TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

July 27, 2011

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit House File 648, an Act relating to and making, reducing, and transferring appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund, the Technology Reinvestment Fund, the Revenue Bonds Capitals Fund, and other funds, providing for related matters and including effective date and retroactive applicability provisions.

House File 648 is, therefore, signed on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of Section 1, subsection 8, lettered paragraph b. The language I disapprove states the General Assembly's intent to appropriate resources for the restoration and reconstruction of the dam at Lake Delhi in future fiscal years. I am supporting the preconstruction dam restoration study as required in this section. I am designating the Department of Natural Resources to take the lead in overseeing this study. However, it is premature to assume the State will obligate funds for the dam until the study is completed and analyzed by myself and the General Assembly.

I am unable to approve the item designated as Section 1, subsection 8, lettered paragraph c, in its entirety. This item would appropriate $75,000 from the Rebuild Iowa Infrastructure Fund ("RIIF") for fiscal year 2012 to the Department of Natural Resources ("DNR") for the administration of a Water Trails and Low Head Dam Public Hazard Improvement Program. This item was not part of the budget recommendation I submitted to the General Assembly. I expect the Department of Natural Resources to provide what support is necessary for the administration of this program from within the resources the department has available for fiscal year 2012.

I am unable to approve the item designated as Section 1, subsection 8, lettered paragraph d, in its entirety. This item would appropriate $75,000 from RIIF for fiscal year 2012 to the DNR for contracting for an asset manager for the Honey Creek Resort State Park as a continuation of a program started last fiscal year. The intent at that time was for a one-year contract with an asset manager for the park. Due to this fact, I cannot agree with the continuation of this funding from the RIIF. If it is necessary to continue to

contract with an asset manager, I expect the DNR to include these costs in the operations of the park and pay for such operations with the revenues generated at the park. Additionally, this item was not part of the budget recommendation I submitted to the General Assembly.

I am unable to approve the designated portion of Section 5, subsection 2. This item would prohibit the Department of Administrative Services from conducting major repair and maintenance on the Iowa building. The exclusion of one specific building from this program is not appropriate and if continued would lead to increased costs in the future.

I am unable to approve the designated portion of Section 6, lettered paragraph a. This item would prohibit the Department of Administrative Services from conducting major repair and maintenance on the Iowa building. The exclusion of one specific building from this program is not appropriate and if continued would lead to increased costs in the future.

I am unable to approve the designated portion of Section 7. This item would define "resident subcontractor" and could potentially create a preference for resident subcontractors. I disapprove of this language because it could harm Iowa contractors by potentially triggering the reciprocal preference laws of other states, which would hurt construction employment opportunities for Iowans as Iowa contractors compete for out-of-state public projects. Further, this item could impose a costly and burdensome requirement on all Iowa public owners overseeing the construction of public improvements.

I am unable to approve the designated portion of Section 26. This item would increase the RIIF appropriation for the Community Attraction and Tourism program from $5,000,000 to $15,000,000 for fiscal year 2013. My recommended budget for fiscal year 2013 called for no appropriation in this program area. As a result of my disapproval of this section, the program will maintain funding at $5,000,000 for fiscal year 2013. This will provide additional time to consider the best use of these funds in the future.

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 House File 648 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor