. ENDOWMENT FOR IOWA'S HEALTH ACCOUNT. Notwithstanding 2001 Iowa Acts, chapter 174, section 1, there is transferred from the endowment for Iowa's health account of the tobacco settlement trust fund created in section 12E.12 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts:

1. From the appropriation made for the fiscal year beginning July 1, 2001, from moneys received pursuant to sections 99D.17 and 99F.11 in 2001 Iowa Acts, chapter 174, section 1, subsection 1:

..... \$ 15,000,000

2. From the appropriation made for the fiscal year beginning July 1, 2001, from the general fund of the state in 2001 Iowa Acts, chapter 174, section 1, subsection 2:

..... \$ 7,000,000

Sec. 17. POOLED TECHNOLOGY ACCOUNT. Notwithstanding 2001 Iowa Acts, chapter 189, section 5, there is transferred from the pooled technology account established in the office of the treasurer of state under the control of the information technology department to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 700,000

Sec. 18. TRANSFER DATE. The transfers specified in this division of this Act shall begin on the effective date of this Act.

DIVISION IV
JUDICIAL BRANCH

Sec. 19. 2001 Iowa Acts, chapter 179, section 1, unnumbered paragraph 2, as amended by 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 16, is amended to read as follows:

For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, judicial magistrates and staff, state court administrator, clerk of the supreme court, district court administrators, clerks of the district court, juvenile court officers, board of law examiners and board of examiners of shorthand reporters and judicial qualifications commission, receipt and disbursement of child support payments, reimbursement of the auditor of state for expenses incurred in completing audits of the offices of the clerks of the district

¹ See 2002 Iowa Acts, Second Extraordinary Session, chapter 1001, §1, 52 herein

court during the fiscal year beginning July 1, 2001, and maintenance, equipment, and miscellaneous purposes:

.....	\$ 108,688,725
	<u>107,552,799</u>

Sec. 20. 2001 Iowa Acts, chapter 179, section 2, as amended by 2001 Iowa Acts, Second Extraordinary Session, chapter 6, section 17, is amended to read as follows:

SEC. 2. JUDICIAL RETIREMENT FUND. There is appropriated from the general fund of the state to the judicial retirement fund for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding section 602.9104, subsection 4, paragraph “b”, for the state’s contribution to the judicial retirement fund in the amount of 15.9 percent of the basic salaries of the judges covered under chapter 602, article 9:

.....	\$ 3,069,897
	<u>3,039,198</u>

Sec. 21. JUDICIAL BRANCH — FURLOUGHS.

1. In addition to the appropriation reduction made in this division of this Act, the appropriations and distributions from the general fund of the state to the judicial branch for the fiscal year beginning July 1, 2001, and ending June 30, 2002, are reduced by the following amount:

.....	\$ 1,100,700
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2. In order to implement the reduction made in subsection 1, the judicial branch shall implement furloughs of judicial branch employees other than justices, judges, and magistrates or other cost reductions in a manner so as to produce cost savings equivalent to a furlough of one-half day per employee per pay period.

3. As part of implementing the reduction made in subsection 1, notwithstanding the annual salary rates authorized for justices, judges, and magistrates in 2001 Iowa Acts, chapter 190, section 1, for the fiscal year beginning July 1, 2001, those salary rates shall be reduced by applying a 5 percent reduction to the portion of annual salary attributable to the period beginning on the effective date of this Act through June 30, 2002.² Subsection 2 does not apply to justices, judges, and magistrates subject to this subsection.

4. Notwithstanding the uses listed in section 602.1304, subsection 2, paragraph “c”, the judicial branch may use not more than \$1,000,000 of the moneys available to the judicial branch in the enhanced court collections fund for the fiscal year beginning July 1, 2001, to supplant the reduction made in subsection 1 and thereby decrease the application of subsections 2 and 3. Any such decrease involving employee furloughs and salary reductions shall be applied proportionately between subsections 2 and 3.

DIVISION V
LEGISLATIVE BRANCH

Sec. 22. APPROPRIATIONS REDUCTION.

1. The appropriations made from the general fund of the state in section 2.12 to the general assembly for the fiscal year beginning July 1, 2001, and ending June 30, 2002, shall be reduced by 2.6 percent.

2. In order to implement the reductions required by this section for the fiscal year beginning July 1, 2001, in addition to employee furloughs and other expense reductions, notwithstanding the annual salary rates authorized for members of the general assembly in section 2.10, the salary rates for such members shall be reduced by applying a 5 percent reduction to the portion of annual salary attributable to the period beginning on the effective date of this Act through June 30, 2002, as if the members were all paid a salary under section 2.10, subsection 4, paragraph “a”.

² See chapter 1175, §13 herein

DIVISION VI
UNIFORM EXECUTIVE BRANCH APPROPRIATION REDUCTIONS

Sec. 23. EXECUTIVE BRANCH. Except for those appropriations made for the purposes specified in division I of this Act and those appropriations exempt from this section under division II of this Act, after applying the uniform reductions made pursuant to executive order number 24,³ the appropriations made from the general fund of the state to the executive branch for the fiscal year beginning July 1, 2001, and ending June 30, 2002, are reduced by 1 percent.

Sec. 24. SALARY ADJUSTMENT FUND. The appropriation made in section 455G.3, subsection 6, paragraph "b", to the salary adjustment fund from the unassigned revenue fund administered by the Iowa comprehensive tank fund board is reduced by 4.3 percent. That appropriation shall be considered to be an appropriation made from the general fund of the state for purposes of the uniform reductions to appropriations made pursuant to this division of this Act or pursuant to any later enactment of the Seventy-ninth General Assembly, 2002 Session, making a uniform reduction to appropriations from the general fund of the state for the fiscal year beginning July 1, 2001, or pursuant to an executive order of the governor issued after the effective date of this Act.

DIVISION VII
EXECUTIVE BRANCH FURLOUGHS

Sec. 25. EXECUTIVE BRANCH. The appropriations made from the general fund of the state to the departments and establishments of the executive branch, as defined in section 8.2, including but not limited to the appropriations to the state board of regents, for purposes of state employee compensation for the fiscal year beginning July 1, 2001, and ending June 30, 2002, are reduced by the following amount:

..... \$ 11,702,872

1. The department of management shall apply the reduction made in accordance with this section in a manner so that an appropriation providing for state employee compensation is reduced in proportion to the amount that the compensation costs in that appropriation bears to the total amount of compensation costs in all appropriations from the general fund to executive branch departments and establishments.

2. In order to implement the reduction made in this section, the departments and establishments shall implement furloughs for those employees whose compensation is paid from the general fund of the state or other cost reductions, in a manner to produce cost savings equivalent to a furlough of one-half day per employee per pay period.

3. As part of implementing the reduction made in this section, notwithstanding the annual salary rates authorized for elective executive branch officials in 2000 Iowa Acts, chapter 1219, section 3, for the fiscal year beginning July 1, 2001, the salary rates for such officials shall be reduced by applying a 5 percent reduction to the portion of annual salary attributable to the period beginning on the effective date of this Act through June 30, 2002. Subsection 2 does not apply to elective executive branch officials subject to this subsection.

4. As part of implementing the reduction made in this section, notwithstanding the annual salaries established under 2001 Iowa Acts, chapter 190, section 3, for the fiscal year beginning July 1, 2001, each of those salaries shall be reduced by applying a 5 percent reduction to the portion of the salary attributable to the period beginning on the effective date of this Act through June 30, 2002. Subsection 2 does not apply to appointed executive branch officers subject to this subsection.⁴

5. The appropriations reductions made pursuant to this section are in addition to the appropriations reductions made pursuant to division VI of this Act.

³ Published in IAB, XXIV, 11, November 28, 2001, page 858

⁴ See chapter 1175, §14 herein

DIVISION VIII
EFFECTIVE DATE

Sec. 26. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 1, 2002

CHAPTER 1167

SCHOOL FINANCE — ALLOWABLE GROWTH,
AREA EDUCATION AGENCY PAYMENTS, AND STATE FOUNDATION AID
S.F. 2315

AN ACT appropriating state school foundation aid and making related changes to the state percent of growth for school budgets and to the funding for area education agencies, and providing an effective date.

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

Section 1. Section 257.8, subsection 1, Code Supplement 2001, is amended to read as follows:

1. STATE PERCENT OF GROWTH. The state percent of growth for the budget year beginning July 1, 2001, is four percent. The state percent of growth for the budget year beginning July 1, 2002, is ~~four~~ one percent.¹ The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.

Sec. 2. Section 257.35, Code 2001, is amended to read as follows:
257.35 AREA EDUCATION AGENCY PAYMENTS.

1. The department of management shall deduct the amounts calculated for special education support services, media services, and educational services for each school district from the state aid due to the district pursuant to this chapter and shall pay the amounts to the respective area education agencies on a monthly basis from September 15 through June 15 during each school year. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under this chapter in an amount sufficient to cover its amount due to the area education agency as calculated by the department of management, the school district shall pay the deficiency to the area education agency from other moneys received by the district, on a quarterly basis during each school year.

2. Notwithstanding subsection 1, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for each fiscal year of the fiscal period beginning July 1, 2002, and ending June 30, 2004, shall be reduced by the department of management by seven million five hundred thousand dollars. The reduction for each area education agency shall be equal to the reduction that the agency received in the fiscal year beginning July 1, 2001.

¹ See chapter 1159, §1 herein