

2017 Veto Summary

Summary of the Governor's item vetoes
in 2017 appropriations bills

Prepared by the Senate Democratic Staff

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[HF 643](#) – RIF Appropriations (2 item vetoes)

Senate Passage: 42 - 8, April 19, 2017

House Passage: 58 - 40, April 18, 2017

Total Dollars Vetoed: \$1.8 million

Item-Vetoed: May 12, 2017

Community Action Agencies

[HF 643](#) included a \$1.8 million appropriation from the Rebuild Iowa Infrastructure Fund to the Department of Human Rights to be distributed equally among the Iowa Community Action Association and its 17 Community Action Agencies (CAAs) for infrastructure improvement and technology modernization. This is a one-time request by the Iowa Network of Community Action Agencies. Funds from grants/contracts rarely provide for infrastructure needs such as computers, data systems, building repairs/maintenance, construction and equipment. CAAs provide services to low-income individuals and families in all 99 counties, and employ more than 2,900 staff who work and live in the counties they serve. CAAs are governed by local boards comprised equally of elected officials, private sector representatives and low-income citizens. To alleviate the causes and conditions of poverty, CAAs recruited and partnered with more than 16,000 volunteers, contributing more than 404,000 hours of service and support. Each agency summarized specific needs for which its portion would be used. Of the total funds appropriated, the request identified \$989,714 for construction, \$610,286 for technology and \$200,000 for other projects.

Item-Veto – Governor’s Justification: “I am unable to approve the item designated as Division I, Section 1, subsection 6, in its entirety. This item provides \$1.8 million for Community Action Agencies’ facilities. Although I support the mission of Community Action Agencies, money should be directed to the low-income individuals the agencies serve and not to the agencies’ facilities.”

DAS Vacant Building Study

An amendment by Rep. Mary Mascher to [HF 643](#) was unanimously adopted on a voice vote during final passage. It requires the Department of Administrative Services (DAS) to inventory and study vacant buildings owned by the State, including how much revenue could be realized by their sale. If during FY17 DAS sells any vacant buildings identified by the study, 50 percent goes to DAS for major maintenance projects, and 50 percent goes to the Department of Cultural Affairs for State Historical Building maintenance projects.

Item-Veto – Governor’s Justification: “I am unable to approve the item designated as Division V, Section 20, in its entirety. This item requires the Department of Administrative Services (DAS) to inventory and study vacant buildings owned by the state. It then directs half of the profits from potential sales of these buildings to the Department of Cultural Affairs and the other half of the profits to major maintenance projects at DAS. DAS already has the authority to conduct a survey of the state’s buildings. Current law provides that proceeds from the sale of any state buildings by DAS shall be returned to the original funding source and I see no reason to change this designation. Further, I have recommended appropriating funds for repairs and remodeling of Department of Cultural Affairs’ building. Funding should be done using a sustainable source of revenue and not on speculative earmarked funds.”

[HF 653](#)- **Health & Human Services budget bill (item veto)**

Senate Passage: 04/20/17 (28-21)

House Passage: 04/29/17 (55-42)

Total Dollars Vetoed: \$402,000

Item-Vetoed: May 12, 2017

Background

[HF 653](#) is the FY18 Health & Human Services budget. It provides funding for the Department of Aging, Office of Long Term Care Ombudsman, Department of Human Services, Department of Public Health, Department of Veterans Affairs and the Iowa Veterans Home.

Governor's Justifications

Item Veto #1 -- Veteran's Home Expenditure Reports

"I am unable to approve the item designated as Division IV, Section 4, subsection 2, lettered paragraph c, in its entirety. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans Home to make expenditure reports monthly to the Legislative Services Agency for fiscal year 2018. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems."

Item Veto #2 -- DHS Cost Containment Strategies Reports

"I am unable to approve the item designated as Division V, Section 12, numbered paragraph 21, in its entirety. This item requires the Department of Human Services to report on cost containment strategies. The Department of Human Services, Department of Management and the Legislative Services Agency meet at least on a quarterly basis to determine projections for the Medical Assistance appropriation. Information relating to cost containment strategies is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems."

Item Veto #3 -- DHS Process Improvement Changes Reports

"I am unable to approve the item designated as Division V, Section 12, numbered paragraph 22, in its entirety. This item requires the Department of Human Services (DHS) to report on process improvement changes. DI-IS, the Department of Management and the Legislative Services Agency meet at least on a quarterly basis to determine projections for the Medical Assistance appropriation. Information relating to process improvement changes is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems."

Item Veto #4 -- \$202,000 to Drake University to establish a Master's ABA program

"I am unable to approve the designated portion of the item designated as Division V, Section 13, numbered paragraph 5, lettered paragraph a, in its entirety. This item provides \$202,000 to Drake University to establish remote learning sites and maximize outreach and enrollment in its master's program in applied behavioral analysis. The effect of this disapproval shall cause the \$202,000 contained in this item to revert to the General Fund. The Department of Education has already awarded public funding to Drake University, a private university, for the establishment of a master's program in applied behavioral analysis. In addition, the Iowa Department of Public Health already administers a board-certified behavior analyst and board-certified assistant behavior analyst grants program. Therefore, this item is redundant and unnecessary."

Item Veto #5 -- DHS monthly expenditure reports

"I am unable to approve the item designated as Division V, Section 27, numbered paragraph 1, in its entirety. This item requires the Department of Human Services to report operational and program

expenditures at least monthly to the Legislative Services Agency. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.”

Item Veto #6 -- \$200,000 to DHS for internet training for community providers

“I am unable to approve the designated portion of the item designated as Division V, Section 27, subsection 7, in its entirety. This item provides \$200,000 for DHS to expand internet training to additional providers. Provider associations already conduct training opportunities for providers and the department provides assistance as necessary. In addition, I did not recommend this item in my budget recommendations. Therefore, this item is redundant and unnecessary.”

Item Veto #7 -- Nursing Home rebasing rate protection

“I am unable to approve the item designated as Division V, Section 31, subsection 1.a., numbered paragraph 1, lettered paragraph d, in its entirety. Iowa modernized its administration of Medicaid by partnering with specialized, patient-centered health plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by DHS already include protections for providers and their reimbursement. This legislation already provides for additional appropriations for case-mix nursing facility rates effective July 1, 2017. This item is redundant and unnecessary.”

Item Veto #8 -- Retroactive Medicaid provider rate adjustment protection

“I am unable to approve the item designated as Division V, Section 31, subsection 1.a., numbered paragraph 3, in its entirety. Iowa has modernized its administration of Medicaid by partnering with specialized, patient-centered health care plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by the Department of Human Services already include protections for providers and their reimbursement. Therefore, restrictions in this item are redundant and unnecessary.”

Item Veto #9 -- Medicaid provider rate protections

“I am unable to approve the item designated as Division V, Section 31, subsection 12, lettered paragraph in its entirety. Iowa has modernized its administration of Medicaid by partnering with specialized, patient-centered health care plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by the Department of Human Services already include protections for providers and their reimbursement. Therefore, restrictions in this item are redundant and unnecessary.”

Item Veto #10 -- Veterans Home expenditure reports-FY 19

“I am unable to approve the designated portion of the item designated as Division X, Section 43, subsection 2, lettered paragraph c, in its entirety. This item creates a redundant, overly burdensome mandate requiring the Iowa Veterans Home to make expenditure reports monthly to the Legislative Services Agency for fiscal year 2019. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.”

Item Veto #11 -- DHS Cost Containment Strategies reports, FY 19

“I am unable to approve the designated portion of the item designated as Division XI, Section 51, numbered paragraph 20, in its entirety. This item requires the Department of Human Services to report on cost containment strategies. The Department of Human Services, Department of Management and the Legislative Services Agency meet at least on a quarterly basis to determine projections for the Medical Assistance appropriation. Information relating to cost containment strategies is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.”

Item Veto #12 -- DHS process improvement changes reports, FY 19

“I am unable to approve the designated portion of the item designated as Division XI, Section 51, numbered paragraph 21, in its entirety. This item requires the Department of Human Services (DHS) to report on process improvement changes. DHS, the Department of Management and the Legislative Services Agency meet at least on a quarterly basis to determine projections for the Medical Assistance appropriation. Information relating to process improvement changes is shared during these meetings. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.”

Item Veto #13 -- DHS monthly expenditure reports, FY 19

“I am unable to approve the designated portion of the item designated as Division XI, Section 66, numbered paragraph 1, in its entirety. This item requires the Department of Human Services to report operational and program expenditures at least monthly to the Legislative Services Agency. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems.”

Item Veto #14 -- FY 19 50% \$100,000 to DHS for internet training for community providers

“I am unable to approve the item designated as Division XI, Section 66, subsection 6, in its entirety. This item provides \$100,000 for DHS to expand internet training to additional providers. Provider associations already conduct training opportunities for providers and the department provides assistance as necessary. In addition, I did not recommend this item in my budget recommendations. Therefore, this item is redundant and unnecessary.”

Item Veto #15 -- FY 19 Medicaid provider rate protections

“I am unable to approve the item designated as Division XI, Section 70, subsection 12, lettered paragraph b, in its entirety. Iowa has modernized its administration of Medicaid by partnering with specialized, patient-centered health care plans. This bipartisan initiative was implemented on April 1, 2016. The provider reimbursement rate floors issued by the Department of Human Services already include protections for providers and their reimbursement. Therefore, restrictions in this item are redundant and unnecessary.”

[SF 510](#) - Agriculture & Natural Resources budget bill (item veto)

Senate Passage: 29-21, April 17, 2017

House Passage: 58-40, April 18, 2017

Total Dollars Vetoed: \$0

Item-Vetoed: May 12, 2017

Background

[SF 510](#) is the FY18 Agriculture & Natural Resources budget. In the bill, Republicans eliminated the Leopold Center for Sustainable Agriculture at Iowa State University. The center was established in 1987 using money from permits and fees from pesticides and fertilizers. This funding came from the Agriculture Management account of the Groundwater Protection Fund. In the bill, that funding was diverted to the Nutrient Research Center at Iowa State University, which was created in 2013 and had been receiving General Fund support since its inception. Republicans eliminated the General Fund support for the Nutrient Research Center and replaced it with the funding source for the Leopold Center.

The Leopold Center is a widely known and valuable tool to Iowans who want to develop local products and agriculture. It has helped establish local food networks across the state, promotes development of Iowa's wine industry and educates farmers on conservation practices and the benefits of sustainable production.

Item-Veto -- Governor's Justification

The Governor item vetoed the portions of the bill that had eliminated the Leopold Center. He did not veto elimination of center's funding or the transition and oversight of existing projects by the College of Agriculture & Life Sciences. This will give the college additional oversight of the Center's projects. However, maintaining this language while allowing the center to continue could cause uncertainty for current projects and how the center operates going forward.

The Governor's veto message reads, *"I am unable to approve the items designated as Section 34, and Subsection 2 of Section 35, in their entirety. The veto of these particularly specified items will preserve the existence of the Leopold Center for Sustainable Agriculture while also maintaining the sections transferring funding to Iowa State University's College of Agriculture and Life Sciences to continue valuable research into environmental and water quality issues."*

[SF 513](#) – Economic Development budget bill (item veto)

House Passage: 57-40, April 19, 2017

Senate Passage: 31-19, April 19, 2017

Total Dollars Vetoed: \$0

Item-Vetoed: May 12, 2017

Background

[SF 513](#) is the economic development budget, which appropriates \$38.4 million from the General Fund for FY18 to the Department of Cultural Affairs, Iowa Economic Development Authority, Iowa Finance Authority, Public Employment Relations Board, Iowa Workforce Development and Regent institutions for economic development programs.

The Iowa Finance Authority administers a Home & Community-Based Services Rent Subsidy Program that was appropriated \$658,000. Language establishing the program, along with requirements and limitations on administrative expenses of \$35,000, has followed the appropriation section for many years.

Item Veto -- Governor's Justification

The Governor item vetoed language regarding the Iowa Finance Authority's Rent Subsidy Program. This year, [House File 586](#) put language establishing the rent subsidy program into the Iowa Code. The language in [Senate File 513](#) conflicted with it and was unnecessary. The administrative expense was not vetoed.

The Governor's veto message reads: *"I am unable to approve the designated portion of the item designated as Division I, Section 6, numbered paragraph 2. [House File 586](#) designates the Department of Human Services as the entity that determines who is eligible for the rent subsidy program. This item is unnecessary and contradicts the language set out in [House File 586](#)."*

The Governor also vetoed the language under the FY19 appropriation in Division II, Section 23, numbered paragraph 2.