

Substituted for by HF 2625
5/28/02
(P. 1245)

FILED MAY 28 2002

WITHDRAWN

SENATE FILE 2333
BY COMMITTEE ON APPROPRIATIONS

(COMPANION TO LSB 7302HV BY
COMMITTEE ON APPROPRIATIONS)

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

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:

- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22

DIVISION I
GENERAL FUND TRANSFERS

1
2
3 Section 1. 2002 Iowa Acts, Senate File 2304, section 15,
4 is amended to read as follows:

5 SEC. 15. 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 general fund of the
8 state for the fiscal year beginning July 1, 2001, and ending
9 June 30, 2002, the following amount:

10 \$ 37,000,000
11 4,700,000

12 Sec. 2. IOWA ECONOMIC EMERGENCY FUND.

13 1. There is appropriated from the Iowa economic emergency
14 fund created in section 8.55 to the general fund of the state
15 for the fiscal year beginning July 1, 2001, and ending June
16 30, 2002, the following amount, or so much thereof as is
17 necessary:

18 \$105,000,000

19 2. The appropriation made in this section is declared to
20 be made for emergency expenditures as required in section
21 8.55, subsection 3, paragraph "a".

22 Sec. 3. CASH RESERVE FUND.

23 1. Notwithstanding section 8.56, subsection 4, paragraph
24 "a", there is appropriated from the cash reserve fund to the
25 general fund of the state for the fiscal year beginning July
26 1, 2001, and ending June 30, 2002, the following amount, or so
27 much thereof as is necessary:

28 \$ 90,000,000

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

32 Sec. 4. TERMINAL LIABILITY HEALTH INSURANCE FUND.

33 Notwithstanding section 421.46, there is transferred from the
34 terminal liability health insurance fund created in section
35 421.46 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.

27
28
29
30
31
32
33
34
35

SENATE FILE 2333

1 Amend Senate File 2333 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 3, by inserting after line 17 the
18 following:

19 "Sec. ____ . LEGISLATIVE PER DIEM PAYMENT.

20 Notwithstanding section 2.10, subsection 6, for the
21 special session that convenes May 28, 2002, the
22 members of the general assembly are not entitled to
23 and shall not receive the sum of eighty-six dollars
24 per day for each day the general assembly is actually
25 in special session, but shall receive the same travel
26 allowances and expenses as authorized by section 2.10.
27 This section is retroactively applicable to May 28,
28 2002."

29 3. Page 12, by inserting after line 16 the
30 following:

31 "Sec. ____ . Section 12E.12, subsection 8, if
32 enacted by 2002 Iowa Acts, Second Extraordinary
33 Session, Senate File 2334, section 229, is amended to
34 read as follows:

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

1 4. Page 14, by inserting after line 12 the
2 following:

3 "Sec. ____ . DUPLICATIVE POSITIONS -- VACANT
4 POSITIONS -- EDUCATIONAL ASSISTANCE.

5 1. It is the intent of the general assembly that
6 in implementing the provisions of 2002 Iowa Acts,
7 Second Extraordinary Session, Senate File 2334,
8 section 13, subsection 2, if enacted, the department
9 of personnel shall focus on duplicative job functions
10 in the agencies of the executive branch of state
11 government other than those institutions under the
12 control of the state board of regents. For the
13 institutions under the state board of regents, the
14 state board of regents shall perform the duties
15 required of the department of personnel and shall
16 report to the oversight committee of the legislative
17 council in accordance with 2002 Iowa Acts, Second
18 Extraordinary Session, Senate File 2334, section 13,
19 subsection 2.

20 2. In implementing the requirements of 2002 Iowa
21 Acts, Second Extraordinary Session, Senate File 2334,
22 section 214, if enacted, relating to vacant positions,
23 the department of management shall address table of
24 organization changes other than those relating to the
25 institutions under the control of the state board of
26 regents. Table of organization changes relating to
27 the institutions under the control of the state board
28 of regents shall be implemented by the state board of
29 regents.

30 3. In implementing the requirements of 2002 Iowa
31 Acts, Second Extraordinary Session, Senate File 2334,
32 section 215, if enacted, relating to educational
33 assistance, the department of management shall ensure
34 compliance for executive branch agencies other than
35 those involving the institutions under the control of
36 the state board of regents. Implementation of a
37 restriction on subsidy or reimbursement for a class or
38 other course of study leading to an advanced degree
39 for an employee of an institution under the control of
40 the state board of regents shall be as determined by
41 the state board of regents."

42 5. Page 15, by inserting after line 23 the
43 following:

44 "Sec. ____ . 2002 Iowa Acts, Second Extraordinary
45 Session, Senate File 2334, section 221, if enacted, is
46 amended to read as follows:

47 SEC. 221. IMPLEMENTATION OF FURLOUGHS. Furloughs
48 It is the intent of the general assembly that
49 furloughs implemented pursuant to this division shall
50 not be implemented in a manner which results in more

1 than 25 percent of the workforce within an agency
2 division being on furlough at the same time. However,
3 if implementation of this section would conflict with
4 existing law or a collective bargaining agreement, the
5 agency shall take every step possible to minimize the
6 impact on the agency's customers and the public. The
7 agency shall work with representatives of affected
8 businesses to develop a plan for meeting the
9 businesses' needs during a furlough period and when
10 other funding reductions are implemented.

11 Sec. _____. 2002 Iowa Acts, House File 2614, section
12 2, unnumbered paragraph 2, as amended by 2002 Iowa
13 Acts, Second Extraordinary Session, Senate File 2334,
14 section 226, if enacted, is amended to read as
15 follows:

16 For allocation by the state board of regents to the
17 state university of Iowa, the Iowa state university of
18 science and technology, and the university of northern
19 Iowa to reimburse the institutions for deficiencies in
20 their operating funds resulting from the pledging of
21 tuitions, student fees and charges, and institutional
22 income to finance the cost of providing academic and
23 administrative buildings and facilities and utility
24 services at the institutions, notwithstanding section
25 12E.12, subsection 1, paragraph "b", subparagraph (1):

26 \$ 9,127,635
27 10,503,733

28 Sec. _____. MEDICAL ASSISTANCE REDUCTION. The
29 appropriation made in 2002 Iowa Acts, Second
30 Extraordinary Session, Senate File 2334, from the
31 general fund of the state for medical assistance
32 reimbursement and associated costs for the fiscal year
33 beginning July 1, 2002, and ending June 30, 2003, is
34 reduced by the following amount:

35 \$ 3,700,000"

36 6. Page 15, by striking lines 24 through 27 and
37 inserting the following:

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

44 7. Page 19, by inserting after line 6 the
45 following:

46 "DIVISION _____
47 SICK LEAVE AND VACATION INCENTIVE PROGRAM EXTENSION

48 Sec. _____. SICK LEAVE AND VACATION INCENTIVE
49 PROGRAM -- FISCAL YEAR 2002-2003.

50 1. As used in this section, unless the context

1 provides otherwise:

2 a. "Credited service" means service under the Iowa
3 public employees' retirement system, as service is
4 defined in section 97B.1A, and membership service
5 under the public safety peace officers' retirement,
6 accident, and disability system, as defined in section
7 97A.1.

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

13 c. "Employee" means an employee of the executive
14 branch of the state who is not covered by a collective
15 bargaining agreement, including an employee of a
16 judicial district department of correctional services
17 if the district elects to participate in the program,
18 an employee of the state board of regents if the board
19 elects to participate in the program, an employee of
20 the judicial branch if the judicial branch elects to
21 participate in the program, and an employee of the
22 department of justice. However, "employee" does not
23 mean an elected official.

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

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

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

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

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

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

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

49 c. Agree to waive all rights to file suit against
50 the state of Iowa, including all of its departments,

1 agencies, and other subdivisions, based on state or
2 federal claims arising out of the employment
3 relationship.

4 d. Acknowledge, in writing, that participation in
5 the program waives any right to accept permanent part-
6 time or permanent full-time employment with the state
7 other than as an elected official on or after August
8 15, 2002.

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

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

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

29 5. The legislative council shall provide an
30 incentive program for employees of the legislative
31 branch consistent with the program provided in this
32 section for executive branch employees. The
33 legislative council shall collaborate with the
34 department of personnel to establish the program as
35 required under this subsection. The program provided
36 pursuant to this subsection shall establish the same
37 time guidelines and benefit calculations as provided
38 under the program for executive branch employees.

39 Sec. . EARLY TERMINATION PROGRAMS --
40 MISCELLANEOUS PROVISIONS.

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

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

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

1 into pursuant to chapter 20.

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

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

30 4. REPORTING REQUIREMENTS. The department of
31 personnel, in collaboration with the department of
32 management, shall present a report by October 1, 2002,
33 concerning the operation of early termination programs
34 as provided in this Act. The reports shall be
35 submitted in conjunction with the reports required to
36 be submitted by the department of personnel pursuant
37 to 2001 Iowa Acts, Second Extraordinary Session,
38 chapter 5, section 4. The department shall also
39 submit an annual update concerning early termination
40 programs as provided in this Act by October 1 of each
41 year for four years, commencing October 1, 2003. The
42 reports shall include information concerning the
43 number of early termination program participants, the
44 cost of the early termination program including any
45 payments made to participants, the number of state
46 employment positions eliminated pursuant to an early
47 termination program, the number of positions vacated
48 by an early termination program participant that have
49 been refilled, and the savings to the state based upon
50 the early termination program.

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

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

38 6. ACROSS-THE-BOARD WAGE INCREASE DELAY. If an
39 employee organization representing state employees
40 agrees to an across-the-board wage increase delay as
41 provided in this subsection and to participate in an
42 early termination program as provided in this Act,
43 then any across-the-board wage increases for employees
44 of the same state employer, who are not covered by a
45 collective bargaining agreement, which would otherwise
46 take effect at the beginning of the pay period in
47 which July 1, 2002, falls, shall be delayed until the
48 pay period in which November 1, 2002, falls."

49 8. By renumbering as necessary.

50

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

JEFF LAMBERTI

Adopted
5/28/02
(P. 1243)