TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

May 25, 2012

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

Dear Mr. Secretary:

Senate File 2338, an Act relating to government operations and efficiency and other related matters and including effective date and applicability provisions, is hereby disapproved and transmitted to you in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa.

Senate File 2338 is hereby disapproved on this date.

I am unable to approve Senate File 2338 for the following reasons:

This legislation purports to make government more efficient; however, the minor changes proposed are not significant. As Governor, I am committed to working with the legislature to restore good budget practices and increase the accountability and efficiency of our state government. Senate File 2338 fails to adequately further these goals and commitments.

The majority of the purported savings is from the Medication Therapy Management (MTM) program. Although I believe the State must find ways to reduce the cost of health care for employees, MTM could end up costing taxpayers more than the program would save. Further, employee benefits should be properly bargained rather than codified into law through legislation. Moreover, the legislature uses one-time money to pay for this ongoing expense. This budget practice must stop in order to achieve my goal of restoring predictability and stability to government budgeting practices.

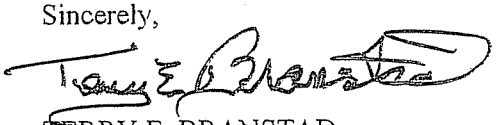
Additionally, this bill proposes MTM in an inefficient manner, through code, rather than a Request for Proposal (RFP) through the state's medical plan. The most efficient application of MTM would be a program implemented by the Department of Administrative Services (DAS) through a competitive RFP process with strong integration with the programs offered by the State's Pharmacy Benefits Manager and the Administrator of the State's Medical Plan.

At my direction, many of the proposed efficiencies in this bill are already being implemented by the executive branch departments. I have asked state agencies to work diligently to reduce administrative costs such as minimizing printing and paper, reducing energy costs, minimizing administrative overhead, and reducing work space.

My administration is committed to reducing the size and cost of government by 15% through efficiencies and new technologies that allow for savings. I desire to work with the legislature and conduct a comprehensive review of all boards and commissions to eliminate any that are unnecessary and combine any that are duplicative. This comprehensive review of boards and commissions would result in significant savings to Iowa taxpayers.

For the above reasons, I respectfully disapprove of Senate File 2338, in its entirety, in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa.

Sincerely,



TERRY E. BRANSTAD
Governor