

July 2, 2015

The Honorable Paul D. Pate  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit Senate File 510, an Act relating to state and local finances by making appropriations, providing for fees, providing for legal responsibilities, providing for certain employee benefits, and providing for regulatory, taxation, and properly related matters, and including penalties and effective date and retroactive and other applicability provisions.

Senate File 510 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Division X, in its entirety. This item would permanently move the standing appropriation for the State Appeal Board from the General Fund to the Economic Emergency Fund. This was not my recommendation. This item undermines best financial practices, which require an economic emergency fund truly be used for emergencies.

I am unable to approve the item designated as Division XVIII, in its entirety. This item requires health insurance carriers to provide certain disclosures regarding internal appeals processes and prescription drug coverage. These overly burdensome regulations are duplicative and unnecessary because federal law and state law require health insurance carriers to extensively disclose details about their health plans. Additionally, current law already grants the Iowa Insurance Division authority in promulgating administrative rules in order to ensure health insurance carriers provide adequate and proper disclosures regarding their plans.

I am unable to approve the item designated as Division XXVII, in its entirety. This item sets aside a one-time funding source to fund possible raises for judges in the future years. I recommended judicial raises for fiscal year 2016 and I am disappointed the legislature did not fund raises for judges. I believe judicial raises should be funded in a straight-forward manner. Funding ongoing salary expenses with a one-time funding source is a bad budgeting practice.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 510 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD  
Governor