

JAN 4 2017
APPROPRIATIONS

HOUSE FILE 2017
BY CORMACK

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act authorizing certain state institutions to encumber a
2 portion of an operational appropriation to be used for
3 specified purposes.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2017

1 Section 1. Section 8.62, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 4. a. For purposes of this subsection,
4 unless the context otherwise requires, "state institution"
5 means the Iowa veterans home or a state institution under the
6 control of the director of human services listed in section
7 218.1, governed by the state board of regents listed in
8 section 262.7, or administered by the Iowa department of
9 corrections listed in section 904.102.

10 b. For an operational appropriation made to an agency for
11 purposes of a state institution or for the portion of an
12 operational appropriation allocated for a state institution,
13 the state institution shall exercise the encumbrance authority
14 under subsection 2 in lieu of its exercise by the agency.

15 c. If a state institution is authorized by law to operate
16 under net state budgeting procedures and to retain an amount
17 of revenues that remains unobligated or unexpended at the
18 close of the fiscal year, the state institution's encumbrance
19 authority under this subsection is in addition to the state
20 institution's authority to retain such revenue.

21 EXPLANATION

22 This bill amends Code section 8.62 to authorize certain
23 state institutions to act in lieu of the agency in control of
24 that institution to encumber a portion of an unused
25 operational appropriation and use the encumbered amount in the
26 succeeding fiscal year.

27 Under Code section 8.62, an operational appropriation is an
28 appropriation from the general fund of the state providing for
29 salary, support, administrative purposes, or other personnel-
30 related costs. If a balance of an operational appropriation
31 would remain unexpended or unencumbered at the close of the
32 fiscal year, a state agency may encumber up to 50 percent of
33 that balance for use in the succeeding fiscal year. The
34 remainder is deposited in the cash reserve fund. The
35 specially encumbered moneys must be used during the succeeding

1 fiscal year for employee training, technology enhancement, or
2 purchases of goods and services from Iowa prison industries.
3 The bill authorizes certain state institutions to exercise
4 that encumbrance authority, independently of its parent
5 agency, for funding attributable to the state institution.

6 The bill applies to the following state institutions: the
7 Iowa veterans home; the state resource centers, mental health
8 institutes, and juvenile facilities under the control of the
9 director of human services; the universities, university
10 hospitals and clinics, braille and sight saving school, state
11 school for the deaf, and Oakdale campus under the control of
12 the state board of regents; the state penitentiaries,
13 correctional facilities, classification center, rehabilitation
14 camps, and other related institutions administered by the
15 department of corrections.

16 If a state institution is authorized by law to operate on a
17 net state budgeting basis and to retain a portion of revenue
18 at the close of the fiscal year for use in the succeeding
19 fiscal year, the moneys encumbered under the bill are in
20 addition to that retained revenue.

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