

6.	William R. Masterson Council Bluffs, Iowa	6135-69-25	Replace eye- glasses	\$ 102.00
7.	Chris S. Brown, DO Des Moines, Iowa	6784-69-25	Title XIX re- imbursement	\$ 420.00
8.	Baker Mechanical, Inc. Des Moines, Iowa	6225-69-25	Services rendered	\$3,800.00

Sec. 2. The amount of the claims listed in subsection 3 of section 1 of this Act shall be paid from the road use tax fund. The amount of the claim listed in subsection 7 of section 1 of this Act shall be paid from the funds appropriated to the department of social services. The amount of the claim listed in subsection 5 of section 1 of this Act shall be paid from funds appropriated for the licensing and certification division of the department of health retroactively from funds appropriated pursuant to Acts of the Sixty-eighth General Assembly, 1979 Session, chapter 9, section 4, subsection 5, for the fiscal year beginning July 1, 1980. The remainder of the claims listed in section 1 of this Act shall be paid from the general fund of the state; however, the amount of the claim listed in subsection 8 shall not be paid unless the claimant signs a release agreement stating that this payment is made in full settlement of the entire claim.

Sec. 3. The general assembly disapproves of all other claims submitted to and considered by the state appeal board by and during the month of April, 1981.

Approved June 17, 1981

CHAPTER 17
GRANTS OF FEDERAL FUNDS
S. F. 563

AN ACT providing for the appropriation of federal funds received in the form of block grants or categorical grants by the General Assembly.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 8.2, Code 1981, is amended by adding the following new subsections:

NEW SUBSECTION. "Block grant" means funds from the federal government awarded in broad program areas within which the state is given considerable latitude in determining how funds are used and for which the state develops its own plan for spending according to general federal guidelines. "Block grant" does not include education research grants.

NEW SUBSECTION. "Categorical grant" means federal funds applied for and received by the state which are in the form of entitlements, formula grants, discretionary grants, open-ended entitlements or another form that may be used only for specific narrowly defined activities except funds for student aid and assistance; grants, contracts and cooperative agreements for research and training for which no appropriated matching funds are required; and reimbursements for services rendered.

Sec. 2. Section 8.22, part I, subsection 2, Code 1981, is amended by adding the following new lettered paragraph after lettered paragraph d:

NEW LETTERED PARAGRAPH. A statement of federal funds received in the form of block or categorical grants which were not included in the governor's budget for the previous fiscal biennium and a statement of anticipated block grants and categorical grants. The budget shall indicate how the federal funds will be used and the programs to which they will be allocated. The amount of state funds required to implement the programs to which the federal funds will apply shall also be indicated.

Sec. 3. Chapter 8, Code 1981, is amended by adding the following new section:

NEW SECTION.

1. Commencing with the fiscal year beginning July 1, 1981, federal funds received in the form of block grants shall be deposited in a special fund in the state treasury and are subject to appropriation by the general assembly upon a recommendation by the governor. In determining a general fund balance, the federal funds deposited in the special fund shall not be included, but shall remain segregated in the special fund until appropriated by the general assembly.

2. Federal funds deposited in the state treasury as provided in subsection 1 shall either be included as part of the governor's budget required by section 8.22 or shall be included in a separate recommendation made by the governor to the general assembly. If federal funds received in the form of block grants or categorical grants have not been included in the governor's budget for the current fiscal biennium because of time constraints or because a budget is not being submitted for the second year of a biennium, the governor shall submit a supplemental statement to the general assembly listing the federal funds received and including the same information for the federal funds required by section 2 for the statement of federal funds in the governor's budget.

Sec. 4. Notwithstanding section 3 of this Act, block grants received during the fiscal year ending June 30, 1982 not otherwise appropriated by the general assembly are appropriated for the programs formerly receiving categorical grants that were consolidated into the block grant, subject to the conditions of this section. The governor shall, whenever possible, allocate from the block grant to each program in the same proportion as the amount of federal funds received by the program during the 1981 federal fiscal year as modified by the 1981 Session of the Sixty-ninth General Assembly for the fiscal year beginning July 1, 1981 compared to the total federal funds received in the 1981 federal fiscal year by all programs consolidated into the block grant. However, in the event that one agency did

not have categorical funds appropriated for the fiscal year ending September 30, 1981 but had anticipated applying for funds during the fiscal year ending September 30, 1982, the governor may reallocate the funds in order to provide funding. If the amount received in the form of a block grant is less than the total amount of federal funds received for the programs in the form of categorical grants for the 1981 federal fiscal year, state funds appropriated to the program by the general assembly to match the federal funds shall be reduced by the same proportion of the reduction in federal funds for the program. State funds released by the reduction shall be deposited in a special fund in the state treasury and are available for appropriation by the general assembly. The governor shall notify the legislative council prior to the allocation of federal funds or any proportional reduction of state funds under this section. The notice shall state the amount of federal funds to be allocated to each program, the amount of federal funds received by the program during the 1981 federal fiscal year, the amount by which state funds for the program will be reduced according to this section and the amount of state funds received by the program during the 1981 fiscal year. The legislative council shall review the operation of this section and may recommend that the general assembly call a special session to address state programs affected by a reduction in federal funds.

Sec. 5.

1. The procedure prescribed in this section applies to categorical grants received during the fiscal year beginning July 1, 1981 and ending June 30, 1982.

2. At least sixty days prior to submitting an application, re-application or continuation request for a categorical grant to the federal government, a state agency shall submit a pre-application questionnaire to the state comptroller containing such information as the state comptroller may require. The state comptroller shall review the request described in the questionnaire and shall return a written copy of the review to the state agency within forty-five days.

3. The state comptroller shall immediately upon receipt forward a copy of the pre-application questionnaire to the legislative council and the chairpersons of the house and senate appropriations committees and their appropriate subcommittees for review. Within forty-five days of receipt of the questionnaire the appropriations committees or the legislative council when the general assembly is not in session shall submit its comments to the state comptroller. The comments shall state the committees' or the council's position regarding the advisability of receiving the categorical grant.

4. The state comptroller shall submit a copy of the state comptroller's review of the request and the comments received from the appropriations committees or the legislative council to the office for planning and programming for review as required by chapter 7A. The state comptroller's review and the committees' or council's comments shall accompany the application to the federal government.

5. If the amount of a categorical grant received by the state is less than the amount budgeted by the general assembly the amount of state funds appropriated to the program to match the categorical grant shall be reduced

in the same proportion that the amount of the categorical grant bears to the amount budgeted. The state funds released by the reduction shall be deposited in a special fund in the state treasury and are subject to appropriation by the general assembly.

6. The state comptroller shall adopt rules for waiving the time limitations established by this section when a state agency must apply for a categorical grant within thirty days of notification of the availability of the categorical grant. The provisions of chapter 17A with respect to rules promulgation procedures may be waived by the comptroller to the extent necessary to make the rules effective upon filing. Under such circumstances the agency shall comply with subsection 2 immediately upon notification of the availability of the categorical grant. The state comptroller shall comply with subsection 3 and shall notify the legislative council and the chairpersons of the appropriations committees that the forty-five day period for comments has been waived and shall state the new date by which comments must be received to be submitted with the application to the federal government. This subsection does not exempt categorical grants received under conditions governed by this subsection from subsection 5.

Sec. 6. The comptroller shall prepare and submit to the legislative fiscal committee by September 1, 1981 a list of federal funds anticipated to be received and expended by state agencies during the fiscal biennium beginning July 1, 1981 and ending June 30, 1983. The list shall include for each amount anticipated the agency designated to administer the funds, the program for which the funds will be used and the amount of any state funds that will be used to match or supplement the federal funds.

Approved May 19, 1981

CHAPTER 18

QUARTERLY FUNDS ALLOTMENT APPROVAL

H. F. 236

AN ACT providing that the state comptroller shall approve the quarterly allotment of funds appropriated subject to the governor's review or modification.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 8.31, unnumbered paragraphs 1 through 4, Code 1981, are amended to read as follows:

Before an appropriation for administration, operation and maintenance of any department or establishment shall become available, there shall be submitted to the ~~governor~~ state comptroller, not less than twenty days before the beginning of each quarter of each fiscal year, a requisition for an allotment of the amount estimated to be necessary to carry on its work during