



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

April 12, 2011

The Honorable John P. Kibbie
President of the Senate
State Capitol
Des Moines, Iowa 50319

Dear Mr. President:

I hereby transmit Senate File 512, an Act relating to public funding matters by updating the code references to the internal revenue code and by decoupling from certain federal bonus depreciation provisions, authorizing appropriation transfers, and including effective date and retroactive applicability provisions.

Senate File 512 is, therefore, signed on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Division IV, which includes Sections 26 and 27. This language would have provided the Governor with the specific authority to transfer funds to the office of the public defender for payment of court-appointed attorneys for indigent defense purposes. As I have made clear, I strongly support an appropriate supplemental appropriation to pay these court-appointed indigent defense attorneys the money that is owed to them and will continue to work with the General Assembly to resolve this matter.

The language I disapprove attempts to end the current legislative stalemate over supplemental appropriations for the provision of indigent defense services administered through the State Public Defender's office.

This current shortfall in the funds available to pay the state's indigent defense bills is the result of actions taken during the 2010 Session of the General Assembly wherein the Governor and General Assembly approved a budget for indigent defense that purposely underfunded this program by nearly \$20 million. This decision was made with the full knowledge the 2011 General Assembly would be forced to take action to provide supplemental funds to the State Public Defender's office for this purpose.

The method provided in Senate File 512 provides the Governor with the specific authority to transfer funds to the State Public Defender for payment of court-appointed attorneys for indigent defense purposes. The funds transferred must come from any department, institution, or agency of the state and will reduce the funds available to those entities by a like amount.

In other words, in order to comply with the provisions of Senate File 512 I would be asked to reduce by nearly \$20 million the current appropriations in other state agencies to secure the resources necessary to transfer to the State Public Defender's office. As there remain less than three months in the current fiscal year, any spending reduction in any agency has an effect nearly four times greater than if the reduction were made at the beginning of a fiscal year.

In Senate File 512 the General Assembly provides the Governor with no guidance regarding which state agencies must be reduced to make this transfer possible.

This method is totally unacceptable and is a continuation of the numerous bad budgeting practices that has created the fiscal mess our state currently faces. It is this fiscal mess that I am committed to correct and I will not participate in a process that both continues those practices and undermines the constitutional responsibility of the General Assembly to make appropriations.

A Governor's transfer authority should be extremely limited during those time periods when the General Assembly is in session. The Iowa Constitution provides a clear method for the appropriation of state funds and I intend to honor that process and the General Assembly's role in spending state funds.

I specifically call on the members of the General Assembly to resume negotiations on legislation to provide a supplemental appropriation for indigent defense and other critical areas of state government that have been left critically short due to past bad budgeting practices.

I strongly support an appropriate supplemental appropriation to pay our indigent defense costs and will continue to work with the General Assembly to resolve this matter.

For the above reasons, I respectfully disapprove this item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 512 are hereby approved as of this date.

Sincerely,



TERRY E. BRANSTAD
Governor