



HOUSE REPUBLICAN STAFF ANALYSIS

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|----------------|----------------------|----------------|-------------------------|--------------|
| Bill: | Senate File 558 | House Approps: | PASSED 4/27/2023 | 16-7 |
| Committee: | House Appropriations | House Floor: | PASSED 5/2/0223 | 62-33 |
| Floor Manager: | Rep. Mommsen | Senate Floor: | PASSED 4/25/2023 | 33-16 |
| Date: | May 2, 2023 | Governor: | | |
| Staff: | Lew Olson (1-3096) | | | |

FY 2024 IDALS, DNR, EFF Appropriations

SF 558

All Funds Appropriation by SF 558

| | FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|--------------------|-----------------------------|-----------------------------|--------------------------------------|
| Gen Fund | \$41,943,995 | +\$43,544,227* | +1,600,232 |
| EFF | \$42,000,000 | \$42,000,000 | --\$0-- |
| Other Funds | \$53,528,703 | \$53,528,703 | --\$0-- |
| Total All Funds | \$142,912,348 | \$139,072,930 | -\$1,600,232 |

* Governor recommended a reduction of \$173,768 to DNR Administration/Operations ([due to restructuring the Office of the Chief Information Officer's \(OCIO\) Cybersecurity Office from fee-based funding to a General Fund appropriation.](#))

General Fund—

| | FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------|-----------------------------|-----------------------------|--------------------------------------|
| IDALS | \$22,142,390 | \$23,892,390 | +\$1,750,000 |
| DNR | \$15,103,061 | \$14,932,293 | -\$170,768* |
| Regents | \$4,698,544 | \$4,719,544 | +\$21,000 |
| Total Gen Fund | \$41,943,995 | \$43,544,227 | +\$1,600,232 |

SF 558 agreement proposes to appropriate a total of \$43,544,227 from the General Fund and 1,593.95 FTEs to the Department of Agriculture and Land Stewardship (IDALS), the Department of Natural Resources (DNR); and select areas in Board of Regents for Fiscal Year 2022 (FY 2022). This is an increase of \$1.6-million above the estimated FY 2023.

The major changes to the bill are:

IDALS General Fund Changes--

- An increase of general fund appropriation for IDALS administration of \$250,00 above FY 2023 for an estimated 2+ FTEs additional meat and poultry and motor fuel pump inspectors.
- An increase of \$250,000 for IDALS Foreign Animal Disease (FAD) program operation for a total of \$1-million general fund amount.
- A new general fund line item of \$250,000 for FAD euthanasia equipment
- A new general fund line item of \$250,000 for FAD vaccine development assistance (to an Iowa company that develop livestock and animal vaccines).
- A new \$750,000 appropriation to the Iowa Dairy Innovation fund contingent on enactment of HF 700 (or its successor or Senate companion) that creates both the Dairy Innovation fund and Dairy Innovation program.
- An increase general fund line for Agricultural Education from \$25,000 to \$75,000.
- The South Iowa Development and Conservation appropriation is reduced from \$250,000 to \$150,000.

Regents General Fund Changes--

- An increase general fund line for Farmers with Disabilities from \$180,000 to \$230,000.
- An increase of 21,000 to the Iowa Livestock Health Advisory Committee (from \$170,390 to \$191,390)

Session Law/Miscellaneous Provisions—

- Provides nonreversion language to unspent FY-2023 IDALS Value Added Grant program to allow the moneys to spent per IDALS plan over 18-month period.
- Reallocate \$120,000 from the Iowa Nutrient Management Fund to ISU Veterinary Diagnostic laboratory operations.
- Allows the use of \$1-million of unencumbered REAP open space funds for state park maintenance, repairs, operations or development.

Code Changes--

- Amends Section 455E.11, subsection 2, paragraph a, Code 2023, to require at least \$500,000 or one-third, whichever is higher of the 35% of Ag Groundwater Fund Allocation (on average \$1.5 to \$1.8-million) for the Iowa Nutrient Research Center (INRC) to be deposited into the water quality initiative fund for purposes of supporting water quality practices.
- Amends Section 455B.145, subsection 1, paragraph a, Code 2023, to strike the words-‘or more strict’ from that sentence in regards to the air quality standards that local entities may enforce through their DNR delegated authority to administer clean air regulations and programs.
- Strikes Section 466B.47, subsection 4, Code 2023 that directs INRC to facilitate collaboration with other Board of Regent Institution’s institutes, centers or departments.
- Strikes Section 465A.1, subsection 2, paragraph b, Code 2023, that is an out-of-date 1987 legislated goal of 10% of Iowa land area to be state open space by calendar year 2000.

Status Quo Funding Provisions:

DNR Funding— (no changes)

- A status quo budget at last year cumulative general fund appropriation levels (\$14,932,293) for DNR operations, DNR Floodplains, DNR Forest health, and DNR State Parks special appropriations. There is a

reduction of \$173,768 compared to FY 2023 to DNR Administration/Operations due to restructuring the Office of the Chief Information Officer's (OCIO) Cybersecurity Office from fee-based funding to a General Fund appropriation recommended by the Governor and this line is at the Governor's levels.

Environment First Fund Allocations—
(no changes)

- SF 558 appropriates and allocates \$42-million of Environment First funds to the IDALS, DNR, and the Iowa Geological Survey at the State University of Iowa.
- This is the same amount and the same allocations as in FY 2023, and at the Governors recommendation.
- All internal allocations are the same as in FY 2021, FY 2022, and FY 2023 and at the Governor's levels.

Fish & Game Protection Fund Appropriations—
(no changes)

- The SF 558 appropriates \$48, 397,337 to the Fisheries and Wildlife Bureaus of DNR from the Fish and Game Protection Fund;
- This is the same amount and the same allocations as in FY 2023 and at the Governors level.

Groundwater Protection Fund—
(no changes)

- SF 558 appropriates ~\$3.5 million from the Groundwater Protection Fund to DNR:
- This is no change compared to FY 2023 and at the Governor's recommended funding level.

Section-by-Section Analysis

DIVISION I
DEPARTMENT ON AGRICULTURE & LAND STEWARDSHIP

SECTION 1 – IDALS Departmental General Fund Appropriations & Grape-Wine Pass-Thru

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$18,960,194 | \$19,210,194 | +\$250,000 |

Section 1 appropriates \$19,210,194 in general fund to the IDALS for operations and contains—

- a within line-item allocation of \$325,000 to the Iowa State University Midwest Grape and Wine Industry which is the same as last year and the Governor's recommendation.
- A new within allocation of \$250,000 for (~2) additional meat/poultry and fuel inspectors.
- This section also specifies up to 397.0-full time equivalents (FTEs) for IDALS operations which is 2 more than current year.

SECTION 2 – Unclaimed Pari-Mutual Miscellaneous funds

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$305,516 | \$305,516 | --\$0-- |

Section 2 appropriates \$305,516 of unclaimed pari-mutuel winning to IDALS for administration of dog and horse racing law. This is the same as last year.

SECTION 3 – Renewable Fuel Infrastructure Fund Motor Fuel Inspection

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$500,000 | \$500,000 | --\$0-- |

Section 3 appropriates \$500,000 from the renewable fuels infrastructure fund for IDALS' inspection of motor fuels. This is the same amount as last year.

Section 4.1 –Special Appropriation General Fund to Dairy Fund

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$189,196 | \$189,196 | --\$0-- |

Section 4 appropriates \$189,196 from general fund to IDALS for Grade A milk Inspection to IDALS. This is the same amount as last year.

Section 4.2 – Local Food & Farm Program

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$75,000 | \$75,000 | --\$0-- |

Section 4.2 appropriates \$75,000 from the general fund to IDALS for Local Foods & Farm Program. IDALS is directed to enter into a cost-sharing agreement with Iowa State University to support a program coordinator position within Iowa Extension Service. This is the same amount as last year and identical language.

Section 4.3 – Agricultural Education

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$25,000 | \$75,000 | +\$50,000 |

Section 4.3 appropriates \$75,000 of general funds to IDALS for Agriculture Education. This is a \$50,000 increase above the current year amount and Governor's recommendation.

Section 4.4.a – Foreign Animal Disease General Fund Appropriation

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$750,000 | \$1,000,000 | +\$250,000 |

Section 4.4a appropriates \$1-million for deposit in the foreign animal disease preparedness and response fund to support IDALS emergency disease outbreak capacity. This is an increase of \$250,000 above the current year's amount and at Governor's recommendation.

Section 4.4.b – Foreign Animal Disease Euthanasia Equipment General Fund Appropriation

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| --\$0-- | \$250,000 | +\$250,000 |

Section 4.4b appropriates \$250,000 for purposes of purchasing FAD Euthanasia equipment to enhance preparedness and response strategy for FAD outbreak control and eradication. This is a new funding item.

Section 4.4.c – Foreign Animal Disease Vaccine Development General Fund Appropriation

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| --\$0-- | \$250,000 | +\$250,000 |

Section 4.4.c appropriates \$250,000 for purposes of assisting with the development of FAD vaccine. This is a new funding item.

Section 4.5 – Farmers with Disabilities Program

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$180,000 | \$230,000 | +\$50,000 |

Section 4.5 appropriates \$230,000 to DALS for the Farmers with Disabilities program. This is a \$50,000 increase above the current year amount for this purpose and Governor's recommendation.

Section 4.6 –Loess Hills Development and Conservation Fund Hungry Canyon Account

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$400,000 | \$400,000 | --\$0-- |

Section 4.6 appropriates \$400,000 to IDALS for deposit into the Hungry Canyons account of the Loess Hills Development fund. This is the same as last year. Splits the funding with \$360,000 to Hungry Canyons and \$40,000 Loess Hills Alliance fund which is the same as last year.

Section 4.7 –South Iowa Development and Conservation Fund

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$250,000 | \$150,000 | -\$100,000 |

Section 4.7 appropriates \$250,000 to IDALS for deposit into the South Iowa Development and Conservation fund. This is a reduction of \$100,000 below last year's amount.

Section 4.8 – IDALS Grain Warehouse Regulations

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$350,000 | \$350,000 | --\$0-- |

Section 4.8 appropriates \$350,000 to IDALS for the administration and enforcement of Grain Warehouse regulation. This is the same amount as last year.

Section 4.9 – IDALS Agricultural Product Value Added Grant Program

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$463,000 | \$463,000 | --\$0-- |

Section 4.9 appropriates \$463,000 to IDALS for the administration and execution of a value-added grant program to identify, evaluate, and support program and services which add value to agricultural products. This is the same amount as last year.

Section 4.10—Choose Iowa Promotional Program

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| \$500,000 | \$500,000 | --\$0-- |

Section 4.10 appropriates \$500,000 to IDALS for the administration and execution of the Choose Iowa Promotional grant program, that promotes the sale of food grown/raised in Iowa or processed in Iowa. This is the same amount as last year.

Section 4.11—Dairy Innovation Fund/ Program

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| --\$0-- | \$750,000 | +--\$0-- |

Section 4.11 appropriates \$750,000 to IDALS for deposit into the dairy processing and milk production innovation and revitalization fund should House File 700 be enacted. The fund shall be used to financial assistance as provided by the program.

DIVISION II
DEPARTMENT OF NATURAL RESOURCES

Section 5 – DNR Departmental General Fund Appropriations

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| \$12,093,066 | \$11,922,293 | -\$170,368-- |

Section 5 appropriates ~\$11.9-million from the general fund for DNR operations. This is a 170,368-reduction due to restructuring the Office of the Chief Information Officer's (OCIO) Cybersecurity Office from fee-based funding to a General Fund appropriation. The amount is at the Governor's FY 2024 recommendation.

- The section additionally contains intent language specifying that DNR is to allocate at least 50-FTEs for seasonal park upkeep and sanitary efforts and requires a quarterly report on DNR expenditures that supports the departmental administration, regulation and programs.
- This section also specifies up to 1145.95.-full time equivalents for DNR which is the same as last year, which is the same number of FTEs as enacted last year.

SECTION 6 – Fish & Game Protection Fund Appropriation

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| \$48,397,337 | \$48,397,337 | --\$0-- |

Section 6 appropriates \$48,397,337 from the Fish & Game Protection fund to DNR for supporting fish and wildlife operations. This section additionally contains intent language that allows DNR to use unappropriated funds from Fish & Game Protection Fund to payout accrued unutilized sick leave to retiring conservation officers including payment for health and life insurance premiums. Same amount as the current year and same intent language.

SECTION 7-- Groundwater Protection Fund

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| \$3,455,850 | \$3,455,850 | --\$0-- |

Section 7 appropriates \$3,455,850 from the groundwater protection fund for DNR implementation of groundwater protection programing. This is the same amount as FY 2023 and at the Governor level.

Section 8—\$500,000 of Ag Groundwater Allocation for INRC Water Quality Practices

Section 8 amends Section 455E.11, subsection 2, paragraph a, Code 2023, to require at least \$500,000 or one-third, whichever is higher of the 35% of Ag Groundwater Fund Allocation (on average \$1.5 to \$1.8-million) for the Iowa Nutrient Research Center (INRC) to be deposited into the water quality initiative fund for purposes of supporting water quality practices.

Section 9—Repeal of Code Provision Mandating INRC Collaboration with Other Regent Institutions Entities

Section 9 repeals Section 466B.47, subsection 4, Code 2023 that Directs INRC to facilitate collaboration with other Board of Regent Institution's institutes, centers or departments.

**DESIGNATED APPROPRIATIONS
MISCELLANEOUS FUNDS**

SECTION 10--Special Snowmobile Fund Appropriation for Enforcement

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| \$100,000 | \$100,000 | --\$0-- |

Section 10 appropriates \$100,000 from the snowmobile fund to DNR for snowmobile law enforcement efforts. This is the same amount as in prior years and at the Governor's level.

SECTION 11- Unassigned Revenue Fund Appropriation to DNR for UST Program Expenses -

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| \$200,000 | \$200,000 | --\$0-- |

Section 11 appropriates \$200,000 from the Unassigned Revenue fund from the Underground Storage Tanks to DNR for Underground Tank regulations. This is the same as in prior years.

**SPECIAL APPROPRIATIONS
GENERAL FUND to DNR**

SECTION 12.1-- Floodplain Management & Dam Safety General Fund Appropriation

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| \$1,510,000 | \$1,510,000 | --\$0-- |

Section 12.1 appropriates \$1,510,000 from the general fund to DNR for supporting floodplain management and dam safety program operations. This is the same as last year. In addition, the bill later appropriates

\$375,000 of EFF funds to this purpose to offset the general fund decrease that occurred in FY 2019 for this state program.

SECTION 12.2-- Forest Health Management General Fund Appropriation

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$500,000 | \$500,000 | --\$0-- |

Section 12.2 appropriates \$500,000 from the general fund to DNR for supporting Forest Health Management. This is the amount as last year and at the Governor's level.

SECTION 12.3—State Park Repairs, Maintenance, Operation Expenses

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$1,000,000 | \$1,000,000 | --\$0-- |

Section 12.3 appropriates \$1-million general fund appropriation to DNR for state park repairs, maintenance, and operations. This is the same amount as last year and at the Governor's level.

DIVISION III
IOWA STATE UNIVERSITY GENERAL FUND APPROPRIATION

SECTION 13-- Veterinary Diagnostic Laboratory

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$4,400,000 | \$4,400,000 | --\$0-- |

Section 13 appropriates \$4.4-million from the general fund to the Iowa State University Veterinary Diagnostic Laboratory (ISU-VDL) for operational expenses and authorizes 51-FTEs. This is the same as was appropriated in FY 2023 and at the Governor's level.

SECTION 14—Livestock Disease Research

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$170,390 | \$191,390 | +\$21,000 |

Section 14 appropriates \$191,390 of general fund monies to support livestock disease research fund at Iowa State University. This is an increase of \$21,000 above what was appropriated in FY 2023 and above the Governor's level.

SECTION 15—Transfer of INRC funds to Support ISU-VDL Operations

Section 15 reallocates \$120,000 of INRC fund balances for supporting ISU-VDL operations. This is a new funding change not in FY 2023 or in the Governor's Budget recommendation.

DIVISION IV
STATE UNIVERSITY of IOWA GENERAL FUND APPROPRIATION
Farm & Rural Health

SECTION 16-- Iowa Center for Agricultural Safety & Health General Operations

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|-------------------------|-------------------------|--------------------------------------|
| \$128,154 | \$128,154 | --\$0-- |

Section 16 appropriates \$128,154 to the State University of Iowa for the Iowa Center for Agricultural Safety and Health operations contingent upon the University paying the director for at least the same number of hours as they did in FY 2019. This is the same as was appropriated in FY 2023 and at the Governor's level. This section includes intent language that prohibits the State University of Iowa from cutting ICASH funding because of this appropriation. Moneys appropriated by this division is not spent on purposes they are provided for, will revert back to the general fund.

DIVISION V
ENVIRONMENT FIRST FUND APPROPRIATIONS

Section 17 – EFF Appropriations to IDALS for the Following Purposes:

| | FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|---|--|--|--------------------------------------|
| Conservation Reserve Enhancement Program | \$1-million | \$1-million | --\$0-- |
| Watershed Protection | \$900,0000 | \$900,000 | --\$0-- |
| Conservation Reserve Program | \$900,000 | \$900,000 | --\$0-- |
| Soil & Water Conservation Cost-Share | \$8,325,000* within to Hungry Canyons Acct of \$140,000 | \$8,325,000* within to Hungry Canyons Acct of \$140,000 | --\$0-- |
| Soil & Water Conservation Administration Expenses | \$3,800,000 | \$3,800,000 | --\$0-- |

Section 17 appropriates \$17.3-million of Environment First Fund money to the Iowa Departments of Agriculture and Land Stewardship for various environmental soil conservation and water quality purposes with:

- \$1.0 million for the Conservation Reserve Enhancement Program (CREP). Maintains current level of funding.
- \$900,000 for the Watershed Protection Program. Maintains current level of funding.
- \$900,000 for the Conservation Reserve Program (CRP). Maintains current level of funding.
- \$8,325,000 for the Soil Conservation Cost Share Programs. Maintains current level of funding. *This allocation is split by within-line-item distributions of:
 - a) \$8,185,000 for Soil & Water Conservation Cost-Share, and
 - b) \$140,000 is allocated for Loess Hills Hungry Canyons Account.
- \$3.8 million for the Soil Conservation Cost Share Program administration. Maintains current level of funding. There is a within line-item of \$150,000 to support technical field assistance.

SECTION 18--EFF Appropriations to DNR for the Following Purposes:

| | FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|---------------------------------------|--|--|--------------------------------------|
| State Park Maintenance and Operations | \$6,235,000 plus \$1,000,000 from REAP open space | \$6,235,000 plus \$1,000,000 from REAP open space | --\$0-- EFF |

| | | | |
|---|-------------|-------------|---------|
| Geographic Information System | \$195,000 | \$195,000 | --\$0-- |
| Water Quality Monitoring | \$2,955,000 | \$2,955,000 | --\$0-- |
| Public Water Supply System | \$500,000 | \$500,000 | --\$0-- |
| DNR Animal Feeding Operation regulation | \$1,320,000 | \$1,320,000 | --\$0-- |
| DNR Floodplain Management | \$375,000 | \$375,000 | --\$0-- |
| Ambient Air Quality | \$425,000 | \$425,000 | --\$0-- |

Section 18 appropriates \$11.67-million of Environment First Fund money to the Iowa Departments of Natural Resources with:

- \$6,235,000 to maintain state parks. Maintains current level of funding.
- \$195,000 to provide geographic information system data for watershed work. Maintains current funding level.
- \$2,955,000 for water quality monitoring stations. Maintains current funding level.
- \$500,000 to provide technical assistance to water supply systems. Maintains current funding level.
- \$1,320,000 for the regulation of animal feeding operations. Maintains current level of funding.
- \$375,000 to support floodplain management and dam safety operations of DNR. Maintains current funding level. This augments the \$1,510,000 general fund appropriation to DNR for this purpose.
- \$425,000 for regulation of ambient air quality. Maintains current funding level.

SECTION 19—Local Air Bureaus to Enforce Air Quality Standards at DNR Standards

Section 19 amends Section 455B.145, subsection 1, paragraph a, Code 2023, to strike the words ‘or more strict’ from that sentence.

SECTIONS 20.1, &20.2--EFF Appropriations to State University of Iowa for Geological Survey Functions:

| | FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|--|-------------------------|-------------------------|--------------------------------------|
| Geological Water Survey | \$200,000 to SUI | \$200,000 to SUI | --\$0-- |
| Water Quality Regulation Geological Water Survey | \$495,000 to SUI | \$495,000 to SUI | --\$0-- |

Section 20.1 and 20.2 appropriates Environment First Fund money to the State University of Iowa in the following amounts:

- \$200,000 for Geological and Water survey. At the Governor’s levels and maintains current funding level.
- 495,000 for the Water Quantity Program. At the Governor’s levels and maintains current funding level.

SECTION 21 – Reversion of EFF Funds Provided by Section 17

Section 21 provides that funds appropriated by section 17 don’t revert until after the projects are completed or June 30, 2025, to further extend the non-reversion of funds for IDALS Soil Conservation permanent practices until June 30, 2027. This section does not apply to money transferred to the Loess Hills development and conservation fund.

**DIVISION VI
ENVIRONMENT FIRST FUND**

SPECIAL APPROPRIATIONS FOR WATER QUALITY INITIATIVE

Section 22 – EFF Appropriations Water Quality Initiative

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|--|--|------------------------------|
| \$2,375,000 in addition to \$3-million RIFF | \$2,375,000 in addition to \$8.2-million RIFF | --\$0-- |

Section 22 appropriates \$2,375,000 of Environment First Funds for the Water Quality Initiative. This is in addition to \$8.2-million in RIFF moneys provided by the RIFF budget bill and the two functions together maintains the current effort. The intent language allows the use of up to 10% of funds from implementation and administration expenses. This is the same amount as FY 2023 and the Governor's level.

- This section includes intent language concerning the use of these funds for watersheds generally and regional watersheds as designated by the Soil Conservation division and high-priority watersheds identified by the Water Resources Coordinating Council. The water quality practices shall be as described in the Iowa Nutrient Reduction Strategy and IDALS shall implement demonstration projects which include collaborative participation and for purposes to educate other persons about the feasibility and value of establishing similar practices.
- This section further includes the reference to confidentiality provisions as modified in prior legislation. Intent language was modified by SF 510 from 2018 session that allowed 'edge-of-field' practices to be cost-shared at a higher rate than 50%.

DIVISION VII ENVIRONMENT FIRST FUND SPECIAL APPROPRIATIONS REAP

SECTION 23-- REAP Appropriated \$12-Million from EFF

| FY 2023 Estimate | SF 558 Agreement | Difference SF 558-FY 2023 |
|------------------|------------------|------------------------------|
| \$12-million | \$12-million | --\$0-- |

Section 23 appropriates \$12-million from EFF for REAP. Not-with-stands (in lieu-of) \$20-million standing appropriations. This is the same amount as FY 2023 and at the Governor's level.

SECTION 24--Reallocates \$1-Million of REAP Open Space Fund Moneys

Section 24 allows DNR to use up to \$1-million of REAP open space allocation for DNR State Park maintenance repairs, development or operation for FY-2024. This language is similar to what was in the last year's appropriation bill.

SECTION 25-Repeal of Past-Dated Goal of 10% State Open Space by Calendar Year 2000

Section 25 repeals Section 465A.1, subsection 2, paragraph b, Code 2023, that is a 1987 legislated goal of 10% of Iowa land area to be state open space by calendar

Amendment Analysis

H 1336, by Scheetz, proposed to increase the Environment First Fund appropriation to REAP from \$12-million to \$20-million. Since the amendment didn't address the cap of \$42-million available EFF already allocated to other purposes in this bill, the consequence would have either trigger a Governor item veto, or a proration of appropriated items from the EFF that would have reduced all EFF allocations by 16%. H 1336 **LOST** on a record roll-call vote of 34-aye to 61-nay.

H 1328 by Rep. Isenhardt, proposes to create new Code provisions establishing a 'Driftless Area Development and Conservation Authority' and 'Driftless Area Development and Conservation Fund'. This proposed program would create an authority that involves Allamakee, Clayton, Dubuque, Delaware, Fayette, Jackson and Winneshiek counties to develop and coordinate plans for projects related to natural resources, rural development and infrastructure problems of that area and this entity would administer the related fund to address these purposes and objectives. The fund is to be created in the state treasury and funds appropriated to the authority. The fund could accept state or local moneys and gift, bequests from public and private sources. H 1328 was **WITHDRAWN**.

H 1335, by Isenhardt, proposes to create session law to direct the Governor, various state agencies (including health and Human Services) to apply for and secure any available federal funds that may be available from the federal inflation reduction act or the federal Infrastructure Investment and Jobs act. The amendment further authorized the Legislative Council to waive any statutory requirement during the legislative interim and required DNR to report to the Governor and General Assembly by June 30, 2023 any statutory changes and nonfederal financial resources that may be needed to access the available federal funding. H 1335 was **RULED NOT GERMANE** to the bill.