

CHAPTER 127

APPROPRIATIONS — ADMINISTRATION AND REGULATION

H.F. 646

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

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

**DIVISION I
FY 2011-2012**

Section 1. DEPARTMENT OF ADMINISTRATIVE SERVICES.

1. There is appropriated from the general fund of the state to the department of administrative services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated, and for not more than the following full-time equivalent positions:

a. For salaries, support, maintenance, and miscellaneous purposes:	\$	4,020,344
.....	FTEs	84.18

b. For the payment of utility costs:	\$	2,626,460
.....	FTEs	1.00

Notwithstanding section 8.33, any excess funds appropriated for utility costs in this lettered paragraph shall not revert to the general fund of the state at the end of the fiscal year but shall remain available for expenditure for the purposes of this lettered paragraph during the succeeding fiscal year.

c. For Terrace Hill operations:	\$	405,914
.....	FTEs	6.88

d. For the I3 distribution account:	\$	3,277,946
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e. For operations and maintenance of the Iowa building:	\$	995,535
.....	FTEs	7.00

2. Members of the general assembly serving as members of the deferred compensation advisory board shall be entitled to receive per diem and necessary travel and actual expenses pursuant to section 2.10, subsection 5, while carrying out their official duties as members of the board.

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

Sec. 2. LEASING AUTHORITY IMPLEMENTATION.

1. A state agency that has entered into a lease for any buildings or office space shall forward a copy of each such existing lease to the department of administrative services for review prior to July 1, 2011.

2. A state agency that is in the process of entering into or renewing a lease for any building or office space shall contact the department of administrative services prior to finalizing such lease. Such lease shall not be entered into or renewed without the approval of the department.

3. The department shall provide space management services and begin to lease all buildings and office space wherever located throughout the state as provided in section 8A.321, as amended by this Act, as soon as practicable, but by no later than December 1,

2011. Prior to assuming those responsibilities, the department shall review and approve leases under subsection 2 unless, in the department’s discretion, it is determined that entering into or renewing such lease would not be in the best interests of the state.

4. The department is authorized to assess a fee to a state agency for which a lease is negotiated or renewed pursuant to this Act sufficient to cover the department’s costs in providing space management services under this Act.

Sec. 3. TRAVEL REIMBURSEMENT IMPLEMENTATION.

1. If this Act is approved by the governor prior to July 1, 2011, the electronic online travel authorization form provided for in section 8A.512A, if enacted, shall be developed on or before July 1, 2011, and executive branch employees subject to that section traveling out of state on behalf of the state shall utilize the form on and after that date.

2. The database to be made available by the department of administrative services as provided in section 8A.512A, if enacted, shall be developed and available for public access on or before January 1, 2012.

3. The department shall develop a plan for converting the existing reimbursement process to a paperless process, including implementation steps, a timeline, and an estimated budget. The plan shall be submitted to the governor by no later than January 1, 2012.

Sec. 4. REVOLVING FUNDS. There is appropriated to the department of administrative services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, from the revolving funds designated in chapter 8A and from internal service funds created by the department such amounts as the department deems necessary for the operation of the department consistent with the requirements of chapter 8A.

Sec. 5. FUNDING FOR IOWACCESS.

1. Notwithstanding section 321A.3, subsection 1, for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the first \$750,000 collected and transferred by the department of transportation to the treasurer of state with respect to the fees for transactions involving the furnishing of a certified abstract of a vehicle operating record under section 321A.3, subsection 1, shall be transferred to the IowAccess revolving fund for the purposes of developing, implementing, maintaining, and expanding electronic access to government records as provided by law.

2. All fees collected with respect to transactions involving IowAccess shall be deposited in the IowAccess revolving fund and shall be used only for the support of IowAccess projects.

3. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, there is appropriated from the IowAccess revolving fund, to the office of the secretary of state \$75,000 for costs associated with decennial redistricting.

Sec. 6. STATE EMPLOYEE HEALTH INSURANCE ADMINISTRATION CHARGE. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, the monthly per contract administrative charge which may be assessed by the department of administrative services shall be \$2 per contract on all health insurance plans administered by the department.

Sec. 7. AUDITOR OF STATE.

1. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated, and for not more than the following full-time equivalent positions:

For salaries, support, maintenance, and miscellaneous purposes:		
.....	\$	905,468
.....	FTEs	103.00

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

the department of management, the legislative fiscal committee, and the legislative services agency of the additional full-time equivalent positions retained.

3. The auditor of state shall allocate resources from the appropriation in this section solely for audit work related to the comprehensive annual financial report, federally required audits, and investigations of embezzlement, theft, or other significant financial irregularities until the audit of the comprehensive annual financial report is complete.

Sec. 8. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There is appropriated from the general fund of the state to the Iowa ethics and campaign disclosure board for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, for the purposes designated:

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

.....	\$	475,000
.....	FTEs	5.00

Sec. 9. DEPARTMENT OF COMMERCE.

1. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, for the purposes designated:

a. ALCOHOLIC BEVERAGES DIVISION

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

.....	\$	1,220,391
.....	FTEs	21.00

(2) Of the funds appropriated pursuant to this paragraph, up to \$60,000 shall be used to establish and implement a web-based alcohol compliance employee training program for alcoholic beverage sales personnel.

b. PROFESSIONAL LICENSING AND REGULATION BUREAU

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

.....	\$	600,353
.....	FTEs	12.00

2. There is appropriated from the department of commerce revolving fund created in section 546.12 to the department of commerce for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, for the purposes designated:

a. BANKING DIVISION

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

.....	\$	8,851,670
.....	FTEs	80.00

b. CREDIT UNION DIVISION

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

.....	\$	1,727,995
.....	FTEs	19.00

c. INSURANCE DIVISION

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

.....	\$	4,983,244
.....	FTEs	106.50

(2) The insurance division may reallocate authorized full-time equivalent positions as necessary to respond to accreditation recommendations or requirements. The insurance division expenditures for examination purposes may exceed the projected receipts, refunds, and reimbursements, estimated pursuant to section 505.7, subsection 7, including the

expenditures for retention of additional personnel, if the expenditures are fully reimbursable and the division first does both of the following:

(a) Notifies the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.

(b) Files with each of the entities named in subparagraph division (a) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

d. UTILITIES DIVISION

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

.....	\$	8,173,069
.....	FTEs	79.00

(2) The utilities division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for utility regulation and the expenditures are fully reimbursable. Before the division expends or encumbers an amount in excess of the funds budgeted for regulation, the division shall first do both of the following:

(a) Notify the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.

(b) File with each of the entities named in subparagraph division (a) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

(3) Notwithstanding sections 8.33 and 476.10 or any other provisions to the contrary, any unencumbered or unobligated balance of the appropriation made in this paragraph for the utilities division or any other operational appropriation made for the fiscal year beginning July 1, 2011, and ending June 30, 2012, that remains unused, unencumbered, or unobligated at the close of the fiscal year shall not revert but shall remain available to be used for purposes of the energy-efficient building project authorized under section 476.10B, or for relocation costs in succeeding fiscal years.

(4) In addition to the funds otherwise appropriated to the division in subparagraph (1), and contingent upon the enactment of legislation during the 2011 legislative session relating to the permitting, licensing, construction, and operation of nuclear generation facilities and establishing rate-making principles in relation thereto, for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	500,000
.....	FTEs	3.50

3. CHARGES. Each division and the office of consumer advocate shall include in its charges assessed or revenues generated an amount sufficient to cover the amount stated in its appropriation and any state-assessed indirect costs determined by the department of administrative services.

Sec. 10. DEPARTMENT OF COMMERCE — PROFESSIONAL LICENSING AND REGULATION BUREAU. There is appropriated from the housing trust fund of the Iowa finance authority created in section 16.181, to the bureau of professional licensing and regulation of the banking division of the department of commerce for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	62,317
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Sec. 11. GOVERNOR AND LIEUTENANT GOVERNOR. There is appropriated from the general fund of the state to the offices of the governor and the lieutenant governor for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	2,288,025
.....	FTEs	22.88

Sec. 12. GOVERNOR’S OFFICE OF DRUG CONTROL POLICY. There is appropriated from the general fund of the state to the governor’s office of drug control policy for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, including statewide coordination of the drug abuse resistance education (D.A.R.E.) programs or similar programs, and for not more than the following full-time equivalent positions:
..... \$ 290,000
..... FTEs 8.00

Sec. 13. DEPARTMENT OF HUMAN RIGHTS. There is appropriated from the general fund of the state to the department of human rights for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CENTRAL ADMINISTRATION DIVISION

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

..... \$ 206,103
..... FTEs 7.00

2. COMMUNITY ADVOCACY AND SERVICES DIVISION

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

..... \$ 1,028,077
..... FTEs 17.00

3. CRIMINAL AND JUVENILE JUSTICE PLANNING DIVISION

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

..... \$ 1,023,892
..... FTEs 10.00

The criminal and juvenile justice planning advisory council and the juvenile justice advisory council shall coordinate their efforts in carrying out their respective duties relative to juvenile justice.

Sec. 14. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. ADMINISTRATION DIVISION

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

..... \$ 1,527,740
..... FTEs 37.40

2. ADMINISTRATIVE HEARINGS DIVISION

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

..... \$ 528,753
..... FTEs 23.00

3. INVESTIGATIONS DIVISION

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

..... \$ 1,168,639
..... FTEs 58.50

b. The department, in coordination with the investigations division, shall provide a report to the general assembly by January 10, 2012, concerning the fiscal impact of additional full-time equivalent positions on the department’s efforts relative to the Medicaid divestiture program under chapter 249F.

4. HEALTH FACILITIES DIVISION

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

.....	\$	3,555,328
.....	FTEs	134.75

b. The department shall, in coordination with the health facilities division, make the following information available to the public in a timely manner, to include providing the information on the department’s internet website, during the fiscal year beginning July 1, 2011, and ending June 30, 2012:

(1) The number of inspections conducted by the division annually by type of service provider and type of inspection.

(2) The total annual operations budget for the division, including general fund appropriations and federal contract dollars received by type of service provider inspected.

(3) The total number of full-time equivalent positions in the division, to include the number of full-time equivalent positions serving in a supervisory capacity, and serving as surveyors, inspectors, or monitors in the field by type of service provider inspected.

(4) Identification of state and federal survey trends, cited regulations, the scope and severity of deficiencies identified, and federal and state fines assessed and collected concerning nursing and assisted living facilities and programs.

c. It is the intent of the general assembly that the department and division continuously solicit input from facilities regulated by the division to assess and improve the division’s level of collaboration and to identify new opportunities for cooperation.

5. EMPLOYMENT APPEAL BOARD

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

.....	\$	42,215
.....	FTEs	14.00

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

6. CHILD ADVOCACY BOARD

a. For foster care review and the court appointed special advocate program, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,680,290
.....	FTEs	40.80

b. The department of human services, in coordination with the child advocacy board and the department of inspections and appeals, shall submit an application for funding available pursuant to Tit. IV-E of the federal Social Security Act for claims for child advocacy board administrative review costs.

c. The court appointed special advocate program shall investigate and develop opportunities for expanding fund-raising for the program.

d. Administrative costs charged by the department of inspections and appeals for items funded under this subsection shall not exceed 4 percent of the amount appropriated in this subsection.

Sec. 15. DEPARTMENT OF INSPECTIONS AND APPEALS — MUNICIPAL CORPORATION FOOD INSPECTIONS. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, the department of inspections and appeals shall retain any license fees generated during the fiscal year as a result of actions under section 137F.3A occurring during the period beginning July 1, 2009, and ending June 30, 2011, for the purpose of enforcing the provisions of chapters 137C, 137D, and 137F.

Sec. 16. DEPARTMENT OF INSPECTIONS AND APPEALS — HEALTH CARE FACILITIES INSPECTIONS. Notwithstanding any provision of section 135C.16 to the contrary, inspections of health care facilities that are only state-licensed and not certified under the Medicare or Medicaid programs shall not be inspected by the department of inspections and appeals every thirty months, but only as provided pursuant to sections 135C.9 and 135C.38.

Sec. 17. DEPARTMENT OF INSPECTIONS AND APPEALS — GENERAL SUPPORT — MEDICAID FRAUD FUND APPROPRIATION. There is appropriated from the Medicaid fraud fund created in section 249A.7 to the health facilities division of the department of inspections and appeals for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:
 \$ 650,000

Sec. 18. DEPARTMENT OF INSPECTIONS AND APPEALS — STATE MATCH REQUIREMENTS — MEDICAID FRAUD FUND APPROPRIATION. There is appropriated from the Medicaid fraud fund created in section 249A.7 to the department of inspections and appeals for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the amounts necessary for the purposes designated:

1. To cover the cost of any state match to draw down matching federal funds through the department of human services for additional full-time equivalent positions for conducting investigations of alleged fraud and overpayments of food assistance benefits through electronic benefits transfer.

2. For the state financial match requirement for meeting the federal mandates connected with the department’s Medicaid fraud and abuse activities, and the amount necessary to cover costs incurred by the department or other agencies in providing regulation, responding to allegations, or other activity involving chapter 135O.

Sec. 19. DEPARTMENT OF INSPECTIONS AND APPEALS — LEGISLATIVE IMPLEMENTATION — MEDICAID FRAUD FUND APPROPRIATION. There is appropriated from the Medicaid fraud fund created in section 249A.7 to the department of inspections and appeals for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, administration, and other costs associated with implementation of 2010 Iowa Acts, chapter 1177:
 \$ 250,000

Sec. 20. RACING AND GAMING COMMISSION.
 1. RACETRACK REGULATION

There is appropriated from the gaming regulatory revolving fund established in section 99F.20 to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for the regulation of pari-mutuel racetracks, and for not more than the following full-time equivalent positions:
 \$ 2,511,440
 FTEs 28.53

2. EXCURSION BOAT AND GAMBLING STRUCTURE REGULATION

There is appropriated from the gaming regulatory revolving fund established in section 99F.20 to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the excursion boat gambling and gambling structure laws, and for not more than the following full-time equivalent positions:
 \$ 3,078,100

..... FTEs 44.22

Sec. 21. ROAD USE TAX FUND APPROPRIATION — DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the road use tax fund created in section 312.1 to the administrative hearings division of the department of inspections and appeals for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes: \$ 1,623,897

Sec. 22. DEPARTMENT OF MANAGEMENT.

1. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 2,393,998
..... FTEs 25.00

2. Of the moneys appropriated in this section, the department shall use a portion for enterprise resource planning, providing for a salary model administrator, conducting performance audits, and for the department’s LEAN process.

Sec. 23. ROAD USE TAX APPROPRIATION — DEPARTMENT OF MANAGEMENT. There is appropriated from the road use tax fund created in section 312.1 to the department of management for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes: \$ 56,000

Sec. 24. DEPARTMENT OF REVENUE.

1. There is appropriated from the general fund of the state to the department of revenue for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 17,659,484
..... FTEs 303.48

2. Of the funds appropriated pursuant to this section, \$400,000 shall be used to pay the direct costs of compliance related to the collection and distribution of local sales and services taxes imposed pursuant to chapters 423B and 423E.

3. The director of revenue shall prepare and issue a state appraisal manual and the revisions to the state appraisal manual as provided in section 421.17, subsection 17, without cost to a city or county.

Sec. 25. MOTOR VEHICLE FUEL TAX APPROPRIATION. There is appropriated from the motor fuel tax fund created by section 452A.77 to the department of revenue for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for administration and enforcement of the provisions of chapter 452A and the motor vehicle use tax program:

..... \$ 1,305,775

Sec. 26. SECRETARY OF STATE.

1. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	2,895,585
.....	FTEs	45.00

2. The state department or state agency which provides data processing services to support voter registration file maintenance and storage shall provide those services without charge.

Sec. 27. SECRETARY OF STATE FILING FEES REFUND. Notwithstanding the obligation to collect fees pursuant to the provisions of section 490.122, subsection 1, paragraphs “a” and “s”, and section 504.113, subsection 1, paragraphs “a”, “c”, “d”, “j”, “k”, “l”, and “m”, for the fiscal year beginning July 1, 2011, the secretary of state may refund these fees to the filer pursuant to rules established by the secretary of state. The decision of the secretary of state not to issue a refund under rules established by the secretary of state is final and not subject to review pursuant to chapter 17A.

Sec. 28. TREASURER.

1. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	854,289
.....	FTEs	28.80

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

Sec. 29. ROAD USE TAX APPROPRIATION — OFFICE OF TREASURER OF STATE. There is appropriated from the road use tax fund created in section 312.1 to the office of treasurer of state for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For enterprise resource management costs related to the distribution of road use tax funds:

.....	\$	93,148
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Sec. 30. IPERS — GENERAL OFFICE. There is appropriated from the Iowa public employees’ retirement system fund to the Iowa public employees’ retirement system for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees’ retirement system, and for not more than the following full-time equivalent positions:

.....	\$	17,686,968
.....	FTEs	90.13

Sec. 31. STATE CAPITOL SIDEWALK HEATING — DISCONNECTION. The department of administrative services shall disconnect electricity to the heated sidewalk installed in the entry walkway on the East side of the state capitol building, and shall not reconnect the electricity without the authorization of the general assembly.

Sec. 32. Section 8A.111, subsection 4, Code 2011, is amended by striking the subsection.

Sec. 33. Section 8A.311, subsection 15, Code 2011, is amended to read as follows:

15. *a.* A bidder awarded, to be considered for an award of a state construction contract, shall disclose to the state agency awarding the contract the names of all subcontractors, and suppliers who will work on the project being bid, within forty-eight hours after the award of the contract published date and time by which bids must be submitted.

b. A bidder shall not replace a subcontractor or supplier disclosed under paragraph “a” without the approval of the state agency awarding the contract.

c. A bidder, prior to an award or who is awarded a state construction contract, shall disclose all of the following, as applicable:

b. (1) If a subcontractor named or supplier disclosed under paragraph "a" by a bidder awarded a state construction contract is replaced, or if the reason for replacement and the name of the new subcontractor or supplier.

(2) If the cost of work to be done by a subcontractor or supplier is reduced, the bidder shall disclose the name of the new subcontractor or changed or if the replacement of a subcontractor or supplier results in a change in the cost, the amount of the reduced change in cost.

Sec. 34. Section 8A.315, subsection 1, paragraph d, Code 2011, is amended by striking the paragraph.

Sec. 35. Section 8A.321, subsection 6, Code 2011, is amended to read as follows:

6. a. Lease all buildings and office space necessary to carry out the provisions of this subchapter or necessary for the proper functioning of any state agency ~~at the seat of government~~ wherever located throughout the state. For state agencies at the seat of government, the director may lease buildings and office space in Polk county or in a county contiguous to Polk county. If no specific appropriation has been made, the proposed lease shall be submitted to the executive council for approval. The cost of any lease for which no specific appropriation has been made shall be paid from the fund provided in section 7D.29. Additionally, the director shall also develop cooperative relationships with the state board of regents in order to promote colocation of state agencies.

b. When the general assembly is not in session, the director may request moneys from the executive council for moving state agencies ~~located at the seat of government~~ from one location to another. The request may include moving costs, telecommunications costs, repair costs, or any other costs relating to the move. The executive council may approve and shall pay the costs from funds provided in section 7D.29 if it determines the agency or department has no available funds for these expenses.

~~c. Coordinate the leasing of buildings and office space by state agencies throughout the state and develop cooperative relationships with the state board of regents in order to promote the colocation of state agencies.~~

Sec. 36. Section 8A.327, subsection 1, Code 2011, is amended to read as follows:

1. A rent revolving fund is created in the state treasury under the control of the department to be used by the department to pay the lease or rental costs of all buildings and office space necessary for the proper functioning of any state agency ~~at the seat of state government wherever located throughout the state~~ as provided in section 8A.321, subsection 6, except that this fund shall not be used to pay the rental or lease costs of a state agency which has not received funds budgeted for rental or lease purposes.

Sec. 37. Section 8A.361, Code 2011, is amended to read as follows:

8A.361 Vehicle assignment — authority in department.

The department shall provide for the assignment of all ~~state-owned~~ motor vehicles ~~to~~ utilized by all state officers and employees, and ~~to~~ by all state offices, departments, bureaus, and commissions, except the state department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other agencies exempted by law.

Sec. 38. Section 8A.362, subsection 4, paragraphs a through c, Code 2011, are amended to read as follows:

a. The director shall provide for the purchase of ~~all~~ motor vehicles for all branches of the state government, except the state department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other state agency exempted by law, which are not rented or leased pursuant to section 8A.367. The director shall purchase new vehicles in accordance with competitive bidding procedures for items or services as provided in this subchapter. The director may purchase used or preowned

vehicles at governmental or dealer auctions if the purchase is determined to be in the best interests of the state.

b. The director, and any other state agency, which for purposes of this subsection includes but is not limited to community colleges and institutions under the control of the state board of regents, or local governmental subdivisions purchasing new motor vehicles, shall purchase new passenger motor vehicles and light trucks, which are not rented or leased pursuant to section 8A.367, so that the average fuel efficiency for the fleet of new passenger vehicles and light trucks purchased in that year equals or exceeds the average fuel economy standard for the vehicles' model year as established by the United States secretary of transportation under 15 U.S.C. § 2002. This paragraph does not apply to vehicles purchased for law enforcement purposes or used for off-road maintenance work, or work vehicles used to pull loaded trailers.

c. Not later than June 15 of each year, the director shall report compliance with the corporate average fuel economy standards published by the United States secretary of transportation for new assigned motor vehicles, other than motor vehicles purchased by the state department of transportation, institutions under the control of the state board of regents, the department for the blind, and any other state agency exempted from the requirements of this subsection. The report of compliance shall classify the vehicles purchased assigned for the current vehicle model year using the following categories: passenger automobiles, enforcement automobiles, vans, and light trucks. The director shall deliver a copy of the report to the office of energy independence. As used in this paragraph, "*corporate average fuel economy*" means the corporate average fuel economy as defined in 49 C.F.R. § 533.5.

Sec. 39. Section 8A.362, subsection 5, Code 2011, is amended by striking the subsection.

Sec. 40. Section 8A.362, subsections 7 through 9, Code 2011, are amended to read as follows:

7. The director may authorize the establishment of motor pools consisting of a number of state-owned state-assigned motor vehicles under the director's supervision. The director may store the motor vehicles in a public or private garage. If the director establishes a motor pool, any state officer or employee desiring the use of a state-owned state-assigned motor vehicle on state business shall notify the director of the need for a vehicle within a reasonable time prior to actual use of the motor vehicle. The director may assign a motor vehicle from the motor pool to the state officer or employee, or from the vendor awarded a contract pursuant to section 8A.367. If two or more state officers or employees desire the use of a state-owned state-assigned motor vehicle for a trip to the same destination for the same length of time, the director may assign one vehicle to make the trip.

8. The director shall require that a sign be placed on each state-owned motor vehicle in a conspicuous place which indicates its ownership by the state. This requirement shall not apply to motor vehicles requested to be exempt by the director or by the commissioner of public safety. All state-owned motor vehicles shall display registration plates bearing the word "official" except motor vehicles requested to be furnished with ordinary plates by the director or by the commissioner of public safety pursuant to section 321.19. The director shall keep an accurate record of the registration plates used on all state-owned motor vehicles. This subsection shall not apply to an assigned vehicle rented or leased pursuant to section 8A.367.

9. All fuel used in state-owned state-assigned automobiles shall be purchased at cost from the various installations or garages of the state department of transportation, state board of regents, department of human services, or state motor pools throughout the state, unless the state-owned sources for the purchase of fuel are not reasonably accessible. If the director determines that state-owned sources for the purchase of fuel are not reasonably accessible, the director shall authorize the purchase of fuel from other sources. The director may prescribe a manner, other than the use of the revolving fund, in which the purchase of fuel from state-owned sources is charged to the state agency responsible for the use of the motor vehicle. The director shall prescribe the manner in which oil and other normal motor vehicle maintenance for state-owned motor vehicles may be purchased from private sources, if they cannot be reasonably obtained from a state motor pool. The director may advertise for bids and award contracts in accordance with competitive bidding procedures for items

and services as provided in this subchapter for furnishing fuel, oil, grease, and vehicle replacement parts for all state-owned motor vehicles. The director and other state agencies, when advertising for bids for gasoline, shall also seek bids for ethanol blended gasoline.

Sec. 41. Section 8A.363, subsection 1, Code 2011, is amended to read as follows:

1. A state officer or employee shall not use a ~~state-owned~~ state-assigned motor vehicle for personal private use. A state officer or employee shall not be compensated for driving a privately owned motor vehicle unless it is done on state business with the approval of the director. In that case the state officer or employee shall receive an amount to be determined by the director. The amount shall not exceed the maximum allowable under the federal internal revenue service rules per mile, notwithstanding established mileage requirements or depreciation allowances. However, the director may authorize private motor vehicle rates in excess of the rate allowed under the federal internal revenue service rules for state business use of substantially modified or specially equipped privately owned vehicles required by persons with disabilities. A statutory provision establishing reimbursement for necessary mileage, travel, or actual expenses to a state officer falls under the private motor vehicle mileage rate limitation provided in this section unless specifically provided otherwise. Any peace officer employed by the state as defined in section 801.4 who is required to use a private motor vehicle in the performance of official duties shall receive the private vehicle mileage rate at the rate provided in this section. However, the director may delegate authority to officials of the state, and department heads, for the use of private vehicles on state business up to a yearly mileage figure established by the director. If a state motor vehicle has been assigned to a state officer or employee, the officer or employee shall not collect mileage for the use of a privately owned motor vehicle unless the state motor vehicle assigned is not usable.

Sec. 42. NEW SECTION. **8A.367 State-owned passenger vehicles — disposition and sale — fleet privatization.**

1. For purposes of this section, “*passenger vehicles*” means United States environmental protection agency designated compact sedans, compact wagons, midsize sedans, midsize wagons, full-size sedans, and passenger minivans, and additional vehicle classes determined by the department to be able to be reasonably supported by a private entity for rental or leasing. “*Passenger vehicles*” does not mean utility vehicles, vans other than passenger minivans, fire trucks, ambulances, motor homes, buses, medium-duty and heavy-duty trucks, heavy construction equipment and other highway maintenance vehicles, vehicles assigned for law enforcement purposes, and any other classes of vehicles of limited application approved by the director of the department of administrative services.

2. On or before September 30, 2011, the department shall implement a request for proposal process to enter into a contract for the purpose of state passenger vehicle rental or leasing from a private entity. Prior to awarding a contract, a private entity shall demonstrate the following:

a. Existence of sufficient inventory of passenger vehicles within this state to accommodate the needs of the state in assigning passenger vehicles.

b. Existence of adequate personnel in any county within the state where rental and leasing activity can be supported to satisfy the terms of the contract in renting or leasing state-assigned vehicles.

c. Existence of adequate personnel to facilitate the sale and disposition of the existing state-owned passenger vehicles returned to the department pursuant to subsection 3 or otherwise under the control of the department. Notwithstanding the provisions of section 8A.364 to the contrary, proceeds from the sale of motor vehicles as provided by this subsection shall be credited to the fund from which the motor vehicles were purchased.

3. By March 1, 2012, the department shall award a vehicle rental or leasing contract to a private entity, and shall assign passenger vehicles for rental or lease pursuant to that contract, to the extent the department determines doing so would be economically feasible and financially advantageous. By March 1, 2012, all state-assigned passenger vehicles designated for use by multiple drivers, and located in any county of this state which can support the operation of a private entity for rental and leasing purposes, which

the department determines would be suitable for rental or leasing shall be returned to the department for use and disposition as provided in this section.

4. Notwithstanding any other provision of state law to the contrary, a private entity awarded a contract pursuant to this section shall not be required to indemnify or hold harmless the state for any liability the state might have to any third party due to the negligence of the state or any of its employees.

5. The department shall conduct an ongoing evaluation regarding the economic advantages of renting or leasing state-assigned vehicles versus state ownership of such vehicles, and shall accordingly adjust the number of vehicles subject to the rental and leasing contract pursuant to this section at intervals specified in the contract.

Sec. 43. Section 8A.512, subsection 2, Code 2011, is amended by striking the subsection.

Sec. 44. **NEW SECTION. 8A.512A Executive branch employee travel — information and database.**

1. The department shall develop and maintain the following:

a. An electronic travel authorization form to be used for any executive branch employee's out-of-state travel, conference, or related expenditures associated with the employee's official duties. The electronic travel authorization form shall include all of the following:

(1) The identification of the employee, the employee's title, and the employee's department or agency.

(2) The travel departure point and destination point.

(3) The reason for the travel.

(4) The estimated reimbursable expenses.

(5) The date or dates upon which the travel is to occur.

b. A searchable database available on the department's internet site containing information related to all executive branch employee travel that includes all of the following:

(1) The identification of the employee who engaged in the travel, the employee's department or agency, and the employee's title.

(2) The travel departure point and destination point.

(3) The reason for the travel.

(4) The actual amount of expenses reimbursed.

(5) The date or dates upon which the travel occurred.

c. Notwithstanding paragraph "b" of this subsection, the searchable database shall not include information regarding travel by officers and employees of the department of public safety occurring in relation to or during the course of criminal investigations, including but not limited to undercover operations.

2. A claim for reimbursement for any out-of-state travel, conference, or related expenditures shall only be allowed after the occurrence of both of the following:

a. The electronic travel authorization form is approved by the head of the employee's department.

b. The request for reimbursement is submitted by the employee on the appropriate form with required approvals.

3. For purposes of this section, "executive branch employee" means an employee of the executive branch as defined in section 7E.2, other than a member or employee of the state board of regents and institutions under the control of the state board of regents.

Sec. 45. Section 22.3A, subsection 1, paragraph e, Code 2011, is amended to read as follows:

e. "Data processing software" means an ordered set of instructions or statements that, when executed by a computer, causes the computer to process data, and includes any program or set of programs, procedures, or routines used to employ and control capabilities of computer hardware. As used in this paragraph "data processing software" includes but is not limited to an operating system, compiler, assembler, utility, library resource, maintenance routine, application, or computer networking program, or the associated documentation.

Sec. 46. Section 99D.14, subsection 2, Code 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Notwithstanding sections 8.60 and 99D.17, the portion of the fee paid pursuant to paragraph “a” relating to the costs of the commission, shall not be deposited in the general fund of the state but instead shall be deposited into the gaming regulatory revolving fund established in section 99F.20.

Sec. 47. Section 99F.10, subsection 4, Code 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Notwithstanding sections 8.60 and 99F.4, the portion of the fee paid pursuant to paragraph “a” relating to the costs of the commission, shall not be deposited in the general fund of the state but instead shall be deposited into the gaming regulatory revolving fund established in section 99F.20.

Sec. 48. NEW SECTION. **99F.20 Gaming regulatory revolving fund.**

1. A gaming regulatory revolving fund is created in the state treasury under the control of the department of inspections and appeals. The fund shall consist of fees collected and deposited into the fund paid by licensees pursuant to section 99D.14, subsection 2, paragraph “c”, and fees paid by licensees pursuant to section 99F.10, subsection 4, paragraph “c”. All costs relating to racetrack, excursion boat, and gambling structure regulation shall be paid from the fund as provided in appropriations made for this purpose by the general assembly. The department shall provide quarterly reports to the department of management and the legislative services agency specifying revenues billed and collected and expenditures from the fund in a format as determined by the department of management in consultation with the legislative services agency.

2. To meet the department’s cash flow needs, the department may temporarily use funds from the general fund of the state to pay expenses in excess of moneys available in the revolving fund if those additional expenditures are fully reimbursable and the department reimburses the general fund of the state and ensures all moneys are repaid in full by the close of the fiscal year. Notwithstanding any provision to the contrary, the department shall, to the fullest extent possible, make an estimate of billings and make such billings as early as possible in each fiscal year, so that the need for the use of general fund moneys is minimized to the lowest extent possible. Periodic billings shall be deemed sufficient to satisfy this requirement. Because any general fund moneys used shall be fully reimbursed, such temporary use of funds from the general fund of the state shall not constitute an appropriation for purposes of calculating the state general fund expenditure limitation pursuant to section 8.54.

3. Section 8.33 does not apply to any moneys credited or appropriated to the revolving fund from any other fund.

4. The establishment of the revolving fund pursuant to this section shall not be interpreted in any manner to compromise or impact the accountability of, or limit authority with respect to, the department under state law. Any provision applicable to, or responsibility of, the department shall not be altered or impacted by the existence of the fund and shall remain applicable to the same extent as if the department were receiving moneys pursuant to a general fund appropriation. The department shall comply with directions by the governor to executive branch departments regarding restrictions on out-of-state travel, hiring justifications, association memberships, equipment purchases, consulting contracts, and any other expenditure efficiencies that the governor deems appropriate.

Sec. 49. Section 249A.7, subsection 3, as amended by 2011 Iowa Acts, House File 389,¹ section 1, is amended by striking the subsection and inserting in lieu thereof the following:

3. a. A Medicaid fraud fund is created in the state treasury under the authority of the department of inspections and appeals. Moneys from penalties, investigative costs recouped by the Medicaid fraud control unit, and other amounts received as a result of prosecutions involving the department of inspections and appeals investigations and audits to ensure

¹ Chapter 52 herein

compliance with the medical assistance program that are not credited to the program shall be credited to the fund.

b. Notwithstanding section 8.33, moneys credited to the fund from any other account or fund shall not revert to the other account or fund. Moneys in the fund shall only be used as provided in appropriations from the fund and shall be used in accordance with applicable laws, regulations, and the policies of the office of inspector general of the United States department of health and human services.

c. For the purposes of this subsection, “*investigative costs*” means the reasonable value of a Medicaid fraud control unit investigator’s, auditor’s or employee’s time, any moneys expended by the Medicaid fraud control unit, and the reasonable fair market value of resources used or expended by the Medicaid fraud control unit in a case resulting in a criminal conviction of a provider under this chapter or chapter 714 or 715A.

Sec. 50. Section 542.3, subsection 1, paragraph a, subparagraph (3), Code 2011, is amended to read as follows:

(3) ~~An examination of prospective financial information~~ Any engagement to be performed in accordance with the statements on standards for attestation engagements.

Sec. 51. Section 546.12, Code 2011, is amended to read as follows:

546.12 Department of commerce revolving fund.

1. A department of commerce revolving fund is created in the state treasury. The fund shall consist of moneys collected by the banking division; credit union division; utilities division, including moneys collected on behalf of the office of consumer advocate established in section 475A.3; and the insurance division of the department; and deposited into an account for that division or office within the fund on a monthly basis. Except as otherwise provided by statute, all costs for operating the office of consumer advocate and the banking division, the credit union division, the utilities division, and the insurance division of the department shall be paid from the division’s accounts within the fund, subject to appropriation by the general assembly. The insurance division shall administer the fund and all other divisions shall work with the insurance division to make sure the fund is properly accounted and reported to the department of management and the department of administrative services. The divisions shall provide quarterly reports to the department of management and the legislative services agency on revenues billed and collected and expenditures from the fund in a format as determined by the department of management in consultation with the legislative services agency.

2. To meet cash flow needs for the office of consumer advocate and the banking division, credit union division, utilities division, or the insurance division of the department, the administrative head of that division or office may temporarily use funds from the general fund of the state to pay expenses in excess of moneys available in the revolving fund for that division or office if those additional expenditures are fully reimbursable and the division or office reimburses the general fund of the state and ensures all moneys are repaid in full by the close of the fiscal year. Notwithstanding any provision to the contrary, the divisions shall, to the fullest extent possible, make an estimate of billings and make such billings as early as possible in each fiscal year, so that the need for the use of general fund moneys is minimized to the lowest extent possible. Periodic billings shall be deemed sufficient to satisfy this requirement. Because any general fund moneys used shall be fully reimbursed, such temporary use of funds from the general fund of the state shall not constitute an appropriation for purposes of calculating the state general fund expenditure limitation pursuant to section 8.54.

3. Section 8.33 does not apply to any moneys credited or appropriated to the revolving fund from any other fund.

4. The establishment of the revolving fund pursuant to this section shall not be interpreted in any manner to compromise or impact the accountability of, or limit authority with respect to, an agency or entity under state law. Any provision applicable to, or responsibility of, a division or office collecting moneys for deposit into the fund established pursuant to this section shall not be altered or impacted by the existence of the fund and shall remain applicable to the same extent as if the division or office were receiving moneys pursuant to

a general fund appropriation. *Appropriations from the revolving fund shall not be subject to the provisions of section 8.31, subsection 5.* The divisions of the department of commerce shall comply with directions by the governor to executive branch departments regarding restrictions on out-of-state travel, hiring justifications, association memberships, equipment purchases, consulting contracts, and any other expenditure efficiencies that the governor deems appropriate.

Sec. 52. Section 904.114, Code 2011, is amended to read as follows:

904.114 Travel expenses.

The director, staff members, assistants, and employees, in addition to salary, shall receive their necessary traveling expenses by the nearest practicable route, when engaged in the performance of official business. Permission shall not be granted to any person to travel to another state except by approval of the board ~~and the executive council.~~

Sec. 53. 2009 Iowa Acts, chapter 169, section 4, subsection 2, is amended to read as follows:

2. From the moneys appropriated in this section, there is transferred to the department of human rights two hundred fifty thousand dollars for deposit in the individual development account state match fund created in section 541A.7. Notwithstanding other provisions to the contrary in section 541A.3, subsection 1, moneys appropriated to the individual development account state match fund under this subsection shall be used to provide the state match to account holders affected by a natural disaster ~~occurring in 2008~~ for which the president of the United States declared a disaster area, and who have a household income that is equal to or less than three hundred percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

Sec. 54. 2010 Iowa Acts, chapter 1193, section 29, is amended to read as follows:

SEC. 29. DEPARTMENT OF ADMINISTRATIVE SERVICES — INFORMATION TECHNOLOGY.

1. There is appropriated from the general fund of the state to the department of administrative services for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For implementing 2010 Iowa Acts, Senate File 2088, ² division I, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 2,300,000

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year ending June 30, 2011, shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year ending June 30, 2012.

Sec. 55. 2011 Iowa Acts, House File 45, ³ section 8, is amended to read as follows:

SEC. 8. SALE OR LEASE OF IOWA COMMUNICATIONS NETWORK. The Iowa telecommunications and technology commission shall implement a request for proposals process to sell or lease the Iowa communications network. The request for proposals shall provide for the sale to be concluded or the lease to commence during the fiscal year beginning July 1, ~~2011~~ 2012. The commission shall condition the sale or lease of the Iowa communications network with terms that will allow existing authorized users of the network to continue such use at a lower overall long-term cost when compared to the anticipated operation and maintenance costs if state ownership and control were to continue. Public funds shall not be used to secure the purchase of the network. The commission shall submit periodic status reports to the general assembly at three-month intervals, beginning on October 1, 2011, regarding progress made toward selling or leasing the network. The prior

* Item veto; see message at end of the Act

² 2010 Iowa Acts, chapter 1031

³ Chapter 122 herein

authorization and approval requirements specified in section 8D.12 shall be complied with prior to a sale or lease of the network pursuant to this section.

Sec. 56. REPEAL. Section 217.20, Code 2011, is repealed.

Sec. 57. REPEAL. 2009 Iowa Acts, chapter 179, section 146, is repealed.

Sec. 58. CODE EDITOR DIRECTIVE. The Code editor is directed to change the words “state-owned” to “state-assigned”, to the extent not otherwise changed pursuant to this Act, in Code sections 8A.362, 8A.363, 8A.364, and 8A.366.

Sec. 59. MEDICAID FRAUD FUND TRANSITION.

1. Unencumbered and unobligated moneys in and moneys reverting to the Medicaid fraud account created in section 249A.7, Code 2011, on or after June 30, 2011, shall be credited to the Medicaid fraud fund created in section 249A.7, by this division of this Act.

2. The appropriations made from the Medicaid fraud account for the fiscal years beginning July 1, 2011, and July 1, 2012, shall instead be charged to the Medicaid fraud fund created in section 249A.7, by this division of this Act.

3. This section of this Act, being deemed of immediate importance, takes effect upon enactment, and, if this Act is approved by the governor on or after July 1, 2011, subsection 1 of this section applies retroactively to June 30, 2011.

Sec. 60. EFFECTIVE UPON ENACTMENT.

1. The section of this division of this Act directing the department of administrative services to disconnect electricity to the heated sidewalk installed at the state capitol building, being deemed of immediate importance, takes effect upon enactment.

2. The section of this division of this Act providing implementation provisions regarding leasing authority of the department of administrative services, being deemed of immediate importance, takes effect upon enactment.

3. The sections of this division of this Act relating to executive branch employee travel and travel reimbursement implementation, being deemed of immediate importance, take effect upon enactment.

4. The section of this division of this Act relating to nonreversion of moneys appropriated to the department of administrative services for implementation of 2010 Iowa Acts, chapter 1031, division I, being deemed of immediate importance, takes effect upon enactment.

DIVISION II
FY 2012-2013

Sec. 61. DEPARTMENT OF ADMINISTRATIVE SERVICES.

1. There is appropriated from the general fund of the state to the department of administrative services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated, and for not more than the following full-time equivalent positions:

a. For salaries, support, maintenance, and miscellaneous purposes:		
.....	\$	2,010,172
.....	FTEs	84.18
b. For the payment of utility costs:		
.....	\$	1,313,230
.....	FTEs	1.00

Notwithstanding section 8.33, any excess funds appropriated for utility costs in this lettered paragraph shall not revert to the general fund of the state at the end of the fiscal year but shall remain available for expenditure for the purposes of this lettered paragraph during the succeeding fiscal year.

c. For Terrace Hill operations:		
.....	\$	202,957
.....	FTEs	6.88

d. For the I3 distribution account:

.....	\$	1,638,973
e. For operations and maintenance of the Iowa building:		
.....	\$	497,768
.....	FTEs	7.00

2. Members of the general assembly serving as members of the deferred compensation advisory board shall be entitled to receive per diem and necessary travel and actual expenses pursuant to section 2.10, subsection 5, while carrying out their official duties as members of the board.

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

Sec. 62. REVOLVING FUNDS. There is appropriated to the department of administrative services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, from the revolving funds designated in chapter 8A and from internal service funds created by the department such amounts as the department deems necessary for the operation of the department consistent with the requirements of chapter 8A.

Sec. 63. FUNDING FOR IOWACCESS.

1. Notwithstanding section 321A.3, subsection 1, for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the first \$750,000 collected and transferred by the department of transportation to the treasurer of state with respect to the fees for transactions involving the furnishing of a certified abstract of a vehicle operating record under section 321A.3, subsection 1, shall be transferred to the lowAccess revolving fund for the purposes of developing, implementing, maintaining, and expanding electronic access to government records as provided by law.

2. All fees collected with respect to transactions involving lowAccess shall be deposited in the lowAccess revolving fund and shall be used only for the support of lowAccess projects.

Sec. 64. STATE EMPLOYEE HEALTH INSURANCE ADMINISTRATION CHARGE. For the fiscal year beginning July 1, 2012, and ending June 30, 2013, the monthly per contract administrative charge which may be assessed by the department of administrative services shall be \$2 per contract on all health insurance plans administered by the department.

Sec. 65. AUDITOR OF STATE.

1. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 2012, and ending June 30, 2013, subject to subsection 3 of this section, the following amount, or so much thereof as is necessary, to be used for the purposes designated, and for not more than the following full-time equivalent positions:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	452,734
.....	FTEs	103.00

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

3. The auditor of state shall allocate resources from the appropriation in this section solely for audit work related to the comprehensive annual financial report, federally required audits, and investigations of embezzlement, theft, or other significant financial irregularities until the audit of the comprehensive annual financial report is complete.

Sec. 66. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There is appropriated from the general fund of the state to the Iowa ethics and campaign disclosure board for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, for the purposes designated:

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

.....	\$	237,500
.....	FTEs	5.00

Sec. 67. DEPARTMENT OF COMMERCE.

1. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, for the purposes designated:

a. ALCOHOLIC BEVERAGES DIVISION

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

.....	\$	610,196
.....	FTEs	21.00

b. PROFESSIONAL LICENSING AND REGULATION BUREAU

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

.....	\$	300,177
.....	FTEs	12.00

2. There is appropriated from the department of commerce revolving fund created in section 546.12 to the department of commerce for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, for the purposes designated:

a. BANKING DIVISION

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

.....	\$	4,425,835
.....	FTEs	80.00

b. CREDIT UNION DIVISION

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

.....	\$	863,998
.....	FTEs	19.00

c. INSURANCE DIVISION

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

.....	\$	2,491,622
.....	FTEs	106.50

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

(a) Notifies the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.

(b) Files with each of the entities named in subparagraph division (a) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

d. UTILITIES DIVISION

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

.....	\$	4,086,535
.....	FTEs	79.00

(2) The utilities division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for utility regulation and the expenditures are fully reimbursable. Before the division expends or encumbers an amount in excess of the funds budgeted for regulation, the division shall first do both of the following:

(a) Notify the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.

(b) File with each of the entities named in subparagraph division (a) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

(3) Notwithstanding sections 8.33 and 476.10 or any other provisions to the contrary, any unencumbered or unobligated balance of the appropriation made in this paragraph for the utilities division or any other operational appropriation made for the fiscal year beginning July 1, 2012, and ending June 30, 2013, that remains unused, unencumbered, or unobligated at the close of the fiscal year shall not revert but shall remain available to be used for purposes of the energy-efficient building project authorized under section 476.10B, or for relocation costs in succeeding fiscal years.

(4) In addition to the funds otherwise appropriated to the division in subparagraph (1), and contingent upon the enactment of legislation during the 2011 legislative session relating to the permitting, licensing, construction, and operation of nuclear generation facilities and establishing rate-making principles in relation thereto, for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	425,000
.....	FTEs	3.50

3. CHARGES. Each division and the office of consumer advocate shall include in its charges assessed or revenues generated an amount sufficient to cover the amount stated in its appropriation and any state-assessed indirect costs determined by the department of administrative services.

Sec. 68. DEPARTMENT OF COMMERCE — PROFESSIONAL LICENSING AND REGULATION BUREAU. There is appropriated from the housing trust fund of the Iowa finance authority created in section 16.181, to the bureau of professional licensing and regulation of the banking division of the department of commerce for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	31,159
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Sec. 69. GOVERNOR AND LIEUTENANT GOVERNOR. There is appropriated from the general fund of the state to the offices of the governor and the lieutenant governor for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	1,144,013
.....	FTEs	22.88

Sec. 70. GOVERNOR'S OFFICE OF DRUG CONTROL POLICY. There is appropriated from the general fund of the state to the governor's office of drug control policy for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, including statewide coordination of the drug abuse resistance education (D.A.R.E.) programs or similar programs, and for not more than the following full-time equivalent positions:

.....	\$	145,000
.....	FTEs	8.00

* Item veto; see message at end of the Act

Sec. 71. DEPARTMENT OF HUMAN RIGHTS. There is appropriated from the general fund of the state to the department of human rights for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CENTRAL ADMINISTRATION DIVISION

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

.....	\$	103,052
.....	FTEs	7.00

2. COMMUNITY ADVOCACY AND SERVICES DIVISION

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

.....	\$	514,039
.....	FTEs	17.00

3. CRIMINAL AND JUVENILE JUSTICE PLANNING DIVISION

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

.....	\$	511,946
.....	FTEs	10.00

The criminal and juvenile justice planning advisory council and the juvenile justice advisory council shall coordinate their efforts in carrying out their respective duties relative to juvenile justice.

Sec. 72. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. ADMINISTRATION DIVISION

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

.....	\$	763,870
.....	FTEs	37.40

2. ADMINISTRATIVE HEARINGS DIVISION

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

.....	\$	264,377
.....	FTEs	23.00

3. INVESTIGATIONS DIVISION

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

.....	\$	584,320
.....	FTEs	58.50

b. The department, in coordination with the investigations division, shall provide a report to the general assembly by January 10, 2013, concerning the fiscal impact of additional full-time equivalent positions on the department's efforts relative to the Medicaid divestiture program under chapter 249F.

4. HEALTH FACILITIES DIVISION

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

.....	\$	1,777,664
.....	FTEs	134.75

b. The department shall, in coordination with the health facilities division, make the following information available to the public in a timely manner, to include providing the information on the department's internet website, during the fiscal year beginning July 1, 2012, and ending June 30, 2013:

(1) The number of inspections conducted by the division annually by type of service provider and type of inspection.

(2) The total annual operations budget for the division, including general fund appropriations and federal contract dollars received by type of service provider inspected.

(3) The total number of full-time equivalent positions in the division, to include the number of full-time equivalent positions serving in a supervisory capacity, and serving as surveyors, inspectors, or monitors in the field by type of service provider inspected.

(4) Identification of state and federal survey trends, cited regulations, the scope and severity of deficiencies identified, and federal and state fines assessed and collected concerning nursing and assisted living facilities and programs.

c. It is the intent of the general assembly that the department and division continuously solicit input from facilities regulated by the division to assess and improve the division's level of collaboration and to identify new opportunities for cooperation.

5. EMPLOYMENT APPEAL BOARD

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

.....	\$	21,108
.....	FTEs	14.00

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

6. CHILD ADVOCACY BOARD

a. For foster care review and the court appointed special advocate program, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,340,145
.....	FTEs	40.80

b. The department of human services, in coordination with the child advocacy board and the department of inspections and appeals, shall submit an application for funding available pursuant to Tit. IV-E of the federal Social Security Act for claims for child advocacy board administrative review costs.

c. The court appointed special advocate program shall investigate and develop opportunities for expanding fund-raising for the program.

d. Administrative costs charged by the department of inspections and appeals for items funded under this subsection shall not exceed 4 percent of the amount appropriated in this subsection.

Sec. 73. DEPARTMENT OF INSPECTIONS AND APPEALS — MUNICIPAL CORPORATION FOOD INSPECTIONS. For the fiscal year beginning July 1, 2012, and ending June 30, 2013, the department of inspections and appeals shall retain any license fees generated during the fiscal year as a result of actions under section 137F.3A occurring during the period beginning July 1, 2009, and ending June 30, 2011, for the purpose of enforcing the provisions of chapters 137C, 137D, and 137F.

Sec. 74. DEPARTMENT OF INSPECTIONS AND APPEALS — HEALTH CARE FACILITIES INSPECTIONS. Notwithstanding any provision of section 135C.16 to the contrary, inspections of health care facilities that are only state-licensed and not certified under the Medicare or Medicaid programs shall not be inspected by the department of inspections and appeals every thirty months, but only as provided pursuant to sections 135C.9 and 135C.38.

*Sec. 75. DEPARTMENT OF INSPECTIONS AND APPEALS — GENERAL SUPPORT — MEDICAID FRAUD FUND APPROPRIATION. There is appropriated from the Medicaid fraud fund created in section 249A.7 to the department of inspections and appeals for the fiscal year

* Item veto; see message at end of the Act

beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For additional health facility surveyors, compliance officers, and residential care facility surveyors:

..... \$ 325,000*

*Sec. 76. DEPARTMENT OF INSPECTIONS AND APPEALS — STATE MATCH REQUIREMENTS — MEDICAID FRAUD FUND APPROPRIATION. There is appropriated from the Medicaid fraud fund created in section 249A.7 to the department of inspections and appeals for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the amounts necessary for the purposes designated:

1. To cover the cost of any state match to draw down matching federal funds through the department of human services for additional full-time equivalent positions for conducting investigations of alleged fraud and overpayments of food assistance benefits through electronic benefits transfer.

2. For the state financial match requirement for meeting the federal mandates connected with the department’s Medicaid fraud and abuse activities, and the amount necessary to cover costs incurred by the department or other agencies in providing regulation, responding to allegations, or other activity involving chapter 135O.*

*Sec. 77. DEPARTMENT OF INSPECTIONS AND APPEALS — LEGISLATIVE IMPLEMENTATION — MEDICAID FRAUD FUND APPROPRIATION. There is appropriated from the Medicaid fraud fund created in section 249A.7 to the department of inspections and appeals for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, administration, and other costs associated with implementation of 2010 Iowa Acts, chapter 1177:

..... \$ 125,000*

Sec. 78. RACING AND GAMING COMMISSION.

1. RACETRACK REGULATION

There is appropriated from the gaming regulatory revolving fund established in section 99F.20 to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 1,255,720
..... FTEs 28.53

2. EXCURSION BOAT AND GAMBLING STRUCTURE REGULATION

There is appropriated from the gaming regulatory revolving fund established in section 99F.20 to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 1,539,050
..... FTEs 44.22

Sec. 79. ROAD USE TAX FUND APPROPRIATION — DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the road use tax fund created in section 312.1 to the administrative hearings division of the department of inspections and appeals for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, for the purposes designated:

* Item veto; see message at end of the Act

For salaries, support, maintenance, and miscellaneous purposes:
 \$ 811,949

Sec. 80. DEPARTMENT OF MANAGEMENT.

1. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
 \$ 1,196,999
 FTEs 25.00

2. Of the moneys appropriated in this section, the department shall use a portion for enterprise resource planning, providing for a salary model administrator, conducting performance audits, and for the department’s LEAN process.

Sec. 81. ROAD USE TAX APPROPRIATION — DEPARTMENT OF MANAGEMENT. There is appropriated from the road use tax fund created in section 312.1 to the department of management for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:
 \$ 28,000

Sec. 82. DEPARTMENT OF REVENUE.

1. There is appropriated from the general fund of the state to the department of revenue for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
 \$ 8,829,742
 FTEs 303.48

2. Of the funds appropriated pursuant to this section, \$400,000 shall be used to pay the direct costs of compliance related to the collection and distribution of local sales and services taxes imposed pursuant to chapters 423B and 423E.

3. The director of revenue shall prepare and issue a state appraisal manual and the revisions to the state appraisal manual as provided in section 421.17, subsection 17, without cost to a city or county.

Sec. 83. MOTOR VEHICLE FUEL TAX APPROPRIATION. There is appropriated from the motor fuel tax fund created by section 452A.77 to the department of revenue for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for administration and enforcement of the provisions of chapter 452A and the motor vehicle use tax program:
 \$ 652,888

Sec. 84. SECRETARY OF STATE.

1. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
 \$ 1,447,793
 FTEs 45.00

2. The state department or state agency which provides data processing services to support voter registration file maintenance and storage shall provide those services without charge.

Sec. 85. SECRETARY OF STATE FILING FEES REFUND.

Notwithstanding the obligation to collect fees pursuant to the provisions of section 490.122, subsection 1, paragraphs "a" and "s", and section 504.113, subsection 1, paragraphs "a", "c", "d", "j", "k", "l", and "m", for the fiscal year beginning July 1, 2012, the secretary of state may refund these fees to the filer pursuant to rules established by the secretary of state. The decision of the secretary of state not to issue a refund under rules established by the secretary of state is final and not subject to review pursuant to chapter 17A.

Sec. 86. TREASURER.

1. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	427,145
.....	FTEs	28.80

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

Sec. 87. ROAD USE TAX APPROPRIATION — OFFICE OF TREASURER OF STATE. There is appropriated from the road use tax fund created in section 312.1 to the office of treasurer of state for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For enterprise resource management costs related to the distribution of road use tax funds:

.....	\$	46,574
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Sec. 88. IPERS — GENERAL OFFICE. There is appropriated from the Iowa public employees' retirement system fund to the Iowa public employees' retirement system for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees' retirement system, and for not more than the following full-time equivalent positions:

.....	\$	8,843,484
.....	FTEs	90.13

DIVISION III
CONDITIONAL EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

Sec. 89. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2011, takes effect upon enactment and applies retroactively to July 1, 2011.

Approved July 18, 2011, with exceptions noted.

TERRY E. BRANSTAD, Governor

Dear Mr. Secretary:

I hereby transmit House File 646, an Act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters, and including effective date provisions.

House File 646 is, therefore, signed on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of Section 51, paragraph 4. This item exempts the Commerce Revolving Fund appropriations from a Governor's across the board reduction authority under Iowa Code section 8.31. While the Commerce Revolving Fund should not have financial issues due to the Commerce Department divisions having the ability to collect fees from the associated regulated industries to cover spending, there has been no previous exception to Iowa Code section 8.31. To approve an exception now would potentially open other entities wanting exceptions to the governor's financial management authority.

I am unable to approve the designated portion of Section 67, subsection 2(d), paragraph 3, in its entirety. This item allows the utilities division to spend any unused, unencumbered, or unobligated balance for purposes of the energy-efficient building project for fiscal year 2013. This section is unnecessary as the energy-efficient building project will be completed before the beginning of fiscal year 2013.

I am unable to approve the items designated as Sections 75, 76, and 77 of the bill in their entirety. These items appropriate money for fiscal year 2013 from the Medicaid Fraud Fund. The Medicaid Fraud Fund receives its funding from money it recovers from Medicaid fraud cases. Based on projected revenues and estimated expenditures for fiscal year 2012, the fund is left with a balance less than \$1,000 for fiscal year 2013 which is insufficient to provide for the appropriations made in sections 75, 76, and 77. Therefore, this issue must be visited next session in order to determine a sufficient level of funding.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 646 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*