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Approp.

HOUSE FILE 2625
BY COMMITTEE ON APPROPRIATIONS

(COMPANION TO LSB 7302SV BY
COMMITTEE ON APPROPRIATIONS)

Passed House, Date 5/28/02 Passed Senate, Date (P. 1246) 5/28/02
Vote: Ayes 58 Nays 37 Vote: Ayes 28 Nays 20
Approved Item Veto 6/4/02

Re-passed 5/28/02
Vote 56-39

2nd Spec. Session

A BILL FOR

1 An Act addressing public funding provisions and properly related
2 matters by making, reducing, and transferring appropriations,
3 adjusting other expenditures for the fiscal year beginning
4 July 1, 2001, and including other appropriations, cooperative
5 tax credits, and effective and retroactive applicability date
6 provisions.

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

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DIVISION I

GENERAL FUND TRANSFERS

Section 1. 2002 Iowa Acts, Senate File 2304, section 15, is amended to read as follows:

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

.....	\$ 3,700,000
	<u>4,700,000</u>

Sec. 2. IOWA ECONOMIC EMERGENCY FUND.

1. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary:

.....	\$105,000,000
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2. The appropriation made in this section is declared to be made for emergency expenditures as required in section 8.55, subsection 3, paragraph "a".

Sec. 3. CASH RESERVE FUND.

1. Notwithstanding section 8.56, subsection 4, paragraph "a", there is appropriated from the cash reserve fund to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary:

.....	\$ 90,000,000
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2. The appropriation made in this section is declared to be made for nonrecurring emergency expenditures as required in section 8.56, subsections 3 and 4.

Sec. 4. TERMINAL LIABILITY HEALTH INSURANCE FUND.

Notwithstanding section 421.46, there is transferred from the terminal liability health insurance fund created in section 421.46 to the general fund of the state for the fiscal year

1 beginning July 1, 2001, and ending June 30, 2002, the
2 following amount:

3 \$ 133,000

4 Sec. 5. REGENTS INFRASTRUCTURE. Of the moneys
5 appropriated to the state board of regents in 1997 Iowa Acts,
6 chapter 215, section 23, subsection 1, and allocated for phase
7 II construction of the engineering teaching and research
8 complex at Iowa state university of science and technology,
9 there is transferred to the general fund of the state for the
10 fiscal year beginning July 1, 2001, and ending June 30, 2002,
11 the following amount:

12 \$ 7,000,000

13 Sec. 6. STATE BOARD OF REGENTS -- ENGINEERING COMPLEX --
14 BONDING.

15 1. The state board of regents is authorized to issue bonds
16 as provided in chapter 262A in an amount not exceeding \$7
17 million, except as provided in subsection 2, to undertake and
18 carry out completion of the engineering teaching and research
19 phase II construction at Iowa state university of science and
20 technology and to finance the remaining cost of the project.

21 2. Notwithstanding the limitation established in
22 subsection 1, the amount of bonds issued as authorized in
23 subsection 1 may be exceeded by the amount the state board of
24 regents determines to be necessary to capitalize interest,
25 bond reserves, and issuance costs.

26 Sec. 7. CONTINGENT APPROPRIATION.

27 1. For purposes of determining the balance of the Iowa
28 economic emergency fund available for making an appropriation
29 to the general fund pursuant to section 8.55, subsection 3,
30 paragraph "c", an amount equal to the \$25,000,000
31 appropriation in 2002 Iowa Acts, Senate File 2315, section 5,
32 subsection 2, shall be considered to be obligated. For the
33 fiscal year beginning July 1, 2001, and ending June 30, 2002,
34 in addition to an appropriation made pursuant to section 8.55,
35 subsection 3, paragraph "c", there is appropriated from the

1 cash reserve fund an amount equal to the difference between
2 \$50 million and the amount appropriated from the Iowa economic
3 emergency fund as authorized by section 8.55, subsection 3,
4 paragraph "c".

5 2. Notwithstanding section 8.55, subsection 3, paragraph
6 "d", an appropriation shall not be made from the general fund
7 of the state to the Iowa economic emergency fund for the
8 following fiscal year due to an appropriation being made
9 pursuant to section 8.55, subsection 3, paragraph "c", or
10 subsection 1 of this section.

11 Sec. 8. CASH RESERVE APPROPRIATION FOR FY 2002-2003. For
12 the fiscal year beginning July 1, 2002, and ending June 30,
13 2003, the appropriation to the cash reserve fund provided in
14 section 8.57, subsection 1, paragraph "a", shall not be made.
15 However, any surplus in the general fund of the state for the
16 fiscal year beginning July 1, 2002, and ending June 30, 2003,
17 shall be transferred to the cash reserve fund.

18 DIVISION II

19 MEDICAL ASSISTANCE PROGRAM TRANSFERS

20 Sec. 9. SPECIAL CONSERVATION FUND -- SNOWMOBILE FEES.
21 Notwithstanding section 321G.7, there is transferred from
22 snowmobile fees credited to the special conservation fund
23 created in section 321G.7 to the department of human services
24 for the fiscal year beginning July 1, 2001, and ending June
25 30, 2002, the following amount to be used for the purpose
26 designated:

27 For medical assistance reimbursement and associated costs
28 in accordance with law:

29 \$ 950,000

30 Sec. 10. SPECIAL CONSERVATION FUND -- ALL-TERRAIN VEHICLE
31 FEES. Notwithstanding section 321G.7, there is transferred
32 from all-terrain vehicle fees credited to the special
33 conservation fund created in section 321G.7 to the department
34 of human services for the fiscal year beginning July 1, 2001,
35 and ending June 30, 2002, the following amount to be used for

1 the purpose designated:

2 For medical assistance reimbursement and associated costs
3 in accordance with law:

4 \$ 775,000

5 Sec. 11. ENVIRONMENT FIRST FUND. Notwithstanding section
6 8.57A, subsection 3, there is transferred from the environment
7 first fund created in section 8.57A to the department of human
8 services for the fiscal year beginning July 1, 2001, and
9 ending June 30, 2002, the following amount to be used for the
10 purpose designated:

11 For medical assistance reimbursement and associated costs
12 in accordance with law:

13 \$ 1,000,000

14 Sec. 12. STRATEGIC INVESTMENT FUND. Notwithstanding
15 section 15.313, subsection 2, there is transferred from the
16 strategic investment fund created in section 15.313 to the
17 department of human services for the fiscal year beginning
18 July 1, 2001, and ending June 30, 2002, the following amount
19 to be used for the purpose designated:

20 For medical assistance reimbursement and associated costs
21 in accordance with law:

22 \$ 2,000,000

23 Sec. 13. PHYSICAL INFRASTRUCTURE ASSISTANCE FUND.
24 Notwithstanding section 15E.175, subsection 2, there is
25 transferred from the physical infrastructure assistance fund
26 created in section 15E.175 to the department of human services
27 for the fiscal year beginning July 1, 2001, and ending June
28 30, 2002, the following amount to be used for the purpose
29 designated:

30 For medical assistance reimbursement and associated costs
31 in accordance with law:

32 \$ 2,500,000

33 Sec. 14. ALTERNATIVE DRAINAGE SYSTEM ASSISTANCE FUND.
34 Notwithstanding section 159.29A, subsection 3, there is
35 transferred from the alternative drainage system assistance

1 fund created in section 159.29A to the department of human
2 services for the fiscal year beginning July 1, 2001, and
3 ending June 30, 2002, the following amount to be used for the
4 purpose designated:

5 For medical assistance reimbursement and associated costs
6 in accordance with law:

7 \$ 1,100,000

8 Sec. 15. TERMINAL LIABILITY HEALTH INSURANCE FUND.

9 Notwithstanding section 421.46, there is transferred from the
10 terminal liability health insurance fund created in section
11 421.46 to the department of human services for the fiscal year
12 beginning July 1, 2001, and ending June 30, 2002, the
13 following amount to be used for the purpose designated:

14 For medical assistance reimbursement and associated costs
15 in accordance with law:

16 \$ 325,000

17 Sec. 16. AIRPORT ENGINEERING STUDIES AND IMPROVEMENT
18 PROJECTS. There is transferred from the appropriation to the
19 state department of transportation for airport engineering
20 studies and improvement projects in 2001 Iowa Acts, chapter
21 180, section 1, subsection 1, to the department of human
22 services for the fiscal year beginning July 1, 2001, and
23 ending June 30, 2002, the following amount to be used for the
24 purpose designated:

25 For medical assistance reimbursement and associated costs
26 in accordance with law:

27 \$ 347,000

28 DIVISION III

29 TRANSFERS FOR OTHER PURPOSES

30 Sec. 17. TERMINAL LIABILITY HEALTH INSURANCE FUND --
31 INDIGENT DEFENSE. Notwithstanding section 421.46, there is
32 transferred from the terminal liability health insurance fund
33 created in section 421.46 to the office of the state public
34 defender of the department of inspections and appeals for the
35 fiscal year beginning July 1, 2001, and ending June 30, 2002,

1 the following amount to be used for the purpose designated:

2 For indigent defense costs:

3 \$ 2,740,000

4 Sec. 18. ENVIRONMENT FIRST FUND -- STATE APPEAL BOARD

5 CLAIMS. Notwithstanding section 8.57A, subsection 3, there is
6 transferred from the environment first fund created in section
7 8.57A, to the state appeal board for the fiscal year beginning
8 July 1, 2001, and ending June 30, 2002, the following amount
9 to be used for the purpose designated:

10 For state appeal board claims under sections 25.2 and
11 669.11:

12 \$ 1,500,000

13 Sec. 19. VICTIM COMPENSATION FUND -- UNEMPLOYMENT

14 COMPENSATION. Notwithstanding section 915.94, there is
15 transferred from the victim compensation fund created in
16 section 915.94 to the unemployment compensation account under
17 the control of the department of revenue and finance for the
18 fiscal year beginning July 1, 2001, and ending June 30, 2002,
19 the following amount to be used for the purpose designated:

20 For payment of state employee unemployment compensation
21 claims:

22 \$ 1,000,000

23 Sec. 20. ENVIRONMENT FIRST FUND -- PERFORMANCE OF DUTY.

24 Notwithstanding section 8.57A, subsection 3, there is
25 transferred from the environment first fund created in section
26 8.57A to the executive council for the fiscal year beginning
27 July 1, 2001, and ending June 30, 2002, the following amount
28 to be used for the purpose designated:

29 For performance of duty under section 7D.29, section 18.12,
30 and section 29C.20:

31 \$ 100,000

32 Sec. 21. TERMINAL LIABILITY HEALTH INSURANCE FUND --

33 PERFORMANCE OF DUTY. Notwithstanding section 421.46,
34 subsection 3, there is transferred from the terminal liability
35 health insurance fund created in section 421.46 to the

1 executive council for the fiscal year beginning July 1, 2001,
2 and ending June 30, 2002, the following amount to be used for
3 the purpose designated:

4 For performance of duty under section 7D.29, section 18.12,
5 and section 29C.20:

6 \$ 300,000

7 Sec. 22. VALUE-ADDED AGRICULTURAL PRODUCTS -- ELDERLY AND
8 DISABLED PROPERTY TAX CREDIT. Notwithstanding section
9 15E.112, subsection 1, there is transferred from the value-
10 added agricultural products and processes financial assistance
11 fund created in section 15E.112 to the elderly and disabled
12 property tax credit and reimbursement fund created in section
13 425.39 for the fiscal year beginning July 1, 2001, and ending
14 June 30, 2002, the following amount to be used for the purpose
15 designated:

16 For payment of renters' claims for the fiscal year
17 beginning July 1, 2001, under the elderly and disabled credit
18 and reimbursement portion of the extraordinary property tax
19 and reimbursement division of chapter 425:

20 \$ 250,000

21 Sec. 23. TERMINAL LIABILITY HEALTH INSURANCE FUND --
22 ELDERLY AND DISABLED PROPERTY TAX CREDIT. Notwithstanding
23 section 421.46, subsection 3, there is transferred from the
24 terminal liability health insurance fund created in section
25 421.46 to the elderly and disabled property tax credit and
26 reimbursement fund created in section 425.39 for the fiscal
27 year beginning July 1, 2001, and ending June 30, 2002, the
28 following amount to be used for the purpose designated:

29 For payment of renters' claims for the fiscal year
30 beginning July 1, 2001, under the elderly and disabled credit
31 and reimbursement portion of the extraordinary property tax
32 and reimbursement division of chapter 425:

33 \$ 180,000

34 DIVISION IV
35 RESERVE FUNDS

1 Sec. 24. Section 8.55, subsection 2, paragraph a, as
2 enacted by 2002 Iowa Acts, House File 2075, section 1, is
3 amended to read as follows:

4 a. The maximum balance of the fund is the amount equal to
5 five two and one-half percent of the adjusted revenue estimate
6 for the fiscal year. If the amount of moneys in the Iowa
7 economic emergency fund is equal to the maximum balance,
8 moneys in excess of this amount shall be transferred to the
9 general fund.

10 Sec. 25. Section 8.55, subsection 2, paragraphs c and d,
11 as enacted by 2002 Iowa Acts, House File 2075, section 1, are
12 amended to read as follows:

13 c. Notwithstanding paragraph "a", any moneys in excess of
14 the maximum balance in the economic emergency fund after the
15 distribution of the surplus in the general fund of the state
16 at the conclusion of each fiscal year and after the
17 appropriate amount has been transferred pursuant to paragraph
18 "b", shall not be transferred to the general fund of the state
19 but shall be transferred to the senior living trust fund. The
20 total amount transferred, in the aggregate, under this
21 paragraph for all fiscal years shall not exceed thirty-five
22 fifty-one million five hundred thousand dollars.

23 d. Notwithstanding paragraph "a", any moneys in excess of
24 the maximum balance in the economic emergency fund after the
25 distribution of the surplus in the general fund of the state
26 at the conclusion of each fiscal year and after the
27 appropriate amount have been transferred pursuant to
28 paragraphs "b" and "c" shall not be transferred to the general
29 fund of the state but shall be transferred to the endowment
30 for Iowa's health account of the tobacco settlement trust
31 fund. The total amount transferred, in the aggregate, under
32 this paragraph for all fiscal years shall not exceed the
33 difference between fifty-one sixty million five hundred
34 thousand dollars and the amounts transferred to the endowment
35 for Iowa's health account to repay the amounts transferred or

1 appropriated from the endowment for Iowa's health account in
2 2002 Iowa Acts, House File 2245, 2002 Iowa Acts, Senate File
3 2304, and 2002 Iowa Acts, Senate File 2315, and 2002 Iowa
4 Acts, Second Extraordinary Session, Senate File 2334.

5 Sec. 26. Section 8.56, subsection 4, paragraph b, Code
6 Supplement 2001, is amended to read as follows:

7 b. In addition to the requirements of paragraph "a", an
8 appropriation shall not be made from the cash reserve fund
9 which would cause the fund's balance to be less than three and
10 three-fourths percent of the adjusted revenue estimate for the
11 year for which the appropriation is made unless the bill or
12 joint resolution is approved by vote of at least three-fifths
13 of the members of both chambers of the general assembly and is
14 signed by the governor.

15 Sec. 27. Section 8.57, subsection 1, paragraph a, Code
16 Supplement 2001, is amended to read as follows:

17 a. The "cash reserve goal percentage" for fiscal years
18 beginning on or after July 1, ~~1995~~ 2003, is ~~five~~ seven and
19 one-half percent of the adjusted revenue estimate. For each
20 fiscal year beginning on or after July 1, ~~1995~~ 2003, in which
21 the appropriation of the surplus existing in the general fund
22 of the state at the conclusion of the prior fiscal year
23 pursuant to paragraph "b" was not sufficient for the cash
24 reserve fund to reach the cash reserve goal percentage for the
25 current fiscal year, there is appropriated from the general
26 fund of the state an amount to be determined as follows:

27 (1) If the balance of the cash reserve fund in the current
28 fiscal year is not more than ~~four~~ six and one-half percent of
29 the adjusted revenue estimate for the current fiscal year, the
30 amount of the appropriation under this lettered paragraph is
31 one percent of the adjusted revenue estimate for the current
32 fiscal year.

33 (2) If the balance of the cash reserve fund in the current
34 fiscal year is more than ~~four~~ six and one-half percent but
35 less than ~~five~~ seven and one-half percent of the adjusted

1 revenue estimate for that fiscal year, the amount of the
2 appropriation under this lettered paragraph is the amount
3 necessary for the cash reserve fund to reach five seven and
4 one-half percent of the adjusted revenue estimate for the
5 current fiscal year.

6 (3) The moneys appropriated under this lettered paragraph
7 shall be credited in equal and proportionate amounts in each
8 quarter of the current fiscal year.

9 Sec. 28. Section 8.57, subsection 5, paragraph b, Code
10 Supplement 2001, is amended to read as follows:

11 b. Moneys in the infrastructure fund are not subject to
12 section 8.33. Notwithstanding section 12C.7, subsection 2,
13 interest or earnings on moneys in the infrastructure fund
14 shall be credited to the infrastructure fund. Moneys in the
15 infrastructure fund may be used for cash flow purposes during
16 a fiscal year provided that any moneys so allocated are
17 returned to the infrastructure fund by the end of that fiscal
18 year.

19 Sec. 29. Section 249H.4, subsection 4, Code 2001, as
20 amended by 2002 Iowa Acts, Senate File 2201, section 26, is
21 amended to read as follows:

22 4. The trust fund shall be operated in accordance with the
23 guidelines of the centers for Medicare and Medicaid services
24 of the United States department of health and human services.
25 The trust fund shall be separate from the general fund of the
26 state and shall not be considered part of the general fund of
27 the state. The moneys in the trust fund shall not be
28 considered revenue of the state, but rather shall be funds of
29 the senior living program. The moneys deposited in the trust
30 fund are not subject to section 8.33 and shall not be
31 transferred, used, obligated, appropriated, or otherwise
32 encumbered, except to provide for the purposes of this
33 chapter. Moneys in the trust fund may be used for cash flow
34 purposes during a fiscal year provided that any moneys so
35 allocated are returned to the trust fund by the end of that

1 fiscal year. Notwithstanding section 12C.7, subsection 2,
2 interest or earnings on moneys deposited in the trust fund
3 shall be credited to the trust fund.

4 Sec. 30. NEW SECTION. 249H.4A PENDING SENIOR LIVING
5 TRUST FUND.

6 A pending senior living trust fund is created in the state
7 treasury under the authority of the department of human
8 services. Moneys received through intergovernmental
9 agreements for the senior living program but not yet available
10 for appropriation are to be deposited into this fund. When
11 the moneys are determined to be available for appropriation,
12 they shall be transferred to the senior living trust fund
13 established in section 249H.4. Moneys in the fund may be used
14 for cash flow purposes during the fiscal year provided that
15 any moneys so allocated are returned to the fund by the end of
16 that fiscal year.

17 Sec. 31. USE OF REVERSIONS. Notwithstanding section 8.62,
18 if on June 30 of fiscal year 2001-2002 or fiscal year 2002-
19 2003, a balance of an operational appropriation, as defined in
20 section 8.62, remains unexpended or unencumbered, the balance
21 shall revert to the general fund of the state as provided in
22 section 8.33.

23 Sec. 32. EFFECTIVE DATE -- APPLICABILITY. The amendments
24 to the following designated Code provisions in this division
25 of this Act take effect July 1, 2003:

- 26 1. Section 8.55, subsection 2, paragraph "a".
- 27 2. Section 8.56, subsection 4, paragraph "b".
- 28 3. Section 8.57, subsection 1, paragraph "a".

29

DIVISION V

30

OTHER MEDICAL ASSISTANCE PROGRAM PROVISIONS

31 Sec. 33. NEW SECTION. 249A.9 REPORTING REQUIREMENTS --
32 PHARMACEUTICAL COPAYMENT.

33 1. The department shall require applicants for or
34 recipients of medical assistance to report, on a monthly
35 basis, changes in income or resources that affect eligibility.

1 2. The department shall require recipients of medical
2 assistance to pay the following copayment on each covered drug
3 prescription, including each refill as follows:

4 a. A copayment of one dollar for each covered generic drug
5 prescription.

6 b. A copayment of one dollar for each covered brand-name
7 drug prescription for which the cost to the state is less than
8 twenty-five dollars.

9 c. A copayment of two dollars for each covered brand-name
10 drug prescription for which the cost to the state is between
11 twenty-five dollars and fifty dollars.

12 d. A copayment of three dollars for each covered brand-
13 name drug prescription for which the cost to the state is over
14 fifty dollars.

15 DIVISION VI

16 OTHER PROVISIONS

17 Sec. 34. NEW SECTION. 249A.21 INTERMEDIATE CARE
18 FACILITIES FOR PERSONS WITH MENTAL RETARDATION -- ASSESSMENT.

19 1. The department may assess intermediate care facilities
20 for persons with mental retardation, as defined in section
21 135C.1, that are not operated by the state, a fee in an amount
22 not to exceed six percent of the total annual revenue of the
23 facility for the preceding fiscal year.

24 2. The assessment shall be paid to the department in equal
25 monthly amounts on or before the fifteenth day of each month.
26 The department may deduct the monthly amount from medical
27 assistance payments to a facility described in subsection 1.
28 The amount deducted from payments shall not exceed the total
29 amount of the assessments due.

30 3. Revenue from the assessments shall be credited to the
31 state medical assistance appropriation. This revenue may be
32 used only for services for which federal financial
33 participation under the medical assistance program is
34 available to match state funds.

35 4. If federal financial participation to match the

1 assessments made under subsection 1 becomes unavailable under
2 federal law, the department shall terminate the imposing of
3 the assessments beginning on the date that the federal
4 statutory, regulatory, or interpretive change takes effect.

5 5. The department of human services may procure a sole
6 source contract to implement the provisions of this section.

7 Sec. 35. Section 257.8, subsection 1, Code Supplement
8 2001, as amended by 2002 Iowa Acts, Senate File 2315, section
9 1, and 2002 Iowa Acts, Senate File 2328, section 1, is amended
10 to read as follows:

11 1. STATE PERCENT OF GROWTH. The state percent of growth
12 for the budget year beginning July 1, 2002, is one percent.
13 The state percent of growth for the budget year beginning July
14 1, 2003, is two percent. The state percent of growth for each
15 subsequent budget year shall be established by statute which
16 shall be enacted ~~within-thirty-days-of-the-submission~~ in the
17 year preceding the base year of the governor's budget under
18 section 8.21. The establishment of the state percent of
19 growth for a budget year shall be the only subject matter of
20 the bill which enacts the state percent of growth for a budget
21 year.

22 Sec. 36. 2001 Iowa Acts, chapter 188, section 13, is
23 amended to read as follows:

24 SEC. 13. TOURISM OPERATIONS. There is appropriated from
25 the community attraction and tourism fund created in section
26 15F.204 to the department of economic development for the
27 fiscal year beginning July 1, 2001, and ending June 30, 2002,
28 the following amount, or so much thereof as is necessary, to
29 be used for the purposes designated:

30 For tourism operations, including salaries, support,
31 maintenance, and miscellaneous purposes:
32 \$ 1,200,000

33 Moneys appropriated in this section shall not be
34 appropriated from those moneys in the community attraction and
35 tourism fund that originate from the tax-exempt bond proceeds

1 restricted capital funds account of the tobacco settlement
2 trust fund.

3 Sec. 37. UNITED STATES MARSHAL'S SERVICE. For the fiscal
4 year beginning July 1, 2002, regular per diem reimbursement
5 costs billed by the department of corrections to the United
6 States marshal's service for holding detainees shall be
7 deposited entirely into the general fund of the state.
8 However, for the fiscal year beginning July 1, 2002,
9 extraordinary costs, including but not limited to medical
10 costs, billed over the regular daily per diem rate shall be
11 used by the department of corrections to offset the actual
12 costs incurred.

13 Sec. 38. PROGRAM ELIMINATION COMMISSION. 2002 Iowa Acts,
14 Second Extraordinary Session, Senate File 2334, section 217,
15 subsection 2, paragraph a, if enacted, is amended by striking
16 the paragraph and inserting in lieu thereof the following:

17 a. A voting member appointed by the legislative council.

18 Sec. 39. STATE LIBRARY REDUCTION -- STATE MEDICAL LIBRARY
19 CONTINUATION TASK FORCE.

20 1. Funds appropriated to the department of education for
21 purposes of the state library pursuant to 2002 Iowa Acts,
22 Senate File 2326, section 79, subsection 5, paragraph "a", as
23 reduced by Senate File 2334, section 87, are further reduced
24 by the amount of \$108,000. The state library shall apply the
25 reduction to the state medical library.

26 2. It is the intent of the general assembly to eliminate,
27 or remove from the authority of the state library, the state
28 medical library. A state medical library continuation task
29 force is established to determine whether the citizens of this
30 state will continue to benefit from the state medical library,
31 and if so, where the state medical library should be
32 relocated. If the task force recommends relocation of the
33 state medical library, it is the intent of the general
34 assembly that the state medical library continue to be
35 available for free use by the residents of Iowa, give no

1 preference to any school of medicine, and secure books,
2 periodicals, pamphlets, and electronic textbooks, including
3 but not limited to computer software, applications using
4 computer-assisted instruction, interactive videodisc, and
5 other computer courseware and magnetic media for every legally
6 recognized school of medicine without discrimination. If the
7 task force finds and recommends elimination of the state
8 medical library, the task force shall propose a plan for
9 distribution of the assets of the state medical library. The
10 task force shall consist of the state librarian or the state
11 librarian's designee, and a representative of the state board
12 of regents, the Iowa medical society, the Iowa hospital
13 association, and the osteopathic medical association. The
14 state librarian shall serve as chairperson. Meetings shall be
15 held at the call of the chairperson or a majority of the
16 members of the task force. At any meeting of the task force,
17 a majority of the members shall constitute a quorum. The task
18 force shall submit its recommendation for continuation or
19 elimination of the state medical library, and any plan for
20 distribution of state medical library assets, in a report to
21 the chairpersons and ranking members of the senate and house
22 standing committees on education and the joint appropriations
23 subcommittee on education by December 1, 2002.

24 Sec. 40. EFFECTIVE DATE. The sections of this division of
25 this Act that enact section 249A.21 and relate to the United
26 States marshal's service, the program elimination commission,
27 and the state medical library take effect July 1, 2002.

28 DIVISION VII

29 COOPERATIVE TAX CREDITS

30 Sec. 41. Section 15.333, subsections 1 and 2, Code
31 Supplement 2001, as amended by 2002 Iowa Acts, Senate File
32 2275, section 5, are amended to read as follows:

33 1. An eligible business may claim a corporate tax credit
34 up to a maximum of ten percent of the new investment which is
35 directly related to new jobs created by the location or

1 expansion of an eligible business under the program. Any
2 credit in excess of the tax liability for the tax year may be
3 credited to the tax liability for the following seven years or
4 until depleted, whichever occurs earlier. Subject to prior
5 approval by the department of economic development in
6 consultation with the department of revenue and finance, an
7 eligible business whose project primarily involves the
8 production of value-added agricultural products may elect to
9 receive a refund of all or a portion of an unused tax credit.
10 For purposes of this section, an eligible business includes a
11 cooperative described in section 521 of the Internal Revenue
12 Code which is not required to file an Iowa corporate income
13 tax return, and whose project primarily involves the
14 production of ethanol. The refund may be used against a tax
15 liability imposed under chapter 422, division II, III, or V.
16 If the business is a partnership, S corporation, limited
17 liability company, cooperative organized under chapter 501 and
18 filing as a partnership for federal tax purposes, or estate or
19 trust electing to have the income taxed directly to the
20 individual, an individual may claim the tax credit allowed.
21 The amount claimed by the individual shall be based upon the
22 pro rata share of the individual's earnings of the
23 partnership, S corporation, limited liability company,
24 cooperative organized under chapter 501 and filing as a
25 partnership for federal tax purposes, or estate or trust.
26 PARAGRAPH DIVIDED. For purposes of this section, "new
27 investment directly related to new jobs created by the
28 location or expansion of an eligible business under the
29 program" means the cost of machinery and equipment, as defined
30 in section 427A.1, subsection 1, paragraphs "e" and "j",
31 purchased for use in the operation of the eligible business,
32 the purchase price of which has been depreciated in accordance
33 with generally accepted accounting principles, and the cost of
34 improvements made to real property which is used in the
35 operation of the eligible business.

1 2. An eligible business whose project primarily involves
2 the production of value-added agricultural products, that
3 elects to receive a refund of all or a portion of an unused
4 tax credit, shall apply to the department of economic
5 development for tax credit certificates. An eligible business
6 whose project primarily involves the production of value-added
7 agricultural products shall not claim a tax credit under this
8 section unless a tax credit certificate issued by the
9 department of economic development is attached to the
10 taxpayer's tax return for the tax year for which the tax
11 credit is claimed. For purposes of this section, an eligible
12 business includes a cooperative described in section 521 of
13 the Internal Revenue Code which is not required to file an
14 Iowa corporate income tax return, and whose project primarily
15 involves the production of ethanol. For purposes of this
16 section, an eligible business also includes a cooperative
17 described in section 521 of the Internal Revenue Code which is
18 required to file an Iowa corporate income tax return and whose
19 project primarily involves the production of ethanol. Such
20 cooperative may elect to transfer all or a portion of its tax
21 credit to its members. The amount of tax credit transferred
22 and claimed by a member shall be based upon the pro rata share
23 of the member's earnings of the cooperative.

24 PARAGRAPH DIVIDED. A tax credit certificate shall not be
25 valid until the tax year following the date of the project
26 completion. A tax credit certificate shall contain the
27 taxpayer's name, address, tax identification number, the date
28 of project completion, the amount of the tax credit, and other
29 information required by the department of revenue and finance.
30 The department of economic development shall not issue tax
31 credit certificates which total more than four million dollars
32 during a fiscal year. If the department receives applications
33 for tax credit certificates in excess of four million dollars,
34 the applicants shall receive certificates for a prorated
35 amount. The tax credit certificates shall not be transferred

1 except as provided in this subsection for a cooperative
2 described in section 521 of the Internal Revenue Code which is
3 required to file an Iowa corporate income tax return and whose
4 project primarily involves the production of ethanol. For a
5 cooperative described in section 521 of the Internal Revenue
6 Code ~~that-is-not-required-to-file-an-Iowa-corporate-income-tax~~
7 ~~return~~, the department of economic development shall require
8 that the cooperative submit a list of its members and the
9 share of each member's interest in the cooperative. The
10 department shall issue a tax credit certificate to each member
11 contained on the submitted list.

12 Sec. 42. Section 15E.193C, subsection 7, paragraph a, Code
13 Supplement 2001, is amended to read as follows:

14 a. An eligible development business may claim a tax credit
15 up to a maximum of ten percent of the new investment that is
16 directly related to the construction, expansion, or
17 rehabilitation of building space to be used for manufacturing,
18 processing, cold storage, distribution, or office facilities.
19 For purposes of this section, "new investment" includes the
20 purchase price of land and the cost of improvements made to
21 real property. The tax credit may be claimed by an eligible
22 development business for the tax year in which the
23 construction, expansion, or rehabilitation is completed. The
24 tax credit may be used to reduce the tax liability imposed
25 under chapter 422, division II, III, or V, or chapter 432.
26 Any credit in excess of the tax liability for the tax year may
27 be credited to the tax liability for the following seven years
28 or until depleted, whichever occurs earlier. If the business
29 is a partnership, S corporation, limited liability company,
30 cooperative organized under chapter 501 and filing as a
31 partnership for federal tax purposes, or estate or trust
32 electing to have the income taxed directly to the individual,
33 an individual may claim the tax credit allowed. The amount
34 claimed by the individual shall be based upon the pro rata
35 share of the individual's earnings of the partnership, S

1 corporation, limited liability company, cooperative organized
2 under chapter 501 and filing as a partnership for federal tax
3 purposes, or estate or trust.

4 Sec. 43. APPLICABILITY DATE. This division of this Act
5 applies retroactively to January 1, 2002, for tax years
6 beginning on or after that date.

7 DIVISION VIII

8 EFFECTIVE DATE

9 Sec. 44. EFFECTIVE DATE. Unless otherwise provided, this
10 Act, being deemed of immediate importance, takes effect upon
11 enactment.

12 EXPLANATION

13 This bill addresses public funding provisions and related
14 regulatory matters and makes, reduces, and transfers
15 appropriations and adjusts other expenditures for the fiscal
16 year beginning July 1, 2001. The bill includes other
17 appropriations and addresses tax credits under the new jobs
18 and income program and the enterprise zone program. The bill
19 is organized into divisions.

20 Division I makes appropriations or transfers from the
21 following funds to the general fund of the state for FY 2001-
22 2002: Iowa economic emergency fund, cash reserve fund,
23 environment first fund, and terminal liability health
24 insurance fund. The division transfers a portion of an
25 existing appropriation made to the state board of regents for
26 construction of the engineering teaching and research complex;
27 however, the transferred appropriation is replaced with
28 authority to issue bonds for that amount for the same purpose.

29 Division I also provides that to the extent the balance of
30 the Iowa economic emergency fund is insufficient to make an
31 appropriation of up to \$50 million to the general fund to
32 address a deficit at the close of fiscal year 2001-2002, that
33 insufficiency shall be appropriated from the cash reserve
34 fund. The bill provides that an appropriation shall not be
35 made from the general fund to repay the Iowa economic

1 emergency fund or the cash reserve fund in the following
2 fiscal year. In addition, for fiscal year 2002-2003, the
3 requirement in Code section 8.57 for an automatic
4 appropriation from the general fund to the cash reserve fund
5 to bring the cash reserve fund to a specific level is made
6 inapplicable.

7 Division II makes transfers for fiscal year 2001-2002 from
8 the following revenues, appropriations, and funds to the
9 department of human services for medical assistance program
10 reimbursement and associated costs: snowmobile and all-
11 terrain vehicle fees credited to a special conservation fund,
12 environment first fund, strategic investment fund, physical
13 infrastructure assistance fund, alternative drainage system
14 assistance fund, terminal liability health insurance fund, and
15 an appropriation for airport engineering studies and
16 improvement projects.

17 Division III makes transfers from various funds and other
18 moneys to be used for other purposes for fiscal year 2001-2002
19 as follows: from the terminal liability health insurance fund
20 to the state public defender to be used for indigent defense;
21 from the environment first fund to the state appeal board for
22 payment of claims against the state; from the victim
23 compensation fund to the state employee unemployment
24 compensation account; from the environment first fund and the
25 terminal liability health insurance fund to the executive
26 council to be used for performance of duty expenses; and from
27 the value-added agricultural products and processes financial
28 assistance fund and the terminal liability health insurance
29 fund to the elderly and disabled property tax credit and
30 reimbursement fund for payment of renters' claims.

31 Division IV relates to state reserve funds. The maximum
32 balance of the Iowa economic emergency fund in Code section
33 8.55 is reduced from 5 percent to 2.5 percent of the adjusted
34 revenue estimate for a fiscal year. The maximum balance of
35 the cash reserve fund is increased from 5 percent to 7.5

1 percent of the adjusted revenue estimate for a fiscal year.
2 An existing provision requiring a three-fifths majority vote
3 if an appropriation would cause the cash reserve fund balance
4 to fall below 3 percent of the adjusted revenue estimate for a
5 fiscal year is changed to 3.75 percent. Conforming changes
6 are made to the automatic appropriation to annually fill the
7 cash reserve fund to reflect the percentage change in the
8 fund's maximum balance. These provisions take effect July 1,
9 2003.

10 Division IV provides that the amount of the standing
11 provisions in Code section 8.55 for a transfer to the senior
12 living trust fund and the endowment for Iowa's health account
13 upon the Iowa economic emergency fund achieving its maximum
14 balance is increased from \$35.5 million to \$51.5 million and
15 from \$51.5 million to \$60.5 million, respectively.

16 Division IV amends Code section 8.57 to provide that moneys
17 in the rebuild Iowa infrastructure fund may be used for cash
18 flow purposes provided the moneys are returned by the end of
19 the fiscal year. This cash flow authorization is also
20 provided for the senior living trust fund in Code section
21 249H.4.

22 Division IV creates a new fund called the pending senior
23 living trust fund where moneys that are received for the
24 senior living program which are not available for
25 appropriation are deposited. These moneys may be used for
26 cash flow purposes.

27 Division IV provides that for fiscal years 2001-2002 and
28 2002-2003, authority is rescinded that would allow state
29 agencies to retain and use for training and technology up to
30 50 percent of an operational appropriation that would
31 otherwise revert to the general fund.

32 Division V provides other provisions relating to the
33 medical assistance program. New Code section 249A.9 directs
34 the department of human services to require recipients to
35 report, on a monthly basis, changes in income and resources

1 that affect eligibility and to charge copayments on each
2 covered drug prescription and refill.

3 Division VI provides other changes. The division provides
4 for the assessment of intermediate care facilities for persons
5 with mental retardation. The requirement is deleted in Code
6 section 257.8 for the setting of the state percent of growth
7 for purposes of the school foundation program to be enacted
8 within 30 days of the submission of the governor's budget to
9 the general assembly.

10 The division amends a 2001 Iowa Acts, chapter 188,
11 appropriation from the community attraction and tourism fund
12 for tourism operations to specify that the appropriation is
13 not made from moneys that originate from the tax-exempt bond
14 proceeds restricted capital funds account of the tobacco
15 settlement trust fund.

16 The division provides that regular per diem reimbursement
17 costs billed by the department of corrections to the United
18 States marshal's service during the 2002-2003 fiscal year are
19 deposited in the state general fund. Any extraordinary cost
20 reimbursements in excess of the regular per diem shall be used
21 by the department to pay these costs.

22 The division also substitutes the state auditor with a
23 voting member selected by the legislative council on the
24 program elimination committee created in Senate File 2334.

25 Division VI reduces state funding for the state library by
26 \$108,000, and establishes the intent of the general assembly
27 to either eliminate, or remove from the authority of the state
28 library, the state medical library. The division establishes
29 a state medical library continuation task force to determine
30 whether to continue to maintain the state medical library and
31 if so, where it should be relocated. If the task force
32 recommends elimination, the task force is directed to submit a
33 plan for the distribution of state medical library assets.

34 The task force consists of the state librarian or the state
35 librarian's designee, persons representing the state board of

1 regents, the Iowa medical society, the Iowa hospital
2 association, and the osteopathic medical association. The
3 task force must submit its recommendation for continuation or
4 elimination of the state medical library in a report to the
5 chairpersons and ranking members of the senate and house
6 standing committees on education and the joint appropriations
7 subcommittee on education by December 15, 2002.

8 Division VII relates to tax credits under the new jobs and
9 income program and the enterprise zone program. Under present
10 law, a farmers' cooperative that owns an ethanol-producing
11 facility which is not required to file an Iowa corporate
12 income tax return is entitled to a tax credit under the new
13 jobs and income program. This tax credit is claimed by the
14 members. However, if the farmers' cooperative must file an
15 Iowa corporate income tax return, all of the credit must be
16 used by the cooperative. This division allows farmers'
17 cooperatives that file Iowa corporate income tax returns to
18 transfer all or a portion of the tax credit to its members.
19 The division also allows cooperatives that file as
20 partnerships for federal tax purposes to elect to have the
21 credit acquired for developing building space in an enterprise
22 zone to pass through the credit to their members. The
23 division applies retroactively to January 1, 2002, for tax
24 years beginning on or after that date.

25 Division VIII provides that unless otherwise provided, the
26 bill takes effect upon enactment.

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1 Amend House File 2625 as follows:

2 1. Page 19, by inserting after line 6 the
3 following:

4 "DIVISION
5 SICK LEAVE AND VACATION INCENTIVE PROGRAM EXTENSION
6 Sec. ____ SICK LEAVE AND VACATION INCENTIVE
7 PROGRAM -- FISCAL YEAR 2002-2003.

8 1. As used in this section, unless the context
9 provides otherwise:

10 a. "Credited service" means service under the Iowa
11 public employees' retirement system, as service is
12 defined in section 97B.1A, and membership service
13 under the public safety peace officers' retirement,
14 accident, and disability system, as defined in section
15 97A.1.

16 b. "Eligible employee" means an employee for
17 which, but for participation in the program, the sum
18 of the number of years of credited service and the
19 employee's age in years as of December 31, 2003,
20 equals or exceeds seventy-five.

21 c. "Employee" means an employee of the executive
22 branch of the state who is not covered by a collective
23 bargaining agreement, including an employee of a
24 judicial district department of correctional services
25 if the district elects to participate in the program,
26 an employee of the state board of regents if the board
27 elects to participate in the program, an employee of
28 the judicial branch if the judicial branch elects to
29 participate in the program, and an employee of the
30 department of justice. However, "employee" does not
31 mean an elected official.

32 d. "Participant" means a person who timely submits
33 an election to participate, and does participate, in
34 the sick leave and vacation incentive program
35 established under this section.

36 e. "Program" means the sick leave and vacation
37 incentive program established under this section.

38 f. "Regular annual salary" means an amount equal
39 to the eligible employee's regular biweekly rate of
40 pay as of the date of separation from employment
41 multiplied by twenty-six.

42 g. "Sick leave and vacation incentive benefit"
43 means an amount equal to the entire value of an
44 eligible employee's accumulated but unused vacation
45 plus the lesser of the entire value of the eligible
46 employee's accumulated and unused sick leave or the
47 employee's regular annual salary.

48 2. To become a participant in the program, an
49 eligible employee shall do all of the following:

50 a. Submit by August 14, 2002, a written

1 application, on forms prescribed by the department of
2 personnel, seeking participation in the program.

3 b. Agree to waive any and all rights to receive
4 payments of sick leave balances under section 70A.23
5 and accrued vacation balances in a form other than as
6 provided in this section.

7 c. Agree to waive all rights to file suit against
8 the state of Iowa, including all of its departments,
9 agencies, and other subdivisions, based on state or
10 federal claims arising out of the employment
11 relationship.

12 d. Acknowledge, in writing, that participation in
13 the program waives any right to accept permanent part-
14 time or permanent full-time employment with the state
15 other than as an elected official on or after August
16 15, 2002.

17 e. Agree to separate from employment with the
18 state by August 15, 2002.

19 3. Upon acceptance to participate in the program
20 and separation from employment with the state by
21 August 15, 2002, a participant shall receive a sick
22 leave and vacation incentive benefit. The state shall
23 pay to the participant a portion of the sick leave and
24 vacation incentive benefit each fiscal year for a
25 period of five years commencing with the fiscal year
26 ending June 30, 2003.

27 4. The department of personnel shall administer
28 the program, including the determination of
29 eligibility for participation in the program, and
30 shall adopt administrative rules to administer the
31 program. The department may adopt rules on an
32 emergency basis under section 17A.4, subsection 2, and
33 section 17A.5, subsection 2, paragraph "b", to
34 implement this section and the rules shall be
35 effective immediately upon filing unless a later date
36 is specified in the rules.

37 5. The legislative council shall provide an
38 incentive program for employees of the legislative
39 branch consistent with the program provided in this
40 section for executive branch employees. The
41 legislative council shall collaborate with the
42 department of personnel to establish the program as
43 required under this subsection. The program provided
44 pursuant to this subsection shall establish the same
45 time guidelines and benefit calculations as provided
46 under the program for executive branch employees.

47 Sec. _____. EARLY TERMINATION PROGRAMS --
48 MISCELLANEOUS PROVISIONS.

49 1. DEFINITIONS. For purposes of this section,
50 unless the context otherwise requires:

1 a. "Early termination participant" means an
2 eligible state employee who participates in an early
3 termination program.
4 b. "Early termination program" means a sick leave
5 and vacation incentive program as established or
6 required in this Act and the similar early termination
7 program established for state employees as established
8 pursuant to a collective bargaining agreement entered
9 into pursuant to chapter 20.

10 2. GROUP INSURANCE ELIGIBILITY. An early
11 termination participant shall be eligible to continue
12 participation in the group plan or under the group
13 contract at the early termination participant's own
14 expense in the same manner as a retired employee
15 pursuant to section 509A.13. In addition, an early
16 termination participant shall be deemed an eligible
17 retired state employee for purposes of eligibility for
18 continuation of group insurance covering spouses as
19 provided in section 509A.13A.

20 3. RELEASE OF RECORDS. Notwithstanding any
21 provision of chapter 22 or section 97B.17 to the
22 contrary, records of the department of personnel
23 maintained for the operation of the Iowa public
24 employees' retirement system may be released to the
25 directors, agents, and employees of the legislative
26 fiscal bureau, the department of revenue and finance,
27 the department of management, and the department of
28 personnel, for the purposes of administering and
29 monitoring an early termination program. A person
30 receiving a record pursuant to this subsection shall
31 maintain the confidentiality of any information
32 otherwise required to be kept confidential and shall
33 be subject to the same penalties as the custodian of
34 the records for the public dissemination of such
35 information. The authority to request a record as
36 provided pursuant to this subsection shall cease June
37 30, 2003.

38 4. REPORTING REQUIREMENTS. The department of
39 personnel, in collaboration with the department of
40 management, shall present a report by October 1, 2002,
41 concerning the operation of early termination programs
42 as provided in this Act. The reports shall be
43 submitted in conjunction with the reports required to
44 be submitted by the department of personnel pursuant
45 to 2001 Iowa Acts, Second Extraordinary Session,
46 chapter 5, section 4. The department shall also
47 submit an annual update concerning early termination
48 programs as provided in this Act by October 1 of each
49 year for four years, commencing October 1, 2003. The
50 reports shall include information concerning the

1 number of early termination program participants, the
2 cost of the early termination program including any
3 payments made to participants, the number of state
4 employment positions eliminated pursuant to an early
5 termination program, the number of positions vacated
6 by an early termination program participant that have
7 been refilled, and the savings to the state based upon
8 the early termination program.

9 5. SAVINGS. a. For an executive branch position
10 vacated by an early termination participant pursuant
11 to an early termination program, the savings from that
12 termination, as determined by the department of
13 management, shall offset amounts that would otherwise
14 be reduced from the appropriation to the executive
15 branch department or establishment that employed the
16 participant due to the implementation of a furlough
17 program. The moneys saved by the department or
18 establishment due to the termination would then be
19 used by the department or establishment to reduce or
20 end the furlough program as it would otherwise apply
21 to the employees of that department or establishment,
22 to the extent of the savings. If savings in excess of
23 the amounts reduced by the department of management
24 for the applicable executive branch department or
25 establishment are received, and the furlough program
26 for that department or establishment ceases, those
27 moneys shall not revert to the general fund but shall
28 be transferred to the applicable executive branch
29 department or establishment for personnel costs which
30 shall not be expended for personnel costs without
31 prior approval of the department of management.

32 b. For a judicial or legislative branch position
33 vacated by an early termination participant pursuant
34 to an early termination program, the savings from that
35 termination, as determined by the judicial or
36 legislative branch as applicable, shall offset amounts
37 that would otherwise be reduced from the appropriation
38 to the legislative or judicial branch that employed
39 the participant due to the implementation of a
40 furlough program. The moneys saved by the legislative
41 or executive branch due to the termination would then
42 be used by the department or establishment to reduce
43 or end the furlough program as it would otherwise
44 apply to the employees of that branch, to the extent
45 of the savings.

46 6. ACROSS-THE-BOARD WAGE INCREASE DELAY. If an
47 employee organization representing state employees
48 agrees to an across-the-board wage increase delay as
49 provided in this subsection and to participate in an
50 early termination program as provided in this Act,

1 then any across-the-board wage increases for employees
2 of the same state employer, who are not covered by a
3 collective bargaining agreement, which would otherwise
4 take effect at the beginning of the pay period in
5 which July 1, 2002, falls, shall be delayed until the
6 pay period in which November 1, 2002, falls."

7 2. By renumbering as necessary.

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10 *Barbara L. Finch*
11 FINCH of Story
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*adopted
5/28/02*

HOUSE FILE 2625

H 8701 MAY 28 02

1 Amend House File 2625 as follows:
2 1. By striking page 11, line 29 through page 12,
3 line 14.
4 2. By renumbering as necessary.

5
6 *Ed Fallon*
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8 FALLON of Polk
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10 *Richard Kreiman*
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12 KREIMAN of Davis
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14 *Rebecca Reynolds*
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16 REYNOLDS of Van Buren
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18 *John Hatch*
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20 HATCH of Polk
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24 *Loat*
25 *5/28/02*
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1 Amend House File 2625 as follows:

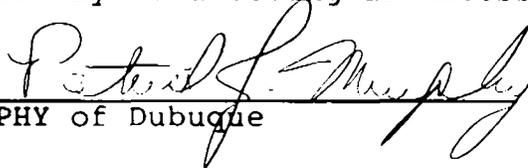
2 1. By striking page 11, line 29 through page 12,
3 line 14.

A
B

4 2. Page 13, line 16, by inserting before the word
5 "in" the following: "by the later of March 15 or
6 thirty days prior to the date a school district budget
7 must be certified in accordance with section 24.17".

8 3. By renumbering as necessary.
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MURPHY of Dubuque

A - Withdrawn
B. Lost 5/28/02

A - Withdrawn
B - LOST

1 Amend House File 2625 as follows:
2 1. Page 2, by inserting after line 14 the
3 following:
4 "There is appropriated from the rebuild Iowa
5 infrastructure fund to the state board of regents for
6 the fiscal year beginning July 1, 2003, and ending
7 June 30, 2004, the following amount, or so much
8 thereof as is necessary, to be used for the purpose
9 designated:
10 For repayment of the bonding for the phase II
11 construction of the engineering teaching and research
12 complex at Iowa state university of science and
13 technology, as authorized in this section:
14 \$ 7,000,000
15 Moneys appropriated in this section are not subject
16 to transfer."
17 2. Page 12, by inserting after line 16 the
18 following:
19 "Sec. ____ . Section 12E.12, subsection 8, if
20 enacted by 2002 Iowa Acts, Second Extraordinary
21 Session, Senate File 2334, section 229, is amended to
22 read as follows:
23 8. With respect to the payment of certain debt
24 service, the debt service to be paid shall be those
25 installments of debt service on bonds selected by the
26 treasurer of state and identified in the authority's
27 tax certificate delivered at the time of the issuance
28 of the bonds issued pursuant to this chapter, or as
29 otherwise selected by the treasurer of state. Once
30 the bonds and the installments of debt service thereon
31 are so selected, that debt service and bonds shall not
32 be paid, or provided to be paid, from any other source
33 including the state or any of its departments or
34 agencies. Provided, however, that if funds are not
35 appropriated to pay debt service on such bonds when
36 due, the issuing agency shall pay such debt service
37 from any available source as provided in the bond
38 covenants for such bonds."
39 3. Page 14, by inserting after line 12 the
40 following:
41 "Sec. ____ . DUPLICATIVE POSITIONS -- VACANT
42 POSITIONS -- EDUCATIONAL ASSISTANCE.
43 1. It is the intent of the general assembly that
44 in implementing the provisions of 2002 Iowa Acts,
45 Second Extraordinary Session, Senate File 2334,
46 section 13, subsection 2, if enacted, the department
47 of personnel shall focus on duplicative job functions
48 in the agencies of the executive branch of state
49 government other than those institutions under the
50 control of the state board of regents. For the

ADOPTED

1 institutions under the state board of regents, the
2 state board of regents shall perform the duties
3 required of the department of personnel and shall
4 report to the oversight committee of the legislative
5 council in accordance with 2002 Iowa Acts, Second
6 Extraordinary Session, Senate File 2334, section 13,
7 subsection 2.

8 2. In implementing the requirements of 2002 Iowa
9 Acts, Second Extraordinary Session, Senate File 2334,
10 section 214, if enacted, relating to vacant positions,
11 the department of management shall address table of
12 organization changes other than those relating to the
13 institutions under the control of the state board of
14 regents. Table of organization changes relating to
15 the institutions under the control of the state board
16 of regents shall be implemented by the state board of
17 regents.

18 3. In implementing the requirements of 2002 Iowa
19 Acts, Second Extraordinary Session, Senate File 2334,
20 section 215, if enacted, relating to educational
21 assistance, the department of management shall ensure
22 compliance for executive branch agencies other than
23 those involving the institutions under the control of
24 the state board of regents. Implementation of a
25 restriction on subsidy or reimbursement for a class or
26 other course of study leading to an advanced degree
27 for an employee of an institution under the control of
28 the state board of regents shall be as determined by
29 the state board of regents."

30 4. Page 15, by inserting after line 23 the
31 following:

32 "Sec. _____. 2002 Iowa Acts, Second Extraordinary
33 Session, Senate File 2334, section 221, if enacted, is
34 amended to read as follows:

35 SEC. 221. IMPLEMENTATION OF FURLOUGHS. Furloughs
36 It is the intent of the general assembly that
37 furloughs implemented pursuant to this division shall
38 not be implemented in a manner which results in more
39 than 25 percent of the workforce within an agency
40 division being on furlough at the same time. However,
41 if implementation of this section would conflict with
42 existing law or a collective bargaining agreement, the
43 agency shall take every step possible to minimize the
44 impact on the agency's customers and the public. The
45 agency shall work with representatives of affected
46 businesses to develop a plan for meeting the
47 businesses' needs during a furlough period and when
48 other funding reductions are implemented.

49 Sec. _____. 2002 Iowa Acts, House File 2614, section
50 2, unnumbered paragraph 2, as amended by 2002 Iowa

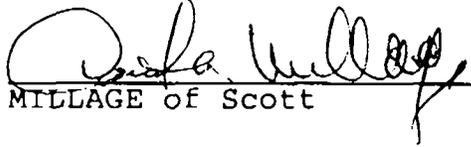
1 Acts, Second Extraordinary Session, Senate File 2334,
2 section 226, if enacted, is amended to read as
3 follows:

4 For allocation by the state board of regents to the
5 state university of Iowa, the Iowa state university of
6 science and technology, and the university of northern
7 Iowa to reimburse the institutions for deficiencies in
8 their operating funds resulting from the pledging of
9 tuitions, student fees and charges, and institutional
10 income to finance the cost of providing academic and
11 administrative buildings and facilities and utility
12 services at the institutions, notwithstanding section
13 12E.12, subsection 1, paragraph "b", subparagraph (1):
14 \$ 9,127,635
15 10,503,733

16 Sec. ____ . MEDICAL ASSISTANCE REDUCTION. The
17 appropriation made in 2002 Iowa Acts, Second
18 Extraordinary Session, Senate File 2334, from the
19 general fund of the state for medical assistance
20 reimbursement and associated costs for the fiscal year
21 beginning July 1, 2002, and ending June 30, 2003, is
22 reduced by the following amount:
23 \$ 3,700,000"

24 5. Page 15, by striking lines 24 through 27 and
25 inserting the following:
26 "Sec. ____ . EFFECTIVE DATE. This division of this
27 Act takes effect July 1, 2002, except for the
28 provision of this division amending 2001 Iowa Acts,
29 chapter 188, section 13, relating to tourism
30 operations, which, being deemed of immediate
31 importance, takes effect upon enactment."

32 6. By renumbering as necessary.

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36 MILLAGE of Scott

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39 *adopted*
40 *5/28/02*
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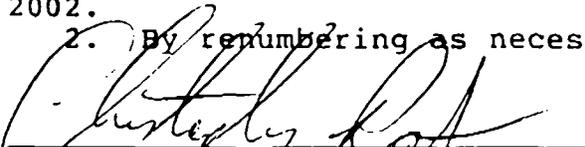
1 Amend House File 2625 as follows:

2 1. Page 3, by inserting after line 17 the
3 following:

4 "Sec. ____ . LEGISLATIVE PER DIEM PAYMENT.

5 Notwithstanding section 2.10, subsection 6, for the
6 special session that convenes May 28, 2002, the
7 members of the general assembly are not entitled to
8 and shall not receive the sum of eighty-six dollars
9 per day for each day the general assembly is actually
10 in special session, but shall receive the same travel
11 allowances and expenses as authorized by section 2.10.
12 This section is retroactively applicable to May 28,
13 2002.

14 2. By renumbering as necessary.

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18 RANTS of Woodbury

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22 MYERS of Johnson

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26 CONNORS of Polk

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30 *Adopted*
31 *5/28/02*
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ADOPTED

SENATE AMENDMENT TO
HOUSE FILE 2625

H 8709 MAY 28 8

- 1 Amend House File 2625, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 9, line 24, by striking the words and
4 figure "Senate File 2334" and inserting the following:
5 "House File 2627".
6 2. Page 13, line 3, by striking the words and
7 figure "Senate File 2334" and inserting the following:
8 "House File 2627".
9 3. Page 15, line 19, by striking the words and
10 figure "Senate File 2334" and inserting the following:
11 "House File 2627".
12 4. Page 15, line 28, by striking the words and
13 figure "Senate File 2334" and inserting the following:
14 "House File 2627".
15 5. Page 15, line 31, by striking the words and
16 figure "Senate File 2334" and inserting the following:
17 "House File 2627".
18 6. Page 16, line 5, by striking the words and
19 figure "Senate File 2334" and inserting the following:
20 "House File 2627".
21 7. Page 16, line 15, by striking the words and
22 figure "Senate File 2334" and inserting the following:
23 "House File 2627".
24 8. Page 16, line 24, by striking the words and
25 figure "Senate File 2334" and inserting the following:
26 "House File 2627".
27 9. Page 17, line 26, by striking the words and
28 figure "Senate File 2334" and inserting the following:
29 "House File 2627".
30 10. Page 18, line 7, by striking the words and
31 figure "Senate File 2334" and inserting the following:
32 "House File 2627".
33 11. Page 18, lines 21 and 22, by striking the
34 words and figure "Senate File 2334" and inserting the
35 following: "House File 2627".
36 12. Page 26, line 35, by striking the word
37 "executive" and inserting the following: "judicial".
38 13. Page 27, line 1, by striking the words
39 "department or establishment" and inserting the
40 following: "branch".

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5/28/12 concurred



HOUSE FILE 2625
BY COMMITTEE ON APPROPRIATIONS

(COMPANION TO LSB 7302SV BY
COMMITTEE ON APPROPRIATIONS)

(As Amended and Passed by the House May 28, 2002)

Passed House, Date _____ Passed Senate, Date (P. 1246) 5/28/02
Vote: Ayes _____ Nays _____ Vote: Ayes 28 Nays 20

Approved Item 6/4/02
vetted
2nd Spec Session
A BILL FOR

1 An Act addressing public funding provisions and properly related
2 matters by making, reducing, and transferring appropriations,
3 adjusting other expenditures for the fiscal year beginning
4 July 1, 2001, and including other appropriations, cooperative
5 tax credits, and effective and retroactive applicability date
6 provisions.

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

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House Amendments _____

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DIVISION I

GENERAL FUND TRANSFERS

Section 1. 2002 Iowa Acts, Senate File 2304, section 15, is amended to read as follows:

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

.....	\$	3,000,000
		<u>4,700,000</u>

Sec. 2. IOWA ECONOMIC EMERGENCY FUND.

1. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary:

..... \$105,000,000

2. The appropriation made in this section is declared to be made for emergency expenditures as required in section 8.55, subsection 3, paragraph "a".

Sec. 3. CASH RESERVE FUND.

1. Notwithstanding section 8.56, subsection 4, paragraph "a", there is appropriated from the cash reserve fund to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary:

..... \$ 90,000,000

2. The appropriation made in this section is declared to be made for nonrecurring emergency expenditures as required in section 8.56, subsections 3 and 4.

Sec. 4. TERMINAL LIABILITY HEALTH INSURANCE FUND.

Notwithstanding section 421.46, there is transferred from the terminal liability health insurance fund created in section 421.46 to the general fund of the state for the fiscal year

1 beginning July 1, 2001, and ending June 30, 2002, the
2 following amount:

3 \$ 133,000

4 Sec. 5. REGENTS INFRASTRUCTURE. Of the moneys
5 appropriated to the state board of regents in 1997 Iowa Acts,
6 chapter 215, section 23, subsection 1, and allocated for phase
7 II construction of the engineering teaching and research
8 complex at Iowa state university of science and technology,
9 there is transferred to the general fund of the state for the
10 fiscal year beginning July 1, 2001, and ending June 30, 2002,
11 the following amount:

12 \$ 7,000,000

13 Sec. 6. STATE BOARD OF REGENTS -- ENGINEERING COMPLEX --
14 BONDING.

15 There is appropriated from the rebuild Iowa infrastructure
16 fund to the state board of regents for the fiscal year
17 beginning July 1, 2003, and ending June 30, 2004, the
18 following amount, or so much thereof as is necessary, to be
19 used for the purpose designated:

20 For repayment of the bonding for the phase II construction
21 of the engineering teaching and research complex at Iowa state
22 university of science and technology, as authorized in this
23 section:

24 \$ 7,000,000

25 Moneys appropriated in this section are not subject to
26 transfer.

27 1. The state board of regents is authorized to issue bonds
28 as provided in chapter 262A in an amount not exceeding \$7
29 million, except as provided in subsection 2, to undertake and
30 carry out completion of the engineering teaching and research
31 phase II construction at Iowa state university of science and
32 technology and to finance the remaining cost of the project.

33 2. Notwithstanding the limitation established in
34 subsection 1, the amount of bonds issued as authorized in
35 subsection 1 may be exceeded by the amount the state board of

1 regents determines to be necessary to capitalize interest,
2 bond reserves, and issuance costs.

3 Sec. 7. CONTINGENT APPROPRIATION.

4 1. For purposes of determining the balance of the Iowa
5 economic emergency fund available for making an appropriation
6 to the general fund pursuant to section 8.55, subsection 3,
7 paragraph "c", an amount equal to the \$25,000,000
8 appropriation in 2002 Iowa Acts, Senate File 2315, section 5,
9 subsection 2, shall be considered to be obligated. For the
10 fiscal year beginning July 1, 2001, and ending June 30, 2002,
11 in addition to an appropriation made pursuant to section 8.55,
12 subsection 3, paragraph "c", there is appropriated from the
13 cash reserve fund an amount equal to the difference between
14 \$50 million and the amount appropriated from the Iowa economic
15 emergency fund as authorized by section 8.55, subsection 3,
16 paragraph "c".

17 2. Notwithstanding section 8.55, subsection 3, paragraph
18 "d", an appropriation shall not be made from the general fund
19 of the state to the Iowa economic emergency fund for the
20 following fiscal year due to an appropriation being made
21 pursuant to section 8.55, subsection 3, paragraph "c", or
22 subsection 1 of this section.

23 Sec. 8. CASH RESERVE APPROPRIATION FOR FY 2002-2003. For
24 the fiscal year beginning July 1, 2002, and ending June 30,
25 2003, the appropriation to the cash reserve fund provided in
26 section 8.57, subsection 1, paragraph "a", shall not be made.
27 However, any surplus in the general fund of the state for the
28 fiscal year beginning July 1, 2002, and ending June 30, 2003,
29 shall be transferred to the cash reserve fund.

30 Sec. 9. LEGISLATIVE PER DIEM PAYMENT. Notwithstanding
31 section 2.10, subsection 6, for the special session that
32 convenes May 28, 2002, the members of the general assembly are
33 not entitled to and shall not receive the sum of eighty-six
34 dollars per day for each day the general assembly is actually
35 in special session, but shall receive the same travel

1 allowances and expenses as authorized by section 2.10. This
2 section is retroactively applicable to May 28, 2002.

3 DIVISION II

4 MEDICAL ASSISTANCE PROGRAM TRANSFERS

5 Sec. 10. SPECIAL CONSERVATION FUND -- SNOWMOBILE FEES.

6 Notwithstanding section 321G.7, there is transferred from
7 snowmobile fees credited to the special conservation fund
8 created in section 321G.7 to the department of human services
9 for the fiscal year beginning July 1, 2001, and ending June
10 30, 2002, the following amount to be used for the purpose
11 designated:

12 For medical assistance reimbursement and associated costs
13 in accordance with law:

14 \$ 950,000

15 Sec. 11. SPECIAL CONSERVATION FUND -- ALL-TERRAIN VEHICLE

16 FEES. Notwithstanding section 321G.7, there is transferred
17 from all-terrain vehicle fees credited to the special
18 conservation fund created in section 321G.7 to the department
19 of human services for the fiscal year beginning July 1, 2001,
20 and ending June 30, 2002, the following amount to be used for
21 the purpose designated:

22 For medical assistance reimbursement and associated costs
23 in accordance with law:

24 \$ 775,000

25 Sec. 12. ENVIRONMENT FIRST FUND. Notwithstanding section

26 8.57A, subsection 3, there is transferred from the environment
27 first fund created in section 8.57A to the department of human
28 services for the fiscal year beginning July 1, 2001, and
29 ending June 30, 2002, the following amount to be used for the
30 purpose designated:

31 For medical assistance reimbursement and associated costs
32 in accordance with law:

33 \$ 1,000,000

34 Sec. 13. STRATEGIC INVESTMENT FUND. Notwithstanding

35 section 15.313, subsection 2, there is transferred from the

1 strategic investment fund created in section 15.313 to the
2 department of human services for the fiscal year beginning
3 July 1, 2001, and ending June 30, 2002, the following amount
4 to be used for the purpose designated:

5 For medical assistance reimbursement and associated costs
6 in accordance with law:

7 \$ 2,000,000

8 Sec. 14. PHYSICAL INFRASTRUCTURE ASSISTANCE FUND.

9 Notwithstanding section 15E.175, subsection 2, there is
10 transferred from the physical infrastructure assistance fund
11 created in section 15E.175 to the department of human services
12 for the fiscal year beginning July 1, 2001, and ending June
13 30, 2002, the following amount to be used for the purpose
14 designated:

15 For medical assistance reimbursement and associated costs
16 in accordance with law:

17 \$ 2,500,000

18 Sec. 15. ALTERNATIVE DRAINAGE SYSTEM ASSISTANCE FUND.

19 Notwithstanding section 159.29A, subsection 3, there is
20 transferred from the alternative drainage system assistance
21 fund created in section 159.29A to the department of human
22 services for the fiscal year beginning July 1, 2001, and
23 ending June 30, 2002, the following amount to be used for the
24 purpose designated:

25 For medical assistance reimbursement and associated costs
26 in accordance with law:

27 \$ 1,100,000

28 Sec. 16. TERMINAL LIABILITY HEALTH INSURANCE FUND.

29 Notwithstanding section 421.46, there is transferred from the
30 terminal liability health insurance fund created in section
31 421.46 to the department of human services for the fiscal year
32 beginning July 1, 2001, and ending June 30, 2002, the
33 following amount to be used for the purpose designated:

34 For medical assistance reimbursement and associated costs
35 in accordance with law:

1 \$ 325,000

2 Sec. 17. AIRPORT ENGINEERING STUDIES AND IMPROVEMENT
3 PROJECTS. There is transferred from the appropriation to the
4 state department of transportation for airport engineering
5 studies and improvement projects in 2001 Iowa Acts, chapter
6 180, section 1, subsection 1, to the department of human
7 services for the fiscal year beginning July 1, 2001, and
8 ending June 30, 2002, the following amount to be used for the
9 purpose designated:

10 For medical assistance reimbursement and associated costs
11 in accordance with law:

12 \$ 347,000

13 DIVISION III

14 TRANSFERS FOR OTHER PURPOSES

15 Sec. 18. TERMINAL LIABILITY HEALTH INSURANCE FUND --
16 INDIGENT DEFENSE. Notwithstanding section 421.46, there is
17 transferred from the terminal liability health insurance fund
18 created in section 421.46 to the office of the state public
19 defender of the department of inspections and appeals for the
20 fiscal year beginning July 1, 2001, and ending June 30, 2002,
21 the following amount to be used for the purpose designated:

22 For indigent defense costs:
23 \$ 2,740,000

24 Sec. 19. ENVIRONMENT FIRST FUND -- STATE APPEAL BOARD
25 CLAIMS. Notwithstanding section 8.57A, subsection 3, there is
26 transferred from the environment first fund created in section
27 8.57A, to the state appeal board for the fiscal year beginning
28 July 1, 2001, and ending June 30, 2002, the following amount
29 to be used for the purpose designated:

30 For state appeal board claims under sections 25.2 and
31 669.11:
32 \$ 1,500,000

33 Sec. 20. VICTIM COMPENSATION FUND -- UNEMPLOYMENT
34 COMPENSATION. Notwithstanding section 915.94, there is
35 transferred from the victim compensation fund created in

1 section 915.94 to the unemployment compensation account under
2 the control of the department of revenue and finance for the
3 fiscal year beginning July 1, 2001, and ending June 30, 2002,
4 the following amount to be used for the purpose designated:

5 For payment of state employee unemployment compensation
6 claims:
7 \$ 1,000,000

8 Sec. 21. ENVIRONMENT FIRST FUND -- PERFORMANCE OF DUTY.

9 Notwithstanding section 8.57A, subsection 3, there is
10 transferred from the environment first fund created in section
11 8.57A to the executive council for the fiscal year beginning
12 July 1, 2001, and ending June 30, 2002, the following amount
13 to be used for the purpose designated:

14 For performance of duty under section 7D.29, section 18.12,
15 and section 29C.20:
16 \$ 100,000

17 Sec. 22. TERMINAL LIABILITY HEALTH INSURANCE FUND --

18 PERFORMANCE OF DUTY. Notwithstanding section 421.46,
19 subsection 3, there is transferred from the terminal liability
20 health insurance fund created in section 421.46 to the
21 executive council for the fiscal year beginning July 1, 2001,
22 and ending June 30, 2002, the following amount to be used for
23 the purpose designated:

24 For performance of duty under section 7D.29, section 18.12,
25 and section 29C.20:
26 \$ 300,000

27 Sec. 23. VALUE-ADDED AGRICULTURAL PRODUCTS -- ELDERLY AND

28 DISABLED PROPERTY TAX CREDIT. Notwithstanding section
29 15E.112, subsection 1, there is transferred from the value-
30 added agricultural products and processes financial assistance
31 fund created in section 15E.112 to the elderly and disabled
32 property tax credit and reimbursement fund created in section
33 425.39 for the fiscal year beginning July 1, 2001, and ending
34 June 30, 2002, the following amount to be used for the purpose
35 designated:

1 For payment of renters' claims for the fiscal year
2 beginning July 1, 2001, under the elderly and disabled credit
3 and reimbursement portion of the extraordinary property tax
4 and reimbursement division of chapter 425:
5 \$ 250,000

6 Sec. 24. TERMINAL LIABILITY HEALTH INSURANCE FUND --
7 ELDERLY AND DISABLED PROPERTY TAX CREDIT. Notwithstanding
8 section 421.46, subsection 3, there is transferred from the
9 terminal liability health insurance fund created in section
10 421.46 to the elderly and disabled property tax credit and
11 reimbursement fund created in section 425.39 for the fiscal
12 year beginning July 1, 2001, and ending June 30, 2002, the
13 following amount to be used for the purpose designated:

14 For payment of renters' claims for the fiscal year
15 beginning July 1, 2001, under the elderly and disabled credit
16 and reimbursement portion of the extraordinary property tax
17 and reimbursement division of chapter 425:
18 \$ 180,000

19 DIVISION IV
20 RESERVE FUNDS

21 Sec. 25. Section 8.55, subsection 2, paragraph a, as
22 enacted by 2002 Iowa Acts, House File 2075, section 1, is
23 amended to read as follows:

24 a. The maximum balance of the fund is the amount equal to
25 five two and one-half percent of the adjusted revenue estimate
26 for the fiscal year. If the amount of moneys in the Iowa
27 economic emergency fund is equal to the maximum balance,
28 moneys in excess of this amount shall be transferred to the
29 general fund.

30 Sec. 26. Section 8.55, subsection 2, paragraphs c and d,
31 as enacted by 2002 Iowa Acts, House File 2075, section 1, are
32 amended to read as follows:

33 c. Notwithstanding paragraph "a", any moneys in excess of
34 the maximum balance in the economic emergency fund after the
35 distribution of the surplus in the general fund of the state

1 at the conclusion of each fiscal year and after the
2 appropriate amount has been transferred pursuant to paragraph
3 "b", shall not be transferred to the general fund of the state
4 but shall be transferred to the senior living trust fund. The
5 total amount transferred, in the aggregate, under this
6 paragraph for all fiscal years shall not exceed thirty-five
7 fifty-one million five hundred thousand dollars.

8 d. Notwithstanding paragraph "a", any moneys in excess of
9 the maximum balance in the economic emergency fund after the
10 distribution of the surplus in the general fund of the state
11 at the conclusion of each fiscal year and after the
12 appropriate amount have been transferred pursuant to
13 paragraphs "b" and "c" shall not be transferred to the general
14 fund of the state but shall be transferred to the endowment
15 for Iowa's health account of the tobacco settlement trust
16 fund. The total amount transferred, in the aggregate, under
17 this paragraph for all fiscal years shall not exceed the
18 difference between fifty-one sixty million five hundred
19 thousand dollars and the amounts transferred to the endowment
20 for Iowa's health account to repay the amounts transferred or
21 appropriated from the endowment for Iowa's health account in
22 2002 Iowa Acts, House File 2245, 2002 Iowa Acts, Senate File
23 2304, and 2002 Iowa Acts, Senate File 2315, and 2002 Iowa
24 Acts, Second Extraordinary Session, Senate File 2334.

25 Sec. 27. Section 8.56, subsection 4, paragraph b, Code
26 Supplement 2001, is amended to read as follows:

27 b. In addition to the requirements of paragraph "a", an
28 appropriation shall not be made from the cash reserve fund
29 which would cause the fund's balance to be less than three and
30 three-fourths percent of the adjusted revenue estimate for the
31 year for which the appropriation is made unless the bill or
32 joint resolution is approved by vote of at least three-fifths
33 of the members of both chambers of the general assembly and is
34 signed by the governor.

35 Sec. 28. Section 8.57, subsection 1, paragraph a, Code

1 Supplement 2001, is amended to read as follows:

2 a. The "cash reserve goal percentage" for fiscal years
3 beginning on or after July 1, ~~1995~~ 2003, is ~~five~~ seven and
4 one-half percent of the adjusted revenue estimate. For each
5 fiscal year beginning on or after July 1, ~~1995~~ 2003, in which
6 the appropriation of the surplus existing in the general fund
7 of the state at the conclusion of the prior fiscal year
8 pursuant to paragraph "b" was not sufficient for the cash
9 reserve fund to reach the cash reserve goal percentage for the
10 current fiscal year, there is appropriated from the general
11 fund of the state an amount to be determined as follows:

12 (1) If the balance of the cash reserve fund in the current
13 fiscal year is not more than ~~four~~ six and one-half percent of
14 the adjusted revenue estimate for the current fiscal year, the
15 amount of the appropriation under this lettered paragraph is
16 one percent of the adjusted revenue estimate for the current
17 fiscal year.

18 (2) If the balance of the cash reserve fund in the current
19 fiscal year is more than ~~four~~ six and one-half percent but
20 less than ~~five~~ seven and one-half percent of the adjusted
21 revenue estimate for that fiscal year, the amount of the
22 appropriation under this lettered paragraph is the amount
23 necessary for the cash reserve fund to reach ~~five~~ seven and
24 one-half percent of the adjusted revenue estimate for the
25 current fiscal year.

26 (3) The moneys appropriated under this lettered paragraph
27 shall be credited in equal and proportionate amounts in each
28 quarter of the current fiscal year.

29 Sec. 29. Section 8.57, subsection 5, paragraph b, Code
30 Supplement 2001, is amended to read as follows:

31 b. Moneys in the infrastructure fund are not subject to
32 section 8.33. Notwithstanding section 12C.7, subsection 2,
33 interest or earnings on moneys in the infrastructure fund
34 shall be credited to the infrastructure fund. Moneys in the
35 infrastructure fund may be used for cash flow purposes during

1 a fiscal year provided that any moneys so allocated are
2 returned to the infrastructure fund by the end of that fiscal
3 year.

4 Sec. 30. Section 249H.4, subsection 4, Code 2001, as
5 amended by 2002 Iowa Acts, Senate File 2201, section 26, is
6 amended to read as follows:

7 4. The trust fund shall be operated in accordance with the
8 guidelines of the centers for Medicare and Medicaid services
9 of the United States department of health and human services.
10 The trust fund shall be separate from the general fund of the
11 state and shall not be considered part of the general fund of
12 the state. The moneys in the trust fund shall not be
13 considered revenue of the state, but rather shall be funds of
14 the senior living program. The moneys deposited in the trust
15 fund are not subject to section 8.33 and shall not be
16 transferred, used, obligated, appropriated, or otherwise
17 encumbered, except to provide for the purposes of this
18 chapter. Moneys in the trust fund may be used for cash flow
19 purposes during a fiscal year provided that any moneys so
20 allocated are returned to the trust fund by the end of that
21 fiscal year. Notwithstanding section 12C.7, subsection 2,
22 interest or earnings on moneys deposited in the trust fund
23 shall be credited to the trust fund.

24 Sec. 31. NEW SECTION. 249H.4A PENDING SENIOR LIVING
25 TRUST FUND.

26 A pending senior living trust fund is created in the state
27 treasury under the authority of the department of human
28 services. Moneys received through intergovernmental
29 agreements for the senior living program but not yet available
30 for appropriation are to be deposited into this fund. When
31 the moneys are determined to be available for appropriation,
32 they shall be transferred to the senior living trust fund
33 established in section 249H.4. Moneys in the fund may be used
34 for cash flow purposes during the fiscal year provided that
35 any moneys so allocated are returned to the fund by the end of

1 that fiscal year.

2 Sec. 32. USE OF REVERSIONS. Notwithstanding section 8.62,
3 if on June 30 of fiscal year 2001-2002 or fiscal year 2002-
4 2003, a balance of an operational appropriation, as defined in
5 section 8.62, remains unexpended or unencumbered, the balance
6 shall revert to the general fund of the state as provided in
7 section 8.33.

8 Sec. 33. EFFECTIVE DATE -- APPLICABILITY. The amendments
9 to the following designated Code provisions in this division
10 of this Act take effect July 1, 2003:

- 11 1. Section 8.55, subsection 2, paragraph "a".
- 12 2. Section 8.56, subsection 4, paragraph "b".
- 13 3. Section 8.57, subsection 1, paragraph "a".

14 DIVISION V

15 OTHER MEDICAL ASSISTANCE PROGRAM PROVISIONS

16 Sec. 34. NEW SECTION. 249A.9 REPORTING REQUIREMENTS --
17 PHARMACEUTICAL COPAYMENT.

18 1. The department shall require applicants for or
19 recipients of medical assistance to report, on a monthly
20 basis, changes in income or resources that affect eligibility.

21 2. The department shall require recipients of medical
22 assistance to pay the following copayment on each covered drug
23 prescription, including each refill as follows:

24 a. A copayment of one dollar for each covered generic drug
25 prescription.

26 b. A copayment of one dollar for each covered brand-name
27 drug prescription for which the cost to the state is less than
28 twenty-five dollars.

29 c. A copayment of two dollars for each covered brand-name
30 drug prescription for which the cost to the state is between
31 twenty-five dollars and fifty dollars.

32 d. A copayment of three dollars for each covered brand-
33 name drug prescription for which the cost to the state is over
34 fifty dollars.

35 DIVISION VI

OTHER PROVISIONS

1
2 Sec. 35. Section 12E.12, subsection 8, if enacted by 2002
3 Iowa Acts, Second Extraordinary Session, Senate File 2334,
4 section 229, is amended to read as follows:

5 8. With respect to the payment of certain debt service,
6 the debt service to be paid shall be those installments of
7 debt service on bonds selected by the treasurer of state and
8 identified in the authority's tax certificate delivered at the
9 time of the issuance of the bonds issued pursuant to this
10 chapter, or as otherwise selected by the treasurer of state.
11 Once the bonds and the installments of debt service thereon
12 are so selected, that debt service and bonds shall not be
13 paid, or provided to be paid, from any other source including
14 the state or any of its departments or agencies. Provided,
15 however, that if funds are not appropriated to pay debt
16 service on such bonds when due, the issuing agency shall pay
17 such debt service from any available source as provided in the
18 bond covenants for such bonds.

19 Sec. 36. NEW SECTION. 249A.21 INTERMEDIATE CARE
20 FACILITIES FOR PERSONS WITH MENTAL RETARDATION -- ASSESSMENT.

21 1. The department may assess intermediate care facilities
22 for persons with mental retardation, as defined in section
23 135C.1, that are not operated by the state, a fee in an amount
24 not to exceed six percent of the total annual revenue of the
25 facility for the preceding fiscal year.

26 2. The assessment shall be paid to the department in equal
27 monthly amounts on or before the fifteenth day of each month.
28 The department may deduct the monthly amount from medical
29 assistance payments to a facility described in subsection 1.
30 The amount deducted from payments shall not exceed the total
31 amount of the assessments due.

32 3. Revenue from the assessments shall be credited to the
33 state medical assistance appropriation. This revenue may be
34 used only for services for which federal financial
35 participation under the medical assistance program is

1 available to match state funds.

2 4. If federal financial participation to match the
3 assessments made under subsection 1 becomes unavailable under
4 federal law, the department shall terminate the imposing of
5 the assessments beginning on the date that the federal
6 statutory, regulatory, or interpretive change takes effect.

7 5. The department of human services may procure a sole
8 source contract to implement the provisions of this section.

9 Sec. 37. Section 257.8, subsection 1, Code Supplement
10 2001, as amended by 2002 Iowa Acts, Senate File 2315, section
11 1, and 2002 Iowa Acts, Senate File 2328, section 1, is amended
12 to read as follows:

13 1. STATE PERCENT OF GROWTH. The state percent of growth
14 for the budget year beginning July 1, 2002, is one percent.
15 The state percent of growth for the budget year beginning July
16 1, 2003, is two percent. The state percent of growth for each
17 subsequent budget year shall be established by statute which
18 shall be enacted ~~within-thirty-days-of-the-submission~~ in the
19 year preceding the base year of the governor's budget under
20 section 8.21. The establishment of the state percent of
21 growth for a budget year shall be the only subject matter of
22 the bill which enacts the state percent of growth for a budget
23 year.

24 Sec. 38. 2001 Iowa Acts, chapter 188, section 13, is
25 amended to read as follows:

26 SEC. 13. TOURISM OPERATIONS. There is appropriated from
27 the community attraction and tourism fund created in section
28 15F.204 to the department of economic development for the
29 fiscal year beginning July 1, 2001, and ending June 30, 2002,
30 the following amount, or so much thereof as is necessary, to
31 be used for the purposes designated:

32 For tourism operations, including salaries, support,
33 maintenance, and miscellaneous purposes:
34 \$ 1,200,000

35 Moneys appropriated in this section shall not be

1 appropriated from those moneys in the community attraction and
2 tourism fund that originate from the tax-exempt bond proceeds
3 restricted capital funds account of the tobacco settlement
4 trust fund.

5 Sec. 39. UNITED STATES MARSHAL'S SERVICE. For the fiscal
6 year beginning July 1, 2002, regular per diem reimbursement
7 costs billed by the department of corrections to the United
8 States marshal's service for holding detainees shall be
9 deposited entirely into the general fund of the state.
10 However, for the fiscal year beginning July 1, 2002,
11 extraordinary costs, including but not limited to medical
12 costs, billed over the regular daily per diem rate shall be
13 used by the department of corrections to offset the actual
14 costs incurred.

15 Sec. 40. DUPLICATIVE POSITIONS -- VACANT POSITIONS --
16 EDUCATIONAL ASSISTANCE.

17 1. It is the intent of the general assembly that in
18 implementing the provisions of 2002 Iowa Acts, Second
19 Extraordinary Session, Senate File 2334, section 13,
20 subsection 2, if enacted, the department of personnel shall
21 focus on duplicative job functions in the agencies of the
22 executive branch of state government other than those
23 institutions under the control of the state board of regents.
24 For the institutions under the state board of regents, the
25 state board of regents shall perform the duties required of
26 the department of personnel and shall report to the oversight
27 committee of the legislative council in accordance with 2002
28 Iowa Acts, Second Extraordinary Session, Senate File 2334,
29 section 13, subsection 2.

30 2. In implementing the requirements of 2002 Iowa Acts,
31 Second Extraordinary Session, Senate File 2334, section 214,
32 if enacted, relating to vacant positions, the department of
33 management shall address table of organization changes other
34 than those relating to the institutions under the control of
35 the state board of regents. Table of organization changes

1 relating to the institutions under the control of the state
2 board of regents shall be implemented by the state board of
3 regents.

4 3. In implementing the requirements of 2002 Iowa Acts,
5 Second Extraordinary Session, Senate File 2334, section 215,
6 if enacted, relating to educational assistance, the department
7 of management shall ensure compliance for executive branch
8 agencies other than those involving the institutions under the
9 control of the state board of regents. Implementation of a
10 restriction on subsidy or reimbursement for a class or other
11 course of study leading to an advanced degree for an employee
12 of an institution under the control of the state board of
13 regents shall be as determined by the state board of regents.

14 Sec. 41. PROGRAM ELIMINATION COMMISSION. 2002 Iowa Acts,
15 Second Extraordinary Session, Senate File 2334, section 217,
16 subsection 2, paragraph a, if enacted, is amended by striking
17 the paragraph and inserting in lieu thereof the following:

18 a. A voting member appointed by the legislative council.

19 Sec. 42. STATE LIBRARY REDUCTION -- STATE MEDICAL LIBRARY
20 CONTINUATION TASK FORCE.

21 1. Funds appropriated to the department of education for
22 purposes of the state library pursuant to 2002 Iowa Acts,
23 Senate File 2326, section 79, subsection 5, paragraph "a", as
24 reduced by Senate File 2334, section 87, are further reduced
25 by the amount of \$108,000. The state library shall apply the
26 reduction to the state medical library.

27 2. It is the intent of the general assembly to eliminate,
28 or remove from the authority of the state library, the state
29 medical library. A state medical library continuation task
30 force is established to determine whether the citizens of this
31 state will continue to benefit from the state medical library,
32 and if so, where the state medical library should be
33 relocated. If the task force recommends relocation of the
34 state medical library, it is the intent of the general
35 assembly that the state medical library continue to be

1 available for free use by the residents of Iowa, give no
2 preference to any school of medicine, and secure books,
3 periodicals, pamphlets, and electronic textbooks, including
4 but not limited to computer software, applications using
5 computer-assisted instruction, interactive videodisc, and
6 other computer courseware and magnetic media for every legally
7 recognized school of medicine without discrimination. If the
8 task force finds and recommends elimination of the state
9 medical library, the task force shall propose a plan for
10 distribution of the assets of the state medical library. The
11 task force shall consist of the state librarian or the state
12 librarian's designee, and a representative of the state board
13 of regents, the Iowa medical society, the Iowa hospital
14 association, and the osteopathic medical association. The
15 state librarian shall serve as chairperson. Meetings shall be
16 held at the call of the chairperson or a majority of the
17 members of the task force. At any meeting of the task force,
18 a majority of the members shall constitute a quorum. The task
19 force shall submit its recommendation for continuation or
20 elimination of the state medical library, and any plan for
21 distribution of state medical library assets, in a report to
22 the chairpersons and ranking members of the senate and house
23 standing committees on education and the joint appropriations
24 subcommittee on education by December 1, 2002.

25 Sec. 43. 2002 Iowa Acts, Second Extraordinary Session,
26 Senate File 2334, section 221, if enacted, is amended to read
27 as follows:

28 SEC. 221. IMPLEMENTATION OF FURLOUGHS. Furloughs It is
29 the intent of the general assembly that furloughs implemented
30 pursuant to this division shall not be implemented in a manner
31 which results in more than 25 percent of the workforce within
32 an agency division being on furlough at the same time.
33 However, if implementation of this section would conflict with
34 existing law or a collective bargaining agreement, the agency
35 shall take every step possible to minimize the impact on the

1 agency's customers and the public. The agency shall work with
2 representatives of affected businesses to develop a plan for
3 meeting the businesses' needs during a furlough period and
4 when other funding reductions are implemented.

5 Sec. 44. 2002 Iowa Acts, House File 2614, section 2,
6 unnumbered paragraph 2, as amended by 2002 Iowa Acts, Second
7 Extraordinary Session, Senate File 2334, section 226, if
8 enacted, is amended to read as follows:

9 For allocation by the state board of regents to the state
10 university of Iowa, the Iowa state university of science and
11 technology, and the university of northern Iowa to reimburse
12 the institutions for deficiencies in their operating funds
13 resulting from the pledging of tuitions, student fees and
14 charges, and institutional income to finance the cost of
15 providing academic and administrative buildings and facilities
16 and utility services at the institutions, notwithstanding
17 section 12E.12, subsection 1, paragraph "b", subparagraph (1):

18 \$ 97,277,635
19 10,503,733

20 Sec. 45. MEDICAL ASSISTANCE REDUCTION. The appropriation
21 made in 2002 Iowa Acts, Second Extraordinary Session, Senate
22 File 2334, from the general fund of the state for medical
23 assistance reimbursement and associated costs for the fiscal
24 year beginning July 1, 2002, and ending June 30, 2003, is
25 reduced by the following amount:

26 \$ 3,700,000

27 Sec. 46. EFFECTIVE DATE. This division of this Act takes
28 effect July 1, 2002, except for the provision of this division
29 amending 2001 Iowa Acts, chapter 188, section 13, relating to
30 tourism operations, which, being deemed of immediate
31 importance, takes effect upon enactment.

32 DIVISION VII

33 COOPERATIVE TAX CREDITS

34 Sec. 47. Section 15.333, subsections 1 and 2, Code
35 Supplement 2001, as amended by 2002 Iowa Acts, Senate File

1 2275, section 5, are amended to read as follows:

2 1. An eligible business may claim a corporate tax credit
3 up to a maximum of ten percent of the new investment which is
4 directly related to new jobs created by the location or
5 expansion of an eligible business under the program. Any
6 credit in excess of the tax liability for the tax year may be
7 credited to the tax liability for the following seven years or
8 until depleted, whichever occurs earlier. Subject to prior
9 approval by the department of economic development in
10 consultation with the department of revenue and finance, an
11 eligible business whose project primarily involves the
12 production of value-added agricultural products may elect to
13 receive a refund of all or a portion of an unused tax credit.
14 For purposes of this section, an eligible business includes a
15 cooperative described in section 521 of the Internal Revenue
16 Code which is not required to file an Iowa corporate income
17 tax return, and whose project primarily involves the
18 production of ethanol. The refund may be used against a tax
19 liability imposed under chapter 422, division II, III, or V.
20 If the business is a partnership, S corporation, limited
21 liability company, cooperative organized under chapter 501 and
22 filing as a partnership for federal tax purposes, or estate or
23 trust electing to have the income taxed directly to the
24 individual, an individual may claim the tax credit allowed.
25 The amount claimed by the individual shall be based upon the
26 pro rata share of the individual's earnings of the
27 partnership, S corporation, limited liability company,
28 cooperative organized under chapter 501 and filing as a
29 partnership for federal tax purposes, or estate or trust.

30 PARAGRAPH DIVIDED. For purposes of this section, "new
31 investment directly related to new jobs created by the
32 location or expansion of an eligible business under the
33 program" means the cost of machinery and equipment, as defined
34 in section 427A.1, subsection 1, paragraphs "e" and "j",
35 purchased for use in the operation of the eligible business,

1 the purchase price of which has been depreciated in accordance
2 with generally accepted accounting principles, and the cost of
3 improvements made to real property which is used in the
4 operation of the eligible business.

5 2. An eligible business whose project primarily involves
6 the production of value-added agricultural products, that
7 elects to receive a refund of all or a portion of an unused
8 tax credit, shall apply to the department of economic
9 development for tax credit certificates. An eligible business
10 whose project primarily involves the production of value-added
11 agricultural products shall not claim a tax credit under this
12 section unless a tax credit certificate issued by the
13 department of economic development is attached to the
14 taxpayer's tax return for the tax year for which the tax
15 credit is claimed. For purposes of this section, an eligible
16 business includes a cooperative described in section 521 of
17 the Internal Revenue Code which is not required to file an
18 Iowa corporate income tax return, and whose project primarily
19 involves the production of ethanol. For purposes of this
20 section, an eligible business also includes a cooperative
21 described in section 521 of the Internal Revenue Code which is
22 required to file an Iowa corporate income tax return and whose
23 project primarily involves the production of ethanol. Such
24 cooperative may elect to transfer all or a portion of its tax
25 credit to its members. The amount of tax credit transferred
26 and claimed by a member shall be based upon the pro rata share
27 of the member's earnings of the cooperative.

28 PARAGRAPH DIVIDED. A tax credit certificate shall not be
29 valid until the tax year following the date of the project
30 completion. A tax credit certificate shall contain the
31 taxpayer's name, address, tax identification number, the date
32 of project completion, the amount of the tax credit, and other
33 information required by the department of revenue and finance.
34 The department of economic development shall not issue tax
35 credit certificates which total more than four million dollars

1 during a fiscal year. If the department receives applications
2 for tax credit certificates in excess of four million dollars,
3 the applicants shall receive certificates for a prorated
4 amount. The tax credit certificates shall not be transferred
5 except as provided in this subsection for a cooperative
6 described in section 521 of the Internal Revenue Code which is
7 required to file an Iowa corporate income tax return and whose
8 project primarily involves the production of ethanol. For a
9 cooperative described in section 521 of the Internal Revenue
10 Code ~~that is not required to file an Iowa corporate income tax~~
11 ~~return~~, the department of economic development shall require
12 that the cooperative submit a list of its members and the
13 share of each member's interest in the cooperative. The
14 department shall issue a tax credit certificate to each member
15 contained on the submitted list.

16 Sec. 48. Section 15E.193C, subsection 7, paragraph a, Code
17 Supplement 2001, is amended to read as follows:

18 a. An eligible development business may claim a tax credit
19 up to a maximum of ten percent of the new investment that is
20 directly related to the construction, expansion, or
21 rehabilitation of building space to be used for manufacturing,
22 processing, cold storage, distribution, or office facilities.
23 For purposes of this section, "new investment" includes the
24 purchase price of land and the cost of improvements made to
25 real property. The tax credit may be claimed by an eligible
26 development business for the tax year in which the
27 construction, expansion, or rehabilitation is completed. The
28 tax credit may be used to reduce the tax liability imposed
29 under chapter 422, division II, III, or V, or chapter 432.
30 Any credit in excess of the tax liability for the tax year may
31 be credited to the tax liability for the following seven years
32 or until depleted, whichever occurs earlier. If the business
33 is a partnership, S corporation, limited liability company,
34 cooperative organized under chapter 501 and filing as a
35 partnership for federal tax purposes, or estate or trust

1 electing to have the income taxed directly to the individual,
2 an individual may claim the tax credit allowed. The amount
3 claimed by the individual shall be based upon the pro rata
4 share of the individual's earnings of the partnership, S
5 corporation, limited liability company, cooperative organized
6 under chapter 501 and filing as a partnership for federal tax
7 purposes, or estate or trust.

8 Sec. 49. APPLICABILITY DATE. This division of this Act
9 applies retroactively to January 1, 2002, for tax years
10 beginning on or after that date.

11 DIVISION VIII

12 SICK LEAVE AND VACATION INCENTIVE PROGRAM EXTENSION

13 Sec. 50. SICK LEAVE AND VACATION INCENTIVE PROGRAM --

14 FISCAL YEAR 2002-2003.

15 1. As used in this section, unless the context provides
16 otherwise:

17 a. "Credited service" means service under the Iowa public
18 employees' retirement system, as service is defined in section
19 97B.1A, and membership service under the public safety peace
20 officers' retirement, accident, and disability system, as
21 defined in section 97A.1.

22 b. "Eligible employee" means an employee for which, but
23 for participation in the program, the sum of the number of
24 years of credited service and the employee's age in years as
25 of December 31, 2003, equals or exceeds seventy-five.

26 c. "Employee" means an employee of the executive branch of
27 the state who is not covered by a collective bargaining
28 agreement, including an employee of a judicial district
29 department of correctional services if the district elects to
30 participate in the program, an employee of the state board of
31 regents if the board elects to participate in the program, an
32 employee of the judicial branch if the judicial branch elects
33 to participate in the program, and an employee of the
34 department of justice. However, "employee" does not mean an
35 elected official.

1 d. "Participant" means a person who timely submits an
2 election to participate, and does participate, in the sick
3 leave and vacation incentive program established under this
4 section.

5 e. "Program" means the sick leave and vacation incentive
6 program established under this section.

7 f. "Regular annual salary" means an amount equal to the
8 eligible employee's regular biweekly rate of pay as of the
9 date of separation from employment multiplied by twenty-six.

10 g. "Sick leave and vacation incentive benefit" means an
11 amount equal to the entire value of an eligible employee's
12 accumulated but unused vacation plus the lesser of the entire
13 value of the eligible employee's accumulated and unused sick
14 leave or the employee's regular annual salary.

15 2. To become a participant in the program, an eligible
16 employee shall do all of the following:

17 a. Submit by August 14, 2002, a written application, on
18 forms prescribed by the department of personnel, seeking
19 participation in the program.

20 b. Agree to waive any and all rights to receive payments
21 of sick leave balances under section 70A.23 and accrued
22 vacation balances in a form other than as provided in this
23 section.

24 c. Agree to waive all rights to file suit against the
25 state of Iowa, including all of its departments, agencies, and
26 other subdivisions, based on state or federal claims arising
27 out of the employment relationship.

28 d. Acknowledge, in writing, that participation in the
29 program waives any right to accept permanent part-time or
30 permanent full-time employment with the state other than as an
31 elected official on or after August 15, 2002.

32 e. Agree to separate from employment with the state by
33 August 15, 2002.

34 3. Upon acceptance to participate in the program and
35 separation from employment with the state by August 15, 2002,

1 a participant shall receive a sick leave and vacation
2 incentive benefit. The state shall pay to the participant a
3 portion of the sick leave and vacation incentive benefit each
4 fiscal year for a period of five years commencing with the
5 fiscal year ending June 30, 2003.

6 4. The department of personnel shall administer the
7 program, including the determination of eligibility for
8 participation in the program, and shall adopt administrative
9 rules to administer the program. The department may adopt
10 rules on an emergency basis under section 17A.4, subsection 2,
11 and section 17A.5, subsection 2, paragraph "b", to implement
12 this section and the rules shall be effective immediately upon
13 filing unless a later date is specified in the rules.

14 5. The legislative council shall provide an incentive
15 program for employees of the legislative branch consistent
16 with the program provided in this section for executive branch
17 employees. The legislative council shall collaborate with the
18 department of personnel to establish the program as required
19 under this subsection. The program provided pursuant to this
20 subsection shall establish the same time guidelines and
21 benefit calculations as provided under the program for
22 executive branch employees.

23 Sec. 51. EARLY TERMINATION PROGRAMS -- MISCELLANEOUS
24 PROVISIONS.

25 1. DEFINITIONS. For purposes of this section, unless the
26 context otherwise requires:

27 a. "Early termination participant" means an eligible state
28 employee who participates in an early termination program.

29 b. "Early termination program" means a sick leave and
30 vacation incentive program as established or required in this
31 Act and the similar early termination program established for
32 state employees as established pursuant to a collective
33 bargaining agreement entered into pursuant to chapter 20.

34 2. GROUP INSURANCE ELIGIBILITY. An early termination
35 participant shall be eligible to continue participation in the

1 group plan or under the group contract at the early
2 termination participant's own expense in the same manner as a
3 retired employee pursuant to section 509A.13. In addition, an
4 early termination participant shall be deemed an eligible
5 retired state employee for purposes of eligibility for
6 continuation of group insurance covering spouses as provided
7 in section 509A.13A.

8 3. RELEASE OF RECORDS. Notwithstanding any provision of
9 chapter 22 or section 97B.17 to the contrary, records of the
10 department of personnel maintained for the operation of the
11 Iowa public employees' retirement system may be released to
12 the directors, agents, and employees of the legislative fiscal
13 bureau, the department of revenue and finance, the department
14 of management, and the department of personnel, for the
15 purposes of administering and monitoring an early termination
16 program. A person receiving a record pursuant to this
17 subsection shall maintain the confidentiality of any
18 information otherwise required to be kept confidential and
19 shall be subject to the same penalties as the custodian of the
20 records for the public dissemination of such information. The
21 authority to request a record as provided pursuant to this
22 subsection shall cease June 30, 2003.

23 4. REPORTING REQUIREMENTS. The department of personnel,
24 in collaboration with the department of management, shall
25 present a report by October 1, 2002, concerning the operation
26 of early termination programs as provided in this Act. The
27 reports shall be submitted in conjunction with the reports
28 required to be submitted by the department of personnel
29 pursuant to 2001 Iowa Acts, Second Extraordinary Session,
30 chapter 5, section 4. The department shall also submit an
31 annual update concerning early termination programs as
32 provided in this Act by October 1 of each year for four years,
33 commencing October 1, 2003. The reports shall include
34 information concerning the number of early termination program
35 participants, the cost of the early termination program

1 including any payments made to participants, the number of
2 state employment positions eliminated pursuant to an early
3 termination program, the number of positions vacated by an
4 early termination program participant that have been refilled,
5 and the savings to the state based upon the early termination
6 program.

7 5. SAVINGS. a. For an executive branch position vacated
8 by an early termination participant pursuant to an early
9 termination program, the savings from that termination, as
10 determined by the department of management, shall offset
11 amounts that would otherwise be reduced from the appropriation
12 to the executive branch department or establishment that
13 employed the participant due to the implementation of a
14 furlough program. The moneys saved by the department or
15 establishment due to the termination would then be used by the
16 department or establishment to reduce or end the furlough
17 program as it would otherwise apply to the employees of that
18 department or establishment, to the extent of the savings. If
19 savings in excess of the amounts reduced by the department of
20 management for the applicable executive branch department or
21 establishment are received, and the furlough program for that
22 department or establishment ceases, those moneys shall not
23 revert to the general fund but shall be transferred to the
24 applicable executive branch department or establishment for
25 personnel costs which shall not be expended for personnel
26 costs without prior approval of the department of management.

27 b. For a judicial or legislative branch position vacated
28 by an early termination participant pursuant to an early
29 termination program, the savings from that termination, as
30 determined by the judicial or legislative branch as
31 applicable, shall offset amounts that would otherwise be
32 reduced from the appropriation to the legislative or judicial
33 branch that employed the participant due to the implementation
34 of a furlough program. The moneys saved by the legislative or
35 executive branch due to the termination would then be used by

1 the department or establishment to reduce or end the furlough
2 program as it would otherwise apply to the employees of that
3 branch, to the extent of the savings.

4 6. ACROSS-THE-BOARD WAGE INCREASE DELAY. If an employee
5 organization representing state employees agrees to an across-
6 the-board wage increase delay as provided in this subsection
7 and to participate in an early termination program as provided
8 in this Act, then any across-the-board wage increases for
9 employees of the same state employer, who are not covered by a
10 collective bargaining agreement, which would otherwise take
11 effect at the beginning of the pay period in which July 1,
12 2002, falls, shall be delayed until the pay period in which
13 November 1, 2002, falls.

14 DIVISION IX

15 EFFECTIVE DATE

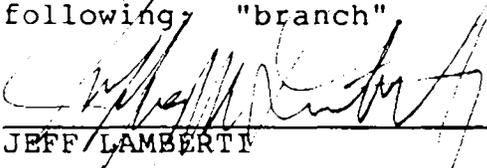
16 Sec. 52. EFFECTIVE DATE. Unless otherwise provided, this
17 Act, being deemed of immediate importance, takes effect upon
18 enactment.

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Approved for Introduction
SENATE LEGAL COUNSEL

HOUSE FILE 2625

- 1 Amend House File 2625, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 9, line 24, by striking the words and
- 4 figure "Senate File 2334" and inserting the following:
- 5 "House File 2627".
- 6 2. Page 13, line 3, by striking the words and
- 7 figure "Senate File 2334" and inserting the following:
- 8 "House File 2627".
- 9 3. Page 15, line 19, by striking the words and
- 10 figure "Senate File 2334" and inserting the following:
- 11 "House File 2627".
- 12 4. Page 15, line 28, by striking the words and
- 13 figure "Senate File 2334" and inserting the following:
- 14 "House File 2627".
- 15 5. Page 15, line 31, by striking the words and
- 16 figure "Senate File 2334" and inserting the following:
- 17 "House File 2627".
- 18 6. Page 16, line 5, by striking the words and
- 19 figure "Senate File 2334" and inserting the following:
- 20 "House File 2627".
- 21 7. Page 16, line 15, by striking the words and
- 22 figure "Senate File 2334" and inserting the following:
- 23 "House File 2627".
- 24 8. Page 16, line 24, by striking the words and
- 25 figure "Senate File 2334" and inserting the following:
- 26 "House File 2627".
- 27 9. Page 17, line 26, by striking the words and
- 28 figure "Senate File 2334" and inserting the following:
- 29 "House File 2627".
- 30 10. Page 18, line 7, by striking the words and
- 31 figure "Senate File 2334" and inserting the following:
- 32 "House File 2627".
- 33 11. Page 18, lines 21 and 22, by striking the
- 34 words and figure "Senate File 2334" and inserting the
- 35 following: "House File 2627".
- 36 12. Page 26, line 35, by striking the word
- 37 "executive" and inserting the following: "judicial".
- 38 13. Page 27, line 1, by striking the words
- 39 "department or establishment" and inserting the
- 40 following: "branch"

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44 JEFF LAMBERTI

ADOPTED
MAY 28 2002

adopted
5/28/02
(p. 1246)





THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

June 4, 2002

The Honorable Chester Culver
Secretary of State
State Capitol
LOCAL

RECEIVED

JUN 07 2002

LEGISLATIVE SERVICE
BUREAU

Dear Secretary Culver:

I hereby transmit House File 2625, an act addressing public funding provisions and properly related matters by making, reducing, and transferring appropriations, adjusting other expenditures for the fiscal year beginning July 1, 2001, and including other appropriations, cooperative tax credits, and effective and retroactive applicability date provisions.

With the Revenue Estimating Conference's recent action to decrease general fund resources available to the State by \$205.5 million in fiscal year 2002, I took responsible action in calling a special session to take the necessary steps to balance the budget. House File 2625 is the result of a plan that I worked with legislators in developing to solve the budget shortfall for the current year. The plan included a series of funding transfers that allow us to continue to provide the priority services of Iowans.

However, the bill has several provisions which I cannot support. I oppose the Republicans' continuous assault on our senior citizens by attempting to raise prescription drug costs on Iowans in need. I have vetoed their attempt to double the copayments on prescription drugs in the past, and I will do so again. I also cannot support the Republicans' plan to add an unnecessary, burdensome layer of bureaucracy and cost to the delivery of medical assistance. The burdens created for some Iowa families and seniors are simply unacceptable.

House File 2625 is, therefore, signed on this date with the following exceptions, which I hereby disapprove.

I am unable to approve Division V, Section 34 in its entirety. This provision would increase the cost of prescription drugs for Iowans most in need. This, in effect, is a tax on a group - aged, blind, disabled, children, caretakers with very little or no income. Additionally, if the individuals do not have the funds, the pharmacist is required to dispense the drug anyway. This requires pharmacists to subsidize the costs and creates an additional reluctance on the part of pharmacists to handle Medicaid patients.

Section 34 would also require additional bureaucracy and associated costs by calling for monthly reporting requirements for those who experience a change in income, mailing address, household composition, or health insurance. In doing so, the legislature would be creating an additional layer of bureaucracy, and an additional layer of cost to process the

monthly reports. This new bureaucratic requirement is particularly unnecessary, considering the Department of Human Services already requires Iowans in need who receive medical assistance to report changes in such factors.

I am unable to approve Section 37. This section removes the requirement that the legislature establish the state percent of allowable growth in funding for our local school districts within the first 30 days of a legislative session. This provision was developed to ensure the State's commitment to education was made up front and did not get bogged down in last minute budget negotiations and to provide adequate planning time for school districts. Now, more than ever, when education is our state's top priority, we must maintain that commitment to our local schools.

I am unable to approve Section 40, Subsection 1. This section requires the departments of personnel to identify duplicative job responsibilities throughout state government and report these positions to the Oversight Committee. These determinations on an enterprise-wide basis are already being done.

I am unable to approve Section 40, Subsection 3. This Administration has made every attempt to provide quality educational opportunities for all Iowans. This section denies the opportunity for state workers to access educational assistance. With a shrinking state workforce, it is more important than ever to make sure the remaining professionals have the training and education they need to effectively serve Iowans. I believe this option should be maintained.

I am unable to approve Section 42. This section eliminates state funding to the State Medical Library. The Legislature had intended to shift this funding from the Medical Library to the Department of Cultural Affairs for cultural grants, but the bill failed to complete the transfer. While the Republican Legislature eliminates the Medical Library funding, they also establish a task force charged with determining whether to continue the State Medical Library; and if so, where it should be located. The Medical Library provides essential educational materials and diagnostic and research searches for health professionals and students. Closing this valuable resource for many Iowans is shortsighted and unnecessary.

For the above reasons, I respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2625 are hereby approved as of this date.

Sincerely,


Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House

HOUSE FILE 2625

AN ACT

ADDRESSING PUBLIC FUNDING PROVISIONS AND PROPERLY RELATED MATTERS BY MAKING, REDUCING, AND TRANSFERRING APPROPRIATIONS, ADJUSTING OTHER EXPENDITURES FOR THE FISCAL YEAR BEGINNING JULY 1, 2001, AND INCLUDING OTHER APPROPRIATIONS, COOPERATIVE TAX CREDITS, AND EFFECTIVE AND RETROACTIVE APPLICABILITY DATE PROVISIONS.

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

DIVISION I
GENERAL FUND TRANSFERS

Section 1. 2002 Iowa Acts, Senate File 2304, section 15, is amended to read as follows:

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

..... \$ 3,000,000
4,700,000

Sec. 2. IOWA ECONOMIC EMERGENCY FUND.

1. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary:

..... \$105,000,000

2. The appropriation made in this section is declared to be made for emergency expenditures as required in section 8.55, subsection 3, paragraph "a".

Sec. 3. CASH RESERVE FUND.

1. Notwithstanding section 8.56, subsection 4, paragraph "a", there is appropriated from the cash reserve fund to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary:

..... \$ 90,000,000

2. The appropriation made in this section is declared to be made for nonrecurring emergency expenditures as required in section 8.56, subsections 3 and 4.

Sec. 4. TERMINAL LIABILITY HEALTH INSURANCE FUND.

Notwithstanding section 421.46, there is transferred from the terminal liability health insurance fund created in section 421.46 to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

..... \$ 133,000

Sec. 5. REGENTS INFRASTRUCTURE. Of the moneys appropriated to the state board of regents in 1997 Iowa Acts, chapter 215, section 23, subsection 1, and allocated for phase II construction of the engineering teaching and research complex at Iowa state university of science and technology, there is transferred to the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount:

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

Sec. 6. STATE BOARD OF REGENTS -- ENGINEERING COMPLEX -- BONDING.

There is appropriated from the rebuild Iowa infrastructure fund to the state board of regents for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For repayment of the bonding for the phase II construction of the engineering teaching and research complex at Iowa state university of science and technology, as authorized in this section:

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

Moneys appropriated in this section are not subject to transfer.

1. The state board of regents is authorized to issue bonds as provided in chapter 262A in an amount not exceeding \$7 million, except as provided in subsection 2, to undertake and carry out completion of the engineering teaching and research phase II construction at Iowa state university of science and technology and to finance the remaining cost of the project.

2. Notwithstanding the limitation established in subsection 1, the amount of bonds issued as authorized in subsection 1 may be exceeded by the amount the state board of regents determines to be necessary to capitalize interest, bond reserves, and issuance costs.

Sec. 7. CONTINGENT APPROPRIATION.

1. For purposes of determining the balance of the Iowa economic emergency fund available for making an appropriation to the general fund pursuant to section 8.55, subsection 3, paragraph "c", an amount equal to the \$25,000,000 appropriation in 2002 Iowa Acts, Senate File 2315, section 5, subsection 2, shall be considered to be obligated. For the fiscal year beginning July 1, 2001, and ending June 30, 2002, in addition to an appropriation made pursuant to section 8.55, subsection 3, paragraph "c", there is appropriated from the cash reserve fund an amount equal to the difference between \$50 million and the amount appropriated from the Iowa economic emergency fund as authorized by section 8.55, subsection 3, paragraph "c".

2. Notwithstanding section 8.55, subsection 3, paragraph "d", an appropriation shall not be made from the general fund of the state to the Iowa economic emergency fund for the following fiscal year due to an appropriation being made pursuant to section 8.55, subsection 3, paragraph "c", or subsection 1 of this section.

Sec. 8. CASH RESERVE APPROPRIATION FOR FY 2002-2003. For the fiscal year beginning July 1, 2002, and ending June 30,

2003, the appropriation to the cash reserve fund provided in section 8.57, subsection 1, paragraph "a", shall not be made. However, any surplus in the general fund of the state for the fiscal year beginning July 1, 2002, and ending June 30, 2003, shall be transferred to the cash reserve fund.

Sec. 9. LEGISLATIVE PER DIEM PAYMENT. Notwithstanding section 2.10, subsection 6, for the special session that convenes May 28, 2002, the members of the general assembly are not entitled to and shall not receive the sum of eighty-six dollars per day for each day the general assembly is actually in special session, but shall receive the same travel allowances and expenses as authorized by section 2.10. This section is retroactively applicable to May 28, 2002.

DIVISION II

MEDICAL ASSISTANCE PROGRAM TRANSFERS

Sec. 10. SPECIAL CONSERVATION FUND -- SNOWMOBILE FEES. Notwithstanding section 321G.7, there is transferred from snowmobile fees credited to the special conservation fund created in section 321G.7 to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For medical assistance reimbursement and associated costs in accordance with law:

..... \$ 950,000

Sec. 11. SPECIAL CONSERVATION FUND -- ALL-TERRAIN VEHICLE FEES. Notwithstanding section 321G.7, there is transferred from all-terrain vehicle fees credited to the special conservation fund created in section 321G.7 to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For medical assistance reimbursement and associated costs in accordance with law:

..... \$ 775,000

Sec. 12. ENVIRONMENT FIRST FUND. Notwithstanding section 8.57A, subsection 3, there is transferred from the environment first fund created in section 8.57A to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For medical assistance reimbursement and associated costs in accordance with law: \$ 1,000,000

Sec. 13. STRATEGIC INVESTMENT FUND. Notwithstanding section 15.313, subsection 2, there is transferred from the strategic investment fund created in section 15.313 to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For medical assistance reimbursement and associated costs in accordance with law: \$ 2,000,000

Sec. 14. PHYSICAL INFRASTRUCTURE ASSISTANCE FUND. Notwithstanding section 15E.175, subsection 2, there is transferred from the physical infrastructure assistance fund created in section 15E.175 to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For medical assistance reimbursement and associated costs in accordance with law: \$ 2,500,000

Sec. 15. ALTERNATIVE DRAINAGE SYSTEM ASSISTANCE FUND. Notwithstanding section 159.29A, subsection 3, there is transferred from the alternative drainage system assistance fund created in section 159.29A to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For medical assistance reimbursement and associated costs in accordance with law: \$ 1,100,000

Sec. 16. TERMINAL LIABILITY HEALTH INSURANCE FUND. Notwithstanding section 421.46, there is transferred from the terminal liability health insurance fund created in section 421.46 to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For medical assistance reimbursement and associated costs in accordance with law: \$ 325,000

Sec. 17. AIRPORT ENGINEERING STUDIES AND IMPROVEMENT PROJECTS. There is transferred from the appropriation to the state department of transportation for airport engineering studies and improvement projects in 2001 Iowa Acts, chapter 180, section 1, subsection 1, to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For medical assistance reimbursement and associated costs in accordance with law: \$ 347,000

DIVISION III TRANSFERS FOR OTHER PURPOSES

Sec. 18. TERMINAL LIABILITY HEALTH INSURANCE FUND -- INDIGENT DEFENSE. Notwithstanding section 421.46, there is transferred from the terminal liability health insurance fund created in section 421.46 to the office of the state public defender of the department of inspections and appeals for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For indigent defense costs: \$ 2,740,000

Sec. 19. ENVIRONMENT FIRST FUND -- STATE APPEAL BOARD CLAIMS. Notwithstanding section 8.57A, subsection 3, there is

transferred from the environment first fund created in section 8.57A, to the state appeal board for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For state appeal board claims under sections 25.2 and 669.11:
..... \$ 1,500,000

Sec. 20. VICTIM COMPENSATION FUND -- UNEMPLOYMENT COMPENSATION. Notwithstanding section 915.94, there is transferred from the victim compensation fund created in section 915.94 to the unemployment compensation account under the control of the department of revenue and finance for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For payment of state employee unemployment compensation claims:
..... \$ 1,000,000

Sec. 21. ENVIRONMENT FIRST FUND -- PERFORMANCE OF DUTY. Notwithstanding section 8.57A, subsection 3, there is transferred from the environment first fund created in section 8.57A to the executive council for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For performance of duty under section 7D.29, section 18.12, and section 29C.20:
..... \$ 100,000

Sec. 22. TERMINAL LIABILITY HEALTH INSURANCE FUND -- PERFORMANCE OF DUTY. Notwithstanding section 421.46, subsection 3, there is transferred from the terminal liability health insurance fund created in section 421.46 to the executive council for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For performance of duty under section 7D.29, section 18.12, and section 29C.20:
..... \$ 300,000

Sec. 23. VALUE-ADDED AGRICULTURAL PRODUCTS -- ELDERLY AND DISABLED PROPERTY TAX CREDIT. Notwithstanding section 15E.112, subsection 1, there is transferred from the value-added agricultural products and processes financial assistance fund created in section 15E.112 to the elderly and disabled property tax credit and reimbursement fund created in section 425.39 for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For payment of renters' claims for the fiscal year beginning July 1, 2001, under the elderly and disabled credit and reimbursement portion of the extraordinary property tax and reimbursement division of chapter 425:
..... \$ 250,000

Sec. 24. TERMINAL LIABILITY HEALTH INSURANCE FUND -- ELDERLY AND DISABLED PROPERTY TAX CREDIT. Notwithstanding section 421.46, subsection 3, there is transferred from the terminal liability health insurance fund created in section 421.46 to the elderly and disabled property tax credit and reimbursement fund created in section 425.39 for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount to be used for the purpose designated:

For payment of renters' claims for the fiscal year beginning July 1, 2001, under the elderly and disabled credit and reimbursement portion of the extraordinary property tax and reimbursement division of chapter 425:
..... \$ 180,000

DIVISION IV
RESERVE FUNDS

Sec. 25. Section 8.55, subsection 2, paragraph a, as enacted by 2002 Iowa Acts, House File 2075, section 1, is amended to read as follows:

a. The maximum balance of the fund is the amount equal to five two and one-half percent of the adjusted revenue estimate for the fiscal year. If the amount of moneys in the Iowa economic emergency fund is equal to the maximum balance,

moneys in excess of this amount shall be transferred to the general fund.

Sec. 26. Section 8.55, subsection 2, paragraphs c and d, as enacted by 2002 Iowa Acts, House File 2075, section 1, are amended to read as follows:

c. Notwithstanding paragraph "a", any moneys in excess of the maximum balance in the economic emergency fund after the distribution of the surplus in the general fund of the state at the conclusion of each fiscal year and after the appropriate amount has been transferred pursuant to paragraph "b", shall not be transferred to the general fund of the state but shall be transferred to the senior living trust fund. The total amount transferred, in the aggregate, under this paragraph for all fiscal years shall not exceed thirty-five fifty-one million five hundred thousand dollars.

d. Notwithstanding paragraph "a", any moneys in excess of the maximum balance in the economic emergency fund after the distribution of the surplus in the general fund of the state at the conclusion of each fiscal year and after the appropriate amount have been transferred pursuant to paragraphs "b" and "c" shall not be transferred to the general fund of the state but shall be transferred to the endowment for Iowa's health account of the tobacco settlement trust fund. The total amount transferred, in the aggregate, under this paragraph for all fiscal years shall not exceed the difference between fifty-one sixty million five hundred thousand dollars and the amounts transferred to the endowment for Iowa's health account to repay the amounts transferred or appropriated from the endowment for Iowa's health account in 2002 Iowa Acts, House File 2245, 2002 Iowa Acts, Senate File 2304, and 2002 Iowa Acts, Senate File 2315, and 2002 Iowa Acts, Second Extraordinary Session, House File 2627.

Sec. 27. Section 8.56, subsection 4, paragraph b, Code Supplement 2001, is amended to read as follows:

b. In addition to the requirements of paragraph "a", an appropriation shall not be made from the cash reserve fund

which would cause the fund's balance to be less than three and three-fourths percent of the adjusted revenue estimate for the year for which the appropriation is made unless the bill or joint resolution is approved by vote of at least three-fifths of the members of both chambers of the general assembly and is signed by the governor.

Sec. 28. Section 8.57, subsection 1, paragraph a, Code Supplement 2001, is amended to read as follows:

a. The "cash reserve goal percentage" for fiscal years beginning on or after July 1, 1995 2003, is five seven and one-half percent of the adjusted revenue estimate. For each fiscal year beginning on or after July 1, 1995 2003, in which the appropriation of the surplus existing in the general fund of the state at the conclusion of the prior fiscal year pursuant to paragraph "b" was not sufficient for the cash reserve fund to reach the cash reserve goal percentage for the current fiscal year, there is appropriated from the general fund of the state an amount to be determined as follows:

(1) If the balance of the cash reserve fund in the current fiscal year is not more than four six and one-half percent of the adjusted revenue estimate for the current fiscal year, the amount of the appropriation under this lettered paragraph is one percent of the adjusted revenue estimate for the current fiscal year.

(2) If the balance of the cash reserve fund in the current fiscal year is more than four six and one-half percent but less than five seven and one-half percent of the adjusted revenue estimate for that fiscal year, the amount of the appropriation under this lettered paragraph is the amount necessary for the cash reserve fund to reach five seven and one-half percent of the adjusted revenue estimate for the current fiscal year.

(3) The moneys appropriated under this lettered paragraph shall be credited in equal and proportionate amounts in each quarter of the current fiscal year.

Sec. 29. Section 8.57, subsection 5, paragraph b, Code Supplement 2001, is amended to read as follows:

b. Moneys in the infrastructure fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the infrastructure fund shall be credited to the infrastructure fund. Moneys in the infrastructure fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the infrastructure fund by the end of that fiscal year.

Sec. 30. Section 249H.4, subsection 4, Code 2001, as amended by 2002 Iowa Acts, Senate File 2201, section 26, is amended to read as follows:

4. The trust fund shall be operated in accordance with the guidelines of the centers for Medicare and Medicaid services of the United States department of health and human services. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the trust fund shall not be considered revenue of the state, but rather shall be funds of the senior living program. The moneys deposited in the trust fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of this chapter. Moneys in the trust fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the trust fund by the end of that fiscal year. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

Sec. 31. NEW SECTION. 249H.4A PENDING SENIOR LIVING TRUST FUND.

A pending senior living trust fund is created in the state treasury under the authority of the department of human services. Moneys received through intergovernmental agreements for the senior living program but not yet available

for appropriation are to be deposited into this fund. When the moneys are determined to be available for appropriation, they shall be transferred to the senior living trust fund established in section 249H.4. Moneys in the fund may be used for cash flow purposes during the fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year.

Sec. 32. USE OF REVERSIONS. Notwithstanding section 8.62, if on June 30 of fiscal year 2001-2002 or fiscal year 2002-2003, a balance of an operational appropriation, as defined in section 8.62, remains unexpended or unencumbered, the balance shall revert to the general fund of the state as provided in section 8.33.

Sec. 33. EFFECTIVE DATE -- APPLICABILITY. The amendments to the following designated Code provisions in this division of this Act take effect July 1, 2003:

1. Section 8.55, subsection 2, paragraph "a".
2. Section 8.56, subsection 4, paragraph "b".
3. Section 8.57, subsection 1, paragraph "a".

DIVISION V

OTHER MEDICAL ASSISTANCE PROGRAM PROVISIONS

Sec. 34. NEW SECTION. 249A.9 REPORTING REQUIREMENTS -- PHARMACEUTICAL COPAYMENT.

1. The department shall require applicants for or recipients of medical assistance to report, on a monthly basis, changes in income or resources that affect eligibility.
2. The department shall require recipients of medical assistance to pay the following copayment on each covered drug prescription, including each refill as follows:
 - a. A copayment of one dollar for each covered generic drug prescription.
 - b. A copayment of one dollar for each covered brand-name drug prescription for which the cost to the state is less than twenty-five dollars.
 - c. A copayment of two dollars for each covered brand-name drug prescription for which the cost to the state is between twenty-five dollars and fifty dollars.

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Veto { d. A copayment of three dollars for each covered brand-name drug prescription for which the cost to the state is over fifty dollars. }

DIVISION VI
OTHER PROVISIONS

Sec. 35. Section 12E.12, subsection 8, if enacted by 2002 Iowa Acts, Second Extraordinary Session, House File 2627, section 229, is amended to read as follows:

8. With respect to the payment of certain debt service, the debt service to be paid shall be those installments of debt service on bonds selected by the treasurer of state and identified in the authority's tax certificate delivered at the time of the issuance of the bonds issued pursuant to this chapter, or as otherwise selected by the treasurer of state. Once the bonds and the installments of debt service thereon are so selected, that debt service and bonds shall not be paid, or provided to be paid, from any other source including the state or any of its departments or agencies. Provided, however, that if funds are not appropriated to pay debt service on such bonds when due, the issuing agency shall pay such debt service from any available source as provided in the bond covenants for such bonds.

Sec. 36. NEW SECTION. 249A.21 INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION -- ASSESSMENT.

1. The department may assess intermediate care facilities for persons with mental retardation, as defined in section 135C.1, that are not operated by the state, a fee in an amount not to exceed six percent of the total annual revenue of the facility for the preceding fiscal year.

2. The assessment shall be paid to the department in equal monthly amounts on or before the fifteenth day of each month. The department may deduct the monthly amount from medical assistance payments to a facility described in subsection 1. The amount deducted from payments shall not exceed the total amount of the assessments due.

3. Revenue from the assessments shall be credited to the state medical assistance appropriation. This revenue may be used only for services for which federal financial participation under the medical assistance program is available to match state funds.

4. If federal financial participation to match the assessments made under subsection 1 becomes unavailable under federal law, the department shall terminate the imposing of the assessments beginning on the date that the federal statutory, regulatory, or interpretive change takes effect.

5. The department of human services may procure a sole source contract to implement the provisions of this section.

Sec. 37. Section 257.8, subsection 1, Code Supplement 2001, as amended by 2002 Iowa Acts, Senate File 2315, section 1, and 2002 Iowa Acts, Senate File 2328, section 1, is amended to read as follows:

Veto { 1. STATE PERCENT OF GROWTH. The state percent of growth for the budget year beginning July 1, 2002, is one percent. The state percent of growth for the budget year beginning July 1, 2003, is two percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within-thirty-days-of-the-submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year. }

Sec. 38. 2001 Iowa Acts, chapter 188, section 13, is amended to read as follows:

SEC. 13. TOURISM OPERATIONS. There is appropriated from the community attraction and tourism fund created in section 15F.204 to the department of economic development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For tourism operations, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 1,200,000

Moneys appropriated in this section shall not be appropriated from those moneys in the community attraction and tourism fund that originate from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund.

Sec. 39. UNITED STATES MARSHAL'S SERVICE. For the fiscal year beginning July 1, 2002, regular per diem reimbursement costs billed by the department of corrections to the United States marshal's service for holding detainees shall be deposited entirely into the general fund of the state. However, for the fiscal year beginning July 1, 2002, extraordinary costs, including but not limited to medical costs, billed over the regular daily per diem rate shall be used by the department of corrections to offset the actual costs incurred.

Sec. 40. DUPLICATIVE POSITIONS -- VACANT POSITIONS -- EDUCATIONAL ASSISTANCE.

1. It is the intent of the general assembly that in implementing the provisions of 2002 Iowa Acts, Second Extraordinary Session, House File 2627, section 13, subsection 2, if enacted, the department of personnel shall focus on duplicative job functions in the agencies of the executive branch of state government other than those institutions under the control of the state board of regents. For the institutions under the state board of regents, the state board of regents shall perform the duties required of the department of personnel and shall report to the oversight committee of the legislative council in accordance with 2002 Iowa Acts, Second Extraordinary Session, House File 2627, section 13, subsection 2.

2. In implementing the requirements of 2002 Iowa Acts, Second Extraordinary Session, House File 2627, section 214, if enacted, relating to vacant positions, the department of

management shall address table of organization changes other than those relating to the institutions under the control of the state board of regents. Table of organization changes relating to the institutions under the control of the state board of regents shall be implemented by the state board of regents.

3. In implementing the requirements of 2002 Iowa Acts, Second Extraordinary Session, House File 2627, section 215, if enacted, relating to educational assistance, the department of management shall ensure compliance for executive branch agencies other than those involving the institutions under the control of the state board of regents. Implementation of a restriction on subsidy or reimbursement for a class or other course of study leading to an advanced degree for an employee of an institution under the control of the state board of regents shall be as determined by the state board of regents.

Sec. 41. PROGRAM ELIMINATION COMMISSION. 2002 Iowa Acts, Second Extraordinary Session, House File 2627, section 217, subsection 2, paragraph a, if enacted, is amended by striking the paragraph and inserting in lieu thereof the following:

a. A voting member appointed by the legislative council.

Sec. 42. STATE LIBRARY REDUCTION -- STATE MEDICAL LIBRARY CONTINUATION TASK FORCE.

1. Funds appropriated to the department of education for purposes of the state library pursuant to 2002 Iowa Acts, Senate File 2326, section 79, subsection 5, paragraph "a", as reduced by House File 2627, section 87, are further reduced by the amount of \$108,000. The state library shall apply the reduction to the state medical library.

2. It is the intent of the general assembly to eliminate, or remove from the authority of the state library, the state medical library. A state medical library continuation task force is established to determine whether the citizens of this state will continue to benefit from the state medical library, and if so, where the state medical library should be relocated. If the task force recommends relocation of the

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state medical library, it is the intent of the general assembly that the state medical library continue to be available for free use by the residents of Iowa, give no preference to any school of medicine, and secure books, periodicals, pamphlets, and electronic textbooks, including but not limited to computer software, applications using computer-assisted instruction, interactive videodisc, and other computer courseware and magnetic media for every legally recognized school of medicine without discrimination. If the task force finds and recommends elimination of the state medical library, the task force shall propose a plan for distribution of the assets of the state medical library. The task force shall consist of the state librarian or the state librarian's designee, and a representative of the state board of regents, the Iowa medical society, the Iowa hospital association, and the osteopathic medical association. The state librarian shall serve as chairperson. Meetings shall be held at the call of the chairperson or a majority of the members of the task force. At any meeting of the task force, a majority of the members shall constitute a quorum. The task force shall submit its recommendation for continuation or elimination of the state medical library, and any plan for distribution of state medical library assets, in a report to the chairpersons and ranking members of the senate and house standing committees on education and the joint appropriations subcommittee on education by December 1, 2002.

etc

Sec. 43. 2002 Iowa Acts, Second Extraordinary Session, House File 2627, section 221, if enacted, is amended to read as follows:

SEC. 221. IMPLEMENTATION OF FURLOUGHS. Furloughs It is the intent of the general assembly that furloughs implemented pursuant to this division shall not be implemented in a manner which results in more than 25 percent of the workforce within an agency division being on furlough at the same time. However, if implementation of this section would conflict with existing law or a collective bargaining agreement, the agency

shall take every step possible to minimize the impact on the agency's customers and the public. The agency shall work with representatives of affected businesses to develop a plan for meeting the businesses' needs during a furlough period and when other funding reductions are implemented.

Sec. 44. 2002 Iowa Acts, House File 2614, section 2, unnumbered paragraph 2, as amended by 2002 Iowa Acts, Second Extraordinary Session, House File 2627, section 226, if enacted, is amended to read as follows:

For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges, and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions, notwithstanding section 12E.12, subsection 1, paragraph "b", subparagraph (1):

..... \$ 9,127,635
10,503,733

Sec. 45. MEDICAL ASSISTANCE REDUCTION. The appropriation made in 2002 Iowa Acts, Second Extraordinary Session, House File 2627, from the general fund of the state for medical* assistance reimbursement and associated costs for the fiscal year beginning July 1, 2002, and ending June 30, 2003, is reduced by the following amount:

..... \$ 3,700,000

Sec. 46. EFFECTIVE DATE. This division of this Act takes effect July 1, 2002, except for the provision of this division amending 2001 Iowa Acts, chapter 188, section 13, relating to tourism operations, which, being deemed of immediate importance, takes effect upon enactment.

DIVISION VII
COOPERATIVE TAX CREDITS

Sec. 47. Section 15.333, subsections 1 and 2, Code Supplement 2001, as amended by 2002 Iowa Acts, Senate File 2275, section 5, are amended to read as follows:

1. An eligible business may claim a corporate tax credit up to a maximum of ten percent of the new investment which is directly related to new jobs created by the location or expansion of an eligible business under the program. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs earlier. Subject to prior approval by the department of economic development in consultation with the department of revenue and finance, an eligible business whose project primarily involves the production of value-added agricultural products may elect to receive a refund of all or a portion of an unused tax credit. For purposes of this section, an eligible business includes a cooperative described in section 521 of the Internal Revenue Code which is not required to file an Iowa corporate income tax return, and whose project primarily involves the production of ethanol. The refund may be used against a tax liability imposed under chapter 422, division II, III, or V. If the business is a partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust.

PARAGRAPH DIVIDED. For purposes of this section, "new investment directly related to new jobs created by the location or expansion of an eligible business under the program" means the cost of machinery and equipment, as defined in section 427A.1, subsection 1, paragraphs "e" and "j", purchased for use in the operation of the eligible business, the purchase price of which has been depreciated in accordance with generally accepted accounting principles, and the cost of

improvements made to real property which is used in the operation of the eligible business.

2. An eligible business whose project primarily involves the production of value-added agricultural products, that elects to receive a refund of all or a portion of an unused tax credit, shall apply to the department of economic development for tax credit certificates. An eligible business whose project primarily involves the production of value-added agricultural products shall not claim a tax credit under this section unless a tax credit certificate issued by the department of economic development is attached to the taxpayer's tax return for the tax year for which the tax credit is claimed. For purposes of this section, an eligible business includes a cooperative described in section 521 of the Internal Revenue Code which is not required to file an Iowa corporate income tax return, and whose project primarily involves the production of ethanol. For purposes of this section, an eligible business also includes a cooperative described in section 521 of the Internal Revenue Code which is required to file an Iowa corporate income tax return and whose project primarily involves the production of ethanol. Such cooperative may elect to transfer all or a portion of its tax credit to its members. The amount of tax credit transferred and claimed by a member shall be based upon the pro rata share of the member's earnings of the cooperative.

PARAGRAPH DIVIDED. A tax credit certificate shall not be valid until the tax year following the date of the project completion. A tax credit certificate shall contain the taxpayer's name, address, tax identification number, the date of project completion, the amount of the tax credit, and other information required by the department of revenue and finance. The department of economic development shall not issue tax credit certificates which total more than four million dollars during a fiscal year. If the department receives applications for tax credit certificates in excess of four million dollars, the applicants shall receive certificates for a prorated

amount. The tax credit certificates shall not be transferred except as provided in this subsection for a cooperative described in section 521 of the Internal Revenue Code which is required to file an Iowa corporate income tax return and whose project primarily involves the production of ethanol. For a cooperative described in section 521 of the Internal Revenue Code ~~that is not required to file an Iowa corporate income tax return~~, the department of economic development shall require that the cooperative submit a list of its members and the share of each member's interest in the cooperative. The department shall issue a tax credit certificate to each member contained on the submitted list.

Sec. 48. Section 15E.193C, subsection 7, paragraph a, Code Supplement 2001, is amended to read as follows:

a. An eligible development business may claim a tax credit up to a maximum of ten percent of the new investment that is directly related to the construction, expansion, or rehabilitation of building space to be used for manufacturing, processing, cold storage, distribution, or office facilities. For purposes of this section, "new investment" includes the purchase price of land and the cost of improvements made to real property. The tax credit may be claimed by an eligible development business for the tax year in which the construction, expansion, or rehabilitation is completed. The tax credit may be used to reduce the tax liability imposed under chapter 422, division II, III, or V, or chapter 432. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs earlier. If the business is a partnership, S corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings of the partnership, S

corporation, limited liability company, cooperative organized under chapter 501 and filing as a partnership for federal tax purposes, or estate or trust.

Sec. 49. APPLICABILITY DATE. This division of this Act applies retroactively to January 1, 2002, for tax years beginning on or after that date.

DIVISION VIII

SICK LEAVE AND VACATION INCENTIVE PROGRAM EXTENSION

Sec. 50. SICK LEAVE AND VACATION INCENTIVE PROGRAM -- FISCAL YEAR 2002-2003.

1. As used in this section, unless the context provides otherwise:

a. "Credited service" means service under the Iowa public employees' retirement system, as service is defined in section 97B.1A, and membership service under the public safety peace officers' retirement, accident, and disability system, as defined in section 97A.1.

b. "Eligible employee" means an employee for which, but for participation in the program, the sum of the number of years of credited service and the employee's age in years as of December 31, 2003, equals or exceeds seventy-five.

c. "Employee" means an employee of the executive branch of the state who is not covered by a collective bargaining agreement, including an employee of a judicial district department of correctional services if the district elects to participate in the program, an employee of the state board of regents if the board elects to participate in the program, an employee of the judicial branch if the judicial branch elects to participate in the program, and an employee of the department of justice. However, "employee" does not mean an elected official.

d. "Participant" means a person who timely submits an election to participate, and does participate, in the sick leave and vacation incentive program established under this section.

e. "Program" means the sick leave and vacation incentive program established under this section.

f. "Regular annual salary" means an amount equal to the eligible employee's regular biweekly rate of pay as of the date of separation from employment multiplied by twenty-six.

g. "Sick leave and vacation incentive benefit" means an amount equal to the entire value of an eligible employee's accumulated but unused vacation plus the lesser of the entire value of the eligible employee's accumulated and unused sick leave or the employee's regular annual salary.

2. To become a participant in the program, an eligible employee shall do all of the following:

a. Submit by August 14, 2002, a written application, on forms prescribed by the department of personnel, seeking participation in the program.

b. Agree to waive any and all rights to receive payments of sick leave balances under section 70A.23 and accrued vacation balances in a form other than as provided in this section.

c. Agree to waive all rights to file suit against the state of Iowa, including all of its departments, agencies, and other subdivisions, based on state or federal claims arising out of the employment relationship.

d. Acknowledge, in writing, that participation in the program waives any right to accept permanent part-time or permanent full-time employment with the state other than as an elected official on or after August 15, 2002.

e. Agree to separate from employment with the state by August 15, 2002.

3. Upon acceptance to participate in the program and separation from employment with the state by August 15, 2002, a participant shall receive a sick leave and vacation incentive benefit. The state shall pay to the participant a portion of the sick leave and vacation incentive benefit each fiscal year for a period of five years commencing with the fiscal year ending June 30, 2003.

4. The department of personnel shall administer the program, including the determination of eligibility for participation in the program, and shall adopt administrative rules to administer the program. The department may adopt rules on an emergency basis under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement this section and the rules shall be effective immediately upon filing unless a later date is specified in the rules.

5. The legislative council shall provide an incentive program for employees of the legislative branch consistent with the program provided in this section for executive branch employees. The legislative council shall collaborate with the department of personnel to establish the program as required under this subsection. The program provided pursuant to this subsection shall establish the same time guidelines and benefit calculations as provided under the program for executive branch employees.

Sec. 51. EARLY TERMINATION PROGRAMS -- MISCELLANEOUS PROVISIONS.

1. DEFINITIONS. For purposes of this section, unless the context otherwise requires:

a. "Early termination participant" means an eligible state employee who participates in an early termination program.

b. "Early termination program" means a sick leave and vacation incentive program as established or required in this Act and the similar early termination program established for state employees as established pursuant to a collective bargaining agreement entered into pursuant to chapter 20.

2. GROUP INSURANCE ELIGIBILITY. An early termination participant shall be eligible to continue participation in the group plan or under the group contract at the early termination participant's own expense in the same manner as a retired employee pursuant to section 509A.13. In addition, an early termination participant shall be deemed an eligible retired state employee for purposes of eligibility for continuation of group insurance covering spouses as provided in section 509A.13A.

3. **RELEASE OF RECORDS.** Notwithstanding any provision of chapter 22 or section 97B.17 to the contrary, records of the department of personnel maintained for the operation of the Iowa public employees' retirement system may be released to the directors, agents, and employees of the legislative fiscal bureau, the department of revenue and finance, the department of management, and the department of personnel, for the purposes of administering and monitoring an early termination program. A person receiving a record pursuant to this subsection shall maintain the confidentiality of any information otherwise required to be kept confidential and shall be subject to the same penalties as the custodian of the records for the public dissemination of such information. The authority to request a record as provided pursuant to this subsection shall cease June 30, 2003.

4. **REPORTING REQUIREMENTS.** The department of personnel, in collaboration with the department of management, shall present a report by October 1, 2002, concerning the operation of early termination programs as provided in this Act. The reports shall be submitted in conjunction with the reports required to be submitted by the department of personnel pursuant to 2001 Iowa Acts, Second Extraordinary Session, chapter 5, section 4. The department shall also submit an annual update concerning early termination programs as provided in this Act by October 1 of each year for four years, commencing October 1, 2003. The reports shall include information concerning the number of early termination program participants, the cost of the early termination program including any payments made to participants, the number of state employment positions eliminated pursuant to an early termination program, the number of positions vacated by an early termination program participant that have been refilled, and the savings to the state based upon the early termination program.

5. **SAVINGS.** a. For an executive branch position vacated by an early termination participant pursuant to an early

termination program, the savings from that termination, as determined by the department of management, shall offset amounts that would otherwise be reduced from the appropriation to the executive branch department or establishment that employed the participant due to the implementation of a furlough program. The moneys saved by the department or establishment due to the termination would then be used by the department or establishment to reduce or end the furlough program as it would otherwise apply to the employees of that department or establishment, to the extent of the savings. If savings in excess of the amounts reduced by the department of management for the applicable executive branch department or establishment are received, and the furlough program for that department or establishment ceases, those moneys shall not revert to the general fund but shall be transferred to the applicable executive branch department or establishment for personnel costs which shall not be expended for personnel costs without prior approval of the department of management.

b. For a judicial or legislative branch position vacated by an early termination participant pursuant to an early termination program, the savings from that termination, as determined by the judicial or legislative branch as applicable, shall offset amounts that would otherwise be reduced from the appropriation to the legislative or judicial branch that employed the participant due to the implementation of a furlough program. The moneys saved by the legislative or judicial branch due to the termination would then be used by the branch to reduce or end the furlough program as it would otherwise apply to the employees of that branch, to the extent of the savings.

6. **ACROSS-THE-BOARD WAGE INCREASE DELAY.** If an employee organization representing state employees agrees to an across-the-board wage increase delay as provided in this subsection and to participate in an early termination program as provided in this Act, then any across-the-board wage increases for employees of the same state employer, who are not covered by a

collective bargaining agreement, which would otherwise take effect at the beginning of the pay period in which July 1, 2002, falls, shall be delayed until the pay period in which November 1, 2002, falls.

DIVISION IX
EFFECTIVE DATE

Sec. 52. EFFECTIVE DATE. Unless otherwise provided, this Act, being deemed of immediate importance, takes effect upon enactment.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2625, Seventy-ninth General Assembly.

Item Vetoed
Approved June 4, 2002

MARGARET THOMSON
Chief Clerk of the House

THOMAS J. VILSACK
Governor