



HOUSE REPUBLICAN STAFF ANALYSIS

Bill: House File 648
Committee: Transportation, Infrastructure, and Capitals (RIIF Budget)
Date: July 7, 2011
Staff: Kristi Kielhorn (2-5290)
Members: Representative Chambers

Rebuild Iowa Infrastructure Fund Budget

Conference Committee Report

RIIF: \$88,092,269 (12)
\$66,746,186 (13)

TRF: \$15,543,864 (12)
\$7,167,600 (12)

RBC: \$4,930,952 (12)

RBC2: \$4,040,000 (12)

Total: \$112,607,085 (12)
\$73,913,786 (13)

Summary of Action

Signed Conference Committee Report
Passed Senate 26-19
Passed House 76-17
Sent to Governor

Section by Section Analysis of the Conference Committee Report

**The amendment being voted on is an amendment to House Amendment S-3371 to Senate Amendment H-1702 to House File 648.*

Division I – Infrastructure and Capitals—Rebuild Iowa Infrastructure Fund

Section 1—Department and Agency Projects.

Department of Administrative Services

- State historical building repairs: **\$1.2 million** (2012)
- Secretary of State's Office security improvements: **\$45,000** (2012)

Department for the Blind

- Replacement of air handlers & related improvements: **\$1,065,674** (2012)

Department of Corrections

- Fort Madison:
 - **\$5,155,077** (2012)
 - **\$18,269,124** (2013)
 - **\$3,000,00** (2014)
- Mitchellville:
 - **\$3,061,556** (2012)
 - **\$5,391,062** (2013)
 - **\$26,769,040** (2014)

Department of Cultural Affairs

- Great Places Program: **\$1 million** (2012)

Department of Economic Development

- ACE infrastructure at Community Colleges: **\$5 million** (2012)
- Regional Sports Authorities: **\$500,000** (2012)
- Blank Park Zoo: **No funding—just language** (2012)
- Camp Sunnyside Cabins: **\$250,000** (2012)
- World Food Prize Scholar: **\$100,000** (2012)
- Values Fund: **\$15 million** (2012)

Department of Education

- Public broadcasting building purchase (purchase option): **\$1,255,550** (2012)
- Major maintenance at Community Colleges: **\$1 million** (2012)

Department of Human Services

- Renovation/Construction of Nursing Facilities: **\$285,000** (2012)

Department of Natural Resources

- Floodplain management and dam safety: **\$2 million** (2012)
- Lake restoration/watershed improvements: **\$5,459,000** (2012)
 - **\$350,000** Lake Delhi Dam Restoration Study
- Water Trails and Low Head Dam Program: **\$75,000** (2012)
- Honey Creek Asset Manager: **\$75,000** (2012)

Department of Public Defense

- Major maintenance at national guard facilities: **\$2 million** (2012)
- Improvements at Muscatine Readiness Center: **\$100,000** (2012)
- Construction improvements at statewide readiness centers: **\$1.8 million** (2012)
- Construction upgrades at Camp Dodge: **\$1 million** (2012)
- Renovation and repairs at the joint force headquarters: **\$1 million** (2012)

Board of Regents

- Tuition replacement: **\$24,305,412** (2012)
- Iowa Flood Center at University of Iowa: **\$1.3 million** (2012)
- Major maintenance projects at the regents institutions:
 - **\$2 million** (2012)
 - **\$2 million** (2013)
- Iowa State University—Bio-Systems Engineering building [total of **\$60.4 million**]:
 - **\$1 million** (2012)
 - **\$20.8 million** (2013)
 - **\$20 million** (2014)
 - **\$18.6 million** (2015)
- University of Iowa—Dental building renovation [total of **\$29 million**]:
 - **\$1 million** (2012)
 - **\$12 million** (2013)
 - **\$8 million** (2014)
 - **\$8 million** (2015)
- University of Northern Iowa—Bartlett Hall renovation [total of **\$20 million**]:
 - **\$1 million** (2012)
 - **\$8,286,000** (2013)
 - **\$9,767,000** (2014)
 - **\$1,947,000** (2015)

Department of Transportation

**Funnels through the Transportation Commission in the form of grants.*

- Recreational trails: **\$3 million** (2012)
- Public transit infrastructure: **\$1.5 million** (2012)
- Commercial services airports: **\$1.5 million** (2012)
- General aviation airports: **\$750,000** (2012)

Treasurer of the State

- County Fairs: **\$1,060,000** (2012)

Department of Veteran's Affairs

- IFA housing assistance program: **\$1 million** (2012)
- Upgrade of generator at Iowa Veteran's Home **\$250,000** (2012)

Section 2—Reversions.

This section states that all of the appropriations made in Section 1 revert at the end of the third fiscal year after the fiscal year for which the money is appropriated. It also states that if the project is completed in an earlier fiscal year, any unencumbered or unobligated moneys shall revert at the end of that fiscal year.

Division II – Infrastructure and Capitals—Technology Reinvestment Fund

**Entire section needs a notwithstanding*

Section 3—Projects.

Department of Administrative Services

- Pooled technology: **\$1,643,728** (2012)

Department of Corrections

- Iowa corrections offender network data system: **\$500,000** (2012)

- Department of Education
- ICN maintenance and lease costs: **\$2,727,000** (2012)
 - Educational data warehouse: **\$600,000** (2012)
- Department of Human Rights
- Iowa criminal justice information system: **\$1,689,307** (2012)
 - Central Iowa Center for Independent Living: **\$11,000** (2012)
- Department of Human Services
- Technology upgrades for Medicaid:
 - **\$3,494,176** (2012)
 - **\$4,667,600** (2013)
 - **\$4,267,600** (2014)
 - **\$1,945,684** (2015)
- Iowa Telecommunications and Technology Commission
- Equipment replacement for ICN on capitol complex: **\$2,248,653** (2012)
- Department of Management
- Searchable database: **\$50,000** (2012)
- Department of Public Safety
- Radio communication upgrades (narrow banding—federally required):
 - **\$2.5 million** (2012)
 - **\$2.5 million** (2013)
 - **\$2.5 million** (2014)
 - Fire Simulator in Dubuque County: **\$80,000** (2012)

Section 4—Reversions.

This section states that all of the appropriations made in section 3 revert at the end of the third fiscal year after the fiscal year for which the money is appropriated. It also states that if the project is completed in an earlier fiscal year, any unencumbered or unobligated moneys shall revert at the end of that fiscal year.

Division III – Infrastructure and Capitals—Revenue Bonds Capitals Fund – Appropriations

Section 5—Revenue Bonds from 2009.

- Department of Corrections
- Construction & one-time equipment costs at Mitchellville: **\$4,430,952** (2012)
- Department of Administrative Services
- Major Maintenance for State buildings and facilities: **\$500,000** (2012)

Division IV – Infrastructure and Capitals—Revenue Bonds Capitals II Fund – Appropriations

Section 6—Revenue Bonds from 2010.

- Department of Administrative Services
- Major Maintenance for State buildings and facilities: **\$4,040,000** (2012)

Division V – Public Bidding and Contracting

Section 7—Reciprocal Preference.

This section expands the reciprocal preference language already present in Iowa code to include ‘resident labor force preference’. Currently, the reciprocal preference in place applies to resident bidders. A ‘resident labor force preference’ means a requirement in which all or a portion of a labor force working on a public improvement is a resident of a particular state or country. The section requires that a nonresident bidder apply the same resident labor force preference to a public improvement in this state as would be required in the construction of a public improvement by the state or foreign country in which the nonresident bidder is a resident. (This would have Iowa hold a mirror to other states reflecting laws *they* currently have on the books. For instance, Missouri has a preference law that requires all Iowa contractors bidding on in-state projects to only use Missouri resident workers. Illinois has a 90% requirement for resident workers. This would mean a Missouri contractor would have to use all Iowa resident workers).

The section requires that any nonresident bidders specify on all bids and specifications whether any preference is in effect in the nonresident bidder’s state or country.

The section also creates an enforcement provision. The section states that the Labor Commissioner or his/her designee shall administer and enforce the section and adopt rules in relation to its application. The section specifically lists the powers and duties of the commissioner:

- may hold hearings and investigate charges of violations
- may enter a place of employment, consistent with due process and upon a written complaint to:
 - inspect records
 - question an employer or employee
 - investigate facts
- shall develop a written complaint form
- may sue for injunctive relief
- may investigate and ascertain the residency of a worker
- may administer oaths, take depositions, and requisition by subpoena
- may employ qualified personnel to enforce the section
- shall require a contractor or subcontractor to file applicable records

The section requires a nonresident bidder from a state or country with a labor preference to keep and maintain, for three years, records of workers employed. The section states that a violation of the section results in a civil penalty in an amount not to exceed \$1,000 for each violation found in a first investigation, an amount not to exceed \$5,000 for each violation found in a second investigation, an amount not to exceed \$15,000 for a third or subsequent violation. Each violation for each worker and each day the violation continues constitutes a separate and distinct violation. A review process for penalties assessed is also created by the section. The Division of Labor is responsible for hearing arguments and issuing a final written decision.

Section 8—County Contract Preference.

This section strikes the provision that county’s give preference to Iowa labor under Chapter 331, County Home Rule Implementation

Section 9—Repeals.

This section repeals the requirement that the state and its political subdivisions give preference to Iowa labor in the constructing or building of any public improvement or works. The section also repeals the definition of domestic laborer. (This will change Iowa’s status in the eyes of Missouri so that Iowa is a ‘non-restrictive state’, which would allow Iowa contractor’s to avoid using 100 percent Missouri-based labor.)

Section 10—Effective Date.

The act is effective upon enactment

Section 11—Applicability.

The act applies to all public improvement, public works, and public road projects, and to public improvement, public works, and public road contracts entered into on or after July 1, 2011.

Division VI – Values Fund

Section 12—Values Fund—Use of Existing Funds.

Grow Iowa Values Fund/Business Development- \$15.0 million for FY 2012, allocated as follows: DED will get \$8,550,000 for its financial assistance program with \$600,000 for administration. Other allocations are: \$1.5 million for Regents, \$300,000 for state parks, \$300,000 for cultural trust fund, \$2.1 million for Workforce Training Development, \$300,000 for regional financial assistance with allocation of \$105,000 for small business development centers, \$1.65 million for innovation and commercialization, and \$300,000 for targeted small businesses. New sunset date of June 30, 2012. DED will come back to General Assembly by November 30, 2011 with proposal for new business development assistance programs. DED will have use of \$12.0 million carry forward for their financial assistance program too (no language needed).

Division VII– Infrastructure and Capitals – Miscellaneous Code Changes

Section 13—Definition of Vertical Infrastructure.

Changes the definition of “vertical infrastructure” to include debt service payments on academic revenue bonds issued for capital projects at regents institutions.

Section 14—SAVE Fund.

This section zeros out the appropriation to the secure an advanced vision for education fund (SAVE). It was slated to be \$10 million. With this section it will be zero. The fund was set to sunset in FY 2014 and did not receive an appropriation last year.

Section 15—Environment First Fund.

This section takes the current standing appropriation of \$42 million down to \$33 million for FY 2012. It then takes it to \$35 million in FY 2013.

Sections 16 and 17—Technology Reinvestment Fund.

These sections appropriate the FY 2012 TRF appropriation from the RIIF instead of the General Fund.

Section 19—Office Space.

This section requires DAS to issue a RFP for leasing privately owned office space for state employees in the downtown Des Moines prior to replacing or renovating publicly owned buildings or relocating any state agencies to any space in publicly owned buildings. It requires DAS to locate employees in the most cost-efficient manner possible.

Sections 20 and 21—School Infrastructure Fund.

This section captures any remaining amounts in the school infrastructure fund (at the end of every fiscal year) and transfers them to the rebuild Iowa infrastructure fund.

Sections 22 and 23—Community Attraction and Tourism Fund.

This section gets rid of the \$7 million General Fund appropriation to the CAT fund. However, \$5.3 million for CAT from the RIIF for FY 2012 and \$15 million for 2013 is maintained.

Section 26—IJOBS.

This section gets rid of the \$200,000 appropriation to IFA for administration of the IJOBS program.

Section 27—Effective Upon Enactment.

This section makes the capture of remaining school infrastructure funds effective upon enactment.

Division IX – Infrastructure and Capitals – Changes to Prior Appropriations.

Section 28—Extension of Reversions.

This section extends the reversion date for projects appropriated to the Department of Public Safety from the endowment for Iowa’s health restricted capitals fund for FY 2006—2007.

Section 29—West Terrace.

This section extends the reversion date for the improvements to the West Capitol Terrace.

Sections 31 and 32—River Enhancement Community Attraction and Tourism Fund.

These sections get rid of the \$10 million for FY 2012 and FY 2013 from the RIIF to the RECAT. There is also a technical fix to the 2009 appropriation.

Section 34—Department of Transportation.

Passenger rail

- FY 2010 RIIF and FY 2011 UST appropriations (totaling \$5.0 million) will remain on the books for DOT.
- The FY 2012 previously enacted funding of \$6.5 million will be taken to zero.
- Nothing will be put into FY 2013 for the funding.

Section 35—RECAT Deappropriation.

This section eliminates the \$4 million appropriation from Revenue Bonds II to RECAT.

Sections 36 through end —Technical Corrections.

These sections make technical corrections to appropriations from RBC II, prison bonding, underground storage tank fund, and the school infrastructure fund.