

receiving Iowa Plan funds for fiscal year 1990 as specified in House File 785, 1989 Acts of the 73rd General Assembly. This provision cannot be approved in view of the state's difficult fiscal situation.

Section 16, subsection 1 also appropriates \$250,000 from the Community Economic Betterment account for construction of a rehabilitation center for head-injured patients located in Ankeny, Iowa. This project should stand on its own merits within the rules of the Community Economic Betterment program.

I am unable to approve the item designated as Section 16, subsection 2. This language would reallocate repayments made in the subsection according to the provisions in subsection 1, which I have vetoed. The result of this veto will be to send the repayments back to the surplus account.

Because economic development is one of my most important priorities, the decision to exercise my veto authority in this bill is a very difficult one to make. However, it is clear that in order to provide a responsible budget, even my priority areas must be considered. As a result of the item vetoes in this message, it is estimated the balance in the lottery surplus account will be essentially "frozen" at \$6.8 million. This action will significantly enhance the ability of both the executive and legislative branches to construct a balanced budget for fiscal year 1992.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2433 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, *Governor*

---

## CHAPTER 1270

### HUMAN SERVICES APPROPRIATIONS AND OTHER PROVISIONS

*S.F. 2435*

**AN ACT** relating to human services and making appropriations to the department of human services and other properly related matters, providing for retroactive applicability of certain provisions, and providing an effective date.

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

#### DIVISION I

##### Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For aid to families with dependent children:

..... \$ 42,050,000  
1. The department may fund the cash bonus program from unspent funds under this appropriation and shall continue to evaluate the program.

2. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue to contract for services in developing and monitoring a waiver program with a consortium of other states to facilitate providing assistance in self-employment to aid to dependent children families. The waiver program services shall be provided for the entire fiscal year beginning July 1, 1990, and ending June 30, 1991. Of the funds appropriated

under this section, up to \$116,000 shall be used to provide technical assistance for aid to dependent children families seeking self-employment. The technical assistance may be provided through the department or through a contract with the division of job training of the department of economic development and through a contract with the corporation for enterprise development. The department shall submit a report to the legislative fiscal bureau on or before November 1, 1990, providing an update regarding the evaluation of the waiver program and technical assistance which includes recommendations regarding continuation of the program and technical assistance during the fiscal year beginning July 1, 1991.

3. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall apply the self-employment investment demonstration project statewide during the fiscal period delineated in the federal waiver submitted to operate the program statewide, provided training is available to a recipient through a recognized self-employment training program. However, if the application for the federal waiver is denied, the department may determine the counties in which it is feasible to operate the project and shall provide the project in those counties.

4. As a condition, qualification, and limitation of the funds appropriated in this section, the schedule of basic needs under the aid to dependent children program for the fiscal year beginning July 1, 1990, is established as follows:

- a. For 1 person at \$183.
- b. For 2 persons at \$361.
- c. For 3 persons at \$426.
- d. For 4 persons at \$495.
- e. For 5 persons at \$548.
- f. For 6 persons at \$610.
- g. For 7 persons at \$670.
- h. For 8 persons at \$731.
- i. For 9 persons at \$791.
- j. For 10 persons at \$865.
- k. For each additional person over 10 persons at \$87.

5. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue the special needs program under the aid to dependent children program.

6. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall work with the United States department of health and human services to develop a waiver to exempt income received by a participant in the "dollar-a-day" program under an adolescent pregnancy prevention grant, in determining the participant's eligibility for aid to dependent children.

Sec. 2. MEDICAL ASSISTANCE.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

..... \$ 224,050,000

1. Medically necessary abortions are those performed under any of the following conditions:

- a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.
- b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.
- c. The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

d. The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled.

2. Of the funds appropriated in this section, not more than \$200,000 may be transferred to the Iowa department of public health for contingency state assistance for the federal program for women, infants, and children in order to allow the Iowa department of public health to fully use available funds under that program.

3. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall track any cost savings realized by the use of the health maintenance organizations under the medical assistance program and shall report any cost savings to the legislative fiscal bureau at the start of each calendar quarter.

4. Notwithstanding section 8.39, the department may transfer funds appropriated in this section to a separate account established in the department's case management unit for expenditures required to provide case management services pursuant to the appropriation in this Act for enhanced mental health, mental retardation, and developmental disabilities services, pending final settlement of the expenditures. Funds received by the case management unit in settlement of the expenditures shall be used to replace the transferred funds and are available for the purposes for which the funds were appropriated under this section.

*\*5. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall reimburse an ambulance service for transporting a medical assistance recipient from a location other than a medical institution to a hospital regardless of a determination of medical necessity. However, the department shall develop methods to reduce recipient usage of ambulance services for reasons other than medical necessity, including notification of recipients who have received ambulance services that were not considered to be a medical necessity and ambulance services that have provided such services.*

6. Of the funds appropriated in this section, not more than \$20,000 may be used to contract with the user liaison program of the agency for health care policy and research to conduct a workshop for Iowa policymakers on health care issues with an emphasis on rural health delivery, system capacity, expanding maternal and child health services, and cost containment.

7. As a condition, qualification, and limitation of the funds appropriated in this section, the costs of transportation connected with the health of a resident of a health care facility reimbursed under medical assistance shall be reimbursed. If the cost of the resident's care is less than the authorized maximum per diem reimbursement rate, the transportation costs shall be considered an allowable expense. If the cost of the resident's care is equal to the authorized maximum per diem reimbursement rate, the transportation costs shall be reimbursed as an additional expense. The department shall authorize reimbursement of the resident's transportation by wheelchair transportation, if it is less costly to the state.\*

8. As a condition, limitation, and qualification of the funds appropriated in this section, effective July 1, 1990, the differential reimbursement amount paid to hospitals which provide a disproportionate share of care to medical assistance recipients shall be increased by 2.5 times the amount paid to the hospitals on June 30, 1990. Of the funds appropriated by the Seventy-third General Assembly to the university of Iowa hospitals and clinics for treatment of indigent patients in accordance with chapter 255, \$1,134,000 shall be transferred to the department of human services to be used as additional funds for the purposes designated for medical assistance in this appropriation, provided the differential reimbursement amount is changed in accordance with this subsection in a manner which results in an increase in the disproportionate share of care differential reimbursement payments to the university of Iowa hospitals and clinics in an amount which is at least \$1,134,000 more than the amount received by the hospitals and clinics in the fiscal year which began July 1, 1989.

*\*9. As a condition, qualification, and limitation of the funds appropriated in this section, a newly constructed intermediate care facility or an existing intermediate care facility which*

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

*has added or converted beds to intermediate care use shall be granted a 6-month period from the date the new facility, the addition of beds, or the conversion of beds is approved for occupancy before an occupancy limit is applied to facility costs used to determine the medical assistance reimbursement rate for the facility. If the facility does not meet the occupancy limit at the end of the 6-month period, the facility shall be granted an additional 6-month period in which an occupancy limit shall not be applied if the facility has an occupancy of at least 50 percent of its capacity. For subsequent time periods, the facility shall be considered to have an occupancy rate of at least 80 percent of its capacity. In all cost reporting periods, the medical assistance reimbursement rate for an intermediate care facility for the mentally retarded shall be based upon an occupancy of at least 80 percent of the facility's capacity.\**

**Sec. 3. MEDICAL CONTRACTS.**

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 3,870,000

As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue to contract for drug utilization review under the medical assistance program.

**Sec. 4. STATE SUPPLEMENTARY ASSISTANCE.**

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state supplementary assistance:

..... \$ 18,160,000

The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security and federal social security benefits are increased due to a recognized increase in the cost of living.

**Sec. 5. AID TO INDIANS.**

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For aid to Indians under section 252.43:

..... \$ 38,000

The tribal council shall not use more than 10 percent of the funds for administration purposes.

**DIVISION II**

**Sec. 6. CHILD DAY CARE ASSISTANCE.**

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For protective and state child care assistance:

..... \$ 6,833,000

1. It is the intent of the general assembly that \$2,587,000 of the funds appropriated under this section, be used for protective child day care assistance.

2. It is the intent of the general assembly that \$4,246,000 of the funds appropriated under this section, be used for state child care assistance.

3. a. 25 percent of the funds not otherwise allocated in this section shall be allocated to the 8 department of human services' districts according to a formula based upon the number of children in a district whose family income is equal to or less than 150 percent of federal office of management and budget poverty guidelines. 75 percent of the funds not otherwise allocated

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

in this section shall be allocated to the 8 districts based upon the department's estimate of a district's expenditures for child day care assistance during the fiscal year which ended June 30, 1990. A district shall distribute funds to each county office within the district in an amount which is at least equal to the combined expenditures in the county for protective and state child care assistance in the fiscal year which began July 1, 1989. If the district documents that funds remaining in a county will be sufficient to meet current demand and projected growth, the district may transfer excess funds to another county office. If the department determines that funds remaining in a district will be sufficient to meet current demand and projected growth, the department may transfer excess funds to another district.

b. Nothing in this section shall be construed or is intended as, or shall imply a grant of entitlement for services to persons who are eligible for assistance due to an income level which is equal to or less than 150 percent of the federal office of management and budget poverty guidelines for families. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated under this section.

Sec. 7. TRANSITIONAL CHILD CARE ASSISTANCE.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For transitional child care assistance:

..... \$ 250,000

Notwithstanding section 239.21, the department of human services shall provide the transitional child care program in accordance with the federal Family Support Act of 1988, Pub. L. No. 100-485, § 302, and applicable federal regulations. Reimbursement for services shall be limited to registered or licensed child day care providers and programs administered by a public or nonpublic school system approved or accredited to provide child day care by the department of education or the state board of regents.

Sec. 8. FAMILY DEVELOPMENT AND SELF-SUFFICIENCY GRANT PROGRAM.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family development and self-sufficiency grant program as provided under sections 217.11 and 217.12:

..... \$ 925,000

1. No more than 5 percent of the funds appropriated in this section shall be used for administration of the program. Any federal financial participation received by the department for the family development and self-sufficiency grant program shall be used for the purposes designated under the appropriation for aid to dependent children.

2. Based upon the annual evaluation report concerning each grantee funded by this appropriation, the family development and self-sufficiency council may use the amount of funds appropriated in excess of the amount required for existing grants to increase existing grants or to fund an evaluation of the program. Grant renewals shall be awarded on or before January 1, 1991.

Sec. 9. JOBS PROGRAM.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the JOBS program:

..... \$ 3,310,000

The department may use up to \$10,000 of the funds appropriated in this section to implement the family friends program in 2 districts to provide mentors for persons receiving aid to families with dependent children under chapter 239.

2. For the food stamp employment and training program:

..... \$ 62,000

Sec. 10. CHILD SUPPORT RECOVERY.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child support recoveries, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,900,000
.....	FTEs	234.5

1. The director of human services, within the limitations of the funds appropriated in this section, or funds transferred from the aid to dependent children program for this purpose, may establish new positions and add additional employees to the child support recovery unit when the director determines that both the current and additional employees together can reasonably be expected to recover for the aid to dependent children program and the nonpublic assistance support recovery program more than twice the amount of money required to pay the salaries and support for both the current and additional employees. In the event the director adds additional employees, the department shall demonstrate the cost-effectiveness of the current and additional employees by reporting to the joint human services appropriations subcommittee the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recovered.

2. The department may enter a cooperative agreement with the judicial department to establish and fund a pilot project of expedited child support orders and modifications. The department may transfer funds appropriated under this section for purposes of implementing the pilot project.

3. As a condition, qualification, and limitation of the funds appropriated in this section, the department's share of the federal nonpublic assistance financial incentives received for support recoveries shall be used for the purposes for which funds were appropriated for aid to families with dependent children.

4. As a condition, qualification, and limitation of the funds appropriated in this section, in all cases involving paternity determination initiated on or after July 1, 1990, by the child support recovery unit, the unit shall make reasonable efforts to encourage and increase the use of testing involving genetic markers or their equivalent which provide a statistical probability in determining paternity.

Sec. 11. COLLECTION SERVICES CENTER.

If the Seventy-third General Assembly, 1990 Session, enacts authorizing legislation\* for the collection services center to remain in the department of human services, there is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the collection services center, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	260,000
.....	FTEs	26.00

DIVISION III

Sec. 12. JUVENILE INSTITUTIONS.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the operation of the state training school and the Iowa juvenile home, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

1. For the Iowa juvenile home at Toledo:

.....	\$	4,518,000
.....	FTEs	128.5

\*See chapter 1224 herein

2. For the state training school at Eldora:

.....	\$	7,809,000
.....	FTEs	229.00

Sec. 13. FOSTER CARE.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For foster care:

.....	\$	48,457,000
-------	----	------------

1. As a condition, qualification, and limitation of the funds appropriated in this section, up to \$1,000,000 may be used by the department to provide enhanced funding of services to family foster homes to avert placement of children in group care facilities and at least \$3,010,053 shall be used to provide enhanced funding of services to group care facilities to avert placement of children in more expensive, less appropriate, or out-of-state facilities *\*including \$350,000 for reimbursements to decategorization counties which are designing programs to reduce their counties' use of placements in the Iowa juvenile home, the state training school, and the state mental health institutes.\**

2. The department may use funds appropriated in this section to develop supplemental per diem or performance-based contracts with private group care providers for programs serving children who would otherwise be placed in a state juvenile institution or an out-of-state program. The department shall give priority to serving children whose placement at the state training school or the Iowa juvenile home would cause the state juvenile institution to exceed the population goal established under 1989 Iowa Acts, chapter 318, section 11.

3. The department may transfer a portion of the funds appropriated in this section to provide subsidized adoption services or to purchase adoption services, if funds allocated under this section for adoption services are insufficient.

4. The department and state court administrator shall work together in implementing an agreement which enables the state to receive funding for eligible cases under the federal Social Security Act, Title IV-E.

5. No more than 30 percent of children placed in foster care funded under the federal Social Security Act, Title IV-E, shall be placed in foster care for a period of more than 24 months.

6. Of the funds appropriated in this section, \$165,000 is allocated for the foster home insurance fund. Notwithstanding section 237.13, the department may use funds appropriated under this section to purchase liability insurance for licensed foster parents in lieu of providing payment for claims filed against the foster home insurance fund, if comparable coverage can be obtained through private insurance. *\*Notwithstanding section 8.33, funds remaining in the foster home insurance fund on June 30, 1991, shall not revert to the general fund but shall remain available for expenditure in the fiscal year beginning July 1, 1991, for the purposes designated.\**

7. The department of human services, the judicial department, the department of education, and representatives of service providers shall continue the committee on children with special service needs. The committee shall be responsible to find placements for children who have exceptional service needs or who have been rejected in previous referrals and who may be at risk of being placed out of state.

8. The department may use a portion of the funds appropriated in this section to purchase special services in order to demonstrate whether the services can prevent out-of-home shelter care.

*\*9. As a condition, qualification, and limitation of the funds appropriated in this section, within available funds and using outside technical assistance where available, the department shall seek to maximize funding for services available to the state under the federal Social Security Act, Title IV-E. Reimbursement in excess of \$3,081,470 obtained under the federal Social Security Act, Title IV-E, shall not revert to the general fund, but shall be used for the purposes designated in this section. An amount equal to 80 percent of the excess amount shall*

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

*be transferred from funds appropriated in this section to increase services provided in the appropriation for home-based services in this Act and 20 percent shall remain in this appropriation to be used to increase foster care provider reimbursement rates provided that the maximum reimbursement rate paid to group foster care providers is calculated under the cost-based system.\**

10. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall review the need to provide additional day treatment alternatives within the child welfare system and the potential to provide additional services by including day treatment provided by psychiatric medical institutions for children as a service reimbursed under medical assistance. The department shall identify the effect of providing day treatment services reimbursement under medical assistance upon state expenditures for residential treatment and other foster care services. *\*The department may use funds appropriated in this Act for medical assistance to pay the nonfederal share of costs for services reimbursed under medical assistance which are provided in a psychiatric medical institution for children.*

11. *The department may use \$30,000 of the funds appropriated in this section to contract for a study of the effectiveness of needs-based and therapeutic family foster care and enhanced residential care.*

12. *As a condition, qualification, and limitation of the funds appropriated in this section, the department shall develop a therapeutic foster care program in at least 1 district in the state. The program's foster care worker support staff shall serve no more than 7 foster families and shall provide respite and special support services to foster parents to enable them to serve in an active treatment capacity with the children under their care. Of the funds appropriated in this section, up to \$200,000 shall be used for therapeutic foster care reimbursement.\**

13. Funds appropriated in this section may be used to recruit foster parents and to implement a pilot project utilizing the "Model Approach to Partnership in Parenting" preservice training for foster parents.

14. Of the funds appropriated in this section, up to \$140,000 may be used to develop and maintain the state's implementation of the national adoption and foster care information system pursuant to the requirements of Pub. L. No. 99-509.

15. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall establish a family foster care advisory committee to examine department practices and policies to improve the recruitment and retention of foster parents, provide training and professional guidance where appropriate, and seek the involvement of family foster care providers in designing, developing, and participating in the creation of therapeutic foster family homes. The department shall review initiatives of other states in recruiting foster parents from appropriate families who are recipients of public assistance. In consultation with the advisory committee, the department shall seek federal waivers and make program modifications as necessary to develop a similar program for Iowa upon receiving federal approval to do so.

16. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall seek outside funding support to continue foster care payments to foster families and foster care youths in independent living situations, if the youths wish to pursue a postsecondary education upon turning 18 years of age and eligibility for foster care payments expires. In consultation with the family foster care advisory committee, the department shall report on options available to the state to provide assistance to foster families and foster care youths who wish to pursue a postsecondary education when the youths reach 18 years of age.

17. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall establish specialized family foster care homes and provide specialized support and respite services to qualifying foster care families who accept infants with chemical addictions from intrauterine transmission who would otherwise remain in a hospital.

18. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue the demonstration program to decategorize child welfare

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



services in the 2 counties in which the program has commenced. The department shall implement the demonstration program in Dubuque and Pottawattamie counties, which have submitted letters of intent, if the department, the boards of supervisors in the counties, and the affected judicial districts agree to implement the program. The schedule for implementing the demonstration program in the 2 additional counties shall provide that the program be implemented on or after July 1, 1990. The department shall establish for the demonstration project counties a child welfare fund composed of all or part of the amount that would otherwise be expected to be used for residents of the counties for foster care, family-centered services, subsidized adoption, day care, local purchase of services, juvenile institutional care, mental health institute care, state hospital-school care, juvenile detention, department-direct services, and juvenile justice county-based reimbursable services and notwithstanding any other provision of law, the fund shall be considered encumbered. With the approval of the department, a demonstration project county may elect to transfer to the child welfare fund other child welfare funding provided for treatment services to youth under Title XIX of the federal Social Security Act, including funding for psychiatric hospital services. Notwithstanding other service funding provisions in law, the department shall establish the fund by transferring funds from the budgets affected, except for the funds appropriated for the state mental health institutes, the state hospital-schools, the state training school, and the Iowa juvenile home which shall remain on account for the county at these institutions. The child welfare fund may be used to support services and payment rates not allowable within historical program or service categories. The department shall work with demonstration project county boards of supervisors and judicial districts to provide training for the project, and shall use technical assistance provided by the national conference of state legislatures and the center for the study of social policy. It is the intent of the general assembly that the demonstration program be designed to operate in a county for a 3-year period. The 3-year time period for a decategorization project in Dubuque, Polk, Pottawattamie, or Scott county shall be considered to begin on January 1 in the first year following the year in which the county's decategorization project was approved by the department.

Sec. 14. CHILD PROTECTIVE SYSTEM IMPROVEMENTS.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For improvements in the state system for child protection:

1. For general administration of the department to improve staff training efforts:
 

.....	\$	420,000
-------	----	---------
2. For funding required to oversee termination of parental rights and permanency planning efforts on a statewide basis on the condition that regular reports regarding the statewide program efforts shall be provided to the legislative fiscal bureau:
 

.....	\$	120,000
.....	FTEs	3.00
3. For use by the department in general administration to promote innovative treatment programs, write grants to obtain federal and private funding, and promote public and private efforts to treat and prevent child abuse:
 

.....	\$	40,000
.....	FTEs	1.00
4. For personnel, assigned by the attorney general, to provide additional services relating to termination of parental rights and child in need of assistance cases:
 

.....	\$	88,000
-------	----	--------
5. For funding of the state multidisciplinary team to assist with difficult cases within the child abuse and foster care system and with respect to child protective investigation and initial case planning and to develop and coordinate local multidisciplinary teams:
 

.....	\$	75,000
-------	----	--------

6. For use by the department in conducting outcome-oriented evaluations of child protection, prevention, and treatment programs:

..... \$ 35,000

\*7. For a statewide conference on the issue of providing reasonable efforts. The conference shall involve members of the general assembly, juvenile court judges and officers, workers in the child welfare and foster care system, and executive branch officials. The department shall seek support from the national conference of state legislatures, the national governor's association, and private foundations in conducting the conference:

..... \$ 10,000\*

Sec. 15. HOME-BASED SERVICES.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For home-based services on the condition that family planning services are funded, provided that if the department amends the allocation to a program funded under this section, then the department shall promptly notify the legislative fiscal bureau of the change:

..... \$ 11,290,000

1. Of the funds appropriated in this section, \$30,000 may be used by the department to contract with universities to provide ongoing research and evaluation assistance to programs and initiatives of the department involving family-centered services and foster care. The contracts shall make maximum use of any matching resources available from the universities with which the department contracts.

2. Of the funds appropriated in this section, \$3,486,087 shall be used for family preservation and reunification services pilot projects. A portion of the funds shall be used to maintain service levels in existing family preservation projects and to expand the projects to provide post-placement reunification services to families participating in the projects. A portion of the funds shall be used to contract for the purchase of family preservation services in the department's Mason City district, in remaining counties of the Des Moines district, and to intensify services in 2 districts of the department, following review by the statewide family preservation and decategorization committee. A limited amount of the funds may be used for the family assistance fund to provide other resources required for a family participating in a project to stay together or to be reunified. Not more than \$70,000 of the funds appropriated in this section shall be used to provide training for pilot project employees. The payment system for the project shall not be based upon units of time, but may be based upon the cost to serve a family, including adjustments according to the provider's performance and the outcome of the services provided to each family. The department shall continue to develop both the family preservation and the decategorization projects in consultation with professionals in the child welfare field and using outside technical assistance from the national conference of state legislatures and the center for the study of social policy. The department shall use the statewide family preservation and decategorization committee to assist in selecting additional projects.

Sec. 16. COMMUNITY-BASED PROGRAMS.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For community-based programs on the condition that the prevention grants relating to adolescent pregnancy are funded:

..... \$ 3,324,000

1. As a condition, qualification, and limitation of the funds appropriated in this section, up to \$250,900 shall be used by the department as the entitled aid from the state under section 232.142, subsection 3, for the cost of the establishment, improvement, operation, and maintenance of approved county or multicounty juvenile homes.

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

2. Of the funds appropriated in this section, \$523,500 shall be used for adolescent pregnancy prevention grants. At least 75 percent of the funds shall be used for programs which incorporate family planning and pregnancy prevention services as the major component of the program. The department shall not expend more than 7 percent of the funds for administrative costs. The department shall adopt rules to implement this subsection. A grant may be awarded to a public school corporation, a maternal and child health center, an adolescent services provider, or a nonprofit organization which is involved in adolescent issues. Grants shall be awarded for a 1-year period and targeted to provide services primarily in the 7 counties with the greatest incidence of adolescent pregnancy. Preference in awarding grants shall be given to projects which utilize a variety of community resources and agencies.

a. As used in this subsection, "adolescent" means a person who is less than 18 years of age or a person who is attending an accredited high school and pursuing a course of study which will lead to a high school diploma or its equivalent. The department shall establish guidelines which permit a grant recipient to continue providing services to a person who receives services under the grant as an adolescent and becomes 18 years of age or older.

b. A grant shall only be awarded to a project which provides 1 or more of the following services:

(1) Workshops and information programs for adolescents and parents of adolescents to improve communication between children and parents regarding human sexuality issues.

(2) Development and distribution of informational material designed to discourage adolescent sexual activity, to provide information regarding acquired immune deficiency syndrome and sexually transmitted diseases, and to encourage male and female adolescents to assume responsibility for their sexual activity and parenting.

(3) Early pregnancy detection, prenatal services including chlamydia testing, and counseling regarding decision-making options for pregnant adolescents.

(4) Case management and child care services provided to male and female adolescent parents.

c. Additional services may be offered by a grantee pursuant to a purchase of service contract with the department including any of the following: child day care services; child development and parenting instruction; services to support high school completion, job training, and job placement; prevention of additional pregnancies during adolescence; and other personal services.

3. As a condition, qualification, and limitation of the funds appropriated in this section, at least \$250,000 shall be used to provide grants administered in accordance with the provisions for adolescent pregnancy prevention grants, except for requirements to target certain specific geographic areas of the state. The grants shall be awarded to fund any of the following purposes:

a. Programs targeted to children. A program must include the following: components for parental involvement; parental education, including techniques for encouraging sexual abstinence; outreach services for recruiting parents and children into the program; and the provision of transportation to program staff and participants necessary for recruiting and encouraging program participation.

b. Programs intended to prevent an additional pregnancy by a parent who is less than 19 years of age. Preference in grant awards shall be given to programs which provide financial incentives to clients for their program participation and success in avoiding an additional pregnancy.

c. Providing additional pregnancy prevention grants. Preference in grant awards shall be given to programs which, in addition to other services, provide counseling to mixed gender groups of adolescents.

5. As a condition, qualification, and limitation of the funds appropriated in this section, \$550,686 shall be used by the department for child abuse prevention grants.

#### Sec. 17. BLOCK GRANT SUPPLEMENTATION.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For supplementation of federal social services block grant funds and for allocation to the various counties for the purchase of local services:

..... \$ 4,643,000

The funds appropriated in this section shall be allocated to the counties pursuant to the rules of the department in effect on January 1, 1985. The department shall increase the income guidelines for income eligible persons receiving services funded with federal social services block grant funds for the fiscal year beginning July 1, 1990, by the same percentage and at the same time as federal social security benefits are increased due to a recognized increase in the cost of living.

Sec. 18. JUVENILE JUSTICE.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For juvenile justice expenditures pursuant to section 232.141, subsection 4:

..... \$ 5,385,000

As a condition, qualification, and limitation of the funds appropriated in this section, the department shall submit quarterly reports to the fiscal committee of the legislative council which provide the expenditures of the funds appropriated in this section for each judicial district.

Sec. 19. IOWA VETERANS HOME.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For operation of the Iowa veterans home, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 28,680,000  
..... FTEs 836.87

The department may use the gifts accepted by the director of human services pursuant to section 218.96 and other resources available to the department for use at the Iowa veterans home for purposes identified by the department.

*\*Sec. 20. IOWA VETERANS HOME — AUTOMATED CLINICAL INFORMATION SYSTEM.*

*There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:*

*For costs related to the purchase and implementation of an automated clinical information system at the Iowa veterans home:*

..... \$ 176,000\*

DIVISION IV

Sec. 21. MENTAL HEALTH INSTITUTES.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For the state mental health institutes for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

- 1. State mental health institute at Cherokee:

..... \$ 15,158,000  
..... FTEs 409.33

As a condition, qualification, and limitation of the funds appropriated in this subsection, up to \$850,000 shall be used to phase in new residential treatment programs for adolescents who are substance abusers and to develop secure beds for juveniles placed at the state mental health institute at Cherokee.

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

2. State mental health institute at Clarinda:		
.....	\$	7,442,000
.....	FTEs	192.06
3. State mental health institute at Independence:		
.....	\$	15,033,000
.....	FTEs	424.77
4. State mental health institute at Mount Pleasant:		
.....	\$	8,490,000
.....	FTEs	207.5

Sec. 22. HOSPITAL-SCHOOLS.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For the state hospital-schools, for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

1. State hospital-school at Glenwood:		
.....	\$	38,044,000
.....	FTEs	1,178.00
2. State hospital-school at Woodward:		
.....	\$	31,383,000
.....	FTEs	957.3

Sec. 23. MENTAL HEALTH AND MENTAL RETARDATION SERVICES FUND.

There is appropriated from the general fund of the state to the state community mental health and mental retardation services fund established in section 225C.7 for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary:

.....	\$	3,255,000
-------	----	-----------

1. Not more than \$30,000 of the funds appropriated in this section shall be used to support counseling services employing veterans to counsel veterans afflicted with delayed stress syndrome and their families.

2. Notwithstanding section 225C.7, subsection 2, \$130,000 of the funds appropriated in this section shall not be divided into 2 parts, but shall be used only for grants under the special allocation of the state community mental health and mental retardation services fund.

Sec. 24. MENTAL HEALTH — MENTAL RETARDATION — DEVELOPMENTAL DISABILITIES SPECIAL SERVICES.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental health, mental retardation, and developmental disabilities special services:		
.....	\$	975,000

1. The department and the Iowa finance authority shall develop methods to implement financing for community-based intermediate care facilities for the mentally retarded and residential care facilities for the mentally retarded. The department shall develop criteria for these facilities which will include provisions to restrict placements to current state hospital-school clients and to avert the placement of persons in a state hospital-school. The department of human services shall assure that clients are referred to the facility upon development.

2. Of the funds appropriated in this section, \$550,000 is allocated to provide supplemental per diems to community-based residential care facilities. The per diem is restricted to clients placed from the state hospital-schools and persons averted from placement in a state hospital-school who meet the appropriate level of functioning for this type of care.

3. Of the funds appropriated in this section, \$200,000 is allocated to provide funds for construction and start-up costs to develop community living arrangements to provide for persons

who are mentally ill and homeless. These funds may be used to match federal Stewart B. McKinney Homeless Assistance Act grant funds.

\*4. *Of the funds appropriated in this section, \$150,000 is allocated to provide supplemental per diems for community living arrangements developed under subsection 3.*

5. *As a condition, qualification, and limitation of the funds appropriated in this section, \$75,000 shall be used by the department to contract to provide technical assistance services to counties and service providers in strategic planning and implementation of community-based services for persons with mental retardation, mental illness, or developmental disabilities. A 13-member technical assistance panel shall determine the types and methods of technical assistance to be provided within available funding. The options considered by the panel shall include but are not limited to needs identified by individual counties, service providers, and the department of human services. The panel membership shall consist of the following persons:*

- a. *5 persons appointed by the Iowa state association of counties.*
- b. *3 persons, including 1 person who is a county human services director, appointed by the director of the department of human services.*
- c. *1 person appointed by the community mental health centers association of Iowa.*
- d. *1 person appointed by the governor's planning council on developmental disabilities.*
- e. *1 person appointed by the mental health and mental retardation commission.*
- f. *1 person appointed by the human needs advocates organization.*
- g. *1 person appointed by the Iowa association of rehabilitation and residential facilities.*

6. *As a condition, qualification, and limitation of the funds appropriated in this section, the department shall adopt rules pursuant to chapter 17A providing for reimbursement under state supplementary assistance to pay for supervised apartment living and cooperative housing arrangements for persons with mental retardation, mental illness, or developmental disabilities. The rules shall take effect July 1, 1991.\**

**Sec. 25. FAMILY SUPPORT SUBSIDY PROGRAM.**

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program: \$ 590,000

As a condition, qualification, and limitation of the funds appropriated in this section, the department shall study the effect of establishing an eligibility spend-down provision for the family support subsidy program which is similar to eligibility spend-down provisions used for other public assistance programs. The study shall provide recommendations to address the needs of families who meet the family support subsidy program eligibility criteria except for income level and have extraordinary medical or other expenses as a result of caring for a child with a disability in their home.

**Sec. 26. SPECIAL NEEDS GRANTS.**

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To provide special needs grants to families with a family member at home who has a developmental disability or to a person with a developmental disability: \$ 55,000

Grants must be used by a family to defray special costs of caring for the family member to prevent out-of-home placement of the family member or to provide for independent living costs. A grant may provide up to \$5,000 per person for costs associated with an assistive animal. The grants may be administered by a private nonprofit agency which serves people statewide provided that no administrative costs are received by the agency. Regular reports regarding coordination of the special needs grants with the family support subsidy program shall be provided to the legislative fiscal bureau.

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

Sec. 27. ENHANCED MENTAL HEALTH – MENTAL RETARDATION – DEVELOPMENTAL DISABILITIES SERVICES.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the state candidate services fund:
..... \$ 2,630,000

1. The enhanced mental health, mental retardation, and developmental disabilities services plan oversight committee is continued, as established under 1988 Iowa Acts, chapter 1276, section 14, subsection 1, for the fiscal year which begins July 1, 1990, and ends June 30, 1991. The oversight committee shall issue a final decision regarding any issue of disagreement between a county and the department relating to expenditures for candidate services or the county's maintenance of effort.

2. For purposes of this section, "candidate services" means \*rehabilitation services,\* day treatment, partial hospitalization, and case management. Behavior management services shall be included in the state Title XIX plan as a candidate service if recommended by the oversight committee.

3. a. The county of legal settlement shall be billed for 50 percent of the nonfederal share of the cost of case management provided to adults, \*rehabilitation services,\* day treatment, and partial hospitalization provided under the medical assistance program for persons with mental retardation, a developmental disability, or chronic mental illness.

b. If the department has contracted with a county or a consortium of counties to be the provider of case management services, the department is responsible for any costs included within the unit rate for case management services which are disallowed for reimbursement pursuant to Title XIX of the federal Social Security Act by the federal health care financing administration. The department shall use funds appropriated under this section to credit a county for the county's share of any amounts overpaid due to the disallowed costs. If certain costs are disallowed due to requirements or preferences of a particular county in the provision of case management services the county shall not receive credit for the amount of the costs.

4. A county is responsible to continue to expend at least the agreed upon amount expended for candidate services in the fiscal year which ended June 30, 1987, for the fiscal year beginning July 1, 1990, for services to persons with mental retardation, a developmental disability, or chronic mental illness. If a county does not expend the agreed upon amount in the fiscal year, the balance not expended shall not revert to the general fund of the county, but shall be carried over to the next fiscal year to be expended for the provision of services to persons with mental retardation, a developmental disability, or mental illness including, but not limited to, the chronically mentally ill, and shall be used as additional funds. The additional funds shall be used, to the greatest extent possible, to meet unmet needs of persons with mental retardation, a developmental disability, or mental illness. This subsection does not relieve the county from any other funding obligations required by law, including but not limited to the obligations in section 222.60.

\*5. a. Notwithstanding section 8.33, funds appropriated in this section which are unobligated or unencumbered on June 30, 1991, shall not revert to the general fund but shall be deposited in the state community mental health and mental retardation services fund for use in the fiscal year beginning July 1, 1991. It is the intent of the general assembly that the funds deposited in the state community mental health and mental retardation services fund for this purpose shall be used in addition to moneys appropriated in the fiscal year beginning July 1, 1990, for this purpose.

b. Notwithstanding section 8.39, funds appropriated in this Act for the state mental health institutes and for the state hospital-schools shall not be subject to transfer, except to the state candidate services fund after January 1, 1991, subsequent to a reevaluation of the institutional budgets for the remainder of the fiscal year.\*

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

6. The department, in conjunction with the oversight committee, and with the agreement of each county, shall establish the actual amount expended for each candidate service for persons with mental retardation, a developmental disability, or chronic mental illness in the fiscal year which ended June 30, 1987, and this amount shall be deemed each county's base year expenditure for the candidate service. A disagreement between the department and a county as to the actual amount expended shall be decided by the oversight committee.

The department, in conjunction with the oversight committee, and with the agreement of each county, shall determine the expenditures in the fiscal year beginning July 1, 1990, by each county for the candidate services, including the amount the county contributes under subsection 3. If the expenditures in the fiscal year beginning July 1, 1990, exceed the base year expenditures for candidate services, then the county shall receive from the funds appropriated under this section the least amount of the following:

- a. The difference between the total expenditures for the candidate services in the fiscal year beginning July 1, 1990, and the base year expenditures.
- b. The amount expended by the county under subsection 3.
- c. The amount by which total expenditures for persons with mental retardation, a developmental disability, or chronic mental illness for the fiscal year beginning July 1, 1990, less any carryover amount from the fiscal year which began July 1, 1989, exceed the maintenance of effort expenditures under subsection 4.

7. Notwithstanding section 225C.20, case management services shall be provided by the department except when a county or a consortium of counties contracts with the department to provide the services. A county or consortium of counties may contract to be the provider at any time and the department shall agree to the contract so long as the contract meets the standards for case management adopted by the department. The county or consortium of counties may subcontract for the provision of case management services if the subcontract meets the same standards. A mental health, mental retardation, and developmental disabilities coordinating board may change the provider of individual case management services at any time. If the current or proposed contract is with the department, the coordinating board shall provide written notification of a proposed change to the department on or before August 15 and written notification of an approved change on or before October 15 in the fiscal year which precedes the fiscal year in which the change will take effect.

8. This section does not relieve the county from any other funding obligations required by law, including but not limited to the obligations in section 222.60.

9. 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.

10. For the purposes of this section only, persons with organic mental disorders shall not be considered chronically mentally ill.

11. Where the department contracts with a county or consortium of counties to provide case management services, the state shall appear and defend the department's employees and agents acting in an official capacity on the department's behalf and the state shall indemnify the employees and agents for acts within the scope of their employment. The state's duties to defend and indemnify shall not apply if the conduct upon which any claim is based constitutes a willful and wanton act or omission or malfeasance in office.

DIVISION V

Sec. 28. FIELD OPERATIONS.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For field operations, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	41,963,000
.....	FTEs	2,318.50



1. Staff who are designated as "Title XIX case management staff" are considered to be in addition to the limit for full-time equivalent positions and the funds appropriated for field operations. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall report quarterly to the chairpersons and ranking members of the legislative fiscal committee of the legislative council, the members of the joint appropriations subcommittee on human services, and the legislative fiscal bureau regarding the total number of Title XIX case management staff positions filled, including the number of positions which were filled by persons who were already employed by the department in another capacity.

2. As a condition, qualification, and limitation of the funds appropriated in this section, upon the request of a county, the department shall work with the county to develop a funding plan for persons with mental retardation, a developmental disability, or chronic mental illness who are not eligible to receive case management provided under the medical assistance program and are receiving service management. With an agreed upon funding plan, the department is authorized to combine state funds that would otherwise be expended on service management with county funds to upgrade services provided to the persons from service management to case management. Staff required to implement this subsection are not subject to the limitations on full-time equivalent positions and funds appropriated for field operations.

*\*3. a. As a condition, qualification, and limitation of the funds appropriated in this section, the director of human services shall, no later than August 10, 1990, and by the 10th of each subsequent month, project the number of staff terminations in the field operations unit which are expected to occur during the succeeding 90 days. This projection shall be based upon the number of terminations which have occurred in the unit during the preceding 90 days, and other relevant factors. The director shall review the projection and the current number of vacant positions and shall initiate hiring as many field operations staff as are required to maintain the vacancy factor at a level which is no higher than 5 percent during the following 90-day period, based upon the budgeted full-time equivalent position level. The director shall report monthly to the chairpersons and ranking members of the joint human services appropriations subcommittee and to the legislative fiscal bureau concerning the projected number of terminations, the number of vacant full-time equivalent positions, the number of full-time equivalent positions in the process of being hired, and other information needed by the legislative fiscal bureau to determine compliance with the provisions of this section.*

*b. The director of human services, the director of the department of personnel, and the director of the department of management shall by August 1, 1990, meet to develop changes in policies and procedures which can be implemented administratively to improve the hiring process for the field operations unit of the department of human services, in order that all budgeted full-time equivalent positions are filled and that the budgeted caseweight levels for employees are maintained. These changes shall be implemented as soon as is practicable and shall be reported to the chairpersons and ranking members of the joint human services appropriation subcommittee and the legislative fiscal bureau prior to implementation.\**

4. As a condition, qualification, and limitation of the funds appropriated in this section, if the field operations staffing level meets the funded full-time equivalent position limit authorized in this section and a district identifies a critical position vacancy or a position with a caseweight factor greater than 120 percent of the budgeted caseweight factor for the position, the director of human services may exceed the full-time equivalent position limit authorized under this section in the amount necessary to fill the critical position vacancy or to reduce the caseweight factor to the budgeted level. For purposes of this subsection, "critical position vacancy" includes a clerical position in an office limited to a single clerical staff position. The budgeted caseweight factor for the fiscal year beginning July 1, 1990, and ending June 30, 1991, is 163 for income maintenance workers and 170 for social workers. *\*In addition, if the field operations staffing level meets the funded full-time equivalent position limit authorized in this section and there is a critical position vacancy in the state or the statewide average caseweight factor for a particular type of position exceeds 105 percent of the budgeted caseweight factor for that type of position, the director of human services may exceed the*

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

full-time equivalent position limit authorized in this section in an amount necessary to fill the critical position vacancy or to reduce the caseweight factor to the budgeted level.\* The department shall report monthly to the chairpersons and ranking members of the joint human services appropriations subcommittee and to the legislative fiscal bureau regarding caseweight factor computations in each district, the statewide average caseweight factor, the existence of a critical vacancy in any district, and action taken by the department to address any critical position vacancy problem or excess caseweight factor.

5. Notwithstanding the full-time equivalent position limit authorized in this section, a county implementing a decategorization project, consistent with the county's decategorization plan, may modify the staffing level in the county's human services office and the modification shall not affect other county or district human services staffing levels and shall not be considered to be subject to the full-time equivalent position limit in this section.

6. As a condition, qualification, and limitation of the funds appropriated in this section, at least 2 FTEs provided in this section shall be used to expand early preventive screening, diagnosis, and treatment outreach service efforts and to provide additional educational efforts for major providers of services to pregnant women and children.

7. It is the intent of the general assembly that eligibility workers shall be present in at least 3 additional high volume health care sites to process applications for medical assistance eligibility at those sites.

\*8. As a condition, qualification, and limitation of the funds appropriated in this section, up to \$100,000 shall be used for a study of caseweight factors, including staffing needs. The department shall work with the department of personnel in conducting the study, including any study component involving a request for proposals to retain a consultant.\*

Sec. 29. GENERAL ADMINISTRATION.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	9,000,000
.....	FTEs	350.95

1. Full-time equivalent positions which are funded entirely with federal, public, or private grants, or the gamblers assistance fund established in section 99E.10 are exempt from the limits on the number of full-time equivalent positions provided in this section, but are approved only for the period of time for which the federal funds or grants are available for the position.

2. As a condition, qualification, and limitation of the funds appropriated in this section, 1 FTE shall be filled by a homeless programs coordinator.

3. As a condition, qualification, and limitation of the funds appropriated in this section, if a state institution administered by the department is to be closed or reduced in size, prior to the closing or reduction the department shall initiate and coordinate efforts in cooperation with the department of economic development to develop new jobs in the area in which the state institution is located.

4. As a condition, qualification, and limitation of the funds appropriated in this section, not more than \$38,000 shall be used for staff assigned to develop home and community-based waivers under the federal-state medicaid program. The department shall identify experienced staff to develop the waivers, and shall consult with service providers, advocates, and other interested parties in developing the waivers.

5. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall seek federal approval of home and community-based waivers for services provided under medical assistance to persons with mental retardation, mental illness, or developmental disabilities.

6. As a condition, qualification, and limitation of the funds appropriated in this section, the department of human services, in consultation with the general assembly health care

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

expansion task force, the governor's task force on the uninsured, and the Iowa department of public health, shall explore opportunities for state participation in authorized federal demonstration programs directed toward low-income children. The department shall submit a report of its findings to the governor and the general assembly on or before January 2, 1991.

7. As a condition, qualification, and limitation of the funds appropriated in this section, in cooperation with the department of human rights, division of community action agencies, and the Iowa department of public health, community health division, the department of human services shall develop a proposal outlining necessary actions to simplify and integrate the exchange of information across major programs serving the health and nutrition needs of low-income women and children, including the aid to dependent children program, the federal food stamp program, the medical assistance program, and the women, infants, and children nutrition program.

8. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall establish an advisory committee to study the department's proposed community residential-services development plan to implement more appropriate care and services to persons with mental retardation, mental illness, and developmental disabilities and related issues. The advisory committee shall include representatives from the department and other state agencies and representatives of the following groups: the alliance for the mentally ill, the association for retarded citizens of Iowa, the community mental health centers association of Iowa, protection and advocacy of Iowa, the Iowa association of rehabilitation and residential facilities, the Iowa state association of counties, the Iowa coalition for persons with disabilities, the American federation of state, county, and municipal employees council 61, and the governor's planning council for persons with developmental disabilities. The advisory committee's study shall include but is not limited to the following issues and areas: developing alternative living arrangements, services, and support for persons who are in institutions or community services and for the persons' families; assessing the flexibility and adequacy of funding sources for services, including federal block grants, state supplementary assistance, the family support subsidy program, vocational rehabilitation, the state candidate services fund, the state community mental health and mental retardation services fund, and medical assistance; providing recommendations for alternatives consistent with the bill of rights for persons with mental retardation, chronic mental illness, and developmental disabilities; and providing a 5-year plan to implement and finance the alternatives recommended by the advisory committee. The advisory committee shall submit a report containing its findings and recommendations to the director of the department of human services, the mental health and mental retardation commission, the human services council, and the general assembly on or before November 1, 1990.

*\*9. As a condition, qualification, and limitation of the funds appropriated in this section, \$30,000 shall be transferred to the governor's planning council for developmental disabilities for use in contracting to continue operating a computerized information and referral project for Iowans with developmental disabilities and their families.\**

10. As a condition, qualification, and limitation of the funds appropriated in this section, the director of human services or the director's designee shall participate in an interagency work group convened by the governor's planning council for developmental disabilities to examine the feasibility of establishing an office of disability prevention within state government.

*\*11. As a condition, qualification, and limitation of the funds appropriated in this section, \$75,000 shall be used and 4 FTEs shall be assigned to computerization of manuals in an effort to assist income maintenance workers and other employees and improve services to clients.\**

12. The director of human services may contract for services to secure medical support payments from third parties and to develop a tracking system for claims paid under medical assistance for children who have an order for medical support.

13. The department may transfer up to \$20,013 of the funds appropriated and 1 FTE authorized for field operations in this Act to be used, in addition to the funds appropriated and full-time equivalent positions authorized in the appropriation made in this section, for the purpose

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

of managing and monitoring early preventive screening, diagnosis, and treatment outreach service efforts.

*\*14. Of the funds appropriated in this section, up to \$50,000 shall be used for staff and support costs required to implement section 36 of this Act, relating to development of children's programs in community settings. The number of staff persons shall be limited to not more than 2 FTEs and the full-time equivalent positions are considered to be in addition to the full-time equivalent position limit authorized in this section.*

*15. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall seek additional funds through supplemental appropriation if in relation to the appropriations for field operations in this Act, the expected federal cost allocation share is less than expected, the average base salary and support cost is more than expected, or the vacancy factor is lower than expected. The department shall report monthly to the fiscal committee of the legislative council, the chairpersons and ranking members of the joint human services appropriations subcommittee, and the legislative fiscal bureau regarding the projections of expenditures relating to the appropriations in this Act, and regarding any changes that occur relating to the federal cost allocation share, the average base salary and support cost, and the vacancy factor which affect the appropriation for field operations.*

*16. As a condition, qualification, and limitation of the funds appropriated in this section, the director of human services, in consultation with the chairpersons and ranking members of the joint human services appropriations subcommittee and other members of the general assembly designated by the fiscal committee of the legislative council, shall develop a proposal which is capable of implementation on or before July 1, 1991, to reduce the number of district offices in the department to not more than five offices. The proposal shall contain provisions to restructure county offices as appropriate to reduce the number of administrative staff positions in the department. The proposal shall be submitted to the governor and the general assembly on or before January 2, 1991.\**

**Sec. 30. VOLUNTEERS.**

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

..... \$ 95,000

**Sec. 31. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.**

1. For the fiscal year beginning July 1, 1990, the following providers shall have their medical assistance reimbursement rates increased by 4 percent over the rates in effect on June 30, 1990: psychiatric medical institutions for children, providers of waived services under the home and community-based programs, optometrists for service fees only, opticians for service fees only, podiatrists, dentists, chiropractors, physical therapists, birthing centers, ambulance services, independent laboratories, area education agencies, clinics, audiologists, rehabilitation agencies, community mental health centers, family planning clinics, psychologists, hearing aid dealers, orthopedic shoe dealers, ambulatory surgery centers, and genetic counseling clinics. Reimbursement for optometric products, and durable medical products and supplies, shall be increased by 6.4 percent. The department of human services may utilize flexibility in allocating the increase for medical equipment and supplies so that equipment and supplies which have greater wholesale cost increases may be reimbursed at a higher rate and those which have a lower or no wholesale cost increase may be reimbursed at a lower rate or have no increase. Reimbursement rates for physicians and certified registered nurse anesthetists shall be increased by 3.2 percent. Reimbursement rates for screening centers, maternal health centers, obstetric services when provided by physicians or certified nurse midwives, and pediatric services shall be increased by 7.44 percent.

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

*\*The department shall provide a differential per diem reimbursement rate to a psychiatric medical institution for children for short-term treatment or diagnosis services provided within a segregated unit of the institution. The differential per diem reimbursement rate shall not exceed 120 percent of the per diem rate authorized in this section for psychiatric medical institutions for children.\**

The dispensing fee for pharmacists shall be increased by 4 percent. The department shall adjust the average wholesale price of drug product costs in accordance with federal regulations. Dispensing fees for pharmacists shall be further adjusted to reflect the adjustment to the average wholesale price of drug product costs. Total adjustments to reimbursements for prescription drugs shall remain within funds appropriated.

a. Reimbursement rates to hospitals shall be increased by 5.7 percent over the rates in effect on June 30, 1990.

b. Reimbursement rates for rural health clinics shall be increased in accordance with increases under the federal medicare program.

c. Home health agencies certified for the medical assistance program, hospice services, and acute care mental hospitals shall be reimbursed for their current federal medicare audited costs.

d. Effective July 1, 1990, skilled nursing facility reimbursement rates shall be increased by 5 percent over the rates in effect on June 30, 1990.

e. Effective July 1, 1990, the basis for establishing the maximum medical assistance reimbursement rate for intermediate care facilities shall be the 74th percentile of facility costs as calculated from the June 30, 1990, unaudited compilation of cost and statistical data.

(1) Effective July 1, 1990, intermediate care facilities shall receive in addition to their approved per diem rate, an amount equal to \$2.50 per day for each medical assistance eligible resident identified by the Iowa foundation for medical care as meeting criteria to receive special care or services.

(2) Effective October 1, 1990, the term "intermediate care facility" shall be replaced by the term "nursing facility". Effective October 1, 1990, nursing facilities shall be allowed an increase in their per diem reimbursement rates based on budgeted costs related to meeting nursing home reform requirements pursuant to the federal Omnibus Budget Reconciliation Act of 1987, Pub. L. No. 100-203. To be considered for per diem reimbursement rate adjustment, a nursing facility's budget for costs related to meeting the nursing home reform requirements must be received by the department on or before August 31, 1990. Reports of actual costs related to meeting the nursing home reform requirements shall subsequently be submitted to the department.

Subject to the maximum per diem reimbursement rate for nursing facilities in effect on October 1, 1990, the department shall reconcile the nursing facility's actual costs relative to its budgeted costs and adjust the facility's per diem reimbursement rate accordingly.

(3) Effective October 1, 1990, the maximum reimbursement rate for nursing facilities shall be the 74th percentile of facility costs as calculated from the June 30, 1990, unaudited compilation of cost and statistical data, with the addition of budgeted facility costs related to meeting federal nursing home reform requirements pursuant to the federal Omnibus Budget Reconciliation Act of 1987, Pub. L. No. 100-203.

(4) Intermediate care facilities for the mentally retarded with 15 or fewer beds shall be reimbursed at 95 percent of the authorized per diem reimbursement rate for allowed leave days.

(5) If a resident of a residential program is admitted to a state mental health institute for short-term hospitalization, the residential program shall be reimbursed at the authorized per diem reimbursement rate for the days the resident is in the state mental health institute.

2. a. For the fiscal year beginning July 1, 1990, the cost reimbursement rate for residential care facilities reimbursed by the department shall be increased by \$1.11 per day over the maximum cost reimbursement rate in effect on June 30, 1990. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall be increased by \$.80 per day over the flat reimbursement rate in effect on June 30, 1990. For the fiscal year beginning July 1, 1990, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall be increased by 6 percent over the rates in effect on June 30, 1990.

*\*b. If the ending balance in the general fund of the state for the fiscal year beginning July 1, 1989, and ending June 30, 1990, is \$100,000,000 or more, effective January 1, 1991, the cost reimbursement rate for residential care facilities reimbursed by the department shall be increased by \$.37 per day over the maximum cost reimbursement rate in effect on December 31, 1990. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall be increased by \$.27 per day over the flat reimbursement rate in effect on December 31, 1990. The maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall be increased by 2 percent over the rates in effect on December 31, 1990.\**

3. a. For services provided by social service providers reimbursed by the department in the fiscal year beginning July 1, 1990, rates shall be increased by 6 percent over the unreduced rates in effect on June 30, 1990, except for family foster care provider rates which shall be increased by an average of 9 percent. Increases in rates for foster group care and shelter care services shall not exceed \$4.25 per day over the maximum rate in effect on June 30, 1990. The reimbursement rate increase for providers whose cost reimbursement is below the maximum rate on July 1, 1990, shall be the maximum increase provided to providers whose cost reimbursement is at the maximum rate on July 1, 1990.

*\*b. If the ending balance in the general fund of the state for the fiscal year beginning July 1, 1989, and ending June 30, 1990, is \$100,000,000 or more, effective January 1, 1991, services provided by social service providers reimbursed by the department rates shall be increased by 2 percent over the unreduced rates in effect on December 31, 1990, except for family foster care provider rates which shall remain at the rates in effect on December 31, 1990. Increases in rates for foster group care and shelter care services shall not exceed \$1.42 per day over the maximum rate in effect on December 31, 1990. The reimbursement rate increase for providers whose cost reimbursement is below the maximum rate on January 1, 1991, shall be the maximum increase provided to providers whose cost reimbursement is at the maximum rate on January 1, 1991.\**

4. For providers reimbursed under subsection 3, reimbursement rate increases may be applied to the maximum reimbursement rate a program has received in any of the last 5 fiscal years, provided that if the program utilizes a reimbursement rate for a year other than the fiscal year beginning July 1, 1989, the program can justify to the department that the costs associated with that reimbursement rate pertain to the fiscal year beginning July 1, 1990.

5. Notwithstanding the provisions of subsections 3 and 4, the department may implement revisions of the methodology for purchasing group foster care services to establish rates for group foster care services based on the study of these issues funded by the general assembly in the fiscal year which began July 1, 1989, provided the overall expenditures for the services are revenue neutral and the revisions of the methodology are agreed to by the affected service providers.

6. As a condition, qualification, and limitation of the funds appropriated in this Act, the department shall develop methodologies to reimburse the actual costs of providers of services under the appropriations for foster care, state supplementary assistance, and social services block grant supplementation in this Act. The department shall report to the governor and the general assembly by October 1, 1991, regarding the methodologies that the department has developed to achieve this purpose and the estimated costs for their implementation. *\*It is the intent of the general assembly that the providers shall be reimbursed for their actual costs commencing in the fiscal year beginning July 1, 1993. It is the intent of the general assembly that the governor shall propose in the governor's budget submitted to the general assembly, for the fiscal years ending June 30, 1992, and June 30, 1993, increases for social service providers that would allow for a phase-in of this reimbursement system in equal steps toward full implementation in the fiscal year ending June 30, 1994.\**

**\*Sec. 32. CONTINGENCY APPROPRIATION INCREASE.**

*If the ending balance in the general fund of the state for the fiscal year beginning July 1, 1989, and ending June 30, 1990, is \$100,000,000 or more, effective January 1, 1991, there is*

appropriated from the general fund of the state to the department of human services for the fiscal period beginning January 1, 1991, and ending June 30, 1991, the following amounts, to be used for increased reimbursement rates for providers of services reimbursed under section 31, subsections 2 and 3, of this Act:

1. For state supplementary assistance:	\$	207,331
2. For protective and state child care assistance:	\$	84,720
3. For foster care:	\$	482,498
4. For home-based services:	\$	99,888
5. For community-based programs:	\$	16,508
6. For supplementation of federal social services block grant funds and for allocation to the various counties for the purchase of local services:	\$	134,356
7. For development and coordination of volunteer services:	\$	1,164*

Sec. 33. ASSISTANCE TO GAMBLERS.

The department shall use funds deposited in the gamblers assistance fund established in section 99E.10 only as provided in that section and, in accordance with department of revenue and finance rules relating to reimbursement of state advisory committees, to reimburse advisory committee members for actual and necessary expenses for their attendance at meetings. *\*Any unspent funds shall remain in the fund and shall not be transferred or reverted to the general fund of the state.\**

The department shall use gamblers assistance fund moneys for funding the following full-time equivalent positions to support this program:

	FTEs	3.00
--	------	------

Sec. 34. REQUIREMENTS RELATING TO PERSONS WITH DISABILITIES.

1. Subject to the limitations of the appropriations in this Act for the state mental health institutes and for state hospital-schools, the department of human services shall modify staffing structures at the state hospital-schools and the state mental health institutes consistent with accreditation and certification requirements and the findings of the study on staffing commissioned by the general assembly in order to improve the level of direct staffing, reduce or simplify the levels of organizational authority where appropriate, and reduce the use of overtime. If, after review of the study recommendations, the department of human services decides to establish the position of "human resource specialist" at the state hospital-schools, the positions shall be established within the department of personnel and the department of human services may transfer to the department of personnel the associated full-time equivalent positions and moneys equal to the salary costs for the positions. Of highest priority is the maintenance of sufficient direct care staff to assure worker and patient safety. The department shall work with all levels of affected employees in carrying out this staff restructuring. The department shall work to assure that vacant positions in direct care are filled promptly and expeditiously.

2. As a condition, qualification, and limitation of the appropriations in this Act for the state mental health institutes and for the state hospital-schools, the department of human services shall identify issues which require legislative attention regarding the impact upon counties of variations in per diem rates for services provided at the individual state hospital-schools, the individual state mental health institutes, and community-based facilities. The issue identification shall include an evaluation of incentives and disincentives which now exist or are likely to exist in the near future relating to county obligations for the costs of care provided

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

in state institutions contrasted with county obligations for the costs of care provided in community-based facilities. The department shall identify persons, groups, and organizations whose involvement is necessary to effectively address the identified issues and information which must be obtained in order to develop proposals to address the identified issues. The department shall submit a report which includes the identified issues, a list of persons who should be involved in addressing the issues, and information needs. The report shall provide at least 2 alternative action plans to address the issues and a proposal to equalize rates charged for each service provided at the individual state hospital-schools and the individual state mental health institutes. The report shall be submitted on or before October 1, 1990, to the chairpersons and ranking members of the joint human services appropriations subcommittee and to the fiscal committee of the legislative council. The chairpersons and ranking members shall receive per diem and reimbursement of necessary expenses related to their receipt of the report.

3. As a condition, qualification, and limitation of the appropriations in this Act for the state mental health institutes and for the state hospital-schools, within the applicable guidelines established under the federal Fair Labor Standards Act, the department shall establish a friends-mentorship program for employees and residents of the state hospital-schools and the state mental health institutes. An employee participant, including but not limited to a direct care worker, resident treatment worker, or other nonexempt employee shall be required to sign a waiver to ensure that time spent with residents as part of the program is considered to be volunteer time and is not paid for by the state. An employee shall not be formally or informally required to participate in the program. The department shall establish standards to provide for consent of employees to participate and for appropriateness and quality of program activities involving residents which take place outside a state hospital-school or state mental health institute.

#### Sec. 35. FULL-TIME EQUIVALENT LIMIT NOTIFICATION.

The Iowa veterans home, the state mental health institutes, and the state hospital-schools may exceed the specified number of full-time equivalent positions if the additional positions are specifically related to licensing, certification, or accreditation standards or citations. The department shall notify the co-chairpersons and ranking members of the joint human services appropriations subcommittee of the appropriations committees of the house and senate and the legislative fiscal bureau if the specified number is exceeded. The notification shall include an estimate of the number of full-time equivalent positions added and the fiscal effect of the addition.

#### Sec. 36. DEVELOPMENT OF CHILDREN'S PROGRAMS IN COMMUNITY SETTINGS.

1. The department of human services and the supreme court, in consultation with existing providers of services, members of the general assembly, and experts in child welfare and juvenile justice, shall conduct a study identifying the types of residential programs which should be developed, either by enhancing reimbursement of foster care services or of psychiatric medical institutions for children, to serve the children who are currently in the following placements: the Iowa juvenile home, out-of-state facilities at high cost to the state, and the state training school when the children could be served in community settings if the proper type of program were available. The recommendations of the juvenile justice advisory committee, established by the legislative council in 1989, regarding the state training school and the Iowa juvenile home shall be considered. In addition, the need to develop specific programs to serve children who are sexual abuse perpetrators, substance abusers, or have a dual diagnosis, and the regions of the state where the specific programs should be located in order to serve children in community settings, shall be identified. The department and the supreme court shall complete the study of the items required under this section on or before June 1, 1990.

2. Based upon the study findings, the department shall request proposals to develop a total of 120 additional residential placement slots in community settings and the slots shall be available on or before October 1, 1991. The department shall work with the Iowa finance authority and service providers to finance the development of resources for these slots at the lowest possible cost. The requests for proposals shall be issued on or before July 1, 1990.



3. Notwithstanding the provisions of section 135H.6, subsection 5, psychiatric medical institution for children beds developed under this section are not subject to the limit upon the number of beds which may be provided under psychiatric medical institution for children licensure.

4. If House File 2517\* is enacted by the Seventy-third General Assembly, 1990 Session, containing provisions which are in conflict with this section, the provisions of House File 2517 shall prevail in place of this section.

**\*\*Sec. 37. COMPUTERIZATION — ASSESSMENT OF FINANCIAL IMPACT.**

*In order to assess the financial impact of computerizing functions within the department of human services, the department of general services, information services division, shall monitor the utilization of the central processing unit resources maintained by the division, and shall provide quarterly reports to the fiscal committee of the legislative council and the legislative fiscal bureau. The quarterly reports shall contain an analysis of the central processing unit resources utilized by the department of human services by each computerized application within the department. The reports shall also contain information on computerized applications which are under development, and shall project the central processing unit utilization which will occur in 6, 12, 18, and 24 months. The reports shall be designed to enable the fiscal committee and the legislative fiscal bureau to assess the fiscal impact of various computerized applications, with emphasis upon the need for the division to purchase additional computer hardware.\*\**

**Sec. 38. RULES.**

The department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the sections of this Act enumerated in this section. Rules adopted pursuant to section 1, subsection 4, relating to increasing the schedule of basic needs under the aid to dependent children program; section 2, subsection 7, relating to the costs of transportation connected with the health of a resident of a health care facility reimbursed under medical assistance; section 2, subsection 8, relating to differential reimbursement paid to hospitals which provide a disproportionate share of care to medical assistance recipients and related provisions; section 2, subsection 9, relating to occupancy limits applied to intermediate care facilities for reimbursement purposes; section 4, unnumbered paragraph 3, relating to increasing the personal needs allowance of certain persons; section 5, unnumbered paragraph 3, relating to the tribal council's usage of appropriated funds for administrative purposes; section 6, subsection 3, relating to allocating funds appropriated for protective and state child care assistance; section 13, subsection 6, relating to foster care liability insurance; section 13, subsection 15, relating to recruiting foster parents from recipients of public assistance; section 16, subsection 3, relating to grants administered in accordance with provisions for adolescent pregnancy prevention grants; section 17, unnumbered paragraph 3, relating to increasing income guidelines for certain persons; section 24, subsections 1 through 4, relating to financing certain facilities, to providing supplemental per diems to certain facilities, and to providing for costs and reimbursements relating to certain community living arrangements; section 26, relating to special needs grants; and section 31, relating to reimbursements of providers, of this Act shall become effective immediately upon filing, unless a later effective date is specified in the rules. The rules shall also be published as notice of intended action as provided in section 17A.4.

**Sec. 39. GAMBLERS ASSISTANCE NOTIFICATION.**

The Iowa lottery board and the state racing and gaming commission shall cooperate with the gamblers assistance program in developing procedures to incorporate information regarding the gamblers assistance program and its toll-free telephone number in printed materials distributed. The commission may require licensees to have the information available in a conspicuous place as a condition of licensure.

Sec. 40. 1986 Iowa Acts, chapter 1150, section 3, as amended by 1988 Iowa Acts, chapter 1239, section 1, is repealed.

\*Chapter 1239 herein

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

Sec. 41. Section 99E.10, subsection 1, paragraph a, Code 1989, is amended by striking the paragraph and inserting in lieu thereof the following:

a. An amount equal to one-half of one percent of the gross lottery revenue shall be deposited in a gamblers assistance fund in the office of the treasurer of state. Notwithstanding section 8.33, moneys deposited in the fund that remain unencumbered and unobligated on June 30 in any fiscal year, shall not revert to the general fund but shall remain available for the purposes designated in subparagraphs (1) through (4). Moneys in the fund shall be administered as follows:

(1) In each fiscal year the first seven hundred fifty thousand dollars of the moneys available in the fund shall be administered by the director of human services and used to provide assistance and counseling to individuals and families experiencing difficulty as a result of gambling losses and to promote awareness of "gamblers anonymous" and similar assistance programs.

*\*(2) Ten percent of the remaining moneys deposited in the fund in each fiscal year shall be administered by the director of human services as provided in subparagraph (1).*

*(3) Thirty percent of the remaining moneys deposited in the fund in each fiscal year shall be administered by the director of human services for child abuse prevention grants under section 235A.1, in recognition that the effects of gambling may be felt by all family members.*

*(4) Sixty percent of the remaining moneys deposited in the fund in each fiscal year shall be administered by the director of human services for the purposes of the family support subsidy program in accordance with sections 225C.35 through 225C.40.\**

(5) For the fiscal year beginning July 1, 1990, after the first seven hundred fifty thousand dollars available in the fund is administered and made available for use pursuant to subparagraph (1), the next two hundred seventy-five thousand dollars of the moneys available in the fund shall be administered by the director of human services and used for juvenile justice expenditures pursuant to section 232.141, subsection 4.

Sec. 42. Section 234.35, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The department of human services shall be ~~initially~~ responsible for paying the cost of foster care for a child, according to rates established pursuant to section 234.38, under any of the following circumstances:

Sec. 43. Section 234.35, Code 1989, is amended by adding the following new subsection:  
NEW SUBSECTION. 5. When a court has entered an order transferring the legal custody of the child to a foster care placement pursuant to section 232.52, subsection 2, paragraph "d", or section 232.102, subsection 1.

Sec. 44. Section 234.38, Code 1989, is amended to read as follows:

234.38 DEPARTMENT MAY PAY FOSTER PARENTS DIRECTLY.

The department of human services is authorized to make payments directly to foster parents for services provided to children pursuant to section 234.6, subsection 6, paragraph "b", or ~~sections section 234.35 and 234.36~~. The rate of payment by the department for foster care shall be fixed by the department by rules adopted pursuant to chapter 17A. Payments may be made from any money funds legally available to the department for that purpose, including but not limited to funds appropriated by the general assembly, money funds available under section 234.37, and money funds received from the parent or legal guardian of a child to pay for that child's foster care.

Sec. 45. Section 234.39, subsection 1, Code Supplement 1989, is amended to read as follows:

1. For an individual to whom section 234.35, subsection 2, ~~or 4~~, or ~~section 234.36~~ 5, is applicable, a dispositional order of the juvenile court requiring the provision of foster care shall establish, after notice and a reasonable opportunity to be heard is provided to a parent or guardian, the amount of the parent's or guardian's support obligation for the cost of foster care provided by the department, if a support obligation has not previously been established under an order of the district court or court of comparable jurisdiction in another state. The court shall establish the amount of the parent's or guardian's support obligation and the amount of support debt

accrued and accruing in accordance with the child support guidelines prescribed under section 598.21, subsection 4. However, the court may adjust the prescribed obligation after considering a recommendation by the department for expenses related to goals and objectives of a case permanency plan as defined under section 237.15. The order shall direct the payment of the support obligation to the collection services center for the use of the department's foster care recovery unit. The order shall be filed with the clerk of the district court in which the responsible parent or guardian resides and has the same force and effect as a judgment when entered in the judgment docket and lien index. The collection services center shall disburse the payments pursuant to the order and enter the disbursements in a record book. If payments are not made as ordered, the child support recovery unit shall certify a default to the court and the court may, on its own motion, proceed under section 598.22 or 598.23. An order entered under this subsection may be modified only in accordance with the guidelines prescribed under section 598.21, subsection 8.

Sec. 46. Section 237.15, subsection 3, Code 1989, is amended to read as follows:

3. "Child receiving foster care" means a child defined in section 234.1 whose foster care placement is the financial responsibility of the state pursuant to section 234.35 or ~~234.36~~, who is under the guardianship of the department, or who has been involuntarily hospitalized for mental illness pursuant to chapter 229.

Sec. 47. Section 242.7, Code 1989, is amended to read as follows:

242.7 PLACING IN FAMILIES.

All children committed to and received in the state training school may be placed by the department under foster care arrangements, with any persons or in families of good standing and character where they will be properly cared for and educated. The cost of foster care provided under these arrangements shall be paid as provided in ~~sections~~ section 234.35 and 234.36.

Sec. 48. Section 249A.3, subsection 1, paragraph f, Code Supplement 1989, is amended to read as follows:

f. Is a child who is less than ~~six~~ seven years of age and who meets the income and resource requirements of the aid to dependent children program under chapter 239.

Sec. 49. Section 249A.17, Code 1989, is amended to read as follows:

249A.17 TRANSITIONAL MEDICAL ASSISTANCE.

The department shall provide transitional medical coverage comparable to medical assistance provided under this chapter, for twelve months or for the maximum period permitted under federal regulations, whichever is greater, for the family of a recipient who has lost eligibility for public assistance under aid to families with dependent children pursuant to chapter 239 prior to April 1, 1990, because of an increase in earned income.

Sec. 50. Section 234.36, Code 1989, is repealed.

*\*Sec. 51. RETROACTIVE APPLICABILITY.*

*Section 2, subsection 9, of this Act applies retroactively to January 1, 1990.\**

Sec. 52. EFFECTIVE DATE.

Sections 36, 38, 40, and 49 of this Act, being deemed of immediate importance, take effect upon enactment.

*Approved May 7, 1990, except the items which I hereby disapprove and which are designated as section 2, subsections 5, 6, 7, and 9 in their entirety; that portion of section 13, subsection 1 which is herein bracketed in ink and initialed by me; that portion of section 13, subsection 6 which is herein bracketed in ink and initialed by me; section 13, subsection 9 in its entirety; that portion of section 13, subsection 10 which is herein bracketed in ink and initialed by me; section 13, subsections 11 and 12 in their entirety; section 14, subsection 7 in its entirety;*

*section 20 in its entirety; section 24, subsections 4, 5, and 6 in their entirety; those portions of section 27, subsections 2 and 3 which are herein bracketed in ink and initialed by me; section 27, subsection 5 in its entirety; section 28, subsection 3, paragraphs a and b in their entirety; that portion of section 28, subsection 4 which is herein bracketed in ink and initialed by me; section 28, subsection 8 in its entirety; section 29, subsections 9, 11, 14, 15, and 16 in their entirety; section 31, subsection 1, unnumbered and unlettered paragraph 2 in its entirety; section 31, subsection 2, paragraph b in its entirety; section 31, subsection 3, paragraph b in its entirety; that portion of section 31, subsection 6 which is herein bracketed in ink and initialed by me; section 32 in its entirety; that portion of section 33 which is herein bracketed in ink and initialed by me; section 37 in its entirety; section 41, subsection a, paragraphs 2, 3, and 4\* in their entirety; and section 51 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the secretary of state this same date, a copy of which is attached hereto.*

TERRY E. BRANSTAD, *Governor*

Dear Madam Secretary:

I hereby transmit Senate File 2435, an Act relating to human services and making appropriations to the department of human services and other properly related matters, providing for retroactive applicability of certain provisions, and providing an effective date.

Senate File 2435 provides funding for the operations of the Department of Human Services and the many and various programs it administers. My actions will provide an appropriations increase of approximately 8.6 percent or \$47 million for the Department for fiscal year 1991.

I have approved a four percent increase in AFDC benefits to enable families to receive adequate assistance to meet their basic needs. This budget also continues our efforts in welfare reform by providing increased funding for child care, job training, work experience, and self-employment opportunities.

I have also approved significant increases in funding to make further improvements in our child welfare system. Private agencies and families providing foster care will receive increases of six and nine percent, respectively. Increases are provided also for child protective day care assistance and family preservation and reunification services.

New funding is provided to establish a substance abuse treatment unit for adolescents at Cherokee. Also funding for adolescent pregnancy prevention grants and aid for county juvenile detention facilities is increased.

New initiatives are included to address the problems of the homeless and to provide community living alternatives for persons with mental illness, mental retardation and developmental disabilities. The family support subsidy program which provides assistance to families of children with disabilities is expanded to allow more families to participate.

Additionally, nursing facilities and Medicaid providers will receive substantial increases in funding to reimburse them for their costs of caring for our elderly and infirm. I proposed many of these adjustments and initiatives and I am pleased to be signing them into law.

Senate File 2435 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 2, subsection 5, in its entirety. This provision would require the Department of Human Services to reimburse an ambulance service for transporting a medical assistance recipient to a hospital regardless of a determination

\*"Paragraph a, subparagraphs 2, 3, and 4" probably intended

of medical necessity. Under the guidelines of the Medicaid Program, federal funding for ambulance services is available only when the state can show the ambulance services provided were medically necessary. The cost to the state of this provision has been estimated at \$75,000, for which no appropriation is provided. Given the many critical needs that must be funded in the state Medicaid Program and the fiscal constraints on the state, I cannot approve this provision.

I am unable to approve the item designated as Section 2, subsection 6, in its entirety. This provision would allow up to \$20,000 to be used to fund a workshop on health care issues. Rural health care, maternal and child health services and health care cost containment have all been the subject of review by task forces which I have commissioned. Recommendations made by these task forces have been useful in developing a health care strategy for the state. We must continue to focus on these important health care policy issues and can do so without expending the funds specified in this provision.

I am unable to approve the item designated as Section 2, subsection 7, in its entirety. This provision would require the Department of Human Services to reimburse nursing facilities for residents' transportation causing the facilities' costs to exceed their Medicaid reimbursement rate. This provision would also require the department to make direct payment to a single provider of such services. The cost of providing transportation services to obtain medical care can be and is included by most nursing facilities in the costs used to determine their reimbursement from the state. Providing direct Medicaid payments to a particular transportation provider would result in unnecessary cost increases and administrative problems.

I am unable to approve the items designated as Section 2, subsection 9 and Section 51, in their entirety. These provisions would exempt for up to one year new and expanded nursing facilities from the 80 percent occupancy requirements used to determine their Medicaid reimbursement rate. The provisions are made retroactive to January 1, 1990. The full fiscal impact of this provision cannot be determined and it cannot be approved.

I am unable to approve the designated portion of Section 13, subsection 1. This provision appropriates \$350,000 to reimburse counties that develop decategorization programs to reduce placements in state institutions. This provides an expansion of the current program which should not be undertaken until its cost effectiveness can be fully evaluated.

I am unable to approve the designated portion of Section 13, subsection 6. This provision would prevent the reversion of unused funds in the foster care home insurance program to the general fund of the state. Such antireversion language is fiscally unsound and prevents an annual review of the cost effectiveness of the program.

I am unable to approve the item designated as Section 13, subsection 9, in its entirety. This provision would prohibit reversion to the general fund of any excess federal funding provided for foster care services. This provision would be difficult to implement since the amount of federal funds actually received will not be known until late in the year. In any event, should a surplus occur, the funding that remains should revert and be subject to the regular appropriation process.

I am unable to approve the designated portion of Section 13, subsection 10. This provision would authorize the Department of Human Services to use Medicaid dollars to pay for day treatment services provided by psychiatric medical institutions for children. I have approved language directing the department to review the need for such services. Until the department's study is complete and the needs and costs identified, it would be premature to authorize the department to spend for this new program. Given the fiscal constraints on the state, spending for this purpose cannot be approved at this time.

I am unable to approve the item designated as Section 13, subsection 11, in its entirety. This provision would appropriate \$30,000 for a study of the foster care system. While a study may

be useful in making improvements in our foster care system, my emphasis at this time must be on direct program services. Thus in a period of fiscal constraint, I must defer this study until a future time.

I am unable to approve the item designated as Section 13, subsection 12, in its entirety. This program would require the Department of Human Services to develop a therapeutic foster care pilot program at a total cost of nearly \$400,000. While there may be merit in developing such a program, I cannot approve spending for this purpose at this time.

I am unable to approve the item designated as Section 14, subsection 7, in its entirety. This provision would appropriate funding for a conference on the issue of providing reasonable efforts to avert out-of-home placements. This is a worthwhile project and I am supportive of it. However, child protection training funds are available and can be used to pay for the costs of this conference making this appropriation unnecessary.

I am unable to approve the item designated as Section 20, in its entirety. This provision would establish a computerized system to record patient clinical information at the Iowa Veterans Home in Marshalltown. I included this project in my original recommendations but eliminated it from my revised budget to the Legislature when it became apparent that the state would not be receiving revenues at the rate earlier projected. During a time of fiscal constraints, I cannot approve spending for this purpose.

I am unable to approve the item designated as Section 24, subsection 4, in its entirety. This provision would make an appropriation to provide an enhanced reimbursement for community-based facilities for persons with mental illness. The level of funding included in the bill is substantially more than I recommended and cannot be approved given the state's current fiscal situation.

I am unable to approve the item designated as Section 24, subsection 5, in its entirety. This provision would appropriate \$75,000 to the Department of Human Services to contract for technical assistance for counties and service providers for the development of community-based services for persons with mental retardation, mental illness, and developmental disabilities. Staff and resources are available within the Department of Human Services to assist counties and providers in the development of their plans. Additional spending for this purpose is unnecessary.

I am unable to approve the item designated as Section 24, subsection 6, in its entirety. This provision directs the Department of Human Services to adopt rules providing for reimbursement of supervised apartment living and cooperative housing arrangements under state supplementary assistance effective July 1, 1991. While the language in this provision suggests that the supplemental per diem would be available only in situations involving certain populations of persons receiving state supplementary services, it would have to be extended to all SSI eligible persons receiving services in those facilities. Estimates of providing the supplemental payment to all who would be eligible run as high as \$11.7 million. Given our current fiscal situation, I cannot commit the state to such a costly program.

I am unable to approve the designated portions of Section 27, subsections 2 and 3, and subsection 5, paragraphs a and b, in their entirety. These provisions would expand the Medicaid program to include rehabilitation services. Funds not spent for enhanced mental health, mental retardation, and developmental disabilities services would be automatically transferred to the mental health and mental retardation fund. Also, transfers of encumbered funds from the mental health institutes and the hospitals-schools would be restricted to the enhanced services fund.

Federal approval to include rehabilitation services in our state Medicaid plan has not been received and is unlikely given the uncertain status of the waivers granted to two other states for the inclusion of rehabilitation services. While we will continue to pursue federal approval, in its absence, authorization to provide funding for this purpose should not be approved. Also, I cannot approve provisions which prohibit the reversion of unused funds to the state general fund.

I am unable to approve the item designated as Section 28, subsection 3, paragraphs a and b, in their entirety, and the designated portion of Section 28, subsection 4. These provisions would require the Department of Human Services to project possible vacancies in field staff positions and to begin hiring for those positions regardless of the budget impact or FTE limits. While I agree with the need to provide necessary staff to carry out the programs of the department, filling of those positions should occur as the need arises and in accordance with the process which applies to all agencies of state government. I cannot approve provisions which would direct a department to exceed its authorized spending level.

I am unable to approve the item designated as Section 28, subsection 8, in its entirety. This provision would require the Department of Human Services to spend up to \$100,000 to contract a field staff caseweight study. I agree with the need to study caseweight factors and staffing needs. However, I believe the resources and staff are available within state government to undertake this project. I have requested the Department of Human Services to work with the Departments of Management and Personnel to review these issues and to make their recommendations to me.

I am unable to approve the item designated as Section 29, subsection 9, in its entirety. This provision would authorize the Developmental Disabilities Council to spend state dollars on a computerized information and referral project for which federal dollars are available. Given the limited amount of discretionary funds available in the state budget, federal funds should be used to finance this project.

I am unable to approve the item designated as Section 29, subsection 11, in its entirety. This provision would appropriate \$75,000 for computerization of department manuals and would authorize staff for this purpose. The department's estimates indicate in the second year of this project an additional \$168,985 will be necessary as well as more staff. Again, given the fiscal constraints on the state, I cannot approve this spending at this time.

I am unable to approve the item designated as Section 29, subsection 14, in its entirety. This provision would authorize the Department of Human Services to expend \$50,000 and hire two staff to assist in the development of a plan identifying the needs which exist in residential programs for children. I have approved in this bill and support the development of such a plan, however, adequate resources and staff are available in the department to assist in this effort.

I am unable to approve the item designated as Section 29, subsection 15, in its entirety. This provision would require the Department of Human Services to request a supplemental appropriation to address budget short-falls. The department should make every effort to operate within the funds appropriated.

I am unable to approve the item designated as Section 29, subsection 16, in its entirety. This provision requires the Department of Human Services to develop a plan to reduce the number of field operation district offices to not less than five. The department has, on its own initiative, recently undergone a reorganization in its central office operations and should be allowed to decide whether and when it would be appropriate to reorganize the district offices.

I am unable to approve the item designated as Section 31, subsection 1, unnumbered and unlettered paragraph 2, in its entirety. This provision authorizes the Department of Human Services to provide a differential per diem for psychiatric medical institutions for children for certain services up to 120 percent of the current rate. The estimated cost of providing this higher level of payment for PMICs is approximately \$110,000 for which no appropriation is provided.

I am unable to approve the items designated as Section 31, subsection 2, paragraph b, Section 31, subsection 3, paragraph b, and Section 32, in their entirety. These provisions would authorize an additional increase to human services providers on January 1, 1991, if there is a \$100 million balance in the general fund on June 30, 1990. I have approved in this budget significant additional funding to the human services providers, increasing their reimbursement from the state by six percent. I cannot approve this additional spending at this time.

I am unable to approve the designated portion of Section 31, subsection 6. This provision attempts to restrict the Governor's discretion in developing his or her budget by directing the level of spending the Governor can recommend in certain human services programs. The Governor, by law, must submit a proposed budget to the Legislature which includes a summary of appropriations recommended for the following fiscal year for each department of state government. The Legislature may accept, modify or reject the Governor's recommendations. The Legislature cannot and should not attempt to interfere with the Governor's responsibility to establish priorities and make recommendations which ensure that his or her proposed budget is balanced.

I am unable to approve the designated portion of Section 33. This provision again provides antireversionary language, which I cannot approve.

I am unable to approve the item designated as Section 37, in its entirety. This provision would require the Department of General Services to assess the computer needs of the Department of Human Services and to submit a quarterly report to the Legislature regarding those needs. This intrusion into the prerogatives of the executive branch cannot be approved.

I am unable to approve the items designated as Section 41, subsection a, paragraphs 2, 3, and 4,\* in their entirety. These provisions would shift funding from the Gambler's Assistance Fund to provide additional increases to programs already funded in this bill. Funds which exceed the needs of the Gambler's Assistance Program should be reverted to the general fund.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2435 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, Governor

**CHAPTER 1271**

**STATE GOVERNMENT APPROPRIATIONS AND OTHER PROVISIONS**

*H.F. 2569*

**AN ACT** relating to and making appropriations to finance state government, its regulatory functions, and its obligations, and providing effective dates.

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

**DIVISION I**

**Section 101. DROUGHT ASSISTANCE.**

**\*\*1. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP.**

*a. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purposes designated:*

*For administration including salaries, support, maintenance, and miscellaneous purposes, for the hay hot line and for climatological services:*

..... \$ 50,000

*b. As a condition, limitation, and qualification of the appropriation made under paragraph "a", the appropriation shall be used to support the following full-time equivalent positions:*

*(1) For the hay hot line:*

..... FTEs 2.0

*(2) For climatological services:*

..... FTEs 0.5

\*"Paragraph a, subparagraphs 2, 3, and 4" probably intended

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