

tor and deposited into the wireless E911 emergency communications fund, for each fiscal year in the fiscal period beginning July 1, 1998, and ending June 30, ~~2003~~ 2004, an amount is appropriated to the division of emergency management of the department of public defense as necessary to reimburse the division for amounts expended for the implementation, support, and maintenance of the E911 administrator, including the E911 administrator's salary.

Sec. 18. POSTING OF REPORTS IN ELECTRONIC FORMAT — LEGISLATIVE FISCAL BUREAU. All reports or copies of reports required to be provided in this Act for fiscal year 2003-2004 to the legislative fiscal bureau shall be provided in an electronic format. The legislative fiscal bureau shall post the reports on its internet site and shall notify by electronic means all the members of the joint appropriations subcommittee on the justice system when a report is posted. Upon request, copies of the reports may be mailed to members of the joint appropriations subcommittee on the justice system.

Sec. 19. EFFECTIVE DATE. The section of this Act amending 1998 Iowa Acts, chapter 1101, being deemed of immediate importance, takes effect upon enactment.

Approved May 23, 2003

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**CHAPTER 175**

**APPROPRIATIONS — HEALTH AND HUMAN SERVICES**

*H.F. 667*

**AN ACT** relating to and making appropriations for health and human services to the department of elder affairs, the Iowa department of public health, the department of inspections and appeals, the department of human services, and the commission of veterans affairs, and providing effective dates.

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

**DIVISION I  
ELDER AFFAIRS**

Section 1. DEPARTMENT OF ELDER AFFAIRS. There is appropriated from the general fund of the state to the department of elder affairs for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For aging programs for the department of elder affairs and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management for the frail elderly, the retired and senior volunteer program, resident advocate committee coordination, employment, and other services which may include, but are not limited to, adult day services, respite care, chore services, telephone reassurance, information and assistance, and home repair services, including the winterizing of homes, and for the construction of entrance ramps which make residences accessible to the physically handicapped, and for salaries, support, administration, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions with the department of elder affairs:

.....	\$	2,653,222
.....	FTEs	25.50

1. Funds appropriated in this section may be used to supplement federal funds under federal regulations. To receive funds appropriated in this section, a local area agency on aging shall match the funds with moneys from other sources according to rules adopted by the department. Funds appropriated in this section may be used for elderly services not specifically enumerated in this section only if approved by an area agency on aging for provision of the service within the area.

2. Of the funds allocated under this section and any other state funds allocated for aging programs of the area agencies on aging not more than 7.5 percent of the total amount allocated shall be used for area agencies on aging administrative purposes.

3. It is the intent of the general assembly that the Iowa chapters of the Alzheimer's association and the case management program for the frail elderly shall collaborate and cooperate fully to assist families in maintaining family members with Alzheimer's disease in the community for the longest period of time possible.

4. The department shall maintain policies and procedures regarding Alzheimer's support and the retired and senior volunteer program.

DIVISION II  
PUBLIC HEALTH

Sec. 2. DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADDICTIVE DISORDERS

For reducing the prevalence of use of tobacco, alcohol, and other drugs, and treating individuals affected by addictive behaviors, including gambling, and for not more than the following full-time equivalent positions:

.....	\$	1,277,947
.....	FTEs	13.75

a. The department shall continue to coordinate with substance abuse treatment and prevention providers regardless of funding source to assure the delivery of substance abuse treatment and prevention programs.

b. The commission on substance abuse, in conjunction with the department, shall continue to coordinate the delivery of substance abuse services involving prevention, social and medical detoxification, and other treatment by medical and nonmedical providers to uninsured and court-ordered substance abuse patients in all counties of the state.

c. The department and any grantee or subgrantee of the department shall not discriminate against a nongovernmental organization that provides substance abuse treatment and prevention services or applies for funding to provide those services on the basis that the organization has a religious character. *\*The department shall report to the governor and the general assembly on or before February 1, 2004, regarding the number of religious or other nongovernmental organizations that applied for funds in the preceding fiscal year, the amounts awarded to those organizations, and the basis for any refusal by the department or grantee or subgrantee of the department to award funds to any of those organizations that applied.\**

2. ADULT WELLNESS

For maintaining or improving the health status of adults, with target populations between the ages of 18 through 60, and for not more than the following full-time equivalent positions:

.....	\$	260,582
.....	FTEs	23.85

3. CHILD AND ADOLESCENT WELLNESS

For promoting the optimum health status for children and adolescents from birth through 21 years of age, and for not more than the following full-time equivalent positions:

.....	\$	835,959
.....	FTEs	44.15

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

#### 4. CHRONIC CONDITIONS

For serving individuals identified as having chronic conditions or special health care needs, and for not more than the following full-time equivalent positions:

.....	\$	1,036,805
.....	FTEs	11.15

#### 5. COMMUNITY CAPACITY

For strengthening the health care delivery system at the local level, and for not more than the following full-time equivalent positions:

.....	\$	1,287,158
.....	FTEs	25.10

Of the funds appropriated in this subsection, \$100,000 is allocated for a child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with community empowerment areas.

#### 6. ELDERLY WELLNESS

For optimizing the health of persons 60 years of age and older, and for not more than the following full-time equivalent positions:

.....	\$	9,470,754
.....	FTEs	4.35

#### 7. ENVIRONMENTAL HAZARDS

For reducing the public's exposure to hazards in the environment, primarily chemical hazards, and for not more than the following full-time equivalent positions:

.....	\$	349,547
.....	FTEs	8.50

#### 8. INFECTIOUS DISEASES

For reducing the incidence and prevalence of communicable diseases, and for not more than the following full-time equivalent positions:

.....	\$	977,340 <sup>1</sup>
.....	FTEs	36.90

#### 9. INJURIES

For providing support and protection to victims of abuse or injury, or programs that are designed to prevent abuse or injury, and for not more than the following full-time equivalent positions:

.....	\$	1,412,918
.....	FTEs	7.75

Of the funds appropriated in this subsection, \$660,000 shall be credited to the emergency medical services fund created in section 135.25.

#### 10. PUBLIC PROTECTION

For protecting the health and safety of the public through establishing standards and enforcing regulations, and for not more than the following full-time equivalent positions:

.....	\$	6,510,871
.....	FTEs	149.10

a. The department may expend funds received from licensing fees in addition to amounts appropriated in this subsection, if those additional expenditures are directly the result of a scope of practice review committee's unanticipated litigation costs arising from the discharge of an examining board's regulatory duties. Before the department expends or encumbers funds for a scope of practice review committee or for an amount in excess of the funds budgeted for an examining board, the director of the department of management shall approve the expenditure or encumbrance. The amounts necessary to fund any unanticipated litigation or scope of practice review committee expense in the fiscal year beginning July 1, 2003, shall not exceed 5 percent of the average annual fees generated by the boards for the previous two fiscal years. The funds authorized for expenditure pursuant to this lettered paragraph are appropriated to the department for the purposes described in this paragraph.

b. For the fiscal year beginning July 1, 2003, the department shall retain fees collected from the certification of lead inspectors and lead abaters pursuant to section 135.105A to support

<sup>1</sup> See 2003 Iowa Acts, First Extraordinary Session, chapter 2, §12 herein

the certification program; and shall retain fees collected from the licensing, registration, authorization, accreditation, and inspection of x-ray machines used for mammographically guided breast biopsy, screening, and diagnostic mammography, pursuant to section 136C.10 to support the administration of the chapter. The department may also retain fees collected pursuant to section 136C.10 on all shippers of radioactive material waste containers transported across Iowa if the department does not obtain funding to support the oversight and regulation of this activity, and for x-ray radiology examination fees collected by the department and reimbursed to a private organization conducting the examination. Fees retained by the department pursuant to this lettered paragraph are appropriated to the department for the purposes described in this lettered paragraph.

c. The department may retain and expend not more than \$297,961 for lease and maintenance expenses from fees collected pursuant to section 147.80 by the board of dental examiners, the board of pharmacy examiners, the board of medical examiners, and the board of nursing in the fiscal year beginning July 1, 2003, and ending June 30, 2004. Fees retained by the department pursuant to this lettered paragraph are appropriated to the department for the purposes described in this lettered paragraph.

d. The department may retain and expend not more than \$100,000 for reduction of the number of days necessary to process medical license requests and for reduction of the number of days needed for consideration of malpractice cases from fees collected pursuant to section 147.80 by the board of medical examiners in the fiscal year beginning July 1, 2003, and ending June 30, 2004. Fees retained by the department pursuant to this lettered paragraph are appropriated to the department for the purposes described in this lettered paragraph.

e. If a person in the course of responding to an emergency renders aid to an injured person and becomes exposed to bodily fluids of the injured person, that emergency responder shall be entitled to hepatitis testing and immunization in accordance with the latest available medical technology to determine if infection with hepatitis has occurred. The person shall be entitled to reimbursement from the funds appropriated in this subsection only if the reimbursement is not available through any employer or third-party payor.

f. The board of dental examiners may retain and expend not more than \$148,060 from revenues generated pursuant to section 147.80. Fees retained by the board pursuant to this lettered paragraph are appropriated to the department to be used for the purposes of regulating dental assistants.

g. The board of medical examiners, the board of pharmacy examiners, the board of dental examiners, and the board of nursing shall prepare estimates of projected receipts to be generated by the licensing, certification, and examination fees of each board as well as a projection of the fairly apportioned administrative costs and rental expenses attributable to each board. Each board shall annually review and adjust its schedule of fees so that, as nearly as possible, projected receipts equal projected costs.

h. The board of medical examiners, the board of pharmacy examiners, the board of dental examiners, and the board of nursing shall retain their individual executive officers, but are strongly encouraged to share administrative, clerical, and investigative staffs to the greatest extent possible.

i. For the fiscal year beginning July 1, 2003, the board of nursing may retain and expend 90 percent of the revenues generated from any increase in licensing fees pursuant to section 147.80 for purposes related to the state board's duties, including but not limited to addition of full-time equivalent positions. Fees retained by the board pursuant to this lettered paragraph are appropriated to the board of nursing for the purposes described in this paragraph.

11. RESOURCE MANAGEMENT

For establishing and sustaining the overall ability of the department to deliver services to the public, and for not more than the following full-time equivalent positions:

.....	\$	666,717
.....	FTEs	53.15

12. The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the funds appropriated in this section.

13. A local health care provider or nonprofit health care organization seeking grant moneys administered by the Iowa department of public health shall provide documentation that the provider or organization has coordinated its services with other local entities providing similar services.

14. a. The department shall apply for available federal funds for sexual abstinence education programs.

b. It is the intent of the general assembly to comply with the United States Congress' intent to provide education that promotes abstinence from sexual activity outside of marriage and reduces pregnancies, by focusing efforts on those persons most likely to father and bear children out of wedlock.

c. Any sexual abstinence education program awarded moneys under the grant program shall meet the definition of abstinence education in the federal law. Grantees shall be evaluated based upon the extent to which the abstinence program successfully communicates the goals set forth in the federal law.

Sec. 3. GAMBLING TREATMENT FUND — APPROPRIATION.

1. There is appropriated from funds available in the gambling treatment fund established in the office of the treasurer of state pursuant to section 99E.10 to the Iowa department of public health for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

a. Addictive disorders

To be utilized for the benefit of persons with addictions:

..... \$ 1,690,000

b. It is the intent of the general assembly that from the moneys appropriated in this section, persons with a dual diagnosis of substance abuse and gambling addictions shall be given priority in treatment services.

c. Gambling treatment program

The funds remaining in the gambling treatment fund after the appropriation in paragraph "a" is made shall be used for funding of administrative costs and to provide programs which may include, but are not limited to, outpatient and follow-up treatment for persons affected by problem gambling, rehabilitation and residential treatment programs, information and referral services, education and preventive services, and financial management services.

2. For the fiscal year beginning July 1, 2003, and ending June 30, 2004, from the tax revenue received by the state racing and gaming commission pursuant to section 99D.15, subsections 1, 3, and 4, an amount equal to three-tenths of one percent of the gross sum wagered by the pari-mutuel method is to be deposited into the gambling treatment fund.

Sec. 4. VITAL RECORDS. The vital records modernization project as enacted in 1993 Iowa Acts, chapter 55, section 1, as amended by 1994 Iowa Acts, chapter 1068, section 8, as amended by 1997 Iowa Acts, chapter 203, section 9, 1998 Iowa Acts, chapter 1221, section 9, and 1999 Iowa Acts, chapter 201, section 17, and as continued by 2000 Iowa Acts, chapter 1222, section 10, 2001 Iowa Acts, chapter 182, section 13, and 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 104, shall be extended until June 30, 2004, and the increased fees to be collected pursuant to that project shall continue to be collected and are appropriated to the Iowa department of public health until June 30, 2004.

Sec. 5. SCOPE OF PRACTICE REVIEW PROJECT. The scope of practice review committee pilot project as enacted in 1997 Iowa Acts, chapter 203, section 6, and as continued by 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 107, shall be extended until June 30, 2004. The Iowa department of public health shall submit an annual progress report to the governor and the general assembly by January 15 and shall include any recommendations for legislative action as a result of review committee activities. The department may contract with a school or college of public health in Iowa to assist in implementing the project.

**Sec. 6. HEALTH CARE ACCESS PARTNERSHIP PILOT PROJECT.**

1. The director of public health shall establish a health care access partnership pilot project in a county with a population of more than 250,000 for a two-year period. The director shall adopt rules as necessary to establish and administer the pilot project. In adopting rules, the director shall consult with persons and agencies who may be involved with a health care access partnership and with the department of human services.

2. The purpose of the health care access partnership pilot project is to implement systems of health care services for low-income persons or persons without health insurance coverage, and others, by enhancing collaboration between persons and agencies providing charity care or services under the medical assistance program.

3. The elements of the partnership pilot project shall include but are not limited to all of the following:

a. A person participating in the partnership may be a public, private, for-profit, or nonprofit entity.

b. Participation provisions shall be outlined in a written agreement between those participating. If authorized under chapter 28E, a chapter 28E agreement may be utilized for all or a portion of the participant provisions.

c. If a participant in the partnership is a medical assistance program provider, the participant must be a medical assistance program provider in good standing and must accept medical assistance reimbursement as full payment for any service provided. Unless expressly prohibited by the federal government, a medical assistance program provider offering services in the area served by the partnership shall be required to participate in the partnership as a condition of participation in the medical assistance program.

d. Participants shall be authorized to share confidential information if the sharing is in the best interests of a client and the client has provided written authorization for the information sharing. If it is determined that the optimal approach for the information sharing is for the participants to establish a multidisciplinary community services team under section 331.909, notwithstanding section 331.909, subsection 4, the participants may disclose information other than oral information with one another.

e. A referral process among the participants shall be established.

f. The geographic area to be served by those participating in the agreement shall be identified in the agreement and may encompass the entire county.

g. Provision shall be made for receipt and expenditure of funding for the joint purposes of those participating or for clients of those participating and for receiving and expending funding received from foundations, grants, or other revenue sources.

h. Provision to allow the partnership to form any governance structure that is appropriate to the purposes of the partnership and that meets all federal or state statutory requirements for the specific elements of the partnership's charter.

4. If administrative rules are necessary to implement the provisions of this section, the initial rules shall be adopted on or before September 1, 2003. The director of public health may adopt the initial rules as emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", and the rules shall be effective immediately upon filing unless the effective date is delayed by the administrative rules review committee, notwithstanding section 17A.4, subsection 5, and section 17A.8, subsection 9, or a later date is specified in the rules. Any rules adopted in accordance with this subsection shall not take effect before the administrative rules review committee reviews the rules. Any rules adopted in accordance with this subsection shall also be published as a notice of intended action as provided in section 17A.4.

DIVISION III  
HUMAN SERVICES

**Sec. 7. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT.** There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, from moneys received under

the federal temporary assistance for needy families block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193 and successor legislation, which are federally appropriated for the federal fiscal years beginning October 1, 2002, and ending September 30, 2003, and beginning October 1, 2003, and ending September 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

If the federal government appropriation received for Iowa's portion of the federal temporary assistance for needy families block grant amounts for the federal fiscal years beginning October 1, 2002, and ending September 30, 2003, and beginning October 1, 2003, and ending September 30, 2004, are less than \$131,524,959, it is the intent of the general assembly to act expeditiously during the 2004 legislative session to adjust appropriations or take other actions to address the reduced amount. Moneys appropriated in this section shall be used in accordance with the federal law making the funds available, applicable Iowa law, appropriations made from the general fund of the state in this Act for the purpose designated, and administrative rules adopted to implement the federal and Iowa law:

1. To be credited to the family investment program account and used for assistance under the family investment program under chapter 239B:

..... \$ 51,492,790

2. To be credited to the family investment program account and used for the job opportunities and basic skills (JOBS) program, and implementing family investment agreements, in accordance with chapter 239B:

..... \$ 13,412,794

3. For field operations:

..... \$ 14,152,174

4. For general administration:

..... \$ 3,238,614

5. For local administrative costs:

..... \$ 2,122,982

6. For state child care assistance:

..... \$ 21,145,765

a. Of the funds appropriated in this subsection, \$200,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.

b. Of the funds appropriated in this subsection, the maximum amount allowed under Pub. L. No. 104-193 and successor legislation shall be transferred to the child care and development block grant appropriation. Funds appropriated in this subsection that remain following the transfer shall be used to provide direct spending for the child care needs of working parents in families eligible for the family investment program.

7. For the parental involvement program established in section 217A.1, if enacted by this Act:

..... \$ 35,000

8. For mental health and developmental disabilities community services:

..... \$ 4,349,266

9. For child and family services:

..... \$ 25,256,571

10. For child abuse prevention grants:

..... \$ 250,000

11. For pregnancy prevention grants on the condition that family planning services are funded:

..... \$ 2,514,413

a. Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2003, if the programs are comprehensive in scope and have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2003, if the programs are comprehensive in scope and are based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, including the requirement that grant programs must emphasize sexual abstinence. Priority in the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females age 13 or older but younger than age 18 within the geographic area to be served by the grant.

b. In addition to the full-time equivalent positions funded in this Act, the department may use a portion of the funds appropriated in this subsection to employ an employee in up to 1.00 FTE for the administration of programs specified in this subsection.

12. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements:

..... \$ 1,037,186

13. For volunteers:

..... \$ 42,663

14. For the healthy opportunities for parents to experience success (HOPES) program administered by the Iowa department of public health to target child abuse prevention:

..... \$ 200,000

15. To be credited to the Iowa marriage initiative grant fund created in section 234.45:

..... \$ 85,000

*\*a. Moneys credited to the Iowa marriage initiative grant fund under this subsection are appropriated to the department for the fiscal year beginning July 1, 2003, and ending June 30, 2004, to be used in accordance with this section.*

*b. The department shall establish an Iowa fatherhood and family initiative grant program utilizing funds credited to the Iowa marriage initiative grant fund created in section 234.45 to fund services to support fatherhood and to encourage the formation and maintenance of two-parent families that are secure and nurturing. The department of human services shall adopt rules pursuant to chapter 17A to administer the grant fund and to establish procedures for awarding of grants.*

*c. The program shall require that a grantee be a nonprofit organization incorporated in this state with demonstrated successful experience in facilitating fatherhood promotion activities, marriage and family promotion activities, in using media resources to promote fatherhood and marriage and family formation, in making presentations to service or faith-based organizations, and in raising private funding for activities that support fatherhood, marriage, and families.*

*d. Preference in awarding grants may be given to those nonprofit organizations working with faith-based groups and those groups targeting young fathers.*

*e. The program activities funded by a grant shall include but are not limited to all of the following:*

*(1) Working with individuals who have a demonstrated ability in working with at-risk fathers or working with those who may solemnize marriages pursuant to section 598.10 to utilize premarital diagnostic tools, to implement marriage agreements developed by the individuals who may solemnize marriages pursuant to section 595.10 that provide for an appropriate engagement period and premarital and post marital counseling, and to use volunteer mentors in program activities.*

*(2) Provision of a series of meetings sharing best practices that encourage young fathers to fulfill their responsibilities to the expectant mother of the child during the pregnancy, and to the mother of the child following the birth of the child, that promote happy and healthy marriages, and that offer counseling to determine the father's level of commitment to the child and the child's mother.*

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



f. The program activities funded by a grant shall be privately funded at no less than fifty percent of the grant amount.

g. Grants shall be awarded in a manner that results in provision of services throughout the state in an equal number of urban and rural geographic areas.

h. The department shall implement the grant program so that the initial request for proposals is issued on or before October 1, 2003, and so that any grants are awarded on or before January 1, 2004.

i. A grantee shall submit a quarterly financial report to the department and to the legislative fiscal bureau and shall be subject to an annual independent evaluation to assess accomplishment of the purposes of the program.

j. The department shall provide a copy of the request for proposals and shall submit a report concerning the proposals received and grants awarded to those persons designated by this division of this Act to receive reports.

k. The department may adopt emergency rules to implement the provisions of this subsection.\*

16. To be credited to the state child care assistance appropriation made in this section to be used for funding of community-based early childhood programs targeted to children from birth through five years of age, developed by community empowerment areas as provided in this subsection:

..... \$ 7,350,000

a. The department may transfer federal temporary assistance for needy families block grant funding appropriated and allocated in this subsection to the child care and development block grant appropriation in accordance with federal law as necessary to comply with the provisions of this subsection. The funding shall then be provided to community empowerment areas for the fiscal year beginning July 1, 2003, in accordance with all of the following:

(1) The area must be approved as a designated community empowerment area by the Iowa empowerment board.

(2) The maximum funding amount a community empowerment area is eligible to receive shall be determined by applying the area's percentage of the state's average monthly family investment program population in the preceding fiscal year to the total amount appropriated for fiscal year 2003-2004 from the TANF block grant to fund community-based programs targeted to children from birth through five years of age developed by community empowerment areas.

(3) A community empowerment area receiving funding shall comply with any federal reporting requirements associated with the use of that funding and other results and reporting requirements established by the Iowa empowerment board. The department shall provide technical assistance in identifying and meeting the federal requirements.

(4) The availability of funding provided under this subsection is subject to changes in federal requirements and amendments to Iowa law.

b. The moneys distributed in accordance with this subsection shall be used by communities for the purposes of enhancing quality child care capacity in support of parent capability to obtain or retain employment. The moneys shall be used with a primary emphasis on low-income families and children from birth to five years of age. Moneys shall be provided in a flexible manner to communities, and shall be used to implement strategies identified by the communities to achieve such purposes. In addition to the full-time equivalent positions funded in this division of this Act, 1.00 FTE position is authorized and the department may use funding appropriated in this subsection for provision of technical assistance and other support to communities developing and implementing strategies with moneys distributed in accordance with this subsection.

c. Moneys that are subject to this subsection which are not distributed to a community empowerment area or otherwise remain unobligated or unexpended at the end of the fiscal year shall revert to the fund created in section 8.41 to be available for appropriation by the general assembly in a subsequent fiscal year.

Of the amounts appropriated in this section, \$11,612,112 for the fiscal year beginning July

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

1, 2003, shall be transferred to the appropriation of the federal social services block grant for that fiscal year. If the federal government revises requirements to reduce the amount that may be transferred to the federal social services block grant, it is the intent of the general assembly to act expeditiously during the 2004 legislative session to adjust appropriations or the transfer amount or take other actions to address the reduced amount.

Eligible funding available under the federal temporary assistance for needy families block grant that is not appropriated or not otherwise expended shall be considered reserved for economic downturns and welfare reform purposes and is subject to further state appropriation to support families in their movement toward self-sufficiency.

Federal funding received that is designated for activities supporting marriage or two-parent families is appropriated to the Iowa marriage initiative grant fund created in section 234.45.

Sec. 8. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2003, and ending June 30, 2004, shall be used in accordance with the following requirements:

- a. The department of human services shall provide assistance in accordance with chapter 239B.
- b. The department shall continue the special needs program under the family investment program.
- c. The department shall continue to comply with federal welfare reform data requirements pursuant to the appropriations made for that purpose.
- d. The department shall continue expansion of the electronic benefit transfer program as necessary to comply with federal food stamp benefit requirements. The target date for state-wide implementation of the program is October 1, 2003.

2. The department may use a portion of the moneys credited to the family investment program account under this section, as necessary for salaries, support, maintenance, and miscellaneous purposes for not more than the following full-time equivalent positions which are in addition to any other full-time equivalent positions authorized by this Act:

..... FTEs 8.00

3. The department may transfer funds in accordance with section 8.39, either federal or state, to or from the child care appropriations made for the fiscal year beginning July 1, 2003, if the department deems this would be a more effective method of paying for JOBS program child care, to maximize federal funding, or to meet federal maintenance of effort requirements.

4. Moneys appropriated in this Act and credited to the family investment program account for the fiscal year beginning July 1, 2003, and ending June 30, 2004, are allocated as follows:

a. For the family development and self-sufficiency grant program as provided under section 217.12:

..... \$ 5,133,042

(1) Of the funds allocated for the family development and self-sufficiency grant program in this lettered paragraph, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) Based upon the annual evaluation report concerning each grantee funded by previously appropriated funds and through the solicitation of additional grant proposals, the family development and self-sufficiency council may use the allocated funds to renew or expand existing grants or award new grants. In utilizing the funding allocated in this lettered paragraph, the council shall give consideration, in addition to other criteria established by the council, to a grantee's intended use of local funds with a grant and to whether approval of a grant proposal would expand the availability of the program's services.

(3) The department may continue to implement the family development and self-sufficiency grant program statewide during FY 2003-2004.

b. For the diversion subaccount of the family investment program account:

..... \$ 2,814,000

(1) Moneys allocated to the diversion subaccount shall be used to implement FIP diversion statewide while continuing the local flexibility in program design. A family that meets income eligibility requirements for the family investment program may receive a one-time payment to remedy an immediate need in order to permit the family to maintain self-sufficiency without providing ongoing cash assistance. A FIP participant family may receive diversion assistance to overcome barriers to obtaining employment and to assist in stabilizing employment in order to increase the likelihood of the family leaving FIP more quickly. The department shall assess and screen individuals who would most likely benefit from the assistance. In addition to the full-time equivalent positions authorized in this Act, 1.00 FTE is authorized for purposes of diversion. The department may adopt additional eligibility criteria as necessary for compliance with federal law and for screening those families who would be most likely to become eligible for FIP if diversion incentives would not be provided.

(2) A portion of the moneys allocated for the subaccount may be used for field operations salaries, data management system development, and implementation costs and support deemed necessary by the director of human services in order to administer the FIP diversion program.

(3) Of the funds allocated in this lettered paragraph, not more than \$250,000 shall be used to develop or continue community-level parental obligation pilot projects. The requirements established under 2001 Iowa Acts, chapter 191, section 3, subsection 5, paragraph "c", subparagraph (3), shall remain applicable to the parental obligation pilot projects for fiscal year 2003-2004.

c. For the food stamp employment and training program:

..... \$ 63,000

5. Of the child support collections assigned under the family investment program, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the family investment program account and a portion may be used to increase recoveries.

6. For the fiscal year beginning July 1, 2003, the department shall continue the process for the state to receive refunds of utility and rent deposits, including any accrued interest, for emergency assistance program recipients which were paid by persons other than the state. The department shall also receive refunds, including any accrued interest, of assistance paid with funding available under this program. The refunds received by the department shall be credited to the family investment program (FIP) account to offset FIP cash grants expended in the same year. Notwithstanding section 8.33, moneys received by the department under this subsection which remain after the emergency assistance program is terminated and state or federal moneys in the emergency assistance account which remain unobligated or unexpended at the close of the fiscal year beginning July 1, 2003, shall not revert to any other fund but shall be credited to the family investment program account.

7. The department may adopt emergency administrative rules for the family investment, food stamp, and medical assistance programs, if necessary, to comply with federal requirements.

8. The department may continue the initiative to streamline and simplify the employer verification process for applicants, participants, and employers in the administration of the department's programs. The department may contract with companies collecting data from employers when the information is needed in the administration of these programs. The department may limit the availability of the initiative on the basis of geographic area or number of individuals.

Sec. 9. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program account and used for family investment program assistance under chapter 239B:

..... \$ 36,187,879

1. The department of workforce development, in consultation with the department of human services, shall continue to utilize recruitment and employment practices to include former and current family investment program recipients.

2. The department of human services shall continue to work with the department of workforce development and local community collaborative efforts to provide support services for family investment program participants. The support services shall be directed to those participant families who would benefit from the support services and are likely to have success in achieving economic independence.

3. Of the funds appropriated in this section, \$9,274,143 is allocated for the JOBS program.

4. The department shall continue to work with religious organizations and other charitable institutions to increase the availability of host homes, referred to as second chance homes or other living arrangements under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or arrangements is to provide a supportive and supervised living arrangement for minor parents receiving assistance under the family investment program who, under chapter 239B, may receive assistance while living in an alternative setting other than with their parent or legal guardian.

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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 5,482,793

..... FTEs 405.00

1. The director of human services, within the limitations of the moneys appropriated in this section, or moneys transferred from the family investment program account for this purpose, shall establish new positions and add employees to the child support recovery unit if the director determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level.

2. Nonpublic assistance application fees and other user fees received by the child support recovery unit are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions within the limitations of the amount appropriated for salaries and support for the positions.

3. The director of human services, in consultation with the department of management and the legislative fiscal committee, is authorized to receive and deposit state child support incentive earnings in the manner specified under applicable federal requirements.

4. a. The director of human services may establish new positions and add state employees to the child support recovery unit or contract for delivery of services if the director determines the employees are necessary to replace county-funded positions eliminated due to termination, reduction, or nonrenewal of a chapter 28E contract. However, the director must also determine that the resulting increase in the state share of child support recovery incentives exceeds the cost of the positions or contract, the positions or contract are necessary to ensure continued federal funding of the program, or the new positions or contract can reasonably be expected to recover at least twice the amount of money necessary to pay the salaries and support for the new positions or the contract will generate at least 200 percent of the cost of the contract.

b. Employees in full-time positions that transition from county government to state government employment under this subsection are exempt from testing, selection, and appointment provisions of chapter 19A and from the provisions of collective bargaining agreements relating to the filling of vacant positions.

5. Surcharges paid by obligors and received by the unit as a result of the referral of support delinquency by the child support recovery unit to any private collection agency are appropriated to the department and shall be used to pay the costs of any contracts with the collection agencies.

6. The department shall expend up to \$31,000, including federal financial participation, for the fiscal year beginning July 1, 2003, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

7. Federal access and visitation grant moneys shall be issued directly to private not-for-profit agencies that provide services designed to increase compliance with the child access provisions of court orders, including but not limited to neutral visitation site and mediation services.

Sec. 11. 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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2003, except as otherwise expressly authorized by law, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

..... \$ 357,486,073

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. 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 for mental health, mental retardation, and developmental disabilities services under medical assistance which are jointly funded by the state and county, 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 in this section.

3. a. The county of legal settlement shall be billed for 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization in accordance with sections 249A.26 and 249A.27, and 100 percent of the nonfederal share of the cost of care for adults which is reimbursed under a federally approved home and community-based waiver that would otherwise be approved for provision in an intermediate care facility for persons with mental retardation, provided under the medical assistance program. The state shall have responsibility for the remaining 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization.

For persons without a county of legal settlement, the state shall have responsibility for 100 percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based waiver services. The case management services specified in this subsection shall be billed to a county only if the services are provided outside of a managed care contract.

b. The state shall pay the entire nonfederal share of the costs for case management services provided to persons 17 years of age and younger who are served in a medical assistance home and community-based waiver program for persons with mental retardation.

c. Medical assistance funding for case management services for eligible persons 17 years of age and younger shall also be provided to persons residing in counties with child welfare decategorization projects implemented in accordance with section 232.188, provided these projects have included these persons in their service plan and the decategorization project county is willing to provide the nonfederal share of costs.

d. When paying the necessary and legal expenses of intermediate care facilities for persons with mental retardation (ICFMR), the cost payment requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established for ICFMRs by the department and the state or a county of legal settlement is not obligated for any amount in excess of the rates.

e. Unless a county has paid or is paying for the nonfederal share of the cost of a person's home and community-based waiver services or ICFMR placement under the county's mental health, mental retardation, and developmental disabilities services fund, or unless a county of legal settlement would become liable for the costs of services at the ICFMR level of care for a person due to the person reaching the age of majority, the state shall pay the nonfederal share of the costs of an eligible person's services under the home and community-based waiver for persons with brain injury.

4. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

5. Of the funds appropriated to the Iowa department of public health for substance abuse grants, \$950,000 for the fiscal year beginning July 1, 2003, shall be transferred to the department of human services for an integrated substance abuse managed care system.

6. In administering the medical assistance home and community-based waivers, the total number of openings at any one time shall be limited to the number approved for a waiver by the secretary of the United States department of health and human services. The openings shall be available on a first-come, first-served basis.

7. The department of human services, in consultation with the Iowa department of public health and the department of education, shall continue the program to utilize the early and periodic screening, diagnosis, and treatment (EPSDT) funding under medical assistance, to the extent possible, to implement the screening component of the EPSDT program through the school system. The department may enter into contracts to utilize maternal and child health centers, the public health nursing program, or school nurses in implementing this provision.

*\*8. The department shall continue working with county representatives in aggressively implementing the rehabilitation option for services to persons with chronic mental illness under the medical assistance program, and county funding shall be used to provide the match for the federal funding, except for individuals with state case status, for whom state funding shall provide the match.\**

9. If the federal centers for Medicare and Medicaid services approves a waiver request from the department, the department shall provide a period of 24 months of guaranteed eligibility for medical assistance family planning services, regardless of the change in circumstances of a woman who was a medical assistance recipient when a pregnancy ended.

10. The department shall aggressively pursue options for providing medical assistance or

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

other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic, screening, diagnosis, and treatment program under the medical assistance program due to becoming 21 years of age, who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to policy process.

11. The drug utilization review commission shall submit copies of the board's annual review, including facts and findings, of the drugs on the department's prior authorization list to the department and to the members of the joint appropriations subcommittee on health and human services.

12. The department shall expend the anticipated savings for operation of the state maximum allowable cost program for pharmaceuticals as additional funding for the medical assistance program.

13. The department shall implement the elimination of hospital crossover claims for dually eligible federal Medicare and medical assistance program beneficiaries for hospitals licensed under chapter 135B, only if approval of a medical assistance state plan amendment is received from the centers for Medicare and Medicaid services of the United States department of health and human services that protects hospitals from financial losses specifically due to the hospital crossover claims process under the medical assistance program or the Medicare cost reports.

Sec. 12. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	573,968
.....	FTEs	21.00

Sec. 13. 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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:  
..... \$ 8,990,035

1. In any managed care contract for mental health or substance abuse services entered into or extended by the department on or after July 1, 2003, the request for proposals shall provide for coverage of dual diagnosis mental health and substance abuse treatment provided at the state mental health institute at Mount Pleasant. To the extent possible, the department shall also amend any such contract existing on July 1, 2003, to provide for such coverage.

2. The department may either continue or reprocure the contract existing on June 30, 2003, with the department's fiscal agent.<sup>2</sup>

Sec. 14. 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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For state supplementary assistance and the medical assistance home and community-based services waiver rent subsidy program:  
..... \$ 19,198,735

1. 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

<sup>2</sup> See 2003 Iowa Acts, First Extraordinary Session, chapter 2, §6 herein

income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

2. If during the fiscal year beginning July 1, 2003, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this Act to ensure that federal requirements are met. In addition, the department may make other programmatic and rate adjustments necessary to remain within the amount appropriated in this section while ensuring compliance with federal requirements. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 15. CHILDREN’S HEALTH INSURANCE PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the healthy and well kids in Iowa (hawk-i) program pursuant to chapter 514I for receipt of federal financial participation under Title XXI of the federal Social Security Act, which creates the state children’s health insurance program:

..... \$ 11,118,275

1. The department may transfer funds appropriated in this section to be used for the purpose of expanding health care coverage to children under the medical assistance program. The department shall provide periodic updates to the general assembly of expenditures of funds appropriated in this section.

2. Moneys in the hawk-i trust fund are appropriated to the department of human services and shall be used to offset any program costs for the fiscal year beginning July 1, 2003, and ending June 30, 2004.

Sec. 16. 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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... \$ 5,050,752

1. a. Of the funds appropriated in this section, \$4,525,228 shall be used for state child care assistance in accordance with section 237A.13.

b. During the 2003-2004 fiscal year, the moneys deposited in the child care credit fund created in section 237A.28 are appropriated to the department to be used for state child care assistance in accordance with section 237A.13, in addition to the moneys allocated for that purpose in paragraph “a”.

2. 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 consistent with the waiting list requirements of section 237A.13. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. Of the funds appropriated in this section, \$525,524 is allocated for the statewide program for child care resource and referral services under section 237A.26.

4. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department’s service areas. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program



requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

*\*5. If the federal government appropriates additional funding under the federal child care and development block grant than was anticipated would be received for the state fiscal year beginning July 1, 2003, in addition to the notification requirements for expenditure requirements for additional federal funds under 2002 Iowa Acts, chapter 1170, the department shall consult with the chairpersons and ranking members of the joint appropriations subcommittee on health and human services at least thirty days in advance of committing to expenditure of the additional funding.\**

6. A portion of the state match for the federal child care and development block grant shall be provided through the state general fund appropriation for child development grants and other programs for at-risk children in section 279.51.

7. a. The department shall develop consumer information material to assist parents in selecting a child care provider. In developing the material, the department shall consult with department of human services staff, department of education staff, the state child care advisory council, the Iowa empowerment board, and child care resource and referral services. In addition, the department may consult with other entities at the local, state, and national level.

*\*b. The consumer information material developed by the department for parents and other consumers of child care services shall include but is not limited to all of the following:*

(1) A pamphlet or other printed material containing consumer-oriented information on locating a quality child care provider.

(2) Information explaining important considerations a consumer should take into account in selecting a licensed or registered child care provider.

(3) Information explaining how a consumer can identify quality services, including what questions to ask of providers and what a consumer might expect or demand to know before selecting a provider.

(4) An explanation of the applicable laws and regulations written in layperson's terms.

(5) An explanation of what it means for a provider to be licensed, registered, or unregistered.

(6) An explanation of the information considered in registry and record background checks.

(7) Other information deemed relevant to consumers.

c. The department shall implement and publicize an internet page or site that provides all of the following:

(1) The written information developed pursuant to paragraphs "a" and "b".

(2) Regular informational updates, including when a child care provider was last subject to a state quality review or inspection and, based upon a final score or review, the results indicating whether the provider passed or failed the review or inspection.

(3) Capability for a consumer to be able to access information concerning child care providers, such as informational updates, identification of provider location, name, and capacity, and identification of providers participating in the state child care assistance program and those participating in the child care food program, by sorting the information or employing other means that provide the information in a manner that is useful to the consumer. Information regarding provider location shall identify providers located in the vicinity of an address selected by a consumer and provide contact information without listing the specific addresses of the providers.

(4) Other information deemed appropriate by the department.\*

8. If the department receives additional funding from the federal government designated for purposes of improving child care quality, the funding shall be used for additional child care consultant positions within the department's field operations.

Sec. 17. 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, 2003, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

1. For operation of the Iowa juvenile home at Toledo and for salaries, support, maintenance, and for not more than the following full-time equivalent positions:

.....	\$	6,160,878
.....	FTEs	130.54

2. For operation of the state training school at Eldora and for salaries, support, maintenance, and for not more than the following full-time equivalent positions:

.....	\$	10,285,696
.....	FTEs	218.53

3. During the fiscal year beginning July 1, 2003, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21, as adjusted for subsequent changes in capacity at the institutions.

4. A portion of the moneys appropriated in this section shall be used by the state training school and by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 2003.

5. Within the amounts appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

Sec. 18. CHILD AND FAMILY SERVICES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

.....	\$	107,091,253
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2. The department may transfer funds appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under medical assistance or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations in this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

3. a. Of the funds appropriated in this section, up to \$30,154,516 is allocated as the state-wide expenditure target under section 232.143 for group foster care maintenance and services.

b. If at any time after September 30, 2003, annualization of a service area's current expenditures indicates a service area is at risk of exceeding its group foster care expenditure target under section 232.143 by more than 5 percent, the department and juvenile court services shall examine all group foster care placements in that service area in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

c. (1) Of the funds appropriated in this section, not more than \$6,355,170 is allocated as the state match funding for psychiatric medical institutions for children.

(2) The department may transfer all or a portion of the amount allocated in this lettered paragraph for psychiatric medical institutions for children (PMICs) to the appropriation in this Act for medical assistance.

d. Of the funds allocated in this subsection, \$1,419,988 is allocated as the state match funding for 50 highly structured juvenile program beds. If the number of beds provided for in this lettered paragraph is not utilized, the remaining funds allocated may be used for group foster care.

e. For the fiscal year beginning July 1, 2003, the requirements of section 232.143 applicable to the juvenile court and to representatives of the juvenile court shall be applicable instead to juvenile court services and to representatives of juvenile court services. The representatives appointed by the department of human services and by juvenile court services to establish the

plan to contain expenditures for children placed in group foster care ordered by the court within the budget target allocated to the service area shall establish the plan in a manner so as to ensure the moneys allocated to the service area under section 232.143 shall last the entire fiscal year. Funds for a child placed in group foster care shall be considered encumbered for the duration of the child's projected or actual length of stay, whichever is applicable.

4. Of the funds appropriated in this section, \$3,000,000 is allocated specifically for expenditure through the decategorization of child welfare funding pools and governance boards established pursuant to section 232.188. Notwithstanding section 8.33, moneys allocated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

5. Of the funds appropriated in this section, up to \$915,892 is allocated for additional funding of the family preservation program.

6. The department shall continue the goal that not more than 15 percent of the children placed in foster care funded under the federal Social Security Act, Title IV-E, may be placed in foster care for a period of more than 24 months.

7. In accordance with the provisions of section 232.188, the department shall continue the program to decategorize child welfare services funding in additional counties or clusters of counties.

8. A portion of the funding appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project to stay together or to be reunified.

9. Notwithstanding section 234.35, subsection 1, for the fiscal year beginning July 1, 2003, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$6,922,509.

10. The department shall continue to make adoption presubsidy and adoption subsidy payments to adoptive parents at the beginning of the month for the current month.

11. Federal funds received by the state during the fiscal year beginning July 1, 2003, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section, are appropriated to the department to be used as additional funding for services and purposes provided for under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for the purposes designated until the close of the succeeding fiscal year.

*\*12. The department and juvenile court services shall continue to develop criteria for the department service area administrator and chief juvenile court officer to grant exceptions to extend eligibility, within the funds allocated, for intensive tracking and supervision and for supervised community treatment to delinquent youth beyond age 18 who are subject to release from the state training school, a highly structured juvenile program, or group foster care.\**

13. Of the moneys appropriated in this section, not more than \$442,100 is allocated to provide clinical assessment services as necessary to continue funding of children's rehabilitation services under medical assistance in accordance with federal law and requirements. The funding allocated is the amount projected to be necessary for providing the clinical assessment services.

14. Of the funding appropriated in this section, \$3,696,285 shall be used for protective child care assistance.

15. Of the moneys appropriated in this section, up to \$2,859,851 is allocated for the payment of the expenses of court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141, subsection 4.

a. Notwithstanding section 232.141 or any other provision of law to the contrary, the amount allocated in this subsection shall be distributed to the judicial districts as determined by the state court administrator. The state court administrator shall make the determination of the distribution amounts on or before June 15, 2003.

b. Notwithstanding chapter 232 or any other provision of law to the contrary, a district or

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

juvenile court shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district court distribution amount to pay for the service. The chief juvenile court officer shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The chief juvenile court officers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator to transfer funds between the districts' distribution amounts as prudent.

c. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

d. Of the funding allocated in this subsection, not more than \$100,000 may be used by the judicial branch for administration of the requirements under this subsection and for travel associated with court-ordered placements which are a charge upon the state pursuant to section 232.141, subsection 4.

16. a. Of the funding appropriated in this section, \$3,062,193 is allocated to provide school-based supervision of children adjudicated under chapter 232, including not more than \$1,431,597 from the allocation in this section for court-ordered services. Not more than \$15,000 of the funding allocated in this subsection may be used for the purpose of training.

b. A portion of the cost of each school-based liaison officer shall be paid by the school district or other funding source as approved by the chief juvenile court officer.

17. The department shall maximize the capacity to draw federal funding under Title IV-E of the federal Social Security Act.

18. Any unanticipated federal funding that is received during the fiscal year due to improvements in the hours counted by the judicial branch under the claiming process for federal Title IV-E funding are appropriated to the department to be used for additional or expanded services and support for court-ordered services pursuant to section 232.141. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

19. Notwithstanding section 234.39, subsection 5, and 2000 Iowa Acts, chapter 1228, section 43, the department may operate a subsidized guardianship program if the United States department of health and human services approves a waiver under Title IV-E of the federal Social Security Act or the federal Social Security Act is amended to allow Title IV-E funding to be used for subsidized guardianship, and the subsidized guardianship program can be operated without loss of Title IV-E funds.

20. It is the intent of the general assembly that the department continue its practice of providing strong support for Iowa's nationally recognized initiative of decategorization of child welfare funding.

*\*21. The department shall develop a plan for privatizing the administration of the foster care and adoption programs. The plan shall be submitted to the governor and the general assembly on or before December 15, 2003.\**

22. Notwithstanding section 237.5A, a foster parent who is unable to complete six hours of foster parent training prior to annual licensure renewal because the foster parent is engaged in active duty in the military service shall be considered to be in compliance with the training requirement for annual licensure renewal.

Sec. 19. JUVENILE DETENTION HOME FUND. Moneys deposited in the juvenile detention home fund created in section 232.142 during the fiscal year beginning July 1, 2003, and ending June 30, 2004, are appropriated to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, for distribution as follows:

1. An amount equal to ten percent of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2002. Moneys appropriated for distribution in accordance with this subsection

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

shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the fiscal year beginning July 1, 2002. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2003, shall be limited to the amount appropriated for the purposes of this subsection.

2. For renewal of a grant to a county with a population between 189,000 and 196,000 for implementation of the county's runaway treatment plan under section 232.195:

..... \$ 80,000

3. For continuation and expansion of the community partnership for child protection sites:  
..... \$ 159,000

4. For grants to counties implementing a runaway treatment plan under section 232.195.

5. The remainder for additional allocations to county or multicounty juvenile detention homes, in accordance with the distribution requirements of subsection 1.

Sec. 20. 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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program:

..... \$ 1,936,434

1. The department may use up to \$333,312 of the moneys appropriated in this section to continue the children-at-home program in current counties, of which not more than \$20,000 shall be used for administrative costs.

2. Notwithstanding section 225C.38, subsection 1, the monthly family support payment amount for the fiscal year beginning July 1, 2003, shall remain the same as the payment amount in effect on June 30, 2003.

Sec. 21. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For building community capacity through the coordination and provision of training opportunities in accordance with the consent decree of Conner v. Branstad, No. 4-86-CV-30871 (S.D. Iowa, July 14, 1994):

..... \$ 42,623

Sec. 22. 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, 2003, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the state mental health institute at Cherokee for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 12,401,246

..... FTEs 227.65

2. For the state mental health institute at Clarinda for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 7,065,672

..... FTEs 118.15

3. For the state mental health institute at Independence for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 16,912,302

..... FTEs 317.80

The state mental health institute at Independence shall continue the 30 psychiatric medical

institution for children (PMIC) beds authorized in section 135H.6, in a manner which results in no net state expenditure amount in excess of the amount appropriated in this subsection. Counties are not responsible for the costs of PMIC services described in this subsection. Subject to the approval of the department, with the exception of revenues required under section 249A.11 to be credited to the appropriation in this Act for medical assistance, revenues attributable to the PMIC beds described in this subsection for the fiscal year beginning July 1, 2003, and ending June 30, 2004, shall be deposited in the institute's account, including but not limited to any of the following revenues:

- a. The federal share of medical assistance revenue received under chapter 249A.
- b. Moneys received through client participation.
- c. Any other revenues directly attributable to the PMIC beds.

4. For the state mental health institute at Mount Pleasant for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	5,830,810
.....	FTEs	100.44

a. Funding is provided in this subsection for the state mental health institute at Mount Pleasant to continue the dual diagnosis mental health and substance abuse program on a net budgeting basis in which 50 percent of the actual per diem and ancillary services costs are chargeable to the patient's county of legal settlement or as a state case, as appropriate. Subject to the approval of the department, revenues attributable to the dual diagnosis program for the fiscal year beginning July 1, 2003, and ending June 30, 2004, shall be deposited in the institute's account, including but not limited to all of the following revenues:

- (1) Moneys received by the state from billings to counties under section 230.20.
- (2) Moneys received from billings to the Medicare program.
- (3) Moneys received from a managed care contractor providing services under contract with the department or any private third-party payor.
- (4) Moneys received through client participation.
- (5) Any other revenues directly attributable to the dual diagnosis program.

b. The following additional provisions are applicable in regard to the dual diagnosis program:

- (1) A county may split the charges between the county's mental health, mental retardation, and developmental disabilities services fund and the county's budget for substance abuse expenditures.
- (2) If an individual is committed to the custody of the department of corrections at the time the individual is referred for dual diagnosis treatment, the department of corrections shall be charged for the costs of treatment.
- (3) Prior to an individual's admission for dual diagnosis treatment, the individual shall have been screened through a county's single entry point process to determine the appropriateness of the treatment.
- (4) A county shall not be chargeable for the costs of treatment for an individual enrolled in and authorized by or decertified by a managed behavioral care plan under the medical assistance program.
- (5) Notwithstanding section 8.33, state mental health institute revenues related to the dual diagnosis program that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available up to the amount which would allow the state mental health institute to meet credit obligations owed to counties as a result of year-end per diem adjustments for the dual diagnosis program.

5. Within the funds appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutes provided for in the appropriation.

6. As part of the discharge planning process at the state mental health institutes, the department shall provide assistance in obtaining eligibility for federal supplemental security income (SSI) to those individuals whose care at a state mental health institute is the financial responsibility of the state or a county.

Sec. 23. STATE RESOURCE CENTERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 4,399,479

2. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 2,660,237

3. a. The department shall continue operating the state resource centers at Glenwood and Woodward with a net general fund appropriation. The amounts allocated in this section are the net amounts of state moneys projected to be needed for the state resource centers. The purposes of operating with a net general fund appropriation are to encourage the state resource centers to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts between the state resource centers and counties and other funders of services available from the state resource centers. The state resource centers shall not be operated under the net appropriation in a manner which results in a cost increase to the state or cost shifting between the state, the medical assistance program, counties, or other sources of funding for the state resource centers. Moneys appropriated in this section may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for purposes of cash flow management the state resource centers may temporarily draw more than the amounts appropriated, provided the amounts appropriated are not exceeded at the close of the fiscal year.

b. Subject to the approval of the department, except for revenues under section 249A.11, revenues attributable to the state resource centers for the fiscal year beginning July 1, 2003, shall be deposited into each state resource center's account, including but not limited to all of the following:

- (1) Moneys received by the state from billings to counties under section 222.73.
- (2) The federal share of medical assistance revenue received under chapter 249A.
- (3) Federal Medicare program payments.
- (4) Moneys received from client financial participation.
- (5) Other revenues generated from current, new, or expanded services which the state resource center is authorized to provide.

c. For the purposes of allocating the salary adjustment fund moneys appropriated in another Act, the state resource centers shall be considered to be funded entirely with state moneys.

d. Notwithstanding section 8.33, up to \$500,000 of a state resource center's revenues that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used in the succeeding fiscal year.

4. Within the funds appropriated in this section, the department may transfer funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

5. The department may continue to bill for state resource center services utilizing a scope of services approach used for private providers of ICFMR services, in a manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state resource centers.

6. The state resource centers may expand the time limited assessment and respite services during the fiscal year.

7. If the department's administration and the department of management concur with a finding by a state resource center's superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center's superintendent may reclassify any

vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

8. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and to begin implementing the service or addressing the special need during fiscal year 2003-2004.

9. The state resource centers shall develop a proposal providing options for addressing the service needs of persons with developmental disabilities who behave in a manner that presents a danger to themselves or to others. The proposal shall be submitted to the governor and general assembly on or before December 15, 2003.

Sec. 24. MI/MR/DD STATE CASES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purchase of local services for persons with mental illness, mental retardation, and developmental disabilities where the client has no established county of legal settlement:  
..... \$ 11,014,619

The general assembly encourages the department to continue discussions with the Iowa state association of counties and administrators of county central point of coordination offices regarding proposals for moving state cases to county budgets.

Sec. 25. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES — COMMUNITY SERVICES FUND. There is appropriated from the general fund of the state to the mental health and developmental disabilities community services fund created in section 225C.7 for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental health and developmental disabilities community services in accordance with this Act:  
..... \$ 17,757,890

1. Of the funds appropriated in this section, \$17,727,890 shall be allocated to counties for funding of community-based mental health and developmental disabilities services. The monies shall be allocated to a county as follows:

a. Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

b. Fifty percent based upon the county's proportion of the state's general population.

2. a. A county shall utilize the funding the county receives pursuant to subsection 1 for services provided to persons with a disability, as defined in section 225C.2. However, no more than 50 percent of the funding shall be used for services provided to any one of the service populations.

b. A county shall use at least 50 percent of the funding the county receives under subsection 1 for contemporary services provided to persons with a disability, as described in rules adopted by the department.

3. Of the funds appropriated in this section, \$30,000 shall be used to support the Iowa compass program providing computerized information and referral services for Iowans with disabilities and their families.

4. a. Funding appropriated for purposes of the federal social services block grant is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

b. The funds allocated in this subsection shall be expended by counties in accordance with



the county's approved county management plan. A county without an approved county management plan shall not receive allocated funds until the county's management plan is approved.

c. The funds provided by this subsection shall be allocated to each county as follows:

(1) Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the county for local purchase of services in the preceding fiscal year.

5. A county is eligible for funds under this section if the county qualifies for a state payment as described in section 331.439.

Sec. 26. PERSONAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For continuation of a pilot project for the personal assistance services program in accordance with this section:

..... \$ 205,748

1. The funds appropriated in this section shall be used to continue the pilot project for the personal assistance services program under section 225C.46 in an urban and a rural area. Not more than 10 percent of the amount appropriated shall be used for administrative costs. The pilot project shall not be implemented in a manner which would require additional county or state costs for assistance provided to an individual served under the pilot project.

2. In accordance with 2001 Iowa Acts, chapter 191, section 25, subsection 2, new applicants shall not be accepted into the pilot project. An individual receiving services under the pilot project as of June 30, 2003, shall continue receiving services until the individual voluntarily leaves the project or until another program with similar services exists.

Sec. 27. SEXUALLY VIOLENT PREDATORS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For costs associated with the commitment and treatment of sexually violent predators in the unit located at the state mental health institute at Cherokee, including costs of legal services and other associated costs, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 2,675,179  
..... FTEs 46.00<sup>3</sup>

2. Unless specifically prohibited by law, if the amount charged provides for recoupment of at least the entire amount of direct and indirect costs, the department of human services may contract with other states to provide care and treatment of persons placed by the other states at the unit for sexually violent predators at Cherokee. The moneys received under such a contract shall be considered to be repayment receipts and used for the purposes of the appropriation made in this section.

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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 50,657,828  
..... FTEs 1,800.00

<sup>3</sup> See 2003 Iowa Acts, First Extraordinary Session, chapter 2, §32 herein

Priority in filling full-time equivalent positions shall be given to those positions related to child protection services.

2. In operating the service area system established pursuant to 2001 Iowa Acts, Second Extraordinary Session, chapter 4, for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the department shall utilize the service areas and service area administrators in lieu of regions and regional administrators, notwithstanding the references to department regions or regional administrators in sections 232.2, 232.52, 232.68, 232.72, 232.102, 232.117, 232.127, 232.143, 232.188, and 234.35, or other provision in law. \*The department shall submit proposed legislation under section 2.16 for consideration by the Eightieth General Assembly, 2004 Session, to correct the references in the necessary Code sections.\*

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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:  
..... \$ 10,803,626  
..... FTEs 286.00

1. Of the funds appropriated in this section, \$57,000 is allocated for the prevention of disabilities policy council established in section 225B.3.

2. Up to \$500,000 of the moneys received in any settlement of overpayments made to a child development center or to any other provider that results in a settlement in excess of \$150,000 shall be considered as repayment receipts and shall only be used for the costs of filling full-time equivalent positions authorized but not funded by the appropriations made for the purposes of this section.

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, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:  
..... \$ 109,568

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

1. a. For the fiscal year beginning July 1, 2003, nursing facilities shall be reimbursed at 100 percent of the modified price-based case-mix reimbursement rate. Nursing facilities reimbursed under the medical assistance program shall submit annual cost reports and additional documentation as required by rules adopted by the department.

b. For the fiscal year beginning July 1, 2003, the department shall reimburse pharmacy dispensing fees using a single rate of \$4.26 per prescription or the pharmacy's usual and customary fee, whichever is lower.

c. For the fiscal year beginning July 1, 2003, reimbursement rates for inpatient and outpatient hospital services shall remain at the rates in effect on June 30, 2003. The department shall continue the outpatient hospital reimbursement system based upon ambulatory patient groups implemented pursuant to 1994 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph "f". In addition, the department shall continue the revised medical assistance payment policy implemented pursuant to that paragraph to provide reimbursement for costs of screening and treatment provided in the hospital emergency room if made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program. Any rebasing of hospital inpatient or outpatient rates shall not increase total payments for inpatient and outpatient services.

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

d. For the fiscal year beginning July 1, 2003, reimbursement rates for rural health clinics, hospices, independent laboratories, and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. For the fiscal year beginning July 1, 2003, reimbursement rates for home health agencies shall remain at the rates in effect on June 30, 2003.

f. For the fiscal year beginning July 1, 2003, federally qualified health centers shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

g. Beginning July 1, 2003, the reimbursement rates for dental services shall remain at the rates in effect on June 30, 2003.

h. Beginning July 1, 2003, the reimbursement rates for community mental health centers shall remain at the rates in effect on June 30, 2003.

i. For the fiscal year beginning July 1, 2003, the maximum reimbursement rate for psychiatric medical institutions for children shall remain at the rate in effect on June 30, 2003, based on per day rates for actual costs.

j. For the fiscal year beginning July 1, 2003, unless otherwise specified in this Act, all non-institutional medical assistance provider reimbursement rates shall remain at the rates in effect on June 30, 2003, except for area education agencies, local education agencies, infant and toddler services providers, and those providers whose rates are required to be determined pursuant to section 249A.20.

k. Notwithstanding section 249A.20, the average reimbursement rates for health care providers eligible for use of the reimbursement methodology under that section shall remain at the rate in effect on June 30, 2003; however, this rate shall not exceed the maximum level authorized by the federal government.

2. For the fiscal year beginning July 1, 2003, the reimbursement rate for residential care facilities shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

3. For the fiscal year beginning July 1, 2003, the reimbursement rate for providers reimbursed under the in-home-related care program shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

4. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 2002.

5. Notwithstanding section 234.38, in the fiscal year beginning July 1, 2003, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$14.28, the rate for children ages 6 through 11 years shall be \$15.07, the rate for children ages 12 through 15 years shall be \$16.83, and the rate for children ages 16 and older shall be \$16.83.

6. For the fiscal year beginning July 1, 2003, the maximum reimbursement rates for social service providers shall remain at the rates in effect on June 30, 2003. However, the rates may be adjusted under any of the following circumstances:

a. If a new service was added after June 30, 2003, the initial reimbursement rate for the service shall be based upon actual and allowable costs.

b. If a social service provider loses a source of income used to determine the reimbursement rate for the provider, the provider's reimbursement rate may be adjusted to reflect the loss of income, provided that the lost income was used to support actual and allowable costs of a service purchased under a purchase of service contract.

7. The group foster care reimbursement rates paid for placement of children out of state

shall be calculated according to the same rate-setting principles as those used for in-state providers unless the director of human services or the director's designee determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

8. For the fiscal year beginning July 1, 2003, the reimbursement rates for rehabilitative treatment and support services providers shall remain at the rates in effect on June 30, 2003.

9. For the fiscal year beginning July 1, 2003, the combined service and maintenance components of the reimbursement rate paid to a shelter care provider shall be based on the cost report submitted to the department. The maximum reimbursement rate shall be \$83.69 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not to exceed the maximum reimbursement rate.

10. For the fiscal year beginning July 1, 2003, the department shall calculate reimbursement rates for intermediate care facilities for persons with mental retardation at the 80th percentile.

11. For the fiscal year beginning July 1, 2003, for child care providers, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 1998. The department shall set rates in a manner so as to provide incentives for a non-registered provider to become registered.

12. For the fiscal year beginning July 1, 2003, reimbursements for providers reimbursed by the department of human services may be modified if appropriated funding is allocated for that purpose from the senior living trust fund created in section 249H.4, or as specified in appropriations from the healthy Iowans tobacco trust created in section 12.65.

13. The department may adopt emergency rules to implement the hospital crossover claims process.

14. The department may adopt emergency rules to implement this section.

Sec. 32. TRANSFER AUTHORITY. Subject to the provisions of section 8.39, for the fiscal year beginning July 1, 2003, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with this Act, targeted case management for child protection and for activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys, the department of human services may transfer within or between any of the appropriations made in this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

1. For the family investment program.
2. For child care assistance.
3. For child and family services.
4. For field operations.
5. For general administration.
6. MH/MR/DD/BI community services (local purchase).

This section shall not be construed to prohibit existing state transfer authority for other purposes.

Sec. 33. FRAUD AND RECOUPMENT ACTIVITIES. During the fiscal year beginning July 1, 2003, notwithstanding the restrictions in section 239B.14, recovered moneys generated through fraud and recoupment activities are appropriated to the department of human services to be used for additional fraud and recoupment activities performed by the department of human services or the department of inspections and appeals, and the department of human services may add not more than five full-time equivalent positions, in addition to those funded in this Act, subject to both of the following conditions:

1. The director of human services determines that the investment can reasonably be

expected to increase recovery of assistance paid in error, due to fraudulent or nonfraudulent actions, in excess of the amount recovered in the fiscal year beginning July 1, 1997.

2. The amount expended for the additional fraud and recoupment activities shall not exceed the amount of the projected increase in assistance recovered.

Sec. 34. **ELECTRONIC BENEFIT TRANSFER IMPLEMENTATION NONREVERSION.** Unspent funds appropriated in 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 112, and allocated by the department of human services for the purpose of meeting federal food stamp electronic benefit transfer requirements shall not revert but shall remain available for the same purpose until the close of the succeeding fiscal year.

*\*Sec. 35. **VEHICLE DEPRECIATION.** The following facilities and institutions administered by the department of human services are exempt from the depreciation requirement in section 18.120, subsection 1, and the appropriations for the facilities, institutions, and the department shall not be charged for vehicle depreciation otherwise attributable to the facilities and institutions during the fiscal year beginning July 1, 2003:*

1. *The state juvenile institutions.*
2. *The state resource centers.*
3. *The state mental health institutes.*
4. *The unit for commitment of sexually violent predators located at the state mental health institute at Cherokee.\**

Sec. 36. **NEW SECTION. 217A.1 PARENTAL INVOLVEMENT PROGRAM.**

1. The department of human services shall convene an advisory group that includes representatives of the Iowa department of public health, the department of education, the department of workforce development, the department of corrections, the Iowa empowerment board, other state agencies that provide services to families, and representatives of business and industry, parents, faith-based organizations, and state and local community leaders, to present a plan to the general assembly that provides a comprehensive approach to policy and service delivery at the state, county, and local level and provides a network of services to assist both mothers and fathers in parenting their children. While the comprehensive approach shall address the needs of both parents, the focus shall be on creating a policy and service delivery system that provides a network of resources to assist fathers in becoming and remaining engaged in their children's lives. The plan shall be submitted on or before December 31, 2003.

*\*2. The comprehensive approach to parental involvement shall provide for all of the following:*

*a. **STRUCTURE AND POLICIES.***

*(1) Identification of practices that interfere with or fail to help fathers become or remain engaged in their children's lives.*

*(2) Development of flexible service delivery options within the state system, including the public assistance system, to address the varying needs of families which may include modifying traditional enforcement of program requirements, referral to services, or other options.*

*(3) Continuation of child support program efforts to assist fathers in providing for their children and remaining engaged in their children's lives while complying with federal requirements. The efforts may include continuing the fatherhood internet site, seeking additional federal access and visitation grants, and applying for other federal funds that become available, for the purpose of actively engaging fathers in the lives of their children.*

*(4) Integration of the state system and community level services to provide a social service network that is accessible to fathers as well as mothers.*

*(5) Creation of a systemwide approach for delivery of services to families that creates a family support network that does all of the following:*

*(a) Trains service workers to include both fathers and mothers as a family unit, rather than separately, in the delivery of services.*

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

(b) Promotes a common awareness across disciplines, for workers providing services to parents and families, of the importance of both parents in children's lives.

(c) Systematically engages both parents and does not segment families in the provision of services.

(d) Improves communication across delivery systems.

(e) Provides for the partnering of various disciplines and levels of government in providing services to parents and families.

b. CONNECTING FATHERS WITH NECESSARY SERVICES.

(1) Utilization of the existing service system to connect fathers with local community-based services that help fathers develop the skills to become better parents and partners and more productive members of the workforce.

(2) Utilization of employment opportunities and training as catalysts to involve fathers with programs that help fathers develop skills to retain jobs and build healthy relationships.

c. PUBLIC AWARENESS.

(1) Promotion of public awareness of the importance of the emotional and financial involvement of both parents in their children's lives.

(2) Use of the media to encourage parents to discuss pregnancy prevention and parental responsibility with their children.\*

Sec. 37. Section 234.35, subsection 1, paragraph c, Code 2003, is amended to read as follows:

c. When the department has agreed to provide foster care services for the child for a period of not more than ~~thirty~~ ninety days on the basis of a signed placement agreement between the department and the child's parent or guardian ~~initiated on or after July 1, 1992.~~

Sec. 38. Section 514I.4, Code 2003, is amended by adding the following new subsection: NEW SUBSECTION. 1A. The director, with the approval of the board, may contract with participating insurers to provide dental only services.

Sec. 39. Section 514I.5, Code 2003, is amended by adding the following new subsection: NEW SUBSECTION. 9. The hawk-i board may provide approval to the director to contract with participating insurers to provide dental only services. In determining whether to provide such approval to the director, the board shall take into consideration the impact on the overall program of single source contracting for dental services.

Sec. 40. 2002 Iowa Acts, chapter 1125, section 1, subsection 2, paragraphs b and d, are amended to read as follows:

b. Amending rules to ~~maintain the group care standard for a weekly average number of hours of therapy and counseling, but determine compliance by averaging the hours per week over the course of a month for group care documentation and recoupment to streamline requirements relating to skills development by removing the requirements for billed services documentation and clarifying the requirements for meeting weekly average hours of therapy and counseling and the methodology for determining compliance and overpayments. The recoupment for failure to comply shall be applied for a week at a time for noncompliance, not to exceed the number of days paid. This standard shall not be applied to a highly structured juvenile group care program.~~

d. ~~Utilizing a weekly results summary for documentation of the group care requirement for daily provision of skills development.~~

Sec. 41. 2002 Iowa Acts, chapter 1175, section 104, is amended to read as follows:

SEC. 104. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS — FISCAL YEAR 2003-2004. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June

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

30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For distribution to counties of the county mental health, mental retardation, and developmental disabilities allowed growth factor adjustment, as provided in this section in lieu of the provisions of section 331.438, subsection 2, and section 331.439, subsection 3, and chapter 426B:

..... \$ 19,073,638

1. The funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2003-2004, and is allocated as follows:

a. For distribution as provided in this section:

..... \$ 17,073,638

b. For deposit in the risk pool created in the property tax relief fund and for distribution in accordance with section 426B.5, subsection 2:

..... \$ 2,000,000<sup>4</sup>

2. The following formula amounts shall be utilized only to calculate preliminary distribution amounts for fiscal year 2003-2004 under this section by applying the indicated formula provisions to the formula amounts and producing a preliminary distribution total for each county:

a. For calculation of an allowed growth factor adjustment amount for each county in accordance with the formula in section 331.438, subsection 2, paragraph "b":

..... \$ 12,000,000

b. For calculation of a distribution amount for eligible counties from the per capita expenditure target pool created in the property tax relief fund in accordance with the requirements in section 426B.5, subsection 1:

..... \$ 12,492,712<sup>5</sup>

c. For calculation of a distribution amount for counties from the mental health and developmental disabilities (MH/DD) community services fund in accordance with the formula provided in 2002 Iowa Acts, Senate File 2326, section 119, subsection 1 the appropriation made for the MH/DD community services fund for the fiscal year beginning July 1, 2003:

..... \$ 18,127,352

17,727,890

3. Notwithstanding any contrary provisions of sections 225C.7, 331.438, subsection 2, 331.439, subsection 3, and 426B.5, the moneys allocated for distribution in subsection 1, paragraph "b", and in any other Act of the Eightieth General Assembly, 2003 Session, for distribution to counties in the fiscal year beginning July 1, 2003, for purposes of the mental health and developmental disabilities (MH/DD) community services fund under section 225C.7, and for the allowed growth factor adjustment for services paid under a county's section 331.424A mental health, mental retardation, and developmental disabilities services fund and as calculated under subsection 2 to produce preliminary distribution amounts for counties shall be subject to withholding as provided in this section.

4. After applying the applicable statutory distribution formulas to the amounts indicated in subsection 2 for purposes to produce preliminary distribution totals, the department of human services shall apply a withholding factor to adjust an eligible individual county's preliminary distribution total. An ending balance percentage for each county shall be determined by expressing the county's ending balance on a modified accrual basis under generally accepted accounting principles for the fiscal year beginning July 1, 2002, in the county's mental health, mental retardation, and developmental disabilities services fund created under section 331.424A, as a percentage of the county's gross expenditures from that fund for that fiscal year. The withholding factor for a county shall be the following applicable percent:

a. For an ending balance percentage of less than 10 percent, a withholding factor of 0 percent.

b. For an ending balance percentage of 10 through 24 percent, a withholding factor of 25 percent.

c. For an ending balance percentage of 25 through 34 percent, a withholding factor of 60 percent.

<sup>4</sup> See chapter 183, §5 herein

<sup>5</sup> See chapter 179, §3 herein

d. For an ending balance percentage of 35 through 44 percent, a withholding factor of 85 percent.

e. For an ending balance percentage of 45 percent or more, a withholding factor of 100 percent.<sup>6</sup>

5. The total withholding amounts applied pursuant to subsection 4 shall be equal to a withholding target amount of \$7,419,074 and the appropriation enacted by the Eightieth General Assembly, 2003 Session, for the MH/DD community services fund shall be reduced by the amount necessary to attain the withholding target amount. If the department of human services determines that the amount to be withheld in accordance with subsection 4 is not equal to the target withholding amount, the department shall adjust the withholding factors listed in subsection 4 as necessary to achieve the withholding target amount. However, in making such adjustments to the withholding factors, the department shall strive to minimize changes to the withholding factors for those ending balance percentage ranges that are lower than others and shall not adjust the zero withholding factor specified in subsection 4, paragraph "a".<sup>7</sup>

6. A county must comply with both the requirements listed in this subsection to be eligible to receive a funding distribution under this section. The amount that would otherwise be available for distribution to a county that fails to so comply shall be proportionately distributed among the eligible counties. Both of the following requirements are applicable:

a. A county must comply with the December 1, 2003, filing deadline for the county annual financial report in accordance with section 331.403.

b. A county must levy the not less than 70 percent of the maximum amount allowed for the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A for taxes due and payable in the fiscal year beginning July 1, 2003.

7. The department of human services shall authorize the issuance of warrants payable to the county treasurer for the distribution amounts due the counties eligible under this section and notwithstanding prior practice for the MH/DD community services fund, the warrants shall be issued in January 2004.

Sec. 42. 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 126, subsection 3, paragraph d, is amended to read as follows:

d. Notwithstanding section 8.33, ~~up to \$500,000 of~~ a state resource center's revenues that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used in the succeeding fiscal year.

Sec. 43. 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 131, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available until the close of the succeeding fiscal year for the purposes designated under this section.

Sec. 44. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services or the mental health and developmental disabilities commission may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 5, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

<sup>6</sup> See chapter 179, §3 herein

<sup>7</sup> See chapter 179, §3 herein



Sec. 45. REPORTS.

1. Any reports or information required to be compiled and submitted under this Act shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative fiscal bureau, the legislative service bureau, and to the legislative caucus staffs on or before the dates specified for submission of the reports or information.

2. In order to reduce mailing and paper processing costs, the department shall provide, to the extent feasible, reports, notices, minutes, and other documents by electronic means to those persons who have the capacity to access the documents in that manner.

Sec. 46. LAW INAPPLICABLE FOR FISCAL YEAR 2003-2004.

1. The following provisions in Code or rule shall be suspended for the period beginning July 1, 2003, and ending June 30, 2004:

a. The requirements of section 239B.2A, relating to school attendance by children participating in the family investment program.

b. For a case permanency plan, as defined in section 232.2, the requirement for a six-month case permanency plan review for an intact family.

c. The requirements of section 225C.42, relating to an annual evaluation of the family support subsidy program.

2. The department may adopt emergency rules to implement the provisions of this section.

Sec. 47. EFFECTIVE DATES. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The provision under the appropriation for child and family services, relating to requirements of section 232.143 for representatives of the department of human services and juvenile court services to establish a plan for continuing group foster care expenditures for the 2002-2003 fiscal year.

2. The provision under the appropriation for child and family services, relating to the state court administrator determining allocation of court-ordered services funding by June 15, 2003.

3. The provision under the appropriation for child and family services, relating to the requirements in section 237.5A involving a foster parent unable to complete annual training due to being engaged in active duty in the military service.

4. The provision relating to unspent funds for food stamp electronic benefit transfer remaining available from the appropriation made in 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 112, for the 2003-2004 fiscal year.

5. The provisions amending 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, sections 126 and 131, relating to nonreversion of moneys appropriated in fiscal year 2002-2003 for the state resource centers and for the sexually violent predator program.

DIVISION IV  
SENIOR LIVING TRUST FUND

Sec. 48. DEPARTMENT OF ELDER AFFAIRS. There is appropriated from the senior living trust fund created in section 249H.4 to the department of elder affairs for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the development and implementation of a comprehensive senior living program, including program administration and costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes:

..... \$ 7,480,814

1. It is the intent of the general assembly that the department not transfer moneys appropriated to the department for purposes of the assisted living program and adult day care for the fiscal year beginning July 1, 2003.

2. Notwithstanding section 249H.7, the department of elder affairs shall distribute up to

\$300,000 of the funds appropriated in this section in a manner that will supplement and maximize federal funds under the federal Older Americans Act and shall not use the amount distributed for any administrative purposes of either the department of elder affairs or the area agencies on aging.

Sec. 49. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the senior living trust fund created in section 249H.4 to the department of inspections and appeals for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the inspection and certification of assisted living facilities and adult day care services, including program administration and costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	800,000
.....	FTEs	6.00

Sec. 50. DEPARTMENT OF HUMAN SERVICES. There is appropriated from the senior living trust fund created in section 249H.4 to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To provide grants to nursing facilities for conversion to assisted living programs or to provide long-term care alternatives and to provide grants to ICF/MR for conversion to assisted living programs or home and community-based services and to provide grants to long-term care providers for development of long-term care alternatives:

.....	\$	20,000,000
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Up to 25 percent of this amount may be used for development of less restrictive community-based services with a significant focus on reducing the numbers of persons served in state resource centers and other intermediate care facilities for persons with mental retardation as well as for activities designed to facilitate the planning for or placement of such services and persons.

2. To supplement the medical assistance appropriation, including program administration and costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	101,600,000
.....	FTEs	5.00

3. To provide reimbursement for health care services and rent expenses to eligible persons through the home and community-based services waiver and the state supplementary assistance program, including program administration and data system costs associated with implementation, salaries, support, maintenance, and miscellaneous purposes:

.....	\$	1,733,406
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Participation in the rent subsidy program shall be limited to only those persons who are at risk for nursing facility care. The department shall adopt emergency rules to implement this provision.

4. To implement nursing facility provider reimbursements as provided in 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c":

.....	\$	29,950,000
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In order to carry out the purposes of this section, the department shall transfer funds appropriated in this section to supplement other appropriations made to the department of human services.

5. Notwithstanding sections 249H.4 and 249H.5, the department of human services may use moneys from the senior living trust fund for cash flow purposes to make payments under the nursing facility or hospital upper payment limit methodology. The amount of any moneys so used shall be refunded to the senior living trust fund within the same fiscal year and in a prompt manner.

6. Notwithstanding section 8.33, moneys committed to grantees under contract to provide for conversion to assisted living programs or for development of long-term care alternatives that remain unexpended at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for purposes of the contract.

Sec. 51. CONVERSION GRANT PROJECTS — RULES.

1. For the fiscal year beginning July 1, 2003, and ending June 30, 2004, the department of human services shall continue to give greater weight in the scoring methodology to nursing facility conversion projects that are primarily for the renovation and remodeling of the existing nursing facility structure and give less weight to conversion projects that are primarily for new construction. The department of human services shall encourage cooperative efforts between the department of inspections and appeals, the state fire marshal, and the grant applicant to promote the acceptance of nursing facility conversion projects that are primarily renovation and remodeling of the existing nursing facility structure.

2. For the fiscal year beginning July 1, 2003, and ending June 30, 2004, the department of inspections and appeals shall certify all assisted living programs established through nursing facility conversion grants. The department of inspections and appeals shall consult with conversion grant applicants and recipients to establish and monitor occupancy agreements and assisted living program residents shall be allowed access to third-party payors.

DIVISION V  
HOSPITAL TRUST FUND

Sec. 52. DEPARTMENT OF HUMAN SERVICES APPROPRIATION. There is appropriated from the hospital trust fund created in section 249I.4 to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To supplement the medical assistance appropriation:  
..... \$ 15,000,000

DIVISION VI  
MEDICAL ASSISTANCE PROGRAM SUPPLEMENTATION

Sec. 53. MEDICAL ASSISTANCE APPROPRIATION SUPPLEMENTATION — FISCAL YEAR 2002-2003. There is appropriated from the following sources, to the department of human services, for the fiscal year beginning July 1, 2002, and ending June 30, 2003, the following amounts, or so much thereof as is necessary, to supplement the appropriations made for the medical assistance program for that fiscal year:

1. From the general fund of the state:  
..... \$ 41,535,000

2. From the senior living trust fund created in section 249H.4:  
..... \$ 9,465,000

3. From the hospital trust fund created in section 249I.4:  
..... \$ 7,000,000

Sec. 54. MEDICAL ASSISTANCE PROGRAM — REVERSION TO SENIOR LIVING TRUST FUND FOR FY 2002-2003. Notwithstanding section 8.33, if moneys appropriated in this division for supplementation of the medical assistance program appropriation for the fiscal year beginning July 1, 2002, and ending June 30, 2003, from the general fund of the state, the senior living trust fund, and the hospital trust fund are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated at the close of the fiscal year, the excess moneys shall not revert but shall be transferred to the senior living trust fund created in section 249H.4.

Sec. 55. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VII  
COMMISSION OF VETERANS AFFAIRS

Sec. 56. COMMISSION OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the commission of veterans affairs for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. COMMISSION OF VETERANS AFFAIRS ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, including the war orphans educational aid fund established pursuant to chapter 35, and for not more than the following full-time equivalent positions:

.....	\$	288,193
.....	FTEs	4.00

The commission of veterans affairs may use the gifts accepted by the chairperson of the commission of veterans affairs, or designee, and other resources available to the commission for use at its Camp Dodge office. The commission shall report annually to the governor and the general assembly on monetary gifts received by the commission for the Camp Dodge office.

2. IOWA VETERANS HOME

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

.....	\$	14,205,741
.....	FTEs	843.50

a. The Iowa veterans home may use the gifts accepted by the chairperson of the commission of veterans affairs and other resources available to the commission for use at the Iowa veterans home.

b. Any Iowa veterans home successor contractor shall not consider employees of a state institution or facility to be new employees for purposes of employee wages, health insurance, or retirement benefits.

c. The chairpersons and ranking members of the joint appropriations subcommittee on health and human services or successor subcommittee shall be notified by January 15 of any calendar year during which a request for proposals is anticipated to be issued regarding any Iowa veterans home contract involving employment, for purposes of providing legislative review and oversight.

d. The Iowa veterans home shall operate with a net state general fund appropriation. The amount appropriated in this subsection is the net amount of state moneys projected to be needed for the Iowa veterans home. The purposes of operating with a net state general fund appropriation are to encourage the Iowa veterans home to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts among all funders of services available from the Iowa veterans home. Moneys appropriated in this subsection may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for purposes of cash flow management the Iowa veterans home may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

e. Revenues attributable to the Iowa veterans home for the fiscal year beginning July 1, 2003, shall be deposited into the Iowa veterans home account and shall be treated as repayment receipts, including but not limited to all of the following:

- (1) Federal veterans administration payments.
- (2) Medical assistance revenue received under chapter 249A.
- (3) Federal Medicare program payments.
- (4) Moneys received from client financial participation.
- (5) Other revenues generated from current, new, or expanded services which the Iowa veterans home is authorized to provide.

f. For the purposes of allocating the salary adjustment fund moneys appropriated in another Act, the Iowa veterans home shall be considered to be funded entirely with state moneys.

g. Notwithstanding section 8.33, up to \$500,000 of the Iowa veterans home revenues that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used in the succeeding fiscal year.

Sec. 57. 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 102, subsection 2, paragraph g, is amended to read as follows:

g. Notwithstanding section 8.33, up to ~~\$500,000~~ \$1,000,000 of the Iowa veterans home revenues that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used in the succeeding fiscal year.

Sec. 58. EFFECTIVE DATE. The section of this division of this Act amending 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 102, being deemed of immediate importance, takes effect upon enactment.

*Approved May 23, 2003, with exceptions noted.*

THOMAS J. VILSACK, *Governor*

Dear Mr. Secretary:

I hereby transmit House File 667, an Act relating to and making appropriations for health and human services to the Department of Elder Affairs, the Iowa Department of Public Health, the Department of Inspections and Appeals, the Department of Human Services, and Commission of Veterans Affairs, and providing effective dates.

There were cooperative efforts to resolve issues in areas addressed by this bill that will allow Iowa to continue to provide services to children and families, even in these challenging times. The Legislature was thoughtful and receptive and this bill reflects a very collaborative process between the stakeholders. Strong efforts were made to protect vulnerable Iowans, including seniors, the disabled, dependent children and families. This bill reflects joint efforts to address Medicaid and child welfare issues.

However, this bill continues to demand more services and reporting requirements at the same time funding levels have been reduced. With a goal of working to provide needed services and reducing process requirements, this bill has several provisions that I cannot support.

I am unable to approve the designated portion of Section 2, subsection 1, paragraph c. This section would require the department of health to produce a report of all the organizations that applied for substance abuse treatment funds, the amounts awarded, and the basis for refusal to award funds to any of the organizations that applied. In accordance with the Accountable Government Act all substance abuse treatment and prevention grants are awarded on a competitive basis. This item is an un-funded mandate that takes time away from customers and communities for unnecessary reporting.

I am unable to approve the item designated as Section 7, subsection 15, paragraphs a through k in their entirety. This language creates a new Iowa marriage grant initiative. The language involved adds new bureaucratic rules and regulations that require extensive staff time that could otherwise be spent providing services to families. Furthermore, language already exists in statute for this program.

I am unable to approve the item designated as Section 11, subsection 8 in its entirety. This language directs the Department of Human Services to work with counties to implement services to people with chronic mental illness. This effort has already been accomplished and is, therefore, redundant.

I am unable to approve the item designated as Section 16, subsection 5 in its entirety. This

language requires additional notice to legislators if additional federal child-care funds are received. This is an unnecessary reporting requirement at a time when funding for staff has been reduced.

I am unable to approve the item designated as Section 16, subsection 7, paragraphs b and c in their entirety. This language directs the Department of Human Services to develop consumer information to assist parents in selecting a child care provider. The department currently provides consumer information to customers and will continue to do so. Staff and funding of the department have been severely reduced leaving the department ill-equipped to provide the support necessary to complete this effort.

I am unable to approve the item designated as Section 18, subsection 12 in its entirety. This language requires the Department of Human Services and juvenile court officers to develop criteria for intensive tracking and supervision of delinquent youth. These criteria were developed three years ago in response to this language; thus, this language is no longer needed.

I am unable to approve the item designated as Section 18, subsection 21. This directs the Department of Human Services to develop a plan to privatize the administration of foster care and adoption programs. Given the fact that no additional funds were provided for this purpose, staffing has been severely reduced, and the child welfare redesign effort is included in SF 453, implementation of this section is counter-productive.

I am unable to approve the item designated as a portion of Section 28, subsection 2. This item requires the Department of Human Services to submit proposed legislation to correct Code references related to service areas. This appears to be the realm of the Legislative Service Bureau or Code Editor rather than the Department of Human Services, especially at a time when the department's resources have been severely reduced.

I am unable to approve the item designated as Section 35. This language exempts the Department of Human Services from making payments to the Vehicle Dispatcher for fiscal year 2004. This would hamper the state's efforts to purchase vehicles when needed and at the best price.

I am unable to approve the item designated as Section 36, subsection 2, in its entirety. This language creates a new initiative on parental involvement. The language involved is very prescriptive, time intensive and can be accomplished without directing the effort.

For the above reasons, I 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 House File 667 are hereby approved as of this date.

Sincerely,  
THOMAS J. VILSACK, *Governor*