TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

June 7, 2012

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

Dear Mr. Secretary:

I hereby transmit Senate File 2316, an Act relating to and making appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund, the Technology Reinvestment Fund, the Endowment for Iowa's Health Restricted Capitals Fund, and the Mortgage Servicing Settlement Fund, providing for related matters, and including effective date and retroactive applicability provisions.

Senate File 2316 is, therefore, signed on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 1, subsection 9, lettered paragraph b, in its entirety. This item allows $400,000 to be used for Iowa State University (ISU) College of Veterinary Medicine to modernize animal care facilities. The Board of Regents did not request this item and was not a part of the budget recommendation I submitted to the General Assembly.

I am unable to approve the item designated as Section 3, subsection 5, lettered paragraph a, in its entirety. This item requires the Iowa Communications Network (ICN) to conduct an audit and appraisal prior to any sale or lease of the ICN. An audit and appraisal is premature and unnecessary. If such an audit is needed in the future one could be conducted at that time.

I am unable to approve the items designated as Sections 24, 25 and 26 in their entirety. These items create a permanent $3 million revenue diversion out of the General Fund completely circumventing the annual appropriation process. This does not work to advance my goals of returning predictability and sustainability back to government budgeting. The Housing Trust Fund's funding level will remain approximately the same as the previous fiscal year. It is my goal to eliminate this bad budgeting practice of automatic diversions from General Fund revenue.

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 2316 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD
Governor