



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

May 27, 2016

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol
LOCAL

Dear Mr. Secretary:

I hereby transmit Senate File 2314, an Act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority and other properly related matters, and including effective date and retroactive applicability provisions.

This legislation fails to appropriate sufficient funds for the State's utility bills. The failure to provide funds for utilities, a necessary expense for all state agencies, is bad budgeting and a practice that must be changed.

Senate File 2314 is approved on this date with the following exception, which I hereby disapprove.

I am unable to approve of the item designated as Section 17, in its entirety. This item is redundant and unnecessary because it creates new annual reports, establishes an interim study committee, and limits the use of certain fees collected by the Department of Administrative Services (DAS). Numerous reports are already produced and made available by DAS regarding the methodologies and the impact of established rates on state agencies. Iowa code and administrative rules establish the customer council and the process used for the development of rates charged for the internal services provided by the department. The customer council includes representatives from all three branches of government. This item also prohibits increases in rates for programs, including those administered by third party providers. DAS does not set the rates for programs administered by third party providers and DAS does not have an independent source of revenue to absorb any increase. DAS simply passes the costs through to state agencies based on the utilization of such services as: workers' compensation, unemployment compensation, Family Medical Leave Act, the health care and dependent care pre-tax programs, and other services critical to the day-to-day business of the State.

For the above reasons, I respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2314 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is written in a cursive style with a prominent "T" and "B".

TERRY E. BRANSTAD

Governor