

- a. The development of strategies and materials useful in marketing university resources to out-of-state firms interested in an Iowa site.
  - b. Matching university resources with the needs of existing Iowa firms.
  - c. Evaluation of university research for commercial potential.
  - d. The development of a plan that will improve private sector access to the university and the transfer of technology from the university to the private sector.
2. In order to carry out its objectives the consortium shall perform, but is not limited to, the following tasks:
- a. Receive and review selected research synopses.
  - b. Disseminate information on research activities of the university.
  - c. Identify research needs of existing Iowa businesses and recommend ways in which the university can meet these needs.
  - d. On a case-by-case basis, suggest business and financial tactics useful in realizing the commercial potential of university research projects.

**Sec. 13. NEW SECTION. 262B.5 REGENTS AND DEPARTMENT OF ECONOMIC DEVELOPMENT.**

The state board of regents and the Iowa department of economic development shall enter into an agreement under chapter 28E to coordinate and facilitate the activities of the consortiums. The state board of regents and the Iowa department of economic development shall report annually to the governor and the general assembly concerning the activities of the consortiums.

**Sec. 14.** 1988 Iowa Acts, Senate File 2312, section 54, subsection 9,\* paragraph d, is amended to read as follows:

d. To the department of corrections, the sum of one million three hundred thousand (1,300,000) dollars to be retained by the department of revenue and finance and not paid to the department of corrections for the purposes of paragraph "c" upon the approval of the general assembly of the plans submitted pursuant to paragraph "c" but not to be used until the general assembly enacts legislation that provides for the specific expenditure of the moneys, and after consideration of the most recent information made available by the task force consultant.

Approved May 15, 1988

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## CHAPTER 1269

### SUPPLEMENTAL APPROPRIATION TO HUMAN SERVICES DEPARTMENT

*H.F. 2082*

**AN ACT** relating to and making appropriations to the department of human services and to the Iowa finance authority for the remainder of the fiscal year ending June 30, 1988, allowing carryover of certain funds to the next fiscal year, and providing an effective date.

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

#### \*\*APPROPRIATION REDUCTION

*Section 1.* 1987 Iowa Acts, chapter 234, section 202, subsection 1, is amended to read as follows:

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\*Subsection 1 probably intended

\*\*Item veto: see message at end of the Act

1. As a condition of this appropriation for field operations, including salaries and support for not more than two thousand four hundred thirty-three point eighty-eight full-time equivalent positions, maintenance, and miscellaneous purposes, the department shall provide an extensive orientation program for newly employed social workers in the area of community resource programs and shall provide assistance to each county board of social welfare to identify community resources in counties pursuant to section 234.11

..... \$ 29,000,000  
27,550,856

The general assembly finds it necessary to reduce the appropriation made by this subsection due to the decision of the department of human services to fill no more than two thousand two hundred thirteen full-time equivalent positions in the community services division, even though the appropriation made by this subsection was adequate to fill up to two thousand three hundred twenty-one full-time equivalent positions in the community services division.\*

**\*AID TO DEPENDENT CHILDREN**

Sec. 2. 1987 Iowa Acts, chapter 234, section 203, subsection 1, is amended by adding the following new paragraph:

**NEW PARAGRAPH j.** As a condition of the appropriation made in subsection 1, unnumbered paragraph 1, effective March 1, 1988, the department shall establish the schedule of basic needs for one person at one hundred seventy-four dollars, for two persons at three hundred forty-three dollars, for three persons at four hundred six dollars, for four persons at four hundred seventy-two dollars, for five persons at five hundred twenty-two dollars, for six persons at five hundred eighty-one dollars, for seven persons at six hundred thirty-eight dollars, for eight persons at six hundred ninety-six dollars, for nine persons at seven hundred fifty-three dollars, for ten persons at eight hundred twenty-three dollars, and for each additional person eighty-two dollars.\*

**\*HOUSING TRUST FUND**

Sec. 3. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal period beginning March 1, 1988, and ending June 30, 1988, one hundred seventeen thousand (117,000) dollars, or so much thereof as is necessary, for the rehabilitation, construction, or purchase of transitional shelters for homeless families, under section 220.100, Code Supplement 1987. Any state funds may be used to match federal funds if available.\*

**\*MEDICAL ASSISTANCE**

Sec. 4. 1987 Iowa Acts, chapter 234, section 203, subsection 2, is amended by adding the following new unnumbered paragraphs:

**NEW UNNUMBERED PARAGRAPH.** Effective June 1, 1988, the department shall extend coverage to include caretaker relatives under the medically needy program. Effective June 1, 1988, the department shall increase resource limitations under the medically needy program to five thousand dollars for a one-person household and seven thousand five hundred dollars for a family of two or more persons. For the medically needy program, the department shall be allowed to set the length of the certification period, as authorized by federal regulations.

**NEW UNNUMBERED PARAGRAPH.** Effective March 1, 1988, the department shall extend medical assistance benefits for an additional six months to individuals who lose assistance through the aid to families with dependent children program solely due to the loss of the thirty dollars and one-third earned income disregard.

\*Item veto; see message at end of the Act

NEW UNNUMBERED PARAGRAPH. *Effective March 1, 1988, the department shall begin implementation planning for the provision, as soon as is administratively feasible, of medical assistance to all pregnant women, and infants and children up to age five on an incremental basis; and to all individuals who are aged, blind, or disabled, whose income does not exceed one hundred percent of the federal poverty level. Resource limitations shall be five thousand dollars for a one person household and seven thousand five hundred dollars for a family of two or more people. Aged, blind, or disabled individuals shall have income and resources treated according to supplemental security income methodologies. Pregnant women, and infants and children shall have income and resources treated according to aid to families with dependent children methodologies. All other medical assistance program requirements shall apply. Upon implementation, phased-in coverage for children shall begin with children up to the age of one and shall be continued through January 1, 1992.\**

**\*DISPLACED HOMEMAKER PROGRAMS**

*Sec. 5. 1987 Iowa Acts, chapter 234, section 203, subsection 11, is amended by adding the following new paragraph:*

NEW PARAGRAPH. *i. Of the funds appropriated in this subsection, forty thousand (40,000) dollars, or so much thereof as is necessary, is allocated for displaced homemaker programs. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated by this section and allocated by this paragraph shall not revert to the general fund of this state on June 30, 1988, but shall be available for expenditure under this section and paragraph during the fiscal year beginning July 1, 1988, and ending June 30, 1989.\**

**SUPPLEMENTAL APPROPRIATIONS**

*Sec. 6. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1987, and ending June 30, 1988, to the department of human services, the following amounts, or so much thereof as is necessary, to supplement prior appropriations:*

- 1. For medical assistance to be used for the same purposes and to supplement funds appropriated by 1987 Iowa Acts, chapter 234, section 203, subsection 2:*
- ..... \$ 10,500,000*
- 2. For state supplementary assistance to be used for the same purpose and to supplement funds appropriated by 1987 Iowa Acts, chapter 234, section 203, subsection 6:*
- ..... \$ 1,500,000*
- 3. For foster care to be used for the same purpose and to supplement funds appropriated by 1987 Iowa Acts, chapter 234, section 203, subsection 9:*
- ..... \$ 8,000,000*

**\*MENTAL HEALTH INSTITUTES**

*Sec. 7. 1987 Iowa Acts, chapter 234, section 205, is amended by adding the following new subsection:*

NEW SUBSECTION. *8. The department shall pursue all reasonable courses of action necessary to expand the recruitment and retention of psychiatrists at the state mental health institutes. The department shall aggressively recruit psychiatrists, when necessary by sending department representatives to events and locations where psychiatrists are likely to be recruited and by taking other similar actions which have the likelihood of contributing to the*

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\*Item veto; see message at end of the Act

*recruitment of psychiatrists. The department shall continue to explore and implement, if necessary, alternative approaches to retaining psychiatrists in the state hospital system, such as special contractual arrangements, expanded staff privileges, or improved educational opportunities for the medical staff.\**

#### **\*RURAL MENTAL HEALTH SERVICES**

*Sec. 8. There is appropriated from the general fund of the state to the department of human services for the fiscal period beginning March 1, 1988, and ending June 30, 1988, as a condition of the appropriation made in 1987 Iowa Acts, chapter 234, section 205, thirty-three thousand (\$33,000) dollars, or so much thereof as is necessary, for rural mental health services. The division of mental health, mental retardation, and developmental disabilities of the department of human services shall allocate these funds to continue existing special allocation project grants providing outreach services to Iowans affected by the current rural economic situation. The division shall award these funds to agencies that have participated in the 1988 fiscal year mental health and mental retardation services funds special allocation grant application process. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated by this section shall not revert to the general fund of this state on June 30, 1988, but shall be available for expenditure under this section during the fiscal year beginning July 1, 1988, and ending June 30, 1989.\**

#### **\*ENHANCED MENTAL HEALTH/MENTAL RETARDATION/DEVELOPMENTAL DISABILITIES SERVICES**

*Sec. 9. There is appropriated from the general fund of the state to the department of human services, for the fiscal period beginning March 1, 1988, and ending June 30, 1988, five hundred thirty-seven thousand eight hundred thirty-five (\$37,835) dollars, or so much thereof as is necessary, for administrative support and for service coordination and diagnosis and evaluation.*

*1. The funds provided under this section shall be used by the department of human services for the following:*

*a. No more than eighty-eight percent of the funds shall be used for the establishment of service coordination units for persons with mental retardation, developmental disabilities, or chronic mental illness for the provision of specialized service coordination. It is the intent of the general assembly that these units be established no later than June 30, 1988, in each of the department's human service districts. The department shall report to the general assembly by June 30, 1988, on the establishment of the service coordination units. Priority shall be given to individuals who require service coordination in preventing a placement that would be inconsistent with the person's identified needs. Persons performing service coordination shall be given caseloads no greater than thirty for clients with mental retardation, developmental disabilities, or chronic mental illness.*

*b. No more than twelve percent of the funds shall be used for the provision of diagnosis and evaluation services for persons with mental retardation, developmental disabilities, or chronic mental illness. Priority shall be given to individuals who have not received a diagnosis and evaluation within the past five years.*

*The available funds shall be allocated to the department of human service districts based on the bill of rights enumeration study. Within the funds available under this section, case management and diagnosis and evaluation shall be made available proportional to the bill of rights populations within each district as cited in the enumeration study.*

*The department shall seek to draw down additional funds through the federal medical assistance program in the provision of these services.*

*It is the intent of the general assembly that recognition be given to reducing the cost for potential conversion of residential care facilities for the mentally retarded to intermediate*

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*\*Item veto; see message at end of the Act*

care facilities for the mentally retarded without imposing more restrictive construction and renovation standards than absolutely essential.

It is the intent of the general assembly that greater use of federal support through vocational rehabilitation funding be provided for the bill of rights population. The department shall work with the department of education in seeking to make greater use of vocational rehabilitation support for the bill of rights population, and shall report to the general assembly by June 30, 1988, on the feasibility of obtaining additional federal assistance.

The department shall develop a proposal to assist individuals in obtaining Social Security and Title XIX benefits.

2. Nothing in this Act is intended by the general assembly to be the provision of a fair and equitable funding formula specified in 1985 Iowa Acts, chapter 249, section 9. Nothing in this Act shall be construed, is intended, or shall imply a claim of entitlement to any programs or services specified in section 225C.28.\*

#### \*REIMBURSEMENT RATES

Sec. 10. 1987 Iowa Acts, chapter 234, section 213, is amended by adding the following new subsections:

**NEW SUBSECTION. 11.** Beginning March 1, 1988, the basis for establishing the maximum medical assistance rate for intermediate care facilities shall be the sixty-sixth percentile of all facility per diems as calculated from the June 30, 1987, unaudited compilation of cost and statistical data.

**NEW SUBSECTION. 12.** Beginning March 1, 1988, skilled nursing facility payment rates shall be increased by two and nine-tenths percent, rural health clinic rates shall be increased in accordance with increases under the federal Medicare program, pursuant to Title XVIII of the federal Social Security Act.

**NEW SUBSECTION. 13.** Effective March 1, 1988, the three and eighty-five hundredths percent will no longer apply to residential care facilities. Furthermore, the maximum reimbursement rate for residential care facilities shall be increased by four percent making the maximum rate seventeen dollars and ninety-seven cents. The new flat rate for facilities electing not to file cost reports shall be twelve dollars and eighty-four cents.

**NEW SUBSECTION. 14.** Effective March 1, 1988, the three and eighty-five hundredths percent reduction shall not be applied in the in-home health related care program. Furthermore, the maximum reimbursement rate for the in-home health related care program shall be increased by four percent.

**NEW SUBSECTION. 15.** For services given by social service providers on or after March 1, 1988, reductions to invoices or rates shall be discontinued. In addition, for services given between March 1, 1988, and June 30, 1988, rates shall be automatically increased by four percent over the unreduced rates in effect on June 30, 1987. Rates for foster group care and shelter care services shall not exceed sixty-eight dollars and eighty cents per day. This automatic increase is intended to be a one-time exception to policy for the fiscal period beginning March 1, 1988, and ending June 30, 1988, only and is not intended to eliminate regular submission of cost reports.\*

#### \*ASSISTANCE TO GAMBLERS

Sec. 11. The department shall use funds deposited in the gamblers assistance fund established in section 99E.10 only for programs to assist gamblers. Any unspent funds shall remain in the fund and shall not be transferred or reverted to the general fund.

\*Item veto; see message at end of the Act

*The department shall use gamblers assistance fund moneys for two full-time equivalent positions to support this program.\**

#### EFFECTIVE DATE

Sec. 12. This Act, being deemed of immediate importance, takes effect upon enactment.

*Approved February 12, 1988, except the items which I hereby disapprove and which are designated as section 1, section 2, section 3, section 4, section 5, and the titles thereof; and section 7, section 8, section 9, section 10, section 11, and the titles thereof; all of which are bracketed in ink and initialed by me. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Speaker of the House of Representatives this same date, a copy of which is attached hereto.*

TERRY E. BRANSTAD, *Governor*

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\*Item veto; see message at end of the Act

Dear Mr. Speaker:

I hereby transmit House File 2082, an Act relating to and making appropriations to the Department of Human Services and to the Iowa Finance Authority for the remainder of the fiscal year ending June 30, 1988, allowing carryover of certain funds to the next fiscal year, and providing an effective date.

House File 2082 is approved with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as Section 1, Section 2, Section 3, Section 4, Section 5, Section 7, Section 8, Section 9, Section 10, and Section 11.

That portion of House File 2082 which I have approved will make \$20 million of supplemental funds available to the Department of Human Services for fiscal year 1988. These supplemental funds are needed to make certain that our existing human services programs for the needy are maintained throughout the remainder of this fiscal year.

The remaining sections of House File 2082 either spend money the state does not have or deappropriate money that is desperately needed for social workers. As the result, I cannot approve those sections.

Section 1 of this bill deappropriates approximately \$1.4 million dollars for the Department of Human Services' field operations. If this is allowed to occur, an immediate freeze on filling vacant social worker positions would be required and a reduction in force may be necessary. Fifty-three social worker positions would be lost if this deappropriation were to be approved.

It is, indeed, ironic that the legislature should enact such a reduction in social workers at a time when it is acknowledged that human service needs are considerable. It is my understanding that this section of House File 2082 may be a punitive measure designed by some to respond to the department's failure to hire a full complement of social worker staff this year. It should be understood that the department has been limited in its ability to hire additional social workers because of lost federal funds and a last minute legislative reduction in the state salary adjustment fund last year. Eliminating an additional 53 positions from the department's social worker staff would only compound the difficulties of our social workers in meeting the needs of less fortunate Iowans and cannot be approved.

The remaining sections of House File 2082 either expand existing programs or create new ones. The decision to item veto those sections is a most difficult one. I recognize that government has an appropriate role in caring for those who cannot care for themselves and this bill addresses some of those needs. But our ability to truly meet those needs is limited by the fiscal realities of our state. Government would play a cruel hoax on the most vulnerable in our society if we were to make promises we know we cannot keep.

Indeed, House File 2082 results in new state human service spending obligations of approximately \$5 million this year and approximately \$18 million for fiscal year 1989 without providing necessary offsetting revenue or expenditure reductions. I am unwilling to put these human needs programs on the state's credit card in the hope that the legislature could somehow find money to pay for them in the future. Some of the proposals in House File 2082 are worthy of consideration, but only within the context of the balanced budget our Constitution requires.

In addition, I am disappointed that the legislature did not recognize the very real need to reform the welfare system in House File 2082. I have made recommendations to the General Assembly to provide transitional medical assistance, child care, and job training and education to help those who are on welfare obtain jobs and climb the ladder of opportunity.

In order to truly care for the less fortunate, we must not only provide them basic assistance, but we must also eliminate the barriers and provide them with incentives to obtain an education, training and a job so that they can become productive members of our state. A welfare reform component must be an essential part of any human services spending bill that I consider this year.

Finally, I frankly am disappointed with the process that has yielded this first item veto of the legislative session. We began with a joint call for cooperation and, together, the legislative leaders and I agreed on the outlines of a budget which recognized our priorities and met our constitutional responsibility to ensure a balanced budget. Yet, with remarkable alacrity the legislature passed this spending bill without showing how the budget will all add up.

In my budget message, I pledged my willingness to sit down with legislators and build a consensus budget to achieve a mutually agreed upon set of priorities. My priorities are education, economic development and welfare reform. And, I know members of the General Assembly may have varying priorities. However, if we all work together and agree to cooperate, I believe that we can pass a budget for the people of Iowa this session that is both balanced and meets the needs of Iowans.

I pledge my willingness to begin anew the process of working with members of the General Assembly to establish a budget for this state. However, all of those priorities could be jeopardized if I were to sign this first appropriation bill of the legislative session that could put the state as much as \$62 million in the red.

This is no time for budget games or polarizing polemics. Instead, it is a time for legislative and executive branch, Democrat and Republican, to sit down and agree on what needs to be done and commit to do it together. If we do so, it is my firm belief that some of the priorities that are established in House File 2082 will be able to be accomplished, education and economic development goals will be realized, major tax increases will be avoided, and Iowans will have the balanced budget that they deserve.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2082 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, *Governor*