

CHAPTER 1031

STATE GOVERNMENT REORGANIZATION

S.F. 2088

AN ACT concerning state government reorganization and efficiency, making appropriations, establishing fees and penalties, and providing effective and applicability provisions.

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

DIVISION I GOVERNMENT INFORMATION TECHNOLOGY SERVICES

Section 1. Section 8A.104, subsection 12, Code 2009, is amended by striking the subsection.

Sec. 2. Section 8A.111, subsection 3, Code 2009, is amended by striking the subsection.

Sec. 3. Section 8A.111, subsection 5, Code 2009, is amended by striking the subsection.

Sec. 4. Section 8A.201, subsection 1, Code 2009, is amended to read as follows:

1. “*Information technology*” means computing and electronics applications used to process and distribute information in digital and other forms and includes information technology devices, information technology services, infrastructure services, and value-added services.

Sec. 5. Section 8A.201, Code 2009, is amended by adding the following new subsection:
NEW SUBSECTION. 3A. “*Infrastructure services*” includes all of the following:

a. Data centers used to support mainframe and other computers and their associated components including servers, information networks, storage systems, redundant or backup power systems, redundant data communications connections, environmental controls, and security devices.

b. Servers, mainframes, or other centralized processing systems.

c. Storage systems, including but not limited to disk, tape, optical, and other structured repositories for storing digital information.

d. Computer networks commonly referred to as local area networks.

e. Network services, including equipment and software which support local area networks, campus area networks, wide area networks, and metro area networks. Network services also include data network services such as routers, switches, firewalls, virtual private networks, intrusion detection systems, access control, internet protocol load balancers, event logging and correlation, and content caching. Network services do not include services provided by the Iowa communications network pursuant to chapter 8D or by the public broadcasting division of the department of education.

f. Groupware applications used to facilitate collaboration, communication, and workflow, including electronic mail, directory services, calendaring and scheduling, and imaging systems.

g. Information technology help desk services.

h. Cyber security functions and equipment.

i. Digital printing and printing procurement services.

j. Data warehouses, including services that assist in managing and locating digital information.

k. Disaster recovery technology and services.

l. Other similar or related services as determined by the chief information officer.

Sec. 6. Section 8A.201, subsection 4, Code 2009, is amended by striking the subsection and inserting in lieu thereof the following:

4. “*Participating agency*” means any state agency, except the state board of regents and institutions operated under the authority of the state board of regents.

Sec. 7. Section 8A.201, subsection 5, Code 2009, is amended to read as follows:

5. "~~Technology governance board~~" advisory council" means the ~~board~~ council established in section 8A.204.

Sec. 8. NEW SECTION. 8A.201A Chief information officer appointed.

1. A chief information officer shall be appointed by the governor to serve at the pleasure of the governor and is subject to confirmation by the senate. If the office becomes vacant, the vacancy shall be filled in the same manner as provided for the original appointment. The chief information officer position is attached to the department of management.

2. The person appointed as the chief information officer for the state shall be professionally qualified by education and have no less than five years' experience in the field of information technology, and a working knowledge of financial management. The chief information officer shall not be a member of any local, state, or national committee of a political party, an officer or member of a committee in any partisan political club or organization, or hold or be a candidate for a paid elective public office. The chief information officer is subject to the restrictions on political activity provided in section 8A.416.

Sec. 9. Section 8A.202, subsection 2, paragraph g, Code 2009, is amended to read as follows:

g. Coordinating and managing the acquisition of information technology services by participating agencies in furtherance of the purposes of this chapter. The department shall institute procedures to ensure effective and efficient compliance with the applicable standards established pursuant to this subchapter. ~~This subchapter shall not be construed to prohibit or limit a participating agency from entering into an agreement or contract for information technology with a qualified private entity.~~

Sec. 10. Section 8A.202, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. Waivers.

a. The department shall adopt rules allowing for participating agencies to seek a temporary or permanent waiver from any of the requirements of this subchapter concerning the acquisition, utilization, or provision of information technology. The rules shall provide that a waiver may be granted upon a written request by a participating agency and approval of the chief information officer. A waiver shall only be approved if the participating agency shows that a waiver would be in the best interests of the state.

b. Prior to approving or denying a request for a waiver, the chief information officer shall consider all of the following:

(1) Whether the failure to grant a waiver would violate any state or federal law; or any published policy, standard, or requirement established by a governing body other than the department.

(2) Whether the waiver would result in the duplication of existing services, resources, or support.

(3) Whether the waiver would obstruct the state's information technology strategic plan, enterprise architecture, security plans, or any other information technology policy, standard, or requirement.

(4) Whether the waiver would result in excessive expenditures or expenditures above market rates.

(5) The life cycle of the system or application for which the waiver is requested.

(6) Whether the participating agency can show that it can obtain or provide the information technology more economically than the information technology can be provided by the department. For purposes of determining if the participating agency can obtain or provide the information technology more economically, the chief information officer shall consider the impact on other participating agencies if the waiver is approved or denied.

(7) Whether the failure to grant a waiver would jeopardize federal funding.

c. Rules adopted pursuant to this subsection relating to a request for a waiver, at a minimum, shall provide for all of the following:

(1) The request shall be in writing and signed by the head of the participating agency seeking the waiver.

(2) The request shall include a reference to the specific policy, standard, or requirement for which the waiver is submitted.

(3) The request shall include a statement of facts including a description of the problem or issue prompting the request; the participating agency's preferred solution; an alternative approach to be implemented by the participating agency intended to satisfy the waived policy, standard, or requirement; the business case for the alternative approach; the economic justification for the waiver or a statement as to why the waiver is in the best interests of the state; the time period for which the waiver is requested; and any other information deemed appropriate.

d. A participating agency may appeal the decision of the chief information officer to the director within seven calendar days following the decision of the chief information officer. The director, after consultation with the technology advisory council, shall respond within fourteen days following the receipt of the appeal.

e. The department of public defense, including both the military division and the homeland security and emergency management division, shall not be required to obtain any information technology services pursuant to this subchapter for the department of public defense or its divisions that is provided by the department pursuant to this chapter without the consent of the adjutant general.

Sec. 11. Section 8A.203, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The chief information officer, in consultation with the director, shall do all of the following as it relates to information technology services:

Sec. 12. Section 8A.203, subsection 1, Code 2009, is amended to read as follows:

1. ~~Prescribe and adopt~~ Advise the director concerning the adoption of information technology standards and rules.

Sec. 13. Section 8A.203, Code 2009, is amended by adding the following new subsections:

NEW SUBSECTION. 6. Coordinate the internal operations of the department as they relate to information technology and develop and implement policies and procedures designed to ensure the efficient administration of the department as they relate to information technology.

NEW SUBSECTION. 7. Recommend to the director for adoption rules deemed necessary for the administration of this subchapter in accordance with chapter 17A.

NEW SUBSECTION. 8. Advise the director concerning contracts for the receipt and provision of information technology services as deemed necessary.

NEW SUBSECTION. 9. Exercise and perform such other powers and duties related to information technology as may be delegated by the director or as may be prescribed by law.

Sec. 14. Section 8A.204, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

8A.204 Technology advisory council.

1. *Definitions.* For purposes of this section, unless the context otherwise requires:

a. "Large agency" means a participating agency with more than seven hundred full-time, year-round employees.

b. "Medium-sized agency" means a participating agency with at least seventy or more full-time, year-round employees, but not more than seven hundred permanent employees.

c. "Small agency" means a participating agency with less than seventy full-time, year-round employees.

2. *Membership.*

a. The technology advisory council is composed of ten members as follows:

(1) The chief information officer.

(2) The director of the department of management, or the director's designee.

(3) Eight members appointed by the governor as follows:

(a) Three representatives from large agencies.

(b) Two representatives from medium-sized agencies.

(c) One representative from a small agency.

(d) Two public members who are knowledgeable and have experience in information technology matters.

b. (1) Members appointed pursuant to paragraph “a”, subparagraph (3), shall serve two-year staggered terms. The department shall provide, by rule, for the commencement of the term of membership for the nonpublic members. The terms of the public members shall be staggered at the discretion of the governor.

(2) Sections 69.16, 69.16A, and 69.19 shall apply to the public members of the council.

(3) Public members appointed by the governor are subject to senate confirmation.

(4) Public members appointed by the governor may be eligible to receive compensation as provided in section 7E.6.

(5) Members shall be reimbursed for actual and necessary expenses incurred in performance of the members’ duties.

(6) A director, deputy director, or employee with information technology expertise of an agency is preferred as an appointed representative for each of the agency categories of membership pursuant to paragraph “a”, subparagraph (3).

c. The technology advisory council annually shall elect a chair and a vice chair from among the members of the council, by majority vote, to serve one-year terms.

d. A majority of the members of the council shall constitute a quorum.

e. Meetings of the council shall be held at the call of the chairperson or at the request of three members.

3. *Powers and duties of the council.* The powers and duties of the technology advisory council as they relate to information technology services shall include but are not limited to all of the following:

a. Advise the chief information officer in developing and adopting information technology standards pursuant to sections 8A.203 and 8A.206 applicable to all agencies.

b. Make recommendations to the chief information officer regarding all of the following:

(1) Technology utility services to be implemented by the department.

(2) Improvements to information technology service levels and modifications to the business continuity plan for information technology operations developed by the department for agencies, and to maximize the value of information technology investments by the state.

(3) Technology initiatives for the executive branch.

c. Advise the department regarding rates to be charged for access to and for value-added services performed through IowAccess.

Sec. 15. Section 8A.205, subsection 2, paragraph f, Code 2009, is amended by striking the paragraph and inserting in lieu thereof the following:

f. Assist participating agencies in converting printed government materials to electronic materials which can be accessed through an internet searchable database.

g. Encourage participating agencies to utilize a print on demand strategy to reduce publication overruns, excessive inventory, and obsolete printed materials.

Sec. 16. Section 8A.206, subsection 1, Code 2009, is amended to read as follows:

1. The department, ~~in conjunction after consultation~~ with the technology governance board advisory council, shall develop and adopt information technology standards applicable to the procurement of information technology by all participating agencies. Such standards, unless waived by the department pursuant to section 8A.202, subsection 4A, shall apply to all information technology procurements for participating agencies.

Sec. 17. Section 8A.207, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. The department shall develop policies and procedures that apply to all information technology goods and services acquisitions, and shall ensure the compliance of all participating agencies. The department shall also be the sole provider of infrastructure services for participating agencies.

Sec. 18. Section 8A.221, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

8A.221 IowAccess — duties and responsibilities.

1. *IowAccess*. The department shall establish IowAccess as a service to the citizens of this state that is the gateway for one-stop electronic access to government information and transactions, whether federal, state, or local. Except as provided in this section, IowAccess shall be a state-funded service providing access to government information and transactions. The department, in establishing the fees for value-added services, shall consider the reasonable cost of creating and organizing such government information through IowAccess.

2. *Duties*. The department shall do all of the following:

a. Establish rates to be charged for access to and for value-added services performed through IowAccess.

b. Approve and establish the priority of projects associated with IowAccess. The determination may also include requirements concerning funding for a project proposed by a political subdivision of the state or an association, the membership of which is comprised solely of political subdivisions of the state. Prior to approving a project proposed by a political subdivision, the department shall verify that all of the following conditions are met:

(1) The proposed project provides a benefit to the state.

(2) The proposed project, once completed, can be shared with and used by other political subdivisions of the state, as appropriate.

(3) The state retains ownership of any final product or is granted a permanent license to the use of the product.

c. Establish expected outcomes and effects of the use of IowAccess and determine the manner in which such outcomes are to be measured and evaluated.

d. Establish the IowAccess total budget request and ensure that such request reflects the priorities and goals of IowAccess as established by the department.

e. Advocate for access to government information and services through IowAccess and for data privacy protection, information ethics, accuracy, and security in IowAccess programs and services.

f. Receive status and operations reports associated with IowAccess.

3. *Data purchasing*. This section shall not be construed to impair the right of a person to contract to purchase information or data from the Iowa court information system or any other governmental entity. This section shall not be construed to affect a data purchase agreement or contract in existence on April 25, 2000.

Sec. 19. Section 8A.224, subsection 1, Code Supplement 2009, is amended to read as follows:

1. An IowAccess revolving fund is created in the state treasury. The revolving fund shall be administered by the department and shall consist of moneys collected by the department as fees, moneys appropriated by the general assembly, and any other moneys obtained or accepted by the department for deposit in the revolving fund. The proceeds of the revolving fund are appropriated to and shall be used by the department to maintain, develop, operate, and expand IowAccess consistent with this subchapter, and for the support of activities of the technology ~~governance board~~ advisory council pursuant to section 8A.204.

Sec. 20. REPEAL. Section 8A.223, Code 2009, is repealed.

Sec. 21. DEPARTMENT OF ADMINISTRATIVE SERVICES INFORMATION TECHNOLOGY — UTILIZATION BY LEGISLATIVE AND JUDICIAL BRANCH. The department of administrative services shall consult with and explore opportunities with the legislative and judicial branches of government relative to the providing of information technology services to those branches of government.

Sec. 22. CHIEF INFORMATION OFFICER — CONVENIENCE FEE STUDY. The chief information officer of the state shall conduct a study concerning convenience or other handling fees charged by state agencies by credit or debit card or other electronic means of payment. The goal of the study would be to encourage the elimination of such fees wherever possible. The department shall determine the extent and amount of the fees charged, revenues generated by those fees, and explore ways to reduce or eliminate the fees. The chief information officer shall submit a report to the general assembly by January

15, 2011, concerning the results of the study, including any recommendations for legislative consideration.

Sec. 23. STATE AGENCY ELECTRONIC RENEWAL NOTICES. State agencies, as defined in section 8A.101, should, to the greatest extent possible, utilize electronic mail or similar electronic means to notify holders of licenses or permits issued by that state agency that the license or permit needs to be renewed. The chief information officer of the state shall assist state agencies in implementing the directive in this section.

DIVISION II ELECTRONIC RECORDS

Sec. 24. Section 7A.11A, Code 2009, is amended to read as follows:

7A.11A Reports to the general assembly.

All reports required to be filed with the general assembly by a state department or agency shall be filed by delivering ~~one printed copy and~~ one copy in electronic format as prescribed by the secretary of the senate and the chief clerk of the house.

Sec. 25. STUDY — CREATION, STORAGE, AND RETENTION OF ELECTRONIC RECORDS — STATE AGENCIES. The departments of administrative services and cultural affairs, in consultation with the state records commission, shall conduct a study on and make recommendations for the creation, storage, and retention of state agency records in an electronic format and shall submit a report containing the recommendations to the general assembly by December 15, 2010. In conducting the study, the departments shall collect and assess information from each state agency that includes an inventory of each agency's records including the types of agency records as well as agency records series retention and disposition schedules. The assessment shall include agency records identified as having permanent historical value by the state records commission. The departments shall also describe in the report what efficiencies and cost-saving efforts could be achieved through the creation, storage, and maintenance of such records in an electronic format.

DIVISION III PUBLICATION MODERNIZATION

Sec. 26. Section 2.42, subsection 13, Code 2009, is amended to read as follows:

13. To establish policies with regard to the publishing of printed and electronic versions of legal publications as provided in chapters 2A and 2B, including the ~~Iowa administrative code, the Iowa administrative bulletin, the Iowa Code, the Iowa Code Supplement, and the Iowa Acts~~ Iowa Acts, Iowa Code, Code Supplement, Iowa administrative bulletin, Iowa administrative code, and Iowa court rules, or any part of those publications. The publishing policies may include, but are not limited to: the style and format to be used; the frequency of publication; the contents of the publications; the numbering ~~system~~ systems to be used ~~in the Iowa Code, the Iowa Code Supplement, and the Iowa Acts~~; the preparation of editorial comments or notations; the correction of errors; the type of print or electronic media and data processing software to be used; the number of ~~printed~~ volumes to be published; recommended revisions ~~of the Iowa Code, the Iowa Code Supplement, and the Iowa Acts~~; the letting of contracts for the publication of the ~~Iowa administrative code, the Iowa administrative bulletin, the Iowa court rules, the Iowa Code, the Iowa Code Supplement, and the Iowa Acts~~; the pricing of the publications to which section 22.3 does not apply; access to, and the use, reproduction, legal protection, sale or distribution, and pricing of related data processing software consistent with chapter 22; and any other matters deemed necessary to the publication of uniform and understandable publications.

Sec. 27. Section 2A.1, subsection 2, paragraph d, Code 2009, is amended to read as follows:

d. Publication of the official legal publications of the state, including but not limited to the Iowa Acts, Iowa Code, Iowa Code Supplement, Iowa Acts, Iowa court rules, Iowa

administrative bulletin, and Iowa administrative code, and Iowa court rules as provided in chapter 2B. The legislative services agency shall do all of the following:

(1) Designate a legal publication described in chapter 2B as an official legal publication. The legislative services agency may also designate a legal publication as an unofficial legal publication. The legislative services agency may use the great seal of the state of Iowa as provided in section 1A.1 or other symbol to identify an official or unofficial legal publication.

(2) Provide for citing official legal publications as provided in chapter 2B.

Sec. 28. Section 2A.5, subsection 1, Code 2009, is amended to read as follows:

1. The legislative services agency shall publish the official legal publications of the state as provided in chapter 2B. The legislative services agency shall have legal custody of the publications and shall provide for the warehousing, sale, and distribution of the publications. The legislative services agency shall retain or cause to be retained a number of old editions of the publications but may otherwise distribute or cause to be distributed old editions of the publications to any person upon payment by the person of any distribution costs. This section and chapter 2B do not require the legislative services agency to publish a publication in both a printed and electronic version.

Sec. 29. Section 2A.5, subsection 2, paragraph b, Code 2009, is amended to read as follows:

b. The Iowa Code Supplement.

Sec. 30. Section 2A.5, subsection 3, Code 2009, is amended to read as follows:

3. The legislative services agency shall in each odd-numbered year compile for publication and distribute in odd-numbered years a printed or electronic version of the Iowa official register for distribution as soon as practicable. The register shall contain historical, political, and other information and statistics of general value but shall not contain information or statistics of a partisan character. The ~~print~~ printed and electronic versions of the register need not contain the same information and statistics but shall be published to provide the greatest access to such information and statistics at the most reasonable cost as determined by the legislative services agency. The different versions of the register may be distributed free of charge, may be distributed free of charge except for postage and handling charges, or may be sold at a price to be established by the legislative services agency.

Sec. 31. Section 2A.6, Code 2009, is amended to read as follows:

2A.6 Special distribution of legal publications — ~~restrictions on free distributions.~~

1. The legislative services agency shall make ~~free distribution of the available electronic or printed versions of the official legal publications listed in section 2A.5, subsection 2, subject to payment of any routine distribution costs such as but not limited to mailing and handling costs,~~ to the three branches of state government, to elected county officers, to county and city assessors, to Iowa's congressional delegation, to federal courts in Iowa and federal judges and magistrates for Iowa, and to state and university depository libraries, the library of Congress, and the library of the United States supreme court. ~~Only such officers, offices, and agencies entitled to or receiving free copies during the fiscal year beginning July 1, 2002, and ending June 30, 2003, shall be entitled to continue to receive free copies in subsequent years, except that successor and new officers, offices, and agencies shall receive a reasonable number of free copies as determined by the legislative services agency. Such officers, offices, and agencies shall annually review the number of copies received in the prior year to determine if the number of copies received can be reduced and shall submit the information in a report to the legislative services agency. The number of copies received, once reduced, shall not be increased to the previous level without the express consent of the legislative services agency.~~

2. ~~Each officer, office, or agency receiving one or more free copies of a publication under this section shall only receive up to the number of copies indicated free at the time of initial distribution. If an officer, office, or agency receiving one or more free copies of a publication under this section desires additional copies beyond the number initially received, the officer, office, or agency must request the additional copies and pay the normal charge for such publication.~~

~~3. If a version of a publication provided under this section is available in an electronic format, the legislative services agency may establish policies providing for the substitution of an electronic version for the printed version of the publication, and for the amount of payment, if any, required for the electronic publication. The payment amount shall not be more than established pursuant to section 2A.5 for the same publication. For the Iowa administrative code and its supplements, the legislative services agency may provide that the distribution requirement of this section is met by distributing relevant portions of the Iowa administrative code or its supplements in either a printed or electronic format.~~

~~4. 2. Notwithstanding any provision of this section to the contrary, the The legislative services agency may review the publication costs and offsetting sales revenues relating to legal publications in electronic and printed formats, and may. If a legal publication is available in an electronic version, the legislative services agency may provide the version free of charge or may charge a fee for any mailing or handling costs in the distribution of the electronic version or may charge a fee for an electronic version which includes programming not originally part of the stored information, including but not limited to search and retrieval functions. The legislative services agency shall establish policies requiring payment for any printed versions of the official legal publications from persons otherwise entitled to receive them at no cost or at a price covering distribution costs to whom the legislative services agency is obligated to make the legal publications available pursuant to subsection 1. The payment amount shall not be more than established pursuant to section 2A.5 for the same publication.~~

Sec. 32. Section 2B.5, subsections 1 and 2, Code 2009, are amended by striking the subsections and inserting in lieu thereof the following:

1. Publish the Iowa administrative bulletin and the Iowa administrative code as provided in section 2B.5A.
2. Publish the Iowa court rules as provided in section 2B.5B.

Sec. 33. Section 2B.5, subsection 3, Code 2009, is amended to read as follows:

~~3. Cause to be published annually a~~ Publish annually an electronic or printed edition of the roster of state officials. The roster of state officials shall include a correct list of state officers and deputies; members of boards and commissions; justices of the supreme court, judges of the court of appeals, and judges of the district courts including district associate judges and judicial magistrates; and members of the general assembly. The office of the governor shall cooperate in the preparation of the list.

Sec. 34. **NEW SECTION. 2B.5A Iowa administrative bulletin and Iowa administrative code.**

1. The legislative services agency shall control and maintain in a secure electronic repository custodial information used to produce the Iowa administrative bulletin and the Iowa administrative code.

2. In consultation with the administrative rules coordinator, the administrative code editor shall prescribe a uniform style and form required for a person filing a document for publication in the Iowa administrative bulletin or the Iowa administrative code, including but not limited to a rulemaking document. A rulemaking document includes a notice of intended action as provided in section 17A.4 or an adopted rule for filing as provided in section 17A.5. The rulemaking document shall correlate each rule to the uniform numbering system established by the administrative code editor. The administrative code editor shall provide for electronic publication of the Iowa administrative bulletin and the Iowa administrative code. The administrative code editor shall review all submitted documents for style and form and notify the administrative rules coordinator if a rulemaking document is not in proper style or form, and may return or revise a document which is not in proper style and form. The style and form prescribed shall require that a rulemaking document include a reference to the statute which the rules are intended to implement.

3. *a.* The administrative code editor may omit from the Iowa administrative bulletin or the Iowa administrative code any document for publication in the Iowa administrative bulletin or the Iowa administrative code, if the administrative code editor determines that its publication

would be unduly cumbersome, expensive, or otherwise inexpedient. The person filing the document for publication shall provide the administrative code editor with an electronic version of the document. The administrative code editor shall publish the document on the general assembly's internet site, and publish a notice in the Iowa administrative bulletin or the Iowa administrative code stating the specific subject matter of the omitted document and how the omitted document may be accessed.

b. The administrative code editor shall omit or cause to be omitted from the Iowa administrative code any rule or portion of a rule nullified by the general assembly pursuant to Article III, section 40, of the Constitution of the State of Iowa.

4. The administrative code editor who receives a publication from an agency because the publication is referenced in the Iowa administrative bulletin or Iowa administrative code shall make the publication available to the public pursuant to section 17A.6.

5. The administrative code editor shall publish the Iowa administrative bulletin in accordance with section 2.42 at least every other week, unless the administrative code editor and the administrative rules review committee determine that an alternative publication schedule is preferable. The administrative code editor shall provide for the arrangement of the contents of the Iowa administrative bulletin.

a. The Iowa administrative bulletin shall contain all of the following:

(1) Rulemaking documents, including notices of intended action as provided in section 17A.4, and rules adopted and effective immediately upon filing and rules adopted and filed as provided in section 17A.5.

(2) Resolutions nullifying administrative rules passed by the general assembly pursuant to Article III, section 40 of the Constitution of the State of Iowa.

(3) All proclamations and executive orders of the governor which are general and permanent in nature.

(4) Other materials deemed fitting and proper by the administrative rules review committee.

(5) Items required to be published by statute.

(6) A comprehensive method to search and identify its contents. An electronic version may include search and retrieval programming and index.

b. The Iowa administrative bulletin may contain all of the following:

(1) A preface.

(2) A rulemaking schedule.

(3) The agenda for the next meeting of the administrative rules review committee as provided in section 17A.8, if available.

(4) A schedule of known public hearings.

(5) A list of agencies referenced by agency identification number.

6. The administrative code editor shall publish the Iowa administrative code in accordance with section 2.42 at least every other week, unless the administrative code editor and the administrative rules review committee determine that an alternative publication schedule is preferable. However, the legislative services agency may publish supplements in lieu of the Iowa administrative code. The administrative code editor shall provide for the arrangement of the Iowa administrative code.

a. The Iowa administrative code shall include all of the following:

(1) Rules of general application adopted and filed with the administrative code editor by state agencies. However, the administrative code editor may delete a rule from the Iowa administrative code if the agency that adopted the rule has ceased to exist, no successor agency has jurisdiction over the rule, and no statutory authority exists supporting the rule.

(2) A comprehensive method to search and identify its contents, including rules.

(a) An electronic version may include search and retrieval programming and index.

(b) A print edition may include an index.

b. The Iowa administrative code may include all of the following:

(1) A preface.

(2) Uniform rules on agency procedure.

Sec. 35. NEW SECTION. **2B.5B Iowa court rules.**

1. The legislative services agency shall control and maintain in a secure electronic repository custodial information used to produce the Iowa court rules.

2. The administrative code editor, upon direction by the Iowa supreme court and in accordance with the policies of the legislative council pursuant to section 2.42 and the legislative services agency pursuant to section 2A.1, shall prescribe a uniform style and form required for filing a document for publication in the Iowa court rules. The document shall correlate each rule to the uniform numbering system. The administrative code editor shall provide for electronic publication of the Iowa court rules. The administrative code editor shall review all submitted documents for style and form and notify the Iowa supreme court if a rulemaking document is not in proper style or form, and may return or revise a document which is not in proper style and form.

3. a. The administrative code editor shall publish the Iowa court rules in accordance with section 2.42. However, the legislative services agency may publish supplements in lieu of the Iowa court rules. The administrative code editor shall provide for arrangement of the Iowa court rules in consultation with the Iowa supreme court.

b. The Iowa court rules shall include all of the following:

(1) Rules prescribed by the supreme court, which may include the Iowa rules of civil procedure, the Iowa rules of criminal procedure, the Iowa rules of evidence, the Iowa rules of appellate procedure, the Iowa rules of professional conduct, and the Iowa code of judicial conduct.

(2) A comprehensive method to search and identify its contents, including court rules.

(a) An electronic version may include search and retrieval programming and index.

(b) A print version shall include an index.

c. The Iowa court rules may include all of the following:

(1) A preface.

(2) Tables, including tables of corresponding rule numbers.

Sec. 36. Section 2B.6, subsections 2 and 3, Code 2009, are amended by striking the subsections and inserting in lieu thereof the following:

2. Provide for the publication of all of the following:

a. The Iowa Acts as provided in section 2B.10.

b. The Iowa Code or Code Supplement, as provided in section 2B.12.

Sec. 37. Section 2B.10, Code 2009, is amended to read as follows:

2B.10 Iowa Acts.

1. The legislative services agency shall control and maintain in a secure electronic repository custodial information used to produce the Iowa Acts.

2. The legislative services agency shall publish the annual edition of the Iowa Acts as soon as possible after the final adjournment of a regular session of the general assembly. The legislative services agency may also publish an updated edition of the Iowa Acts or a supplement to the Iowa Acts after a special session of the general assembly.

~~1. 3. a. The arrangement of the Acts and resolutions, and the size, style, type, binding, general arrangement, and tables of the Iowa Acts, appearance, and contents of the Iowa Acts shall be printed and published in the manner determined by the Iowa Code editor in accordance with the policies set by the of the legislative council and legislative services agency as provided in section 2.42.~~

~~2. b. Chapters of The bills and joint resolutions of the Iowa Acts may be arranged by chapter, numbered from one for the first regular session shall be numbered from one and chapters of the second regular session shall be and numbered from one thousand one for the second regular session.~~

4. The Iowa Acts shall include all of the following:

a. A preface.

b. A table of contents.

~~3. c. A list of elective state officers and deputies, supreme court justices, judges of the court of appeals, and members of the general assembly shall be published annually with the Iowa Acts, and members of Iowa's congressional delegation.~~

4. ~~d.~~ A statement of the condition of the state treasury ~~shall be included~~, as provided by Article III, section 18, of the Constitution of the State of Iowa. The statement shall be furnished to the legislative services agency by the director of the department of administrative services.

~~e.~~ An analysis of its chapters.

~~f.~~ The text of bills that have been enacted and joint resolutions that have been enacted or passed by the general assembly, including text indicating items disapproved in appropriation bills.

~~g.~~ Messages transmitted by the governor disapproving items in appropriation bills.

~~h.~~ A notation of the filing of an estimate of a state mandate prepared by the legislative services agency pursuant to section 25B.5.

~~i.~~ Tables including any analysis of tables.

~~j.~~ A comprehensive method to search and identify its contents, including the text of bills that have been enacted and joint resolutions that have been enacted or passed by the general assembly.

~~(1)~~ An electronic version may include search and retrieval programming and an index and a summary index.

~~(2)~~ A print version may include an index and a summary index.

~~k.~~ Other reference material as determined by the Iowa Code editor in accordance with any policies of the legislative council.

5. The enrolling clerks of the house and senate shall arrange for the Iowa Code editor to receive suitable copies of all Acts and resolutions as soon as they are enrolled.

6. ~~A notation of the filing of an estimate of a state mandate prepared by the legislative services agency pursuant to section 25B.5 shall be included in the Iowa Acts with the text of an enacted bill or joint resolution containing the state mandate.~~

Sec. 38. Section 2B.12, subsections 1 and 2, Code 2009, are amended to read as follows:

1. ~~The legislative services agency shall control and maintain in a secure electronic repository custodial information used to publish the Iowa Code.~~

1. ~~2.~~ ~~A new Iowa Code shall be issued~~ The legislative services agency shall publish an annual edition of the Iowa Code as soon as possible after the final adjournment of the second a regular session of the a general assembly. ~~A However, the legislative services agency may publish a new Code Supplement shall be issued in lieu of the Iowa Code as soon as possible after the first final adjournment of a regular session of the a general assembly. A The legislative services agency may publish a new edition of the Iowa Code or Code Supplement may be issued as soon as possible after the final adjournment of a special session of the general assembly or as required by the legislative council.~~

2. ~~The entire Iowa Code shall be maintained on a computer database which shall be updated as soon as possible after each session of the general assembly. The Iowa Code and Code Supplement shall be prepared and printed on a good quality of paper in one or more volumes, in the manner determined by the Iowa Code editor in accordance with the policies of the legislative council, as provided in section 2.42.~~

Sec. 39. Section 2B.12, subsection 5, Code 2009, is amended by striking the subsection.

Sec. 40. Section 2B.12, subsection 6, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The Iowa Code ~~published after the second regular session of the general assembly~~ shall include all of the following:

Sec. 41. Section 2B.12, subsection 6, paragraph a, Code 2009, is amended by striking the paragraph.

Sec. 42. Section 2B.12, subsection 6, paragraph h, Code 2009, is amended by striking the paragraph and inserting in lieu thereof the following:

~~h.~~ The arrangement of the Code into distinct units, as established by the legislative services agency, which may include titles, subunits of titles, chapters, subunits of chapters,

and sections, and subunits of sections. The distinct units shall be numbered and may include names.

Sec. 43. Section 2B.12, subsection 6, paragraph j, Code 2009, is amended to read as follows:

j. A comprehensive index and a summary index covering method to search and identify its contents, including the text of the Constitution and statutes of the State of Iowa.

(1) An electronic version may include search and retrieval programming, analysis of titles and chapters, and an index and a summary index.

(2) A print version shall include an analysis of titles and chapters, and an index and a summary index.

Sec. 44. Section 2B.12, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. The Iowa Code may include all of the following:

a. A preface.

b. A description of citations to statutes.

c. Abbreviations to other publications which may be referred to in the Iowa Code.

d. Appropriate historical references or source notes.

e. An analysis of the Code by titles and chapters.

f. Other reference materials as determined by the Iowa Code editor in accordance with any policies of the legislative council.

Sec. 45. Section 2B.12, subsections 7 and 8, Code 2009, are amended to read as follows:

7. The A Code Supplement published after the first regular session of the general assembly shall include all of the following:

a. All of the The text of statutes of Iowa of a general and permanent nature which that were enacted or amended during that the preceding regular or special session, except as provided in subsection 3, and; an indication of all sections repealed during that session; and any amendments to the Constitution of the State of Iowa approved by the voters at the preceding general election since the adjournment of the previous regular session of the general assembly.

b. A chapter title and number for each chapter or part of a chapter included.

c. An index covering the material included A comprehensive method to search and identify its contents, including the text of statutes and the Constitution of the State of Iowa.

(1) An electronic version may include search and retrieval programming and an index and a summary index.

(2) A print version may include an index and a summary index.

8. A The Iowa Code or Code Supplement may include appropriate tables showing the disposition of Acts of the general assembly, the corresponding sections from edition to edition of a an Iowa Code or Code Supplement, and other reference material as determined by the Iowa Code editor in accordance with policies of the legislative council.

Sec. 46. Section 2B.13, subsection 1, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The Iowa Code editor in preparing the copy for an edition of the Iowa Code or Iowa Code Supplement shall not alter the sense, meaning, or effect of any Act of the general assembly, but may:

Sec. 47. Section 2B.13, subsection 2, paragraph f, Code 2009, is amended to read as follows:

f. Perform any other editorial tasks required or authorized by section ~~17A.6~~ 2B.5A.

Sec. 48. Section 2B.13, subsections 3, 4, 5, and 7, Code 2009, are amended to read as follows:

3. a. The Iowa Code editor may, in preparing the copy for an edition of the Iowa Code or Iowa Code Supplement, establish standards for and change capitalization, spelling, and punctuation in any Code provision for purposes of uniformity and consistency in Code language.

b. The administrative code editor may establish standards for capitalization, spelling, and punctuation for purposes of uniformity and consistency in the Iowa administrative code.

4. a. The Iowa Code editor shall seek direction from the senate committee on judiciary and the house committee on judiciary when making Iowa Code or Iowa Code Supplement changes, ~~and the~~.

b. The administrative code editor shall seek direction from the administrative rules review committee and the administrative rules coordinator when making Iowa administrative code changes, which appear to require substantial editing and which might otherwise be interpreted to exceed the scope of the authority granted in this section.

5. The Iowa Code editor may prepare and publish comments deemed necessary for a proper explanation of the manner of printing a section or chapter of the Iowa Code or Code Supplement. The Iowa Code editor shall maintain a record of all of the corrections made under subsection 1. The Iowa Code editor shall also maintain a separate record of the changes made under subsection 1, paragraphs “b” through “h”. The records shall be available to the public.

7. a. ~~The effective date of all editorial changes in an edition of the Iowa Code or Iowa Code Supplement is the date of the Iowa Code editor’s approval of the final press proofs for the statutory text contained within that publication. The effective date of all editorial changes for the or an edition of the Iowa administrative code is the its publication date those changes are published in the Iowa administrative code. A publication date is the date the publication is conclusively presumed to be complete, incorporating all revisions or editorial changes.~~

b. The publication date for the publications are as follows:

(1) For the Iowa Code or Code Supplement, the publication date is the first day of the next regular session of the general assembly convened pursuant to Article III, section 2, of the Constitution of the State of Iowa. However, the legislative services agency may establish an alternative publication date, which may be the date that the publication is first available to the public accessing the general assembly’s internet site. The legislative services agency shall provide notice of such an alternative publication date on the general assembly’s internet site.

(2) The publication date for the Iowa administrative code is the date that it is first available to the public accessing the general assembly’s internet site according to a publication schedule provided in section 2B.5A.

c. A publication designated by the legislative services agency as unofficial shall not be used to establish a publication date.

Sec. 49. Section 2B.17, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

2B.17 Official legal publications — citations.

1. An official legal publication designated as such by the legislative services agency as provided in sections 2.42 and 2A.1, is the official and authoritative version of the statutes, administrative rules, or court rules of the state of Iowa.

2. a. The codified version of the state’s constitution shall be known as the Constitution of the State of Iowa.

b. For statutes, the official versions of publications shall be known as the Iowa Acts, the Iowa Code, and the Code Supplement.

c. For administrative rules, the official versions of the publications shall be known as the Iowa Administrative Bulletin and the Iowa Administrative Code.

d. For court rules, the official version of the publication shall be known as the Iowa Court Rules.

3. The legislative services agency may adopt a style manual providing a uniform system of citing the codified Constitution of the State of Iowa and the official versions of publications listed in subsection 2, including by reference to commonly accepted legal sources. The legislative services agency style manual may provide for a different form of citation for electronic and printed versions of the same publication. Nothing in this section affects rules for style and format adopted pursuant to section 2.42.

4. The codified Constitution of the State of Iowa, and statutes enacted and joint resolutions enacted or passed by the general assembly shall be cited as follows:

a. The codified Constitution of the State of Iowa shall be cited as the Constitution of the State of Iowa, with a reference identifying the preamble or boundaries, or article, section, and subunit of a section. Subject to the legislative services agency style manual, the Constitution of the State of Iowa may be cited as the Iowa Constitution.

b. The Iowa Acts shall be cited as the Iowa Acts with a reference identifying the year of the publication in conformance with section 2.2, and the chapter of a bill enacted or joint resolution enacted or passed during a regular session, or in the alternative the bill or joint resolution chamber designation, and the section of the chapter or bill or subunit of a section. A bill or joint resolution enacted or passed during a special session shall be cited by the extraordinary session designation in conformance with section 2.2. If the Iowa Acts have not been published, a bill or joint resolution may be cited by its bill or joint resolution chamber designation.

c. The Iowa Code shall be cited as the Iowa Code. The Code Supplement shall be cited as the Code Supplement. Subject to the legislative services agency style manual, the Iowa Code may be cited as the Code of Iowa or Code and the Code Supplement may be cited as the Iowa Code Supplement, with references identifying parts of the publication, including but not limited to title or chapter, section, or subunit of a section. If the citation refers to a past edition of the Iowa Code or Code Supplement, the citation shall identify the year of publication.

5. Administrative rules shall be cited as follows:

a. The Iowa Administrative Bulletin shall be cited as the IAB, with references identifying the volume number which may be based on a fiscal year cycle, the issue number, and the ARC number assigned to the rulemaking document by the administrative rules coordinator pursuant to section 17A.4. Subject to the legislative services agency style manual, the citation may also include the publication's page number.

b. The Iowa Administrative Code shall be cited as the IAC, with references to an agency's identification number placed at the beginning of the citation and with references to parts of the publication, including but not limited to chapter, rule, or subunit of a rule.

6. The Iowa Court Rules shall be cited as the Iowa Court Rules, with references to the rule number and to subunits of the publication, which may include but are not limited to the Iowa Rules of Civil Procedure, the Iowa Rules of Criminal Procedure, the Iowa Rules of Evidence, the Iowa Rules of Appellate Procedure, the Iowa Rules of Professional Conduct, and the Iowa Code of Judicial Conduct. Subject to the legislative services agency style manual, the names of the rules may be abbreviated.

Sec. 50. NEW SECTION. 2B.18 Iowa Code editor and administrative code editor — custody and authentication.

1. The Iowa Code editor is the custodian of the official legal publications known as the Iowa Acts, Iowa Code, and Code Supplement. The Iowa Code editor may attest to and authenticate any portion of such official legal publication for purposes of admitting a portion of the official legal publication in any court or office of any state, territory, or possession of the United States or in a foreign jurisdiction.

2. The administrative code editor is the custodian of the official legal publications known as the Iowa administrative bulletin, the Iowa administrative code, and the Iowa court rules. The administrative code editor may attest to and authenticate any portion of such official legal publication for purposes of admitting a portion of the official legal publication in any court or office of any state, territory, or possession of the United States or in a foreign jurisdiction.

Sec. 51. Section 7.17, subsection 2, Code 2009, is amended by striking the subsection.

Sec. 52. Section 17A.4, subsection 1, paragraph a, Code 2009, is amended to read as follows:

a. Give notice of its intended action by submitting the notice to the administrative rules coordinator and the administrative code editor. The administrative rules coordinator shall assign an ARC number to each rulemaking document. The administrative code editor shall publish each notice meeting the requirements of this chapter in the Iowa administrative bulletin created pursuant to section ~~17A.6~~ 2B.5A. The agency shall also submit a copy of the notice to the chairpersons and ranking members of the appropriate standing committees of

the general assembly for additional study. Any notice of intended action shall be published at least thirty-five days in advance of the action. The notice shall include a statement of either the terms or substance of the intended action or a description of the subjects and issues involved, and the time when, the place where, and the manner in which interested persons may present their views.

Sec. 53. Section 17A.6, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

17A.6 Publications.

1. The administrative code editor shall publish the Iowa administrative bulletin and the Iowa administrative code as provided in section 2B.5A.

2. An agency which adopts standards by reference to another publication shall deliver an electronic copy of the publication, or the relevant part of the publication, containing the standards to the administrative code editor who shall publish it on the general assembly's internet site. If an electronic copy of the publication is not available, the agency shall deliver a printed copy of the publication to the administrative code editor who shall deposit the copy in the state law library where it shall be made available for inspection and reference.

Sec. 54. Section 89.5, subsection 3, unnumbered paragraph 1, Code 2009, is amended to read as follows:

A rule adopted pursuant to this chapter which adopts standards by reference to another publication shall be exempt from the requirements of section ~~17A.6~~ 2B.5A, subsection 4, if the following conditions exist:

Sec. 55. Section 89A.3, subsection 5, unnumbered paragraph 1, Code Supplement 2009, is amended to read as follows:

A rule adopted pursuant to this section which adopts standards by reference to another publication shall be exempt from the requirements of section ~~17A.6~~ 2B.5A, subsection 4, if the following conditions exist:

Sec. 56. Section 256.53, Code 2009, is amended to read as follows:

256.53 State publications.

Upon issuance of a state publication in any format, a state agency shall ~~deposit with~~ provide the division with an electronic version of the publication at no cost to the division, ~~seventy-five copies of the publication or a lesser number if specified by the division, except as provided in section 2A.6.~~

Sec. 57. Section 267.6, Code 2009, is amended to read as follows:

267.6 Iowa administrative procedure Act.

The provisions of chapter 17A shall not apply to the council or any actions taken by it, except that any recommendations adopted by the council pursuant to section 267.5, subsection 3, and any rules adopted by the council shall be adopted, amended, or repealed only after compliance with the provisions of sections 17A.4, and 17A.5, and ~~17A.6~~ the publication requirements in section 2B.5A.

Sec. 58. APPLICABILITY. The amendment to section 17A.4 in this division of this Act, establishing requirements for an agency to submit copies of rule notices to the chairpersons and ranking members of the appropriate standing committees, is applicable beginning January 11, 2011.

DIVISION IV
STATE BUDGETING AND PERSONNEL

Sec. 59. Section 8.36A, subsection 2, Code 2009, is amended to read as follows:

2. a. If a department or establishment has reached or anticipates reaching the full-time equivalent position level authorized for the department but determines that conversion of a contract position to a full-time equivalent position would result in cost savings while providing comparable or better services, the department or establishment may request the director

of the department of management to approve the conversion and addition of the full-time equivalent position. The request shall be accompanied by evidence demonstrating how the cost savings and service quality will be achieved through the conversion. If approved by the director of the department of management, the department's or establishment's authorized full-time equivalent position level shall be increased accordingly and the revised level shall be reported to the fiscal committee of the legislative council and the legislative services agency.

b. A department or establishment shall not convert a full-time equivalent position authorized for the department or establishment to a contract position and shall not use appropriated moneys for such a contract position unless the department or establishment receives approval from the director of the department of management to convert the full-time equivalent position to a contract position. The director of the department of management shall not approve the conversion unless the department or establishment submits sufficient evidence that the conversion would result in cost savings while providing comparable or better services.

Sec. 60. Section 8.62, subsection 2, Code Supplement 2009, is amended to read as follows:

2. Notwithstanding the provisions of section 8.33 or any other provision of law to the contrary, if on June 30 of a fiscal year, a balance of an operational appropriation remains unexpended or unencumbered, not more than fifty percent of the balance may be encumbered by the agency to which the appropriation was made and used as provided in this section and the remaining balance shall be deposited in the cash reserve fund created in section 8.56. Moneys encumbered under this section shall only be used by the agency during the succeeding fiscal year for internet-based employee training, technology enhancement, or purchases of goods and services from Iowa prison industries. Unused moneys encumbered under this section shall be deposited in the cash reserve fund on June 30 of the succeeding fiscal year.

Sec. 61. Section 8A.413, Code Supplement 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 24. For the development and operation of programs to promote job sharing, telecommuting, and flex-time opportunities for employment within the executive branch.

Sec. 62. **COMMUNITY-BASED CORRECTIONS — STATE ACCOUNTING SYSTEM.** Each judicial district department of correctional services shall utilize the state accounting system for purposes of tracking both appropriations and expenditures. Each judicial district department shall coordinate its accounting activities with the department of management for purposes of implementing the requirements of this section.¹

Sec. 63. **STATE AGENCY EFFICIENCY EFFORTS.**

1. **LEAN EFFORTS.** State agencies shall budget for and plan to conduct lean events as described in section 8.70. Each state agency shall coordinate its activities with the office of lean enterprise created in section 8.70 in developing plans to conduct lean events.

2. **SHARED RESOURCES.** State agencies are encouraged to share resources and services, including staff, training, and educational services, to the greatest extent possible in order to best fulfill the duties of each agency at the least cost.

Sec. 64. **CONTRACT SERVICES — TRAINING.**

1. Each department, as defined in section 8.2, shall separately track the budget and actual expenditures for contract services and for employee training for each appropriation line item.

2. The terms of the contracts for contracted services entered into or revised during the fiscal year shall incorporate quality assurance and cost control measures.

3. The employee training tracking information shall be further divided into training categories. Each department's report on training tracking shall specifically address the use of electronically based training.

¹ See chapter 1190, §21 herein

4. Each department shall report to the legislative services agency on January 15 and July 15 of each year concerning the budget, expenditure, quality assurance, and cost control information addressed by this section for the previous six calendar months.

Sec. 65. FULL-TIME EQUIVALENT POSITIONS — VACANCIES — FUNDING. For the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following shall apply:

1. If a full-time equivalent position authorized for a department or establishment remains vacant for a period of at least six months, the department's or establishment's authorized full-time equivalent position level shall be decreased accordingly. However, the department or establishment may request the director of the department of management to reauthorize the full-time equivalent position if the department or establishment can establish that the position is difficult to fill and is critical for fulfilling the duties of the department or establishment.

2. Moneys appropriated to a department or establishment and designated by the department or establishment in the department's or establishment's adopted budget in the state accounting system for full-time equivalent positions shall only be used for full-time equivalent positions and shall not be used for other purposes.

Sec. 66. JOINT APPROPRIATIONS SUBCOMMITTEES — REVIEW OF AGENCY FEES. Each joint appropriations subcommittee of the general assembly shall examine and review on an annual basis the fees charged by state agencies under the purview of that joint appropriations subcommittee.

DIVISION V SPAN OF CONTROL

Sec. 67. Section 8A.402, subsection 2, paragraph g, Code Supplement 2009, is amended to read as follows:

g. (1) (a) Consult with the department of management and discuss and collaborate with executive branch agencies to implement and maintain a policy for incrementally increasing the aggregate ratio in the number of employees per supervisor supervisory employee in executive branch agencies to be fourteen employees for one supervisor. For purposes of determining the effects of the policy on the state employee workforce, the base date of July 1, 2008, shall be used and the target date for full implementation shall be July 1, 2011. The target aggregate ratio of supervisory employees to other employees shall be as follows:

(i) For the fiscal year beginning July 1, 2010, one to fourteen.

(ii) For the fiscal year beginning July 1, 2011, one to fifteen.

(b) For the purposes of this paragraph "g", "supervisory employee" means a public employee who is not a member of a collective bargaining unit and who has authority, in the interest of a public employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other public employees, to direct such public employees, or to adjust the grievances of such public employees, or to effectively recommend any such action.

(c) In this paragraph "g", executive branch agencies, except the department of public safety, shall not grant a supervisory employee with the right to replace or bump a junior employee not being laid off for a position for which the supervisory employee is qualified.

(d) The policy shall allow appropriation units with twenty-eight or fewer full-time equivalent employee positions to apply for an exception to the policy through the executive council. The policy shall allow for exceptions when the supervisory employee ratio is mandated by a federal requirement.

(e) (i) Beginning July 1, 2011, the policy shall allow a director of an executive branch agency who believes that the agency will not be able to reach the applicable target aggregate ratio to apply for a waiver of that requirement through a five-person review board. In applying for a waiver, the director shall provide detailed documentation to the board describing the efforts that the executive branch agency has made in attempting to meet the applicable target aggregate ratio provided in this paragraph "g". The review board shall consist of the director of the department of management or a designee of the director, three agency directors or the designees of those directors as designated by the governor, and one public member selected by the employee organization representing the greatest number of executive branch employees. However, if a department represented on the review board

seeks a waiver, the member representing the department shall not participate in the decision on whether to grant a waiver for that department.

(ii) Prior to determining whether to grant a waiver, the review board shall make an initial determination of whether the executive branch agency has provided sufficient information to conduct a review. If not, the review board shall deny the request and notify the executive branch agency of the information needed to consider the request for waiver. If a waiver is granted, the review board shall limit the waiver to only those operations within an executive branch agency in which adequate justification for granting a waiver has been established.

(f) The policy shall provide that if layoffs are implemented, the number of middle management position layoffs shall correspond to the relative number of direct service position layoffs.

(g) The policy shall improve on the system in effect as of the base date by specifically defining and accounting for supervisory employee span of control.

(h) The policy shall provide that in calculating the span of control ratio for an executive branch agency, unfunded full-time equivalent positions shall not be utilized.

(e) (i) The department shall present an interim report to the governor and general assembly on or before April 1, 2010, annual updates on or before April 1 subsequently, and a final report on or before April 1, 2011 2012, detailing the effects of the policy on the composition of the workforce, cost savings, government efficiency, and outcomes.

(d) (j) The policy developed pursuant to this paragraph "g" shall not encompass employees under the state board of regents, the department of human services, or a judicial district department of correctional services. However, the department of administrative services shall work with the state board of regents, the department of human services, and the judicial district departments of correctional services to advance the policy as a goal for the supervisory staff of these units of state government.

(2) Evaluate the state's systems for job classification of executive branch employees in order to ensure the existence of technical skill-based career paths for such employees which do not depend upon an employee gaining supervisory responsibility for advancement, and which provide incentives for such employees to broaden their knowledge and skill base. The evaluation shall include but is not limited to a review of the classifications for all positions and providing options for eliminating obsolete, duplicative, or unnecessary job classifications. The department shall present interim reports to the general assembly on or before January 15, 2010, and January 14, 2011, concerning the department's progress in completing the evaluation and associated outcomes.

Sec. 68. NEW SECTION. 262.9C Span of control policy.

1. The state board of regents shall develop and maintain a policy regarding the aggregate ratio of the number of employees per supervisory employee at each of the institutions under the control of the board subject to the requirements of this section.

2. The target span of control aggregate ratio of supervisory employees to other employees shall be one to fifteen. The target span of control ratio shall not apply to employees involved with direct patient care, faculty, and employees in other areas of the institutions that must maintain different span of control ratios due to federal or state regulations.

3. For the purposes of this section, "*supervisory employee*" means a public employee who is not a member of a collective bargaining unit and who has authority, in the interest of a public employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other public employees, to direct such public employees, or to adjust the grievances of such public employees, or to effectively recommend any such action.

4. The policy shall allow departments within an institution under the control of the state board of regents with twenty-eight or fewer full-time equivalent employee positions to be granted an exception to the policy by the board. Departments applying for an exception shall file a statement of need with the applicable institutional human resources office and the office shall make a recommendation to the state board of regents.

5. The state board of regents shall present an interim report to the governor and general assembly on or before April 1, 2010, with annual updates detailing the effects of the policy on the composition of the workforce, cost savings, efficiencies, and outcomes. In addition, the report and annual updates shall identify those departments within each institution under

the control of the board granted an exception by the board to the policy as provided in this section.

Sec. 69. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION VI
BOARD OF REGENTS — COOPERATIVE
PURCHASING

Sec. 70. **NEW SECTION. 262.9B Cooperative purchasing.**

1. *Overview.* The state board of regents for institutions under its control shall coordinate interagency cooperation with state agencies, as defined in section 8A.101, in the area of purchasing and information technology with the goal of annually increasing the amount of joint purchasing. The board and the institutions under the control of the board shall engage the department of administrative services, the chief information officer of the state, and other state agencies authorized to purchase goods and services in pursuing mutually beneficial activities relating to purchasing items and acquiring information technology. The board and the institutions shall explore ways to leverage resources, identify cost savings, implement efficiencies, and improve effectiveness without compromising the mission of the board and the institutions under the control of the board relative to students and research commitments.

2. *Purchasing.*

a. The board shall direct the institutions under its control to cooperate with the department of administrative services and other state agencies authorized to purchase goods and services in efforts to collaboratively purchase goods and services that result in mutual cost savings and efficiency improvements.

b. The board and the institutions under its control shall assist the department of administrative services by doing the following:

(1) Identifying best practices that produce cost savings and improve state government processes.

(2) Exploring joint purchases of general use items that result in mutual procurement of quality goods and services at the lowest reasonable cost.

(3) Exploring flexibility, administrative relief, and transformational changes through procurement technology.

c. The board shall convene at least quarterly an interagency purchasing group meeting including the institutions under its control, the department of administrative services, the department of transportation, and any other state agency authorized to purchase goods and services, for the purposes of timely cooperation in purchasing goods and services and for the identification of practical measures that improve state agency performance of programs and operations, reduce total costs of state government operations, increase productivity, improve services and make state government more responsive and accountable to the public.

3. *Information technology.*

a. The board shall direct institutions under its control to cooperate with the chief information officer of the state in efforts to cooperatively obtain information technology and related services that result in mutual cost savings and efficiency improvements, and shall seek input from the department of administrative services and the chief information officer of the state regarding specific areas of potential cooperation between the institutions under the control of the board and the department of administrative services.

b. The board shall convene at least quarterly an interagency information technology group meeting including the institutions under its control, the state chief information officer and any other agency authorized to purchase goods and services, for purposes of timely cooperation in obtaining information technology and related services.

4. *Cooperative purchasing plan.* The board shall, before July 1 of each year, prepare a plan that identifies specific areas of cooperation between the institutions under its control, the department of administrative services, and the chief information officer of the state, that will be addressed for the next fiscal year including timelines for implementing, analyzing, and

evaluating each of the areas of cooperation. The plan shall also identify the potential for greater interinstitutional cooperation in areas that would result in a net cost savings.

5. *Report.* The board shall, on or before November 1, submit a report to the general assembly and the governor providing information on the cooperative purchasing plan prepared for that fiscal year by the board and on the results of the quarterly interagency meetings, including the specific cost savings or efficiency gains that have resulted from utilization of cooperative efforts and the implementation of identified best practices.

DIVISION VII
DEPARTMENT OF ADMINISTRATIVE SERVICES — PURCHASING

Sec. 71. Section 8A.302, subsection 1, Code 2009, is amended to read as follows:

1. Providing a system of uniform standards and specifications for purchasing. When the system is developed, all items of general use shall be purchased by state agencies through the department, except items² used by the state department of transportation, board of regents and institutions under the control of the state board of regents. However, the department may authorize the department of transportation, the department for the blind, and any other agencies otherwise exempted by law from centralized purchasing, to directly purchase items used by those agencies without going through the department, if the department of administrative services determines such purchasing is in the best interests of the state. However, items of general use may be purchased through the department by any governmental entity.

Sec. 72. Section 8A.311, subsection 10, paragraph a, Code 2009, is amended to read as follows:

a. The director shall adopt rules providing that any state agency may, upon request and approval by the department, purchase directly from a vendor if the direct purchasing is as economical or more economical than purchasing through the department, or upon a showing if the agency shows that direct purchasing by the state agency would be in the best interests of the state due to an immediate or emergency need. ~~The rules shall include a provision permitting a state agency to purchase directly from a vendor, on the agency's own authority, or if the purchase will not exceed ten thousand dollars and the purchase will contribute to the agency complying with or exceeding the targeted small business procurement goals under sections 73.15 through 73.21.~~

Sec. 73. **NEW SECTION. 8A.311A Centralized purchasing.**

1. The department may designate goods and services of general use that agencies shall, and governmental subdivisions may, purchase pursuant to a master contract established by the department for that good or service. The department shall establish a master contract subject to the requirements of this section if the department determines that a high-quality good or service can be acquired by agencies and governmental subdivisions at lower cost through the establishment of a master contract.

2. The department shall establish a master contract pursuant to this section on a competitive basis, and the purchase of a good or service pursuant to the contract shall be deemed to satisfy any otherwise applicable competitive bidding requirements.

3. Upon the establishment of a master contract for a good or service pursuant to this section, an agency shall purchase the good or service pursuant to the contract, and shall not expend money to purchase the good or service directly from a vendor and not through the contract, unless any of the following applies:

a. The department determines, upon a request by the agency, that the agency can satisfy the requirements for purchase of the good or service directly from a vendor as provided in section 8A.311, subsection 10, paragraph "a".

b. The agency is purchasing the good or service pursuant to another contract in effect on the effective date of the master contract. However, the agency shall terminate the other

² See chapter 1190, §22 herein

contract if the contract permits the termination of the contract without penalty and the agency shall not renew the other contract beyond the current term of the other contract.

Sec. 74. Section 8A.312, Code 2009, is amended to read as follows:

8A.312 Cooperative purchasing.

~~The director may purchase items through the state department of transportation, institutions under the control of the state board of regents, and any other agency specifically exempted by law from centralized purchasing as well as from other interstate and intergovernmental entities. These state agencies shall upon request furnish the director with a list of and specifications for all items of office equipment, furniture, fixtures, motor vehicles, heavy equipment, and other related items to be purchased during the next quarter and the date by which the director must file with the agency the quantity of items to be purchased by the state agency for the department. The department shall collaborate and cooperate with the state board of regents and institutions under the control of the state board of regents, as provided in section 262.9B, and any other state agency exempt from centralized purchasing to explore joint purchases of general use items that present opportunities to obtain quality goods and services at the lowest reasonable cost. The department shall be liable to the state agency for the proportionate costs the items purchased for the department bear to the total purchase price. When items purchased have been delivered, the state agency shall notify the director and after receipt of the purchase price shall release the items to the director or upon the director's order.~~

Sec. 75. Section 307.21, subsection 1, paragraph d, Code Supplement 2009, is amended to read as follows:

d. Provide centralized purchasing services for the department, ~~in cooperation with if authorized by~~ the department of administrative services. The administrator shall, when the price is reasonably competitive and the quality as intended, purchase soybean-based inks and plastic products with recycled content, including but not limited to plastic garbage can liners, and shall purchase these items in accordance with the schedule established in section 8A.315. However, the administrator need not purchase garbage can liners in accordance with the schedule if the liners are utilized by a facility approved by the environmental protection commission created under section 455A.6, for purposes of recycling. For purposes of this section, "recycled content" means that the content of the product contains a minimum of thirty percent postconsumer material.

Sec. 76. STATE GOVERNMENT PURCHASING EFFORTS — DEPARTMENT OF ADMINISTRATIVE SERVICES. In order to facilitate efficient and cost-effective purchasing, the department of administrative services shall do the following:

1. Require state agencies to provide the department a report regarding planned purchases on an annual basis and to report on an annual basis regarding efforts to standardize products and services within their own agencies and with other state agencies.
2. Require state employees who conduct bids for services to receive training on an annual basis about procurement rules and regulations and procurement best practices.
3. Identify procurement compliance employees within the department.
4. Review the process and basis for establishing departmental fees for purchasing.
5. Establish a work group to collaborate on best practices to implement the best cost savings for the state concerning purchasing.
6. Explore interstate and intergovernmental purchasing opportunities and encourage the legislative and judicial branches to participate in consolidated purchasing and efficiencies wherever possible.
7. Expand the use of procurement cards throughout state government to facilitate purchasing of items by state agencies.

DIVISION VIII
DEPARTMENT OF ADMINISTRATIVE SERVICES — OPERATIONS

Sec. 77. Section 8A.104, Code 2009, is amended by adding the following new subsection: NEW SUBSECTION. 12A. Examine and develop best practices for the efficient operation of government and encourage state agencies to adopt and implement these practices.

Sec. 78. NEW SECTION. **8A.459 State employee pay and allowances — electronic funds transfer.**

Effective July 1, 2011, notwithstanding any provision of law to the contrary, all pay and allowances to state employees shall be paid via electronic funds transfer, unless otherwise provided pursuant to a collective bargaining agreement. A state employee may elect to receive pay and allowances as paper warrants in lieu of electronic funds transfers, but the department shall charge an administrative fee for processing such paper warrants. However, the department may, for good cause shown, waive the administrative fee. The fee may be automatically deducted from the state employee's pay and allowances before the warrant is issued to the state employee.

Sec. 79. DEPARTMENT OF ADMINISTRATIVE SERVICES — STREAMLINED HIRING. The department of administrative services shall, in consultation with the department of management, examine the process by which state agencies hire personnel with the goal of simplifying and reducing the steps needed for state agencies to hire personnel. The department shall provide information to the general assembly concerning steps taken to implement a more streamlined hiring process and any recommendations for legislative action.

Sec. 80. DEPARTMENT OF ADMINISTRATIVE SERVICES — REAL ESTATE AND LEASE MANAGEMENT.

1. REAL ESTATE AUDIT. The department of administrative services shall complete an inventory of surplus and unused state properties, including properties owned or under the control of the department of transportation, and recommend which assets could be sold at a premium price. State historic buildings would not be eligible for sale and only those assets identified as being surplus and no longer related to their mission would be eligible for sale.

2. LEASE AUDIT. The department of administrative services shall conduct a thorough review of all state office leases and wherever possible, require state agencies to consolidate office spaces that are rented from private sector landlords. In addition, the department should work directly with all state agencies to begin renegotiating office leases to obtain more favorable lease terms.

3. SALE AND LEASEBACK OF STATE OFFICE BUILDING ASSETS. The department of administrative services shall explore potential opportunities for state agencies to sell some properties to a private sector owner and then lease them back.

4. REPORT. The department shall submit a report to the general assembly by January 1, 2011, concerning the requirements of this section. The report shall, if applicable, identify any statutory barriers for pursuing efforts described in this section and shall include in the report its findings and any recommendations for legislative action.

Sec. 81. STATE BOARD OF REGENTS — REAL ESTATE AUDIT. The state board of regents shall complete an inventory of real estate property owned or leased by the state board of regents and institutions under the control of the state board of regents, including information regarding the current and intended use of the property. The board shall submit a report to the general assembly and governor by January 1, 2011, detailing the real estate property owned or leased by the state board of regents and institutions under the control of the state board of regents.

Sec. 82. DEPARTMENT OF ADMINISTRATIVE SERVICES — SALE OF REAL PROPERTY.

1. During the fiscal year beginning July 1, 2010, and ending June 30, 2011, the department of administrative services, in collaboration with the department of human services and

the department of corrections, shall identify and sell real property under the control of the departments that is not necessary to further the mission of the department of human services and the department of corrections and that will maximize the return to the state. Notwithstanding any provision of law to the contrary, moneys received for the sale of property pursuant to this subsection shall be deposited in the general fund of the state.

2. During the fiscal year beginning July 1, 2010, and ending June 30, 2011, the department of administrative services shall, pursuant to the real estate and lease management review conducted by the department as provided in this Act, identify and sell or sell and lease back real property under the control of the department that will maximize the return to the state. Notwithstanding any provision of law to the contrary, moneys received for the sale of property pursuant to this subsection shall be deposited in the general fund of the state.

DIVISION IX
ALCOHOLIC BEVERAGES
DIVISION — MICRO-DISTILLERIES

Sec. 83. Section 123.32, subsection 1, Code Supplement 2009, is amended to read as follows:

1. *Filing of application.* An application for a class “A”, class “B”, class “C”, or class “E” liquor control license, for a class “A” micro-distilled spirits permit, for a retail beer permit as provided in sections 123.128 and 123.129, or for a class “B”, class “B” native, or class “C” native retail wine permit as provided in section 123.178, 123.178A, or 123.178B, accompanied by the necessary fee and bond, if required, shall be filed with the appropriate city council if the premises for which the license or permit is sought are located within the corporate limits of a city, or with the board of supervisors if the premises for which the license or permit is sought are located outside the corporate limits of a city. An application for a class “D” liquor control license and for a class “A” beer or class “A” wine permit, accompanied by the necessary fee and bond, if required, shall be filed with the division, which shall proceed in the same manner as in the case of an application approved by local authorities.

Sec. 84. NEW SECTION. 123.43A Micro-distilled spirits — permit.

1. For the purposes of this section, unless the context other³ requires:

a. “*Micro-distillery*” means a business with an operational still which, combining all production facilities of the business, produces and manufactures less than fifty thousand proof gallons of distilled spirits on an annual basis.

b. “*Micro-distilled spirits*” means distilled spirits fermented, distilled, or, for a period of two years, barrel matured on the licensed premises of the micro-distillery where fermented, distilled, or matured. “*Micro-distilled spirits*” also includes blended or mixed spirits comprised solely of spirits fermented, distilled, or, for a period of two years, barrel matured at a micro-distillery.

2. Subject to rules of the division, a micro-distillery holding a class “A” micro-distilled spirits permit pursuant to this section may sell or offer for sale micro-distilled spirits. As provided in this section, sales may be made at retail for off-premises consumption when sold on the premises of the micro-distillery that manufactures micro-distilled spirits. All sales shall be made through the state’s wholesale distribution system.

3. A micro-distillery shall not sell more than one and one-half liters per person per day, of micro-distilled spirits on the premises of the micro-distillery. In addition, a micro-distillery shall not directly ship micro-distilled spirits for sale at retail. The micro-distillery shall maintain records of individual purchases of micro-distilled spirits at the micro-distillery for three years.

4. A micro-distillery shall not sell micro-distilled spirits other than as permitted in this chapter and shall not allow micro-distilled spirits sold to be consumed upon the premises of the micro-distillery. However, as a part of a micro-distillery tour, micro-distilled spirits of no more than two ounces per person per day may be sampled on the premises where fermented, distilled, or matured, when no charge is made for the sampling.

³ See chapter 1193, §40 herein

5. A class “A” micro-distilled spirits permit for a micro-distillery shall be issued and renewed annually upon payment of a fee of five hundred dollars.

6. The sale of micro-distilled spirits to the division for wholesale disposition and sale by the division shall be subject to the requirements of this chapter regarding such disposition and sale.

7. The division shall issue no more than three permits under this section to a person. In addition, a micro-distillery issued a permit under this section shall file with the division all documents filed by the micro-distillery with the alcohol and tobacco tax and trade bureau of the United States department of the treasury, including all production, storage, and processing reports.

8. Micro-distilled spirits purchased at a micro-distillery shall not be consumed within three hundred feet of a micro-distillery or on any property owned, operated, or controlled by a micro-distillery.

DIVISION X

ALCOHOLIC BEVERAGES DIVISION — CHARITY BEER AND WINE AUCTION PERMIT

Sec. 85. NEW SECTION. **123.173A Charity beer and wine auction permit.**

1. For purposes of this section, “*authorized nonprofit entity*” includes a nonprofit entity which has a principal office in the state, a nonprofit corporation organized under chapter 504, or a foreign corporation as defined in section 504.141, whose income is exempt from federal taxation under section 501(c) of the Internal Revenue Code.

2. An authorized nonprofit entity may, upon application to the division and receipt of a charity beer and wine auction permit from the division, conduct a charity auction which includes beer and wine. The application shall specify the date and time when the charity beer and wine auction is to be conducted and the premises in this state where the charity beer and wine auction is to be physically conducted. The applicant shall certify that the objective of the charity beer and wine auction is to raise funds solely to be used for educational, religious, or charitable purposes and that the entire proceeds from the charity beer and wine auction are to be expended for any of the purposes described in section 423.3, subsection 78.

3. An authorized nonprofit entity shall be eligible to receive only two charity beer and wine auction permits during a calendar year and each charity beer and wine auction permit shall be valid for a period not to exceed thirty-six consecutive hours.

4. The authorized nonprofit entity conducting the charity beer and wine auction shall obtain the beer and wine to be auctioned at the charity beer and wine auction from an Iowa retail beer permittee or an Iowa retail wine permittee, or may receive donations of beer or wine to be auctioned at the charity beer and wine auction from persons who purchased the donated beer or wine from an Iowa retail beer permittee or an Iowa retail wine permittee and who present a receipt documenting the purchase at the time the beer or wine is donated. The authorized nonprofit entity conducting the charity beer and wine auction shall retain a copy of the receipt for a period of one year from the date of the charity beer and wine auction.

5. Persons shall be physically present at the charity beer and wine auction to be eligible to bid on beer and wine sold at the charity auction.

6. The beer and wine sold at the charity beer and wine auction shall be in original containers for consumption off of the premises where the charity beer and wine auction is conducted. No other alcoholic beverage may be sold by the charity beer and wine auction permittee at the charity beer and wine auction. A purchaser of beer or wine at a charity beer and wine auction shall not take possession of the beer or wine until the person is leaving the event. A purchaser of beer or wine at a charity beer and wine auction shall not open the container or consume or permit the consumption of the beer or wine purchased on the premises where the charity beer and wine auction is conducted. A purchaser of beer or wine at a charity beer and wine auction shall not resell the beer or wine.

7. A liquor control licensee, beer permittee, or wine permittee shall not purchase beer or wine at a charity beer and wine auction. The charity beer and wine auction may be conducted on a premises for which a class “B” liquor control license or class “C” liquor control license has been issued, provided that the liquor control licensee does not participate in the charity

beer and wine auction, supply beer or wine to be auctioned at the charity beer and wine auction, or receive any of the proceeds of the charity beer and wine auction.

Sec. 86. Section 123.179, Code 2009, is amended by adding the following new subsection:
NEW SUBSECTION. 5. The fee for a charity beer and wine auction permit is one hundred dollars.

DIVISION XI
 ALCOHOLIC BEVERAGES DIVISION — HIGH
 ALCOHOL BEER

Sec. 87. Section 123.3, subsection 5, Code 2009, is amended to read as follows:

5. *“Alcoholic liquor”* or *“intoxicating liquor”* means the varieties of liquor defined in subsections 3 and 33 which contain more than five percent of alcohol by weight, beverages made as described in subsection 7 which beverages contain more than five percent of alcohol by weight but which are not wine as defined in subsection 37 or high alcoholic content beer as defined in subsection 14A, and every other liquid or solid, patented or not, containing spirits and every beverage obtained by the process described in subsection 37 containing more than seventeen percent alcohol by weight or twenty-one and twenty-five hundredths percent of alcohol by volume, and susceptible of being consumed by a human being, for beverage purposes. Alcohol manufactured in this state for use as fuel pursuant to an experimental distilled spirits plant permit or its equivalent issued by the federal bureau of alcohol, tobacco and firearms is not an *“alcoholic liquor”*.

Sec. 88. Section 123.3, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 14A. *“High alcoholic content beer”* means beer which contains more than five percent of alcohol by weight, but not more than twelve percent of alcohol by weight, that is made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains.

Sec. 89. Section 123.124, Code 2009, is amended to read as follows:

123.124 Permits — classes.

Permits for the manufacture and sale, or sale of beer shall be divided into ~~four~~ six classes, known as class “A”, special class “A”, class “AA”, special class “AA”, class “B”, or class “C” permits. A class “A” permit allows the holder to manufacture and sell beer at wholesale. A holder of a special class “A” permit may only manufacture beer to be consumed on the licensed premises for which the person also holds a class “C” liquor control license or class “B” beer permit and to be sold to a class “A” permittee for resale purposes. A class “AA” permit allows the holder to manufacture and sell high alcoholic content beer at wholesale. A holder of a special class “AA” permit may only manufacture high alcoholic content beer to be consumed on the licensed premises for which the person also holds a class “C” liquor control license or class “B” beer permit and to be sold to a class “AA” permittee for resale purposes. A class “B” permit allows the holder to sell beer to consumers at retail for consumption on or off the premises. A class “C” permit allows the holder to sell beer to consumers at retail for consumption off the premises.

Sec. 90. Section 123.125, Code 2009, is amended to read as follows:

123.125 Issuance of permits.

The administrator shall issue class “A”, special class “A”, class “AA”, special class “AA”, class “B”, and class “C” beer permits and may suspend or revoke permits for cause as provided in this chapter.

Sec. 91. Section 123.127, subsection 1, unnumbered paragraph 1, Code Supplement 2009, is amended to read as follows:

A class “A” or class “AA” permit shall be issued by the administrator to any person who:

Sec. 92. Section 123.127, subsection 2, Code Supplement 2009, is amended to read as follows:

2. An applicant for a special class "A" or special class "AA" permit shall comply with the requirements for a class "A" or class "AA" permit, as applicable, and shall also state on the application that the applicant holds or has applied for a class "C" liquor control license or class "B" beer permit.

Sec. 93. Section 123.130, unnumbered paragraph 1, Code 2009, is amended to read as follows:

Any person holding a class "A" permit issued by the division shall be authorized to manufacture and sell, or sell at wholesale, beer for consumption off the premises, such sales within the state to be made only to persons holding subsisting class "A", "B", or "C" permits, or liquor control licenses issued in accordance with the provisions of this chapter. ~~The holder of a class "A" permit may manufacture beer of more than five percent alcohol by weight for shipment outside this state only. However, a A class "A", class "AA", or special class "AA" permit does not grant authority to manufacture wine as defined in section 123.3, subsection 37.~~

Sec. 94. Section 123.134, Code 2009, is amended by adding the following new subsection: NEW SUBSECTION. 1A. The annual permit fee for a class "AA" or special class "AA" permit is five hundred dollars.

Sec. 95. Section 123.135, subsection 1, Code 2009, is amended to read as follows:

1. A manufacturer, brewer, bottler, importer, or vendor of beer or any agent thereof desiring to ship or sell beer, or have beer brought into this state for resale by a class "A" permittee shall first make application for and be issued a brewer's certificate of compliance by the administrator for that purpose. The certificate of compliance expires at the end of one year from the date of issuance and shall be renewed for a like period upon application to the administrator unless otherwise revoked for cause. Each application for a certificate of compliance or renewal of a certificate shall be accompanied by a fee of ~~one~~ five hundred dollars payable to the division. Each holder of a certificate of compliance shall furnish the information in the form the administrator requires. ~~A brewer whose plant is located in Iowa and who otherwise holds a class "A" beer permit to sell beer at wholesale is exempt from the fee, but not from the terms and conditions of the permit. The holder of a special class "A" permit is exempt from the requirements of this section.~~

Sec. 96. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XII ALCOHOLIC BEVERAGES DIVISION — OPERATIONS

Sec. 97. ALCOHOLIC BEVERAGES DIVISION — STATE WAREHOUSE FRIDAY CLOSURE. For the fiscal period beginning July 1, 2010, and ending June 30, 2015, the administrator of the alcoholic beverages division of the department of commerce as created in chapter 123, shall, pursuant to the authority provided in section 123.21, close the main state warehouse every Friday. However, the administrator may keep the warehouse open on designated Fridays if the administrator determines that anticipated sales on that Friday justify keeping the state warehouse open. The administrator may extend the closure authorized pursuant to this section to the succeeding fiscal year. This section does not repeal any authority previously granted to the division in chapter 123.

Sec. 98. TOBACCO RETAIL COMPLIANCE CHECKS. The terms of a chapter 28D agreement entered into between the division of tobacco use prevention and control of the Iowa department of public health and the alcoholic beverages division of the department of commerce, governing compliance checks conducted to ensure licensed retail tobacco outlet conformity with tobacco laws, regulations, and ordinances relating to persons under eighteen years of age, shall restrict the number of such checks to one check per retail outlet,

and one additional check for any retail outlet found to be in violation during the first check, for the fiscal year beginning July 1, 2010, and ending June 30, 2011.

DIVISION XIII
ALCOHOLIC BEVERAGES DIVISION — DIRECT
SHIPMENT OF WINE

Sec. 99. Section 123.173, subsection 1, Code 2009, is amended to read as follows:

1. Permits Except as provided in section 123.187, permits exclusively for the sale or manufacture and sale of wine shall be divided into four classes, and shall be known as class “A”, “B”, “B” native, or “C” native wine permits.

Sec. 100. Section 123.187, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

123.187 Direct shipment of wine — licenses and requirements.

1. A wine manufacturer licensed or permitted pursuant to laws regulating alcoholic beverages in this state or another state may apply for a wine direct shipper license, as provided in this section. For the purposes of this section, a “*wine manufacturer*” means a person who processes the fruit, vegetables, dandelions, clover, honey, or any combination of these ingredients, by fermentation into wines.

2. *a.* The administrator shall issue a wine direct shipper license to a wine manufacturer who submits a written application for the license on a form to be established by the administrator by rule, accompanied by a true copy of the manufacturer’s current alcoholic beverage license or permit and a copy of the manufacturer’s winery license issued by the federal alcohol and tobacco tax and trade bureau.

b. An application submitted pursuant to paragraph “*a*” shall be accompanied by a license fee in the amount of twenty-five dollars.

c. An application submitted pursuant to paragraph “*a*” shall also be accompanied by a bond in the amount of five thousand dollars in the form prescribed and furnished by the division with good and sufficient sureties to be approved by the division conditioned upon compliance with this chapter.

d. A license issued pursuant to this section may be renewed annually by resubmitting the information required in paragraph “*a*”, accompanied by the twenty-five dollar license fee.

3. The direct shipment of wine pursuant to this section shall be subject to the following requirements and restrictions:

a. Wine may only be shipped by a wine direct shipper licensee to a resident of this state who is at least twenty-one years of age, for the resident’s personal use and consumption and not for resale.

b. Wine subject to direct shipping shall be properly registered with the federal alcohol and tobacco tax and trade bureau, and fermented on the winery premises of the wine direct shipper licensee.

c. All containers of wine shipped directly to a resident of this state shall be conspicuously labeled with the words CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY or shall be conspicuously labeled with alternative wording preapproved by the administrator.

d. All containers of wine shipped directly to a resident of this state shall be shipped by an alcohol carrier licensed as provided in subsection 6.

4. Shipment of wine pursuant to this subsection does not require a refund value for beverage container control purposes under chapter 455C. ⁴

5. A wine direct shipper licensee shall be deemed to have consented to the jurisdiction of the division or any other agency or court in this state concerning enforcement of this section and any related laws, rules, or regulations. A licensee shall permit the division to perform an audit of shipping records upon request.

6. *a.* Wine subject to direct shipment within this state pursuant to this section shall be delivered only by a carrier having obtained from the division an alcohol carrier license. An

⁴ See chapter 1193, §165 herein

alcohol carrier license shall be issued upon payment of a one hundred dollar license fee, and shall be subject to requirements, and issued pursuant to application forms, to be determined by the administrator by rule.

b. An alcohol carrier licensee shall not deliver wine to any person under twenty-one years of age, or to any person who either is or appears to be in an intoxicated state or condition. A licensee shall obtain valid proof of identity and age prior to delivery, and shall obtain the signature of an adult as a condition of delivery.

c. An alcohol carrier licensee shall maintain records of wine shipped which include the license number and name of the wine manufacturer, quantity of wine shipped, recipient's name and address, and an electronic or paper form of signature from the recipient of the wine. Records shall be submitted to the division on a monthly basis in a form and manner to be determined by the division by rule.

7. A violation of this section shall subject a licensee to the penalty provisions of section 123.39.

DIVISION XIV
DEPARTMENT OF HUMAN RIGHTS — REORGANIZATION

Sec. 101. Section 216A.1, Code 2009, is amended to read as follows:

216A.1 Department of human rights — purpose.

1. A department of human rights is created, with the following divisions and offices:

a. Division of community advocacy and services, with the following offices:

1. ~~(1) Division Office~~ of Latino affairs.

2. ~~(2) Division Office~~ on the status of women.

3. ~~(3) Division Office~~ of persons with disabilities.

4. ~~Division of community action agencies.~~

5. ~~(4) Division Office~~ of deaf services.

6. ~~Division of criminal and juvenile justice planning.~~

7. ~~(5) Division Office~~ on the status of ~~African-Americans~~ African Americans.

8. ~~(6) Division on the status of Iowans~~ Office of Asian and Pacific Islander heritage affairs.

9. ~~(7) Division on~~ Office of Native American affairs.

b. Division of community action agencies.

c. Division of criminal and juvenile justice planning.

2. The purpose of the department is to ensure basic rights, freedoms, and opportunities for all by empowering underrepresented Iowans and eliminating economic, social, and cultural barriers.

Sec. 102. Section 216A.2, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.2 Appointment of department director, deputy director, and administrators — duties.

1. The governor shall appoint a director of the department of human rights, subject to confirmation by the senate pursuant to section 2.32. The department director shall serve at the pleasure of the governor and is exempt from the merit system provisions of chapter 8A, subchapter IV. The governor shall set the salary of the department director within the ranges set by the general assembly.

2. The director is the chief administrative officer of the department and in that capacity administers the programs and services of the department in compliance with applicable federal and state laws and regulations. The duties of the director include preparing a budget, establishing an internal administrative structure, and employing personnel.

3. The department director shall appoint the administrators of the divisions within the department and all other personnel deemed necessary for the administration of this chapter. The department director shall establish the duties of the administrators of the divisions within the department.

4. The department director shall do all of the following:

a. Manage the internal operations of the department and establish guidelines and procedures to promote the orderly and efficient administration of the department.

- b. Prepare a budget for the department, subject to the budget requirements pursuant to chapter 8, for approval by the board.
- c. Coordinate and supervise personnel services and shared administrative support services to assure maximum support and assistance to the divisions.
- d. Serve as an ex officio member of all commissions or councils within the department.
- e. Serve as an ex officio, nonvoting member of the human rights board.
- f. Solicit and accept gifts and grants on behalf of the department and each commission or council and administer such gifts and grants in accordance with the terms thereof.
- g. Enter into contracts with public and private individuals and entities to conduct the business and achieve the objectives of the department and each commission or council.
- h. Issue an annual report to the governor and general assembly no later than November 1 of each year concerning the operations of the department. However, the division of criminal and juvenile justice planning and the division of community action agencies shall submit annual reports as specified in this chapter.
- i. Seek to implement the comprehensive strategic plan approved by the board under section 216A.3.

Sec. 103. Section 216A.3, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.3 Human rights board.

1. A human rights board is created within the department of human rights.
2. The board shall consist of fourteen members, including nine voting members and five nonvoting members and determined as follows:⁵
 - a. The voting members shall consist of nine voting members selected by each of the permanent commissions within the department, and two voting members, appointed by the governor. For purposes of this paragraph “a”, “*permanent commissions*” means the commission of Latino affairs, commission on the status of women, commission of persons with disabilities, commission on community action agencies, commission of deaf services, criminal and juvenile justice planning advisory council, commission on the status of African Americans, commission of Asian and Pacific Islander affairs, and commission of Native American affairs. The term of office for voting members is four years.
 - b. The nonvoting members shall consist of the department director, two state representatives, one appointed by the speaker of the house of representatives and one by the minority leader of the house of representatives, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate.
3. A majority of the members of the board shall constitute a quorum, and the affirmative vote of two-thirds of the voting members is necessary for any substantive action taken by the board. The board shall select a chairperson from the voting members of the board. The board shall meet not less than four times a year.
4. The board shall have the following duties:
 - a. Develop and monitor implementation of a comprehensive strategic plan to remove barriers for underrepresented populations and, in doing so, to increase Iowa’s productivity and inclusivity, including performance measures and benchmarks.
 - b. Approve, disapprove, amend, or modify the budget recommended by the department director for the operation of the department, subject to the budget requirements pursuant to chapter 8.
 - c. Adopt administrative rules pursuant to chapter 17A, upon the recommendation of the department director, for the operation of the department.
 - d. By November 1 of each year, approve the department report to the general assembly and the governor that covers activities during the preceding fiscal year.

Sec. 104. Section 216A.4, Code 2009, is amended by adding the following new subsections:

NEW SUBSECTION. 0A. “*Board*” means human rights board.

⁵ See chapter 1189, §44 herein

NEW SUBSECTION. 3. “*Underrepresented*” means the historical marginalization of populations or groups in the United States and Iowa, including but not limited to African Americans, Asian and Pacific Islanders, persons who are deaf or hard of hearing, persons with disabilities, Latinos, Native Americans, women, persons who have low socioeconomic status, at-risk youth, and adults or juveniles with a criminal history.

Sec. 105. **NEW SECTION. 216A.7 Access to information.**

Upon request of the director or a commission, council, or administrator of a division of the department, all boards, agencies, departments, and offices of the state shall make available nonconfidential information, records, data, and statistics which are relevant to the populations served by the offices, councils, and commissions of the department.

Sec. 106. Section 216A.11, subsection 1, Code 2009, is amended by striking the subsection.

Sec. 107. Section 216A.11, subsection 3, Code 2009, is amended to read as follows:

3. “~~Division~~” “Office” means the ~~division office~~ of Latino affairs of the department of human rights.

Sec. 108. Section 216A.12, Code Supplement 2009, is amended to read as follows:

216A.12 Commission of Latino affairs — ~~terms~~ — ~~compensation established.~~

1. The commission of Latino affairs consists of ~~nine~~ seven members, appointed by the governor, and subject to confirmation by the senate pursuant to section 2.32. Commission members shall be appointed in compliance with sections 69.16 and 69.16A ~~and with consideration given to geographic residence and density of Latino population represented by each member.~~ Commission members shall reside in the state.

2. The members of the commission shall be appointed during the month of June and shall serve for staggered four-year terms of two years commencing July 1 of each ~~odd-numbered the year of appointment.~~⁶ Members appointed shall continue to serve until their respective successors are appointed. Vacancies in the membership of the commission shall be filled by the original appointing authority and in the manner of the original appointments. Members shall receive actual expenses incurred while serving in their official capacity. Members may also be eligible to receive compensation as provided in section 7E.6.

3. The commission shall select from its membership a chairperson and other officers as it deems necessary and shall meet at least quarterly each fiscal year. A majority of the members currently appointed to the commission shall constitute a quorum and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 109. Section 216A.13, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.13 Commission of Latino affairs — duties.

The commission shall have the following duties:

1. Study the opportunities for and changing needs of the Latino population of this state.
2. Serve as liaison between the department of human rights and the public, sharing information and gathering constituency input.
3. Recommend to the board the adoption of rules pursuant to chapter 17A as it deems necessary.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 110. Section 216A.14, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.14 Office of Latino affairs — duties.

⁶ See chapter 1189, §45 herein

The office of Latino affairs is established and shall do the following:

1. Serve as the central permanent agency to advocate for Latino persons.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of Latino persons in participating fully in the economic, social, and cultural life of the state, and by providing direct assistance to those who request it.
3. Develop, coordinate, and assist other public organizations which serve Latino persons.
4. Serve as an information clearinghouse on programs and agencies operating to assist Latino persons.

Sec. 111. Section 216A.15, subsections 1 through 9, Code 2009, are amended by striking the subsections and inserting in lieu thereof the following:

1. Study the opportunities for and changing needs of the Latino population of this state.
2. Serve as liaison between the office and the public, sharing information and gathering constituency input.
3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend to the department director policies and programs for the office.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 112. Section 216A.51, subsection 1, Code 2009, is amended by striking the subsection.

Sec. 113. Section 216A.51, subsection 3, Code 2009, is amended to read as follows:

3. ~~“Division”~~ “Office” means the ~~division~~ office on the status of women of the department of human rights.

Sec. 114. Section 216A.52, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.52 Office on the status of women.

The office on the status of women is established, and shall do the following:

1. Serve as the central permanent agency to advocate for women and girls.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of women and girls in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.
3. Serve as a clearinghouse on programs and agencies operating to assist women and girls.
4. Develop, coordinate, and assist other public or private organizations which serve women and girls.

Sec. 115. Section 216A.53, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.53 Commission on the status of women established.

1. The commission on the status of women is established and shall consist of seven voting members who shall be appointed by the governor, subject to confirmation by the senate pursuant to section 2.32, and shall represent a cross section of the citizens of the state. All members shall reside in the state.

2. The term of office for voting members is four years. Terms shall be staggered. Members whose terms expire may be reappointed. Vacancies in voting membership positions on the commission shall be filled for the unexpired term in the same manner as the original appointment. Voting members of the commission may receive a per diem as specified in section 7E.6 and shall be reimbursed for actual expenses incurred while serving in their official capacity, subject to statutory limits.

3. Members of the commission shall appoint a chairperson and vice chairperson and any other officers as the commission deems necessary. The commission shall meet at least quarterly during each fiscal year. A majority of the voting members currently appointed to the commission shall constitute a quorum. A quorum of the members shall be required for the conduct of business of the commission and the affirmative vote of a majority of the currently appointed voting members is necessary for any substantive action taken by the commission.

A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 116. Section 216A.54, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.54 Commission powers and duties.

The commission shall have the following powers and duties:

1. Study the opportunities for and changing needs of the women and girls of this state.
2. Serve as liaison between the office and the public, sharing information and gathering constituency input.
3. Recommend to the board the adoption of rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 117. Section 216A.71, subsection 1, Code 2009, is amended by striking the subsection.

Sec. 118. Section 216A.71, subsection 3, Code 2009, is amended to read as follows:

3. "~~Division~~" "Office" means the ~~division~~ office of persons with disabilities of the department of human rights.

Sec. 119. Section 216A.72, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.72 Office of persons with disabilities.

The office of persons with disabilities is established, and shall do all of the following:

1. Serve as the central permanent agency to advocate for persons with disabilities.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of persons with disabilities in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.
3. Develop, coordinate, and assist other public or private organizations which serve persons with disabilities.
4. Serve as an information clearinghouse on programs and agencies operating to assist persons with disabilities.

Sec. 120. Section 216A.74, Code Supplement 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.74 Commission of persons with disabilities established.

1. The commission of persons with disabilities is established and shall consist of seven voting members appointed by the governor subject to confirmation by the senate pursuant to section 2.32. A majority of the commission shall be persons with disabilities. All members shall reside in the state.

2. Members of the commission shall serve four-year staggered terms which shall begin and end pursuant to section 69.19. Members whose terms expire may be reappointed. Vacancies on the commission shall be filled for the unexpired term in the same manner as the original appointment. Voting members shall receive actual expenses incurred while serving in their official capacity, subject to statutory limits. Voting members may also be eligible to receive compensation as provided in section 7E.6.

3. Members of the commission shall appoint a chairperson. The commission shall meet at least quarterly during each fiscal year. A majority of the voting members currently appointed to the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission and the affirmative vote of a majority of the currently appointed voting members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 121. Section 216A.75, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.75 Commission powers and duties.

The commission shall have the following powers and duties:

1. Study the opportunities for and changing needs of persons with disabilities in this state.
2. Serve as liaisons between the office and the public, sharing information and gathering constituency input.
3. Recommend to the board the adoption of rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 122. Section 216A.92, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.92 Division of community action agencies.

1. The division of community action agencies is established. The purpose of the division of community action agencies is to strengthen, supplement, and coordinate efforts to develop the full potential of each citizen by recognizing certain community action agencies and supporting certain community-based programs delivered by community action agencies.

2. The division shall do all of the following:

- a. Provide financial assistance for community action agencies to implement community action programs, as permitted by the community service block grant and subject to the funding made available for the program.
- b. Administer the community services block grant, the low-income energy assistance block grants, department of energy funds for weatherization, and other possible funding sources. If a political subdivision is the community action agency, the financial assistance shall be allocated to the political subdivision.
- c. Implement accountability measures for its programs and require regular reporting on the measures by the community action agencies.
- d. Issue an annual report to the governor and general assembly by July 1 of each year.

Sec. 123. Section 216A.92A, subsection 1, paragraph c, Code 2009, is amended to read as follows:

- c. One-third of the members shall be persons who, according to federal guidelines, have incomes at or below one hundred eighty-five percent of poverty level.

Sec. 124. Section 216A.92A, subsection 3, Code 2009, is amended to read as follows:

3. The commission shall select from its membership a chairperson and other officers as it deems necessary. The commission shall meet no less than four times per year. A majority of the members of the commission shall constitute a quorum.

Sec. 125. Section 216A.92B, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.92B Commission powers and duties.

The commission shall have the following powers and duties:

1. Recommend to the board the adoption of rules pursuant to chapter 17A as it deems necessary for the commission and division.
2. Supervise the collection of data regarding the scope of services provided by the community action agencies.
3. Serve as liaisons between the division and the public, sharing information and gathering constituency input.
4. Make recommendations to the governor and the general assembly for executive and legislative action designed to improve the status of low-income persons in the state.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 126. Section 216A.93, Code 2009, is amended to read as follows:

216A.93 Establishment of community action agencies.

The division shall recognize and assist in the designation of certain community action agencies to assist in the delivery of community action programs. These programs shall include, but not be limited to, outreach, community services block grant, low-income energy assistance, and weatherization programs. If a community action agency is in effect and currently serving an area, that community action agency shall become the designated community action agency for that area. ~~If there is not a designated community action agency in the area a city council or county board of supervisors or any combination of one or more councils or boards may establish a community action agency and may apply to the division for recognition. The council or board or the combination may adopt an ordinance or resolution establishing a community action agency if a community action agency has not been designated. It is the purpose of the division of community action agencies to strengthen, supplement, and coordinate efforts to develop the full potential of each citizen by recognizing certain community action agencies and the continuation of certain community-based programs delivered by community action agencies. If any geographic area of the state ceases to be served by a designated community action agency, the division may solicit applications and assist the governor in designating a community action agency for that area in accordance with current community services block grant requirements.~~

Sec. 127. Section 216A.94, subsection 2, Code 2009, is amended to read as follows:

2. Notwithstanding subsection 1, a public agency shall establish an advisory board ~~or may contract with a delegate agency to assist the governing board in meeting the requirements of section 216A.95.~~ The advisory board ~~or delegate agency board~~ shall be composed of the same type of membership as a board of directors for community action agencies under subsection 1. ~~However, the public agency acting as~~ In addition, the advisory board of the community action agency shall have the sole authority to determine annual program budget requests.

Sec. 128. Section 216A.95, subsection 1, Code 2009, is amended by striking the subsection and inserting in lieu thereof the following:

1. The governing board or advisory board shall fully participate in the development, planning, implementation, and evaluation of programs to serve low-income communities.

Sec. 129. Section 216A.96, subsection 1, Code 2009, is amended by striking the subsection and inserting in lieu thereof the following:

1. Plan and implement strategies to alleviate the conditions of poverty and encourage self-sufficiency for citizens in its service area and in Iowa. In doing so, an agency shall plan for a community action program by establishing priorities among projects, activities, and areas to provide for the most efficient use of possible resources.

Sec. 130. Section 216A.96, subsection 4, Code 2009, is amended to read as follows:

4. Encourage and support self-help, volunteer, business, labor, and other groups and organizations to assist public officials and agencies in supporting a community action program ~~which results in the additional use of by providing private resources while,~~ developing new employment opportunities, encouraging investments ~~which have an impact on reducing poverty among the poor~~ in areas of concentrated poverty, and providing methods by which low-income persons can work with private organizations, businesses, and institutions in seeking solutions to problems of common concern.

Sec. 131. Section 216A.97, Code 2009, is amended to read as follows:

216A.97 Administration.

A community action agency or a delegate agency may administer the components of a community action program when the program is consistent with plans and purposes and applicable law. The community action programs may be projects which are eligible for assistance from any source. The programs shall be developed to meet local needs and may be designed to meet eligibility standards of a federal or state program ~~providing assistance to a plan to meet local needs.~~

Sec. 132. Section 216A.98, Code 2009, is amended to read as follows:

216A.98 Audit.

Each community action agency shall be audited annually but shall not be required to obtain a duplicate audit to meet the requirements of this section. In lieu of an audit by the auditor of state, the community action agency may contract with or employ a certified public accountant to conduct the audit, pursuant to the applicable terms and conditions prescribed by sections 11.6 and 11.19 and an audit format prescribed by the auditor of state. Copies of each audit shall be furnished to the division within three months following the annual audit in a manner prescribed by the division.

Sec. 133. Section 216A.102, subsection 3, Code 2009, is amended to read as follows:

3. Under rules developed by the division of community action agencies of the department of human rights and adopted by the board, the fund may be used to negotiate reconnection of essential utility services with the energy provider.

Sec. 134. Section 216A.104, subsections 4 and 5, Code 2009, are amended by striking the subsections.

Sec. 135. Section 216A.107, subsection 2, Code Supplement 2009, is amended to read as follows:

2. Unless otherwise provided by law, terms of members, election of officers, and other procedural matters shall be as determined by the council. A quorum shall be required for the conduct of business of the council and the affirmative vote of a majority of the currently appointed voting members is necessary for any substantive action taken by the council. A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 136. Section 216A.111, subsection 1, Code 2009, is amended by striking the subsection.

Sec. 137. Section 216A.111, subsection 3, Code 2009, is amended to read as follows:

3. "Division" "Office" means the division office of deaf services of the department of human rights.

Sec. 138. Section 216A.112, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.112 Office of deaf services.

The office of deaf services is established, and shall do all of the following:

1. Serve as the central permanent agency to advocate for persons who are deaf or hard of hearing.

2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of persons who are deaf or hard of hearing in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.

3. Develop, coordinate, and assist other public or private organizations which serve persons who are deaf or hard of hearing.

4. Serve as an information clearinghouse on programs and agencies operating to assist persons who are deaf or hard of hearing.

Sec. 139. Section 216A.113, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.113 Deaf services commission established.

1. The commission on the deaf⁷ is established, and shall consist of seven voting members appointed by the governor, subject to confirmation by the senate pursuant to section 2.32. Membership of the commission shall include at least four members who are deaf and who cannot hear human speech with or without use of amplification and at least one member who is hard of hearing. All members shall reside in Iowa.

2. Members of the commission shall serve four-year staggered terms which shall begin and end pursuant to section 69.19. Members whose terms expire may be reappointed.

⁷ See chapter 1193, §42, 80 herein

Vacancies on the commission may be filled for the remainder of the term in the same manner as the original appointment. Members shall receive actual expenses incurred while serving in their official capacity, subject to statutory limits. Members may also be eligible to receive compensation as provided in section 7E.6.

3. Members of the commission shall appoint a chairperson and vice chairperson and other officers as the commission deems necessary. The commission shall meet at least quarterly during each fiscal year. A majority of the members currently appointed to the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 140. Section 216A.114, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.114 Commission powers and duties.

The commission shall have the following powers and duties:

1. Study the changing needs and opportunities for the deaf and hard-of-hearing people in this state.
2. Serve as a liaison between the office and the public, sharing information and gathering constituency input.
3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.
4. Recommend legislative and executive action to the governor and general assembly.
5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 141. NEW SECTION. **216A.131A Division of criminal and juvenile justice planning.**

The division of criminal and juvenile justice planning is established to fulfill the responsibilities of this subchapter, including the duties specified in sections 216A.135, 216A.136, 216A.137, 216A.138, and 216A.139.

Sec. 142. Section 216A.132, subsection 1, unnumbered paragraph 1, Code 2009, is amended to read as follows:

A criminal and juvenile justice planning advisory council is established consisting of twenty-three members who shall all reside in the state.

Sec. 143. Section 216A.132, subsection 1, paragraph b, Code 2009, is amended to read as follows:

b. The departments of human services, corrections, and public safety, the ~~division office~~ on the status of ~~African-Americans~~ African Americans, the Iowa department of public health, the chairperson of the board of parole, the attorney general, the state public defender, the governor's office of drug control policy, and the chief justice of the supreme court shall each designate a person to serve on the council. The person appointed by the Iowa department of public health shall be from the departmental staff who administer the comprehensive substance abuse program under chapter 125.

Sec. 144. Section 216A.132, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Members of the council shall appoint a chairperson and vice chairperson and other officers as the council deems necessary. A majority of the voting members currently appointed to the council shall constitute a quorum. A quorum shall be required for the conduct of business of the council and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the council. A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 145. Section 216A.133, subsection 5, Code 2009, is amended to read as follows:

5. Administer federal funds and funds appropriated by the state or that are otherwise available in compliance with applicable laws, regulations, and other requirements for purposes of study, research, investigation, planning, and implementation in the areas of criminal and juvenile justice.

Sec. 146. Section 216A.133, Code 2009, is amended by adding the following new subsections:

NEW SUBSECTION. 8. Provide input to the department director in the development of budget recommendations for the division.

NEW SUBSECTION. 9. Serve as liaison between the division and the public, sharing information and gathering constituency input.

NEW SUBSECTION. 10. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the council and division.

NEW SUBSECTION. 11. Recommend legislative and executive action to the governor and general assembly.

NEW SUBSECTION. 12. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 147. Section 216A.138, subsection 8, Code 2009, is amended by striking the subsection.

Sec. 148. Section 216A.141, subsection 1, Code 2009, is amended by striking the subsection.

Sec. 149. Section 216A.141, subsection 3, Code 2009, is amended to read as follows:

3. "Division" "Office" means the ~~division office~~ on the status of ~~African-Americans~~ African Americans of the department of human rights.

Sec. 150. Section 216A.142, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.142 Commission on the status of African Americans established.

1. The commission on the status of African Americans is established and shall consist of seven members appointed by the governor, subject to confirmation by the senate. All members shall reside in Iowa. At least five members shall be individuals who are African American.

2. Terms of office are staggered four-year terms. Members whose terms expire may be reappointed. Vacancies on the commission shall be filled for the remainder of the term of and in the same manner as the original appointment. The commission shall meet quarterly and may hold special meetings on the call of the chairperson. The members of the commission shall be reimbursed for actual expenses while engaged in their official duties. Members may also be eligible to receive compensation as provided in section 7E.6.

3. Members of the commission shall appoint a chairperson and vice chairperson and other officers as the commission deems necessary. A majority of members of the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 151. Section 216A.143, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.143 Commission powers and duties.

The commission shall have the following powers and duties:

1. Study the opportunities for and changing needs of the African American community in this state.

2. Serve as liaison between the office and the public, sharing information and gathering constituency input.

3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.

4. Recommend executive and legislative action to the governor and general assembly.

5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 152. Section 216A.146, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.146 Office on the status of African Americans.

The office on the status of African Americans is established and shall do the following:

1. Serve as the central permanent agency to advocate for African Americans.

2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of African Americans in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.

3. Develop, coordinate, and assist other public or private organizations which serve African Americans.

4. Serve as an information clearinghouse on programs and agencies operating to assist African Americans.

Sec. 153. Section 216A.151, subsection 1, Code 2009, is amended by striking the subsection.

Sec. 154. Section 216A.151, subsection 3, Code 2009, is amended to read as follows:

3. “*Commission*” means the commission ~~on the status of Iowans~~ of Asian and Pacific Islander heritage affairs.

Sec. 155. Section 216A.151, subsection 4, Code 2009, is amended to read as follows:

4. “*Division*” “*Office*” means the ~~division on the status of Iowans~~ office of Asian and Pacific Islander heritage affairs of the department of human rights.

Sec. 156. Section 216A.152, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.152 Commission of Asian and Pacific Islander affairs established.

1. The commission of Asian and Pacific Islander affairs is established and shall consist of seven members appointed by the governor, subject to confirmation by the senate. Members shall be appointed representing every geographical area of the state and ethnic groups of Asian and Pacific Islander heritage. All members shall reside in Iowa.

2. Terms of office are four years and shall begin and end pursuant to section 69.19. Members whose terms expire may be reappointed. Vacancies on the commission may be filled for the remainder of the term of and in the same manner as the original appointment. Members shall receive actual expenses incurred while serving in their official capacity, subject to statutory limits. Members may also be eligible to receive compensation as provided in section 7E.6.

3. Members of the commission shall appoint a chairperson and vice chairperson and other officers as the commission deems necessary. The commission shall meet at least quarterly during each fiscal year. A majority of the members of the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 157. Section 216A.153, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.153 Commission powers and duties.

The commission shall have the following powers and duties:

1. Study the opportunities for and changing needs of the Asian and Pacific Islander persons in this state.

2. Serve as liaison between the office and the public, sharing information and gathering constituency input.

3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.

4. Recommend legislative and executive action to the governor and general assembly.

5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 158. Section 216A.154, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.154 Office of Asian and Pacific Islander affairs.

The office of Asian and Pacific Islander affairs is established and shall do the following:

1. Serve as the central permanent agency to advocate for Iowans of Asian and Pacific Islander heritage.

2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of Iowans of Asian and Pacific Islander heritage in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.

3. Develop, coordinate, and assist other public or private organizations which serve Iowans of Asian and Pacific Islander heritage.

4. Serve as an information clearinghouse on programs and agencies operating to assist Iowans of Asian and Pacific Islander heritage.

Sec. 159. Section 216A.161, subsection 1, Code 2009, is amended by striking the subsection.

Sec. 160. Section 216A.161, subsection 2, Code 2009, is amended to read as follows:

2. “*Commission*” means the commission ~~on~~ of Native American affairs.

Sec. 161. Section 216A.161, subsection 3, Code 2009, is amended to read as follows:

3. “*Division*” “*Office*” means the ~~division on~~ office of Native American affairs of the department of human rights.

Sec. 162. Section 216A.162, subsection 1, Code 2009, is amended to read as follows:

1. A commission ~~on~~ of Native American affairs is established consisting of eleven voting members appointed by the governor, subject to confirmation by the senate. ~~The members of the commission shall appoint one of the members to serve as chairperson of the commission.~~

Sec. 163. Section 216A.162, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Members of the commission shall appoint one of their members to serve as chairperson and may appoint such other officers as the commission deems necessary. The commission shall meet at least four times per year and shall hold special meetings on the call of the chairperson. The members of the commission shall be reimbursed for actual expenses while engaged in their official duties. A member may also be eligible to receive compensation as provided in section 7E.6. A majority of the members of the commission shall constitute a quorum. A quorum shall be required for the conduct of business of the commission and the affirmative vote of a majority of the currently appointed members is necessary for any substantive action taken by the commission. A member shall not vote on any action if the member has a conflict of interest on the matter and a statement by the member of a conflict of interest shall be conclusive for this purpose.

Sec. 164. Section 216A.165, subsections 1 through 9, Code 2009, are amended by striking the subsections and inserting in lieu thereof the following:

1. Study the opportunities for and changing needs of Native American persons in this state.

2. Serve as a liaison between the department and the public, sharing information and gathering constituency input.

3. Recommend to the board for adoption rules pursuant to chapter 17A as it deems necessary for the commission and office.

4. Recommend legislative and executive action to the governor and general assembly.

5. Establish advisory committees, work groups, or other coalitions as appropriate.

Sec. 165. Section 216A.166, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

216A.166 Office of Native American affairs.

The office of Native American affairs is established and shall do the following:

1. Serve as the central permanent agency to advocate for Native Americans.
2. Coordinate and cooperate with the efforts of state departments and agencies to serve the needs of Native Americans in participating fully in the economic, social, and cultural life of the state, and provide direct assistance to individuals who request it.
3. Develop, coordinate, and assist other public or private organizations which serve Native Americans.
4. Serve as an information clearinghouse on programs and agencies operating to assist Native Americans.

Sec. 166. Section 216A.167, subsections 1 and 2, Code 2009, are amended by striking the subsections.

Sec. 167. Section 216A.167, subsection 3, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The commission and office shall not have the authority to do any of the following:

Sec. 168. REPEAL. Sections 216A.16, 216A.17, 216A.55, 216A.56, 216A.57, 216A.58, 216A.59, 216A.60, 216A.73, 216A.76, 216A.77, 216A.78, 216A.79, 216A.101, 216A.103, 216A.115, 216A.116, 216A.117, 216A.134, 216A.144, 216A.145, 216A.147, 216A.148, 216A.149, 216A.155, 216A.156, 216A.157, 216A.158, 216A.159, 216A.160, 216A.164, 216A.168, 216A.169, and 216A.170, Code 2009, are repealed.

Sec. 169. DEPARTMENT OF HUMAN RIGHTS REORGANIZATION — TRANSITION PROVISIONS.

1. Except for the department director, no other employee of the department of human rights shall be appointed by the governor. Those persons now occupying positions that were previously appointed by the governor shall be retained but shall be subject to the merit system and state human resource management system as provided by sections 8A.412 and 8A.413.

2. Through December 31, 2010, the department director shall be granted reasonable flexibility within the department's appropriation and allotted full-time equivalent positions to reassign, retrain, or reclassify personnel as deemed necessary in order to most effectively and efficiently carry out the department's mission. Any personnel in the state merit system of employment who are transferred from one work unit to another due to the effect of this division of this Act shall be so transferred without any loss in salary, benefits, or accrued years of service.

3. In regard to updating references and format in the Iowa administrative code in order to correspond to the transferring of the authority to adopt rules from the previous divisions of the department of human rights to the department of human rights as established by this division of this Act, the administrative rules coordinator and the administrative rules review committee, in consultation with the administrative code editor, shall jointly develop a schedule for the necessary updating of the Iowa administrative code.

4. Current contracts that bind any division of the department of human rights shall be honored by the department, or expediently and judiciously amended if changes in the name of the contractor must be made before the expiration of the contract.

5. All client and organizational files in the possession of any office subsumed within the division of community advocacy and services as enacted by this division of this Act will become the property of the office that will serve that population.

6. Any replacement of signs, logos, stationery, insignia, uniforms, and related items that is made due to the effect of this division of this Act shall if possible be done as part of the normal replacement cycle for such items.

7. The governor, in consultation with the director of the department of human rights, shall establish a process to implement the requirements of this division of this Act and shall

have the authority to terminate and modify the terms of office of voting members of the commissions and the council within the department of human rights in order to effectuate the requirements of this division of this Act. New appointments or reappointments to the commissions and the council as required by this division of this Act shall be made to effectuate the requirement, if applicable, that members shall serve for staggered four-year terms.

Sec. 170. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XV GAMBLING SETOFFS

Sec. 171. Section 99D.28, subsection 1, Code 2009, is amended to read as follows:

1. A licensee or a person acting on behalf of a licensee shall be provided electronic access to the names of the persons indebted to a claimant agency pursuant to the process established pursuant to section 99D.7, subsection 23. The electronic access provided by the claimant agency shall include access to the names of the debtors, their social security numbers, and any other information that assists the licensee in identifying the debtors. If the name of a debtor provided to the licensee through electronic access is retrieved by the licensee and the winnings are equal to or greater than ~~ten~~ one thousand two hundred dollars per occurrence, the retrieval of such a name shall constitute a valid lien upon and claim of lien against the winnings of the debtor whose name is electronically retrieved from the claimant agency. If a debtor's winnings are equal to or greater than ~~ten~~ one thousand two hundred dollars per occurrence, the full amount of the debt shall be collectible from any winnings due the debtor without regard to limitations on the amounts that may be collectible in increments through setoff or other proceedings.

Sec. 172. Section 99D.28, subsection 7, Code 2009, is amended to read as follows:

7. A claimant agency or licensee, acting in good faith, shall not be liable to any person for actions taken ~~to comply with~~ pursuant to this section.

Sec. 173. Section 99F.19, subsection 1, Code 2009, is amended to read as follows:

1. A licensee or a person acting on behalf of a licensee shall be provided electronic access to the names of the persons indebted to a claimant agency pursuant to the process established pursuant to section 99F.4, subsection 26. The electronic access provided by the claimant agency shall include access to the names of the debtors, their social security numbers, and any other information that assists the licensee in identifying the debtors. If the name of a debtor provided to the licensee through electronic access is retrieved by the licensee and the winnings are equal to or greater than ~~ten~~ one thousand two hundred dollars per occurrence, the retrieval of such a name shall constitute a valid lien upon and claim of lien against the winnings of the debtor whose name is electronically retrieved from the claimant agency. If a debtor's winnings are equal to or greater than ~~ten~~ one thousand two hundred dollars per occurrence, the full amount of the debt shall be collectible from any winnings due the debtor without regard to limitations on the amounts that may be collectible in increments through setoff or other proceedings.

Sec. 174. Section 99F.19, subsection 7, Code 2009, is amended to read as follows:

7. A claimant agency or licensee, acting in good faith, shall not be liable to any person for actions taken ~~to comply with~~ pursuant to this section.

DIVISION XVI DEPARTMENT OF MANAGEMENT — FINANCIAL ADMINISTRATION REORGANIZATION

Sec. 175. NEW SECTION. 8.71 Definitions.

As used in this section and sections 8.72 through 8.89, unless the context otherwise requires:

1. “Agency” or “state agency” means a unit of state government, which is an authority, board, commission, committee, council, department, or independent agency as defined in section 7E.4, including but not limited to each principal central department enumerated in section 7E.5. However, “agency” or “state agency” does not mean any of the following:

- a. The office of the governor or the office of an elective constitutional or statutory officer.
 - b. The general assembly, or any office or unit under its administrative authority.
 - c. The judicial branch, as provided in section 602.1102.
 - d. A political subdivision of the state or its offices or units, including but not limited to a county, city, or community college.
2. “Department” means the department of management.
3. “Director” means the director of the department of management or the director’s designee.⁸

Sec. 176. **NEW SECTION. 8.72 Financial administration duties.**

The department shall provide for the efficient management and administration of the financial resources of state government and shall have and assume the following powers and duties:

1. *Centralized accounting and payroll system.* To assume the responsibilities related to a centralized accounting system for state government and to establish a centralized payroll system for all state agencies. However, the state board of regents and institutions under the control of the state board of regents shall not be required to utilize the centralized payroll system.

2. *Setoff procedures.* To establish and maintain a setoff procedure as provided in section 8.74.

3. *Cost allocation system.* To establish a cost allocation system as provided in section 8.75.

4. *Collection and payment of funds — monthly payments.* To control the payment of all moneys into the state treasury, and all payments from the state treasury by the preparation of appropriate warrants, or warrant checks, directing such collections and payment, and to advise the treasurer of state monthly in writing of the amount of public funds not currently needed for operating expenses. Whenever the state treasury includes state funds that require distribution to counties, cities, or other political subdivisions of this state, and the counties, cities, and other political subdivisions certify to the director that warrants will be stamped for lack of funds within the thirty-day period following certification, the director may partially distribute the funds on a monthly basis. Whenever the law requires that any funds be paid by a specific date, the director shall prepare a final accounting and shall make a final distribution of any remaining funds prior to that date.

5. *Preaudit system.* To establish and fix a reasonable imprest cash fund for each state department and institution for disbursement purposes where needed. These revolving funds shall be reimbursed only upon vouchers approved by the director. It is the purpose of this subsection to establish a preaudit system of settling all claims against the state, but the preaudit system is not applicable to any of the following:

- a. Institutions under the control of the state board of regents.
- b. The state fair board as established in chapter 173.
- c. The Iowa dairy industry commission as established in chapter 179, the Iowa beef cattle producers association as established in chapter 181, the Iowa pork producers council as established in chapter 183A, the Iowa egg council as established in chapter 184, the Iowa turkey marketing council as established in chapter 184A, the Iowa soybean association as provided in chapter 185, and the Iowa corn promotion board as established in chapter 185C.

6. *Audit of claims.* To set rules and procedures for the preaudit of claims by individual agencies or organizations. The director reserves the right to refuse to accept incomplete or incorrect claims and to review, preaudit, or audit claims as determined by the director.

7. *Contracts.* To certify, record, and encumber all formal contracts to prevent overcommitment of appropriations and allotments.

8. *Accounts.* To keep the central budget and proprietary control accounts of the general fund of the state and special funds, as defined in section 8.2, of the state government. Upon

⁸ See chapter 1193, §35 herein

elimination of the state deficit under generally accepted accounting principles, including the payment of items budgeted in a subsequent fiscal year which under generally accepted accounting principles should be budgeted in the current fiscal year, the recognition of revenues received and expenditures paid and transfers received and paid within the time period required pursuant to section 8.33 shall be in accordance with generally accepted accounting principles. Budget accounts are those accounts maintained to control the receipt and disposition of all funds, appropriations, and allotments. Proprietary accounts are those accounts relating to assets, liabilities, income, and expense. For each fiscal year, the financial position and results of operations of the state shall be reported in a comprehensive annual financial report prepared in accordance with generally accepted accounting principles, as established by the governmental accounting standards board.

8A. *Budget database.* To develop and make available to the public a searchable budget database.

9. *Fair board and state board of regents.* To control the financial operations of the state fair board and the institutions under the state board of regents:

a. By charging all warrants issued to the respective educational institutions and the state fair board to an advance account to be further accounted for and not as an expense which requires no further accounting.

b. By charging all collections made by the educational institutions and state fair board to the respective advance accounts of the institutions and state fair board, and by crediting all such repayment collections to the respective appropriations and special funds.

c. By charging all disbursements made to the respective allotment accounts of each educational institution or state fair board and by crediting all such disbursements to the respective advance and inventory accounts.

d. By requiring a monthly abstract of all receipts and of all disbursements, both money and stores, and a complete account current each month from each educational institution and the state fair board.

10. *Entities representing agricultural producers.* To control the financial operations of the Iowa dairy industry commission as provided in chapter 179, the Iowa beef cattle producers association as provided in chapter 181, the Iowa pork producers council as provided in chapter 183A, the Iowa egg council as provided in chapter 184, the Iowa turkey marketing council as provided in chapter 184A, the Iowa soybean association as provided in chapter 185, and the Iowa corn promotion board as provided in chapter 185C.

11. *Custody of records.* To have the custody of all books, papers, records, documents, vouchers, conveyances, leases, mortgages, bonds, and other securities appertaining to the fiscal affairs and property of the state, which are not required to be kept in some other office.

12. *Interest of the permanent school fund.* To transfer the interest of the permanent school fund to the credit of the interest for Iowa schools fund.

13. *Forms.* To prescribe all accounting and business forms and the system of accounts and reports of financial transactions by all departments and agencies of the state government other than those of the legislative branch.

14. *Federal cash management and improvement act administrator.*

a. To serve as administrator for state actions relating to the federal Cash Management and Improvement Act of 1990, Pub. L. No. 101-453, as codified in 31 U.S.C. § 6503. The director shall perform the following duties relating to the federal law:

(1) Act as the designated representative of the state in the negotiation and administration of contracts between the state and federal government relating to the federal law.

(2) Modify the centralized statewide accounting system and develop, or require to be developed by the appropriate departments of state government, the reports and procedures necessary to complete the managerial and financial reports required to comply with the federal law.

b. There is annually appropriated from the general fund of the state to the department an amount sufficient to pay interest costs that may be due the federal government as a result of implementation of the federal law. This paragraph does not authorize the payment of interest from the general fund of the state for any department of administrative services' revolving, trust, or special fund of the department of administrative services where monthly interest earnings accrue to the credit of the department of administrative services' revolving, trust,

or special fund. For any department of administrative services' revolving, trust, or special fund where monthly interest is accrued to the credit of the fund, the director may authorize a supplemental expenditure to pay interest costs from the individual fund which are due the federal government as a result of implementation of the federal law.⁹

Sec. 177. NEW SECTION. **8.73 Rules — deposit of departmental moneys.**

The director shall prescribe by rule the manner and methods by which all departments and agencies of the state that collect money for and on behalf of the state shall cause the money to be deposited with the treasurer of state or in a depository designated by the treasurer of state. All such moneys collected shall be deposited at such times and in such depositories to permit the state of Iowa to deposit the funds in a manner consistent with the state's investment policies. All such moneys shall be promptly deposited, as directed, even though the individual amount remitted may not be correct. If any individual amount remitted is in excess of the amount required, the department or agency receiving the same shall refund the excess amount. If the individual amount remitted is insufficient, the person, firm, or corporation concerned shall be immediately billed for the amount of the deficiency.¹⁰

Sec. 178. NEW SECTION. **8.74 Setoff procedures.**

1. *Definitions.* As used in this section, unless the context otherwise requires:

a. "*Collection entity*" means the department of management and any other state agency that maintains a separate accounting system and elects to establish a debt collection setoff procedure for collection of debts owed to the state or its agencies.

b. "*Person*" does not include a state agency.

c. "*Qualifying debt*" includes but is not limited to the following:

(1) Any debt, which is assigned to the department of human services, or which the child support recovery unit is otherwise attempting to collect, or which the foster care recovery unit of the department of human services is attempting to collect on behalf of a child receiving foster care provided by the department of human services.

(2) An amount that is due because of a default on a guaranteed student or parental loan under chapter 261.

(3) Any debt which is in the form of a liquidated sum due, owing, and payable to the clerk of the district court.

d. "*State agency*" means a board, commission, department, including the department of administrative services, or other administrative office or unit of the state of Iowa or any other state entity reported in the Iowa comprehensive annual financial report, or a political subdivision of the state, or an office or unit of a political subdivision. "*State agency*" does include the clerk of the district court as it relates to the collection of a qualifying debt. "*State agency*" does not include the general assembly or the governor.

2. *Setoff procedure.* The collection entity shall establish and maintain a procedure to set off against any claim owed to a person by a state agency any liability of that person owed to a state agency, a support debt being enforced by the child support recovery unit pursuant to chapter 252B, or such other qualifying debt. The procedure shall only apply when at the discretion of the director it is feasible. The procedure shall meet the following conditions:

a. Before setoff, a person's liability to a state agency and the person's claim on a state agency shall be in the form of a liquidated sum due, owing, and payable.

b. Before setoff, the state agency shall obtain and forward to the collection entity the full name and social security number of the person liable to it or to whom a claim is owing who is a natural person. If the person is not a natural person, before setoff, the state agency shall forward to the collection entity the information concerning the person as the collection entity shall, by rule, require. The collection entity shall cooperate with other state agencies in the exchange of information relevant to the identification of persons liable to or of claimants of state agencies. However, the collection entity shall provide only relevant information required by a state agency. The information shall be held in confidence and used for the purpose of setoff only. Section 422.72, subsection 1, does not apply to this paragraph.

⁹ See chapter 1193, §35 herein

¹⁰ See chapter 1193, §35 herein

c. Before setoff, a state agency shall, at least annually, submit to the collection entity the information required by paragraph “b” along with the amount of each person’s liability to and the amount of each claim on the state agency. The collection entity may, by rule, require more frequent submissions.

d. Before setoff, the amount of a person’s claim on a state agency and the amount of a person’s liability to a state agency shall constitute a minimum amount set by rule of the collection entity.

e. Upon submission of an allegation of liability by a state agency, the collection entity shall notify the state agency whether the person allegedly liable is entitled to payment from a state agency, and, if so entitled, shall notify the state agency of the amount of the person’s entitlement and of the person’s last address known to the collection entity. Section 422.72, subsection 1, does not apply to this paragraph.

f. (1) Upon notice of entitlement to a payment, the state agency shall send written notification to that person of the state agency’s assertion of its rights to all or a portion of the payment and of the state agency’s entitlement to recover the liability through the setoff procedure, the basis of the assertion, the opportunity to request that a jointly or commonly owned right to payment be divided among owners, and the person’s opportunity to give written notice of intent to contest the amount of the allegation. The state agency shall send a copy of the notice to the collection entity. A state agency subject to chapter 17A shall give notice, conduct hearings, and allow appeals in conformity with chapter 17A.

(2) However, upon submission of an allegation of the liability of a person which is owing and payable to the clerk of the district court and upon the determination by the collection entity that the person allegedly liable is entitled to payment from a state agency, the collection entity shall send written notification to the person which states the assertion by the clerk of the district court of rights to all or a portion of the payment, the clerk’s entitlement to recover the liability through the setoff procedure, the basis of the assertions, the person’s opportunity to request within fifteen days of the mailing of the notice that the collection entity divide a jointly or commonly owned right to payment between owners, the opportunity to contest the liability to the clerk by written application to the clerk within fifteen days of the mailing of the notice, and the person’s opportunity to contest the collection entity’s setoff procedure.

g. Upon the timely request of a person liable to a state agency or of the spouse of that person and upon receipt of the full name and social security number of the person’s spouse, a state agency shall notify the collection entity of the request to divide a jointly or commonly owned right to payment. Any jointly or commonly owned right to payment is rebuttably presumed to be owned in equal portions by its joint or common owners.

h. The collection entity shall, after the state agency has sent notice to the person liable or, if the liability is owing and payable to the clerk of the district court, the collection entity has sent notice to the person liable, set off the amount owed to the agency against any amount which a state agency owes that person. The collection entity shall refund any balance of the amount to the person. The collection entity shall periodically transfer amounts set off to the state agencies entitled to them. If a person liable to a state agency gives written notice of intent to contest an allegation, a state agency shall hold a refund or rebate until final disposition of the allegation. Upon completion of the setoff, a state agency shall notify in writing the person who was liable or, if the liability is owing and payable to the clerk of the district court, shall comply with the procedures as provided in paragraph “j”.

i. The department of revenue’s existing right to credit against tax due or to become due under section 422.73 is not to be impaired by a right granted to or a duty imposed upon the collection entity or other state agency by this section. This section is not intended to impose upon the collection entity or the department of revenue any additional requirement of notice, hearing, or appeal concerning the right to credit against tax due under section 422.73.

j. If the alleged liability is owing and payable to the clerk of the district court and setoff as provided in this section is sought, all of the following shall apply:

(1) The judicial branch shall prescribe procedures to permit a person to contest the amount of the person’s liability to the clerk of the district court.

(2) The collection entity shall, except for the procedures described in subparagraph (1), prescribe any other applicable procedures concerning setoff as provided in this subsection.

(3) Upon completion of the setoff, the collection entity shall file, at least monthly, with the clerk of the district court a notice of satisfaction of each obligation to the full extent of all moneys collected in satisfaction of the obligation. The clerk shall record the notice and enter a satisfaction for the amounts collected and a separate written notice is not required.

3. *Priority claims.* In the case of multiple claims to payments filed under this section, priority shall be given to claims filed by the child support recovery unit or the foster care recovery unit, next priority shall be given to claims filed by the college student aid commission, next priority shall be given to claims filed by the investigations division of the department of inspections and appeals, next priority shall be given to claims filed by a clerk of the district court, and last priority shall be given to claims filed by other state agencies. In the case of multiple claims in which the priority is not otherwise provided by this subsection, priority shall be determined in accordance with rules to be established by the director.

4. *State reciprocal agreements.* The director shall have the authority to enter into reciprocal agreements with the departments of revenue of other states that have enacted legislation that is substantially equivalent to the setoff procedure provided in this section for the recovery of an amount due because of a default on a guaranteed student or parental loan under chapter 261. A reciprocal agreement shall also be approved by the college student aid commission. The agreement shall authorize the department to provide by rule for the setoff of state income tax refunds or rebates of defaulters from states with which Iowa has a reciprocal agreement and to provide for sending lists of names of Iowa defaulters to the states with which Iowa has a reciprocal agreement for setoff of that state's income tax refunds.

5. *Agency reimbursements.* Under substantive rules established by the director, the department shall seek reimbursement from other state agencies to recover its costs for setting off liabilities.¹¹

Sec. 179. NEW SECTION. 8.75 Cost allocation system — appropriation.

The department shall develop and administer an indirect cost allocation system for state agencies. The system shall be based upon standard cost accounting methodologies and shall be used to allocate both direct and indirect costs of state agencies or state agency functions in providing centralized services to other state agencies. A cost that is allocated to a state agency pursuant to this system shall be billed to the state agency and the cost is payable to the general fund of the state. The source of payment for the billed cost shall be any revenue source except for the general fund of the state. If a state agency is authorized by law to bill and recover direct expenses, the state agency shall recover indirect costs in the same manner.¹²

Sec. 180. NEW SECTION. 8.76 Accounting.

The director may at any time require any person receiving money, securities, or property belonging to the state, or having the management, disbursement, or other disposition of them, an account of which is kept in the department, to render statements of them and information in reference to them.¹³

Sec. 181. NEW SECTION. 8.77 Stating account.

If an officer who is accountable to the state treasury for any money or property neglects to render an account to the director within the time prescribed by law, or if no time is so prescribed, within twenty days after being required to do so by the director, the director shall state an account against the officer from the books of the officer's office, charging ten percent damages on the whole sum appearing due, and interest at the rate of six percent per annum on the aggregate from the time when the account should have been rendered; all of which may be recovered by action brought on the account, or on the official bond of the officer.¹⁴

Sec. 182. NEW SECTION. 8.78 Compelling payment.

¹¹ See chapter 1193, §35 herein

¹² See chapter 1193, §35 herein

¹³ See chapter 1193, §35 herein

¹⁴ See chapter 1193, §35 herein

If an officer fails to pay into the state treasury the amount received by the officer within the time prescribed by law, or having settled with the director, fails to pay the amount found due, the director shall charge the officer with twenty percent damages on the amount due, with interest on the aggregate from the time the amount became due at the rate of six percent per annum, and the whole may be recovered by an action brought on the account, or on the official bond of the officer, and the officer shall forfeit the officer's commission.¹⁵

Sec. 183. NEW SECTION. 8.79 Defense to claim.

The penal provisions in sections 8.77 and 8.78 are subject to any legal defense which the officer may have against the account as stated by the director, but judgment for costs shall be rendered against the officer in the action, whatever its result, unless the officer rendered an account within the time named in those sections.¹⁶

Sec. 184. NEW SECTION. 8.80 Requested credits — oath required.

When a county treasurer or other receiver of public moneys seeks to obtain credit on the books of the department for payment made to the county treasurer, before giving such credit the director shall require that person to take and subscribe an oath that the person has not used, loaned, or appropriated any of the public moneys for the person's private benefit or for the benefit of any other person.¹⁷

Sec. 185. NEW SECTION. 8.81 Requisition for information.

In those cases where the director is authorized to call upon persons or officers for information, or statements, or accounts, the director may issue a requisition therefor in writing to the person or officer called upon, allowing reasonable time, which, having been served and return made to the director, as a notice in a civil action, is evidence of the making of the requisition.¹⁸

Sec. 186. NEW SECTION. 8.82 Limits on claims.

The director is limited in authorizing the payment of claims, as follows:

1. *Funding limit.*

a. A claim shall not be allowed by the department if the appropriation or fund of certification available for paying the claim has been exhausted or proves insufficient.

b. The authority of the director is subject to the following exceptions:

(1) Claims by state employees for benefits pursuant to chapters 85, 85A, 85B, and 86 are subject to limitations provided in those chapters.

(2) Claims for medical assistance payments authorized under chapter 249A are subject to the time limits imposed by rule adopted by the department of human services.

(3) Claims approved by an agency according to the provisions of section 25.2.

2. *Convention expenses.* Claims for expenses in attending conventions, meetings, conferences, or gatherings of members of an association or society organized and existing as a quasi-public association or society outside the state of Iowa shall not be allowed at public expense, unless authorized by the executive council; and claims for these expenses outside of the state shall not be allowed unless the voucher is accompanied by the portion of the minutes of the executive council, certified to by its secretary, showing that the expense was authorized by the council. This section does not apply to claims in favor of the governor, attorney general, utilities board members, or to trips referred to in sections 97B.7A and 217.20.

3. *Payment from fees.* Claims for per diem and expenses payable from fees shall not be approved for payment in excess of those fees if the law provides that such expenditures are limited to the special funds collected and deposited in the state treasury.¹⁹

Sec. 187. NEW SECTION. 8.83 Claims — approval.

The director before approving a claim on behalf of the department shall determine:

¹⁵ See chapter 1193, §35 herein

¹⁶ See chapter 1193, §35 herein

¹⁷ See chapter 1193, §35 herein

¹⁸ See chapter 1193, §35 herein

¹⁹ See chapter 1193, §35 herein

1. That the creation of the claim is clearly authorized by law. Statutes authorizing the expenditure may be referenced through account coding authorized by the director.

2. That the claim has been authorized by an officer or official body having legal authority to so authorize and that the fact of authorization has been certified to the director by such officer or official body.

3. That all legal requirements have been observed, including notice and opportunity for competition, if required by law.

4. That the claim is in proper form as the director may provide.

5. That the charges are reasonable, proper, and correct and no part of the claim has been paid.²⁰

Sec. 188. NEW SECTION. 8.84 Vouchers — interest — payment of claims.

1. Before a warrant or its equivalent is issued for a claim payable from the state treasury, the department shall file an itemized voucher showing in detail the items of service, expense, item furnished, or contract for which payment is sought. However, the director may authorize the prepayment of claims when the best interests of the state are served under rules adopted by the director. The claimant's original invoice shall be attached to a department's approved voucher. The director shall adopt rules specifying the form and contents for invoices submitted by a vendor to a department. The requirements apply to acceptance of an invoice by a department. A department shall not impose additional or different requirements on submission of invoices than those contained in rules of the director unless the director exempts the department from the invoice requirements or a part of the requirements upon a finding that compliance would result in poor accounting or management practices.

2. Vouchers for postage, stamped envelopes, and postal cards may be audited as soon as an order for them is entered.

3. The departments, the general assembly, and the courts shall pay their claims in a timely manner. If a claim for services, supplies, materials, or a contract which is payable from the state treasury remains unpaid after sixty days following the receipt of the claim or the satisfactory delivery, furnishing, or performance of the services, supplies, materials, or contract, whichever date is later, the state shall pay interest at the rate of one percent per month on the unpaid amount of the claim. This subsection does not apply to claims against the state under chapters 25 and 669 or to claims paid by federal funds. The interest shall be charged to the appropriation or fund to which the claim is certified. Departments may enter into contracts for goods or services on payment terms of less than sixty days if the state may obtain a financial benefit or incentive which would not otherwise be available from the vendor. The department, in consultation with other affected departments, shall develop policies to promote consistency and fiscal responsibility relating to payment terms authorized under this subsection. The director shall adopt rules under chapter 17A relating to the administration of this subsection.²¹

Sec. 189. NEW SECTION. 8.85 Warrants — form.

A warrant shall bear on its face the signature of the director or its facsimile, or the signature of an assistant or its facsimile in case of a vacancy in the office of the director; a proper number, date, amount, and name of payee; a reference to the law under which it is drawn; whether for salaries or wages, services, or supplies, and what kind of supplies; and from what office or department, or for what other general or special purposes; or in lieu thereof, a coding system may be used, which particulars shall be entered in a warrant register kept for that purpose in the order of issuance; and as soon as practicable after issuing a warrant register, the director shall certify a duplicate of it to the treasurer of state.²²

Sec. 190. NEW SECTION. 8.86 Required payee.

All warrants shall be drawn to the order of the person entitled to payment or compensation, except that when goods or materials are purchased in foreign countries, warrants may be drawn upon the treasurer of state, payable to the bearer for the net amount of invoice and

²⁰ See chapter 1193, §35 herein

²¹ See chapter 1193, §35 herein

²² See chapter 1193, §35 herein

current exchange, and the treasurer of state shall furnish a foreign draft payable to the order of the person from whom purchase is made.²³

Sec. 191. NEW SECTION. 8.87 Prohibited payee.

In no case shall warrants be drawn in the name of the certifying office, department, board, or institution, or in the name of an employee, except for personal service rendered or expense incurred by the employee, unless express statutory authority exists therefor.²⁴

Sec. 192. NEW SECTION. 8.88 Claims exceeding appropriations.

A claim shall not be allowed when the claim will exceed the amount specifically appropriated for the claim.²⁵

Sec. 193. NEW SECTION. 8.89 Cancellation of state warrants.

On the last business day of each month, the director shall cancel and request the treasurer of state to stop payment on all state warrants which have been outstanding and unredeemed by the treasurer of state for six months or longer.²⁶

Sec. 194. Section 8.9, subsection 1, Code Supplement 2009, is amended to read as follows:

1. The office of grants enterprise management is established in the department of management. The function of the office is to develop and administer a system to track, identify, advocate for, and coordinate nonstate grants as defined in section 8.2, subsections 1 and 3. Staffing for the office of grants enterprise management shall be provided by a facilitator appointed by the director of the department of management. Additional staff may be hired, subject to the availability of funding. Funding for the office is from the appropriation to the department pursuant to section ~~8A.505, subsection 2.~~²⁷

Sec. 195. Section 8.31, subsection 4, Code 2009, is amended to read as follows:

4. The procedure to be employed in controlling the expenditures and receipts of the state fair board and the institutions under the state board of regents, whose collections are not deposited in the state treasury, is that outlined in section ~~8A.502~~ 8.72, subsection 9.²⁸

Sec. 196. Section 8A.102, subsection 2, Code 2009, is amended to read as follows:

2. The person appointed as director shall be professionally qualified by education and have no less than five years' experience in the field of management, public or private sector personnel administration including the application of merit principles in employment, ~~financial management~~, and policy development and implementation. The appointment shall be made without regard for political affiliation. The director shall not be a member of any local, state, or national committee of a political party, an officer or member of a committee in any partisan political club or organization, or hold or be a candidate for a paid elective public office. The director is subject to the restrictions on political activity provided in section 8A.416. The governor shall set the salary of the director within pay grade nine.²⁹

Sec. 197. Section 8A.103, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The department is created for the purpose of managing and coordinating the major resources of state government including the human, ~~financial~~, physical, and information resources of state government.³⁰

Sec. 198. Section 8A.104, subsection 12, Code 2009, is amended to read as follows:

12. Serve as the chief information officer for the state. However, the director may designate a person in the department to serve in this capacity at the discretion of the director. If the director designates a person to serve as chief information officer, the person designated shall

²³ See chapter 1193, §35 herein

²⁴ See chapter 1193, §35 herein

²⁵ See chapter 1193, §35 herein

²⁶ See chapter 1193, §35 herein

²⁷ See chapter 1193, §35 herein

²⁸ See chapter 1193, §35 herein

²⁹ See chapter 1193, §35 herein

³⁰ See chapter 1193, §35 herein

be professionally qualified by education and have no less than five years' experience in the fields field of information technology and financial management. ³¹

Sec. 199. Section 8A.111, subsection 11, Code 2009, is amended by striking the subsection. ³²

Sec. 200. Section 8A.204, subsection 3, paragraph b, Code 2009, is amended to read as follows:

b. Work with the department of management and the state accounting enterprise of the department, pursuant to section ~~8A.502~~, to maintain the relevancy of the central budget and proprietary control accounts of the general fund of the state and special funds to information technology, as those terms are defined in section 8.2, of state government. ³³

Sec. 201. Section 8A.323, subsection 5, Code 2009, is amended to read as follows:

5. Any fine that remains unpaid upon becoming delinquent may be collected by the department pursuant to the setoff procedures provided for in section ~~8A.504~~ 8.74. For purposes of this subsection, a fine becomes delinquent if it has not been paid within thirty days of the date of the issuance of the parking citation, unless a written request for a hearing is filed as provided pursuant to the rules of the department. If an appeal is filed and the citation is upheld, the fine becomes delinquent ten days after the issuance of the final decision on the appeal or thirty-one days after the date of the issuance of the parking citation, whichever is later. ³⁴

Sec. 202. Section 11.2, subsection 1, paragraph b, Code 2009, is amended to read as follows:

b. Provided further, that a preliminary audit of the educational institutions and the state fair board shall be made periodically, at least quarterly, to check the monthly reports submitted to the director of the department of administrative services as required by section ~~8A.502~~ 8.72, subsection 9, and that a final audit of such state agencies shall be made at the close of each fiscal year. ³⁵

Sec. 203. Section 25.2, subsection 5, Code 2009, is amended to read as follows:

5. Outstanding state warrants that have been canceled pursuant to section ~~8A.519~~ 8.89 and were charged to the general fund of the state or another state funding source shall be addressed as provided in section 556.2C. ³⁶

Sec. 204. Section 96.11, subsection 16, Code 2009, is amended to read as follows:

16. *Reimbursement of setoff costs.* The department shall include in the amount set off in accordance with section ~~8A.504~~ 8.74, for the collection of an overpayment created pursuant to section 96.3, subsection 7, or section 96.16, subsection 4, an additional amount for the reimbursement of setoff costs incurred by the department of administrative services. ³⁷

Sec. 205. Section 97B.7A, subsection 5, Code 2009, is amended to read as follows:

5. *Travel.* In the administration of the investment of moneys in the retirement fund, employees of the system and members of the board may travel outside the state for the purpose of meeting with investment firms and consultants and attending conferences and meetings to fulfill their fiduciary responsibilities. This travel is not subject to section ~~8A.512~~ 8.82, subsection 2. ³⁸

³¹ See chapter 1193, §35 herein

³² See chapter 1193, §35 herein

³³ See chapter 1193, §35 herein

³⁴ See chapter 1193, §35 herein

³⁵ See chapter 1193, §35 herein

³⁶ See chapter 1193, §35 herein

³⁷ See chapter 1193, §35 herein

³⁸ See chapter 1193, §35 herein

Sec. 206. Section 99D.2, subsection 3, Code 2009, is amended to read as follows:

3. “*Claimant agency*” means a state agency as defined in section ~~8A.504~~ 8.74, subsection 1, or the state court administrator as defined in section 602.1101.³⁹

Sec. 207. Section 99D.28, subsection 2, Code 2009, is amended to read as follows:

2. The licensee is authorized and directed to withhold any winnings of a debtor which are paid out directly by the licensee subject to the lien created by this section and provide notice of such withholding to the winner when the winner appears and claims winnings in person. The licensee shall pay the funds over to the collection entity which administers the setoff program pursuant to section ~~8A.504~~ 8.74.⁴⁰

Sec. 208. Section 99F.1, subsection 4, Code 2009, is amended to read as follows:

4. “*Claimant agency*” means a state agency as defined in section ~~8A.504~~ 8.74, subsection 1, or the state court administrator as defined in section 602.1101.⁴¹

Sec. 209. Section 99F.19, subsection 2, Code 2009, is amended to read as follows:

2. The licensee is authorized and directed to withhold any winnings of a debtor which are paid out directly by the licensee subject to the lien created by this section and provide notice of such withholding to the winner when the winner appears and claims winnings in person. The licensee shall pay the funds over to the collection entity which administers the setoff program pursuant to section ~~8A.504~~ 8.74.⁴²

Sec. 210. Section 99G.38, subsection 3, Code 2009, is amended to read as follows:

3. The state of Iowa offset program, as provided in section ~~8A.504~~ 8.74, shall be available to the authority to facilitate receipt of funds owed to the authority.⁴³

Sec. 211. Section 217.34, Code 2009, is amended to read as follows:

217.34 Debt setoff.

The investigations division of the department of inspections and appeals and the department of human services shall provide assistance to set off against a person’s or provider’s income tax refund or rebate any debt which has accrued through written contract, subrogation, departmental recoupment procedures, or court judgment and which is in the form of a liquidated sum due and owing the department of human services. The department of inspections and appeals, with approval of the department of human services, shall adopt rules under chapter 17A necessary to assist the department of ~~administrative services management~~ in the implementation of the setoff under section ~~8A.504~~ 8.74 in regard to money owed to the state for public assistance overpayments. The department of human services shall adopt rules under chapter 17A necessary to assist the department of ~~administrative services management~~ in the implementation of the setoff under section ~~8A.504~~ 8.74, in regard to collections by the child support recovery unit and the foster care recovery unit.⁴⁴

Sec. 212. Section 218.58, subsection 5, Code 2009, is amended to read as follows:

5. A claim for payment relating to a project shall be itemized on a voucher form pursuant to section ~~8A.514~~ 8.84, certified by the claimant and the architect or engineer in charge, and audited and approved by the department of ~~administrative services management~~. Upon approval by the department of ~~administrative services management~~, the director of the department of ~~administrative services management~~ shall draw a warrant to be paid by the treasurer of state from funds appropriated for the project. A partial payment made before completion of the project does not constitute final acceptance of the work or a waiver of any defect in the work.⁴⁵

³⁹ See chapter 1193, §35 herein

⁴⁰ See chapter 1193, §35 herein

⁴¹ See chapter 1193, §35 herein

⁴² See chapter 1193, §35 herein

⁴³ See chapter 1193, §35 herein

⁴⁴ See chapter 1193, §35 herein

⁴⁵ See chapter 1193, §35 herein

Sec. 213. Section 218.85, Code 2009, is amended to read as follows:

218.85 Uniform system of accounts.

The director of human services through the administrators in control of the institutions shall install in all the institutions the most modern, complete, and uniform system of accounts, records, and reports possible. The system shall be prescribed by the director of the department of ~~administrative services~~ management as authorized in section ~~8A.502~~ 8.72, subsection 13, and, among other matters, shall clearly show the detailed facts relative to the handling and uses of all purchases.⁴⁶

Sec. 214. Section 234.8, Code 2009, is amended to read as follows:

234.8 Fees for child welfare services.

The department of human services may charge a fee for child welfare services to a person liable for the cost of the services. The fee shall not exceed the reasonable cost of the services. The fee shall be based upon the person's ability to pay and consideration of the fee's impact upon the liable person's family and the goals identified in the case permanency plan. The department may assess the liable person for the fee and the means of recovery shall include a setoff against an amount owed by a state agency to the person assessed pursuant to section ~~8A.504~~ 8.74. In addition the department may establish an administrative process to recover the assessment through automatic income withholding. The department shall adopt rules pursuant to chapter 17A to implement the provisions of this section. This section does not apply to court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141 and services for which the department has established a support obligation pursuant to section 234.39.⁴⁷

Sec. 215. Section 252B.5, subsection 4, Code Supplement 2009, is amended to read as follows:

4. Assistance to set off against a debtor's income tax refund or rebate any support debt, which is assigned to the department of human services or which the child support recovery unit is attempting to collect on behalf of any individual not eligible as a public assistance recipient, which has accrued through written contract, subrogation, or court judgment, and which is in the form of a liquidated sum due and owing for the care, support, or maintenance of a child. Unless the periodic payment plan provisions for a retroactive modification pursuant to section 598.21C apply, the entire amount of a judgment for accrued support, notwithstanding compliance with a periodic payment plan or regardless of the date of entry of the judgment, is due and owing as of the date of entry of the judgment and is delinquent for the purposes of setoff, including for setoff against a debtor's federal income tax refund or other federal nontax payment. The department of human services shall adopt rules pursuant to chapter 17A necessary to assist the department of ~~administrative services~~ management in the implementation of the child support setoff as established under section ~~8A.504~~ 8.74.⁴⁸

Sec. 216. Section 261.37, subsection 7, Code 2009, is amended to read as follows:

7. To establish an effective system for the collection of delinquent loans, including the adoption of an agreement with the department of ~~administrative services~~ management to set off against a defaulter's income tax refund or rebate the amount that is due because of a default on a guaranteed or parental loan made under this division. The commission shall adopt rules under chapter 17A necessary to assist the department of ~~administrative services~~ management in the implementation of the student loan setoff program as established under section ~~8A.504~~ 8.74. The commission shall apply administrative wage garnishment procedures authorized under the federal Higher Education Act of 1965, as amended and codified in 20 U.S.C. § 1071 et seq., for all delinquent loans, including loans authorized under section 261.38, when a defaulter who is financially capable of paying fails to voluntarily enter into a reasonable payment agreement. In no case shall the commission garnish more than the

⁴⁶ See chapter 1193, §35 herein

⁴⁷ See chapter 1193, §35 herein

⁴⁸ See chapter 1193, §35 herein

amount authorized by federal law for all loans being collected by the commission, including those authorized under section 261.38. ⁴⁹

Sec. 217. Section 321.11A, subsection 1, paragraph c, Code 2009, is amended to read as follows:

c. The department of ~~administrative services~~ management for the purpose of administering the setoff program pursuant to section ~~8A.504~~ 8.74. ⁵⁰

Sec. 218. Section 321.31, subsection 1, unnumbered paragraph 3, Code 2009, is amended to read as follows:

The director shall maintain a records system of delinquent accounts owed to the state using information provided through the computerized data bank established in section 421.17. The department and county treasurers shall use the information maintained in the records system to determine if applicants for renewal of registration have delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by the state as provided pursuant to section ~~8A.504~~ 8.74. The director, the director of the department of ~~administrative services~~ management, and the director of revenue shall establish procedures for updating the delinquent accounts records to add and remove accounts, as applicable. ⁵¹

Sec. 219. Section 321.40, subsection 6, Code Supplement 2009, is amended to read as follows:

6. The department or the county treasurer shall refuse to renew the registration of a vehicle registered to the applicant if the department or the county treasurer knows that the applicant has a delinquent account, charge, fee, loan, taxes, or other indebtedness owed to or being collected by the state, from information provided pursuant to sections ~~8A.504~~ 8.74 and 421.17. An applicant may contest this action by requesting a contested case proceeding from the agency that referred the debt for collection pursuant to section ~~8A.504~~ 8.74. ⁵²

Sec. 220. Section 331.552, subsection 5, Code 2009, is amended to read as follows:

5. Account for, report, and pay into the state treasury any money, property, or securities received on behalf of the state as provided in sections ~~8A.506 to 8A.508~~ 8.76 to 8.78. ⁵³

Sec. 221. Section 422.12D, subsection 4, Code 2009, is amended to read as follows:

4. The department shall adopt rules to implement this section. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of ~~administrative services~~ management and accounts identified as owing under section ~~8A.504~~ 8.74 and the political contribution allowed under section 68A.601 shall be satisfied. ⁵⁴

Sec. 222. Section 422.12K, subsection 2, Code Supplement 2009, is amended to read as follows:

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the child abuse prevention program fund on the tax return. The department of revenue, on or before January 31, shall transfer the total amount designated on the tax return forms due in the preceding calendar year to the child abuse prevention program fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of ~~administrative services~~ management and accounts identified as owing under section ~~8A.504~~ 8.74 and the political contribution allowed under section 68A.601 shall be satisfied. ⁵⁵

Sec. 223. Section 422.12L, subsection 2, Code 2009, is amended to read as follows:

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the veterans trust fund and to the volunteer fire fighter preparedness

⁴⁹ See chapter 1193, §35 herein

⁵⁰ See chapter 1193, §35 herein

⁵¹ See chapter 1193, §35 herein

⁵² See chapter 1193, §35 herein

⁵³ See chapter 1193, §35 herein

⁵⁴ See chapter 1193, §35 herein

⁵⁵ See chapter 1193, §35 herein

fund as one checkoff on the tax return. The department of revenue, on or before January 31, shall transfer one-half of the total amount designated on the tax return forms due in the preceding calendar year to the veterans trust fund and the remaining one-half to the volunteer fire fighter preparedness fund. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of ~~administrative services management~~ and accounts identified as owing under section ~~8A.504 8.74~~ and the political contribution allowed under section 68A.601 shall be satisfied.⁵⁶

Sec. 224. Section 422.20, subsection 3, paragraph a, Code 2009, is amended to read as follows:

a. Unless otherwise expressly permitted by section ~~8A.504 8.74~~, section 421.17, subsections 22, 23, and 26, sections 252B.9, 321.120, 421.19, 421.28, 422.72, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.⁵⁷

Sec. 225. Section 422.72, subsection 3, paragraph a, Code 2009, is amended to read as follows:

a. Unless otherwise expressly permitted by section ~~8A.504 8.74~~, section 421.17, subsections 22, 23, and 26, sections 252B.9, 321.120, 421.19, 421.28, 422.20, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.⁵⁸

Sec. 226. Section 456A.16, unnumbered paragraph 7, Code 2009, is amended to read as follows:

The department shall adopt rules to implement this section. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of ~~administrative services management~~ and accounts identified as owing under section ~~8A.504 8.74~~ and the political contribution allowed under section 68A.601 shall be satisfied.⁵⁹

Sec. 227. Section 556.2C, subsection 1, paragraph a, Code 2009, is amended to read as follows:

a. An unpaid, outdated warrant that is canceled pursuant to section ~~8A.519 8.89~~ shall be included in a list of outstanding state warrants maintained by the director of the department of ~~administrative services management~~. On or before July 1 of each year, the director of the department of ~~administrative services management~~ shall provide the office of the treasurer of state with a consolidated list of such outstanding warrants that have not been previously reported to the office.⁶⁰

Sec. 228. Section 602.8102, subsection 58A, Code 2009, is amended to read as follows:

58A. Assist the department of ~~administrative services management~~ in setting off against debtors' income tax refunds or rebates under section ~~8A.504 8.74~~, debts which are due, owing, and payable to the clerk of the district court as criminal fines, civil penalties, surcharges, or court costs.⁶¹

Sec. 229. Section 602.8107, subsection 4, paragraph a, Code Supplement 2009, is amended to read as follows:

a. This subsection does not apply to amounts collected for victim restitution, the victim compensation fund, the criminal penalty surcharge, sex offender civil penalty, drug abuse resistance education surcharge, the law enforcement initiative surcharge, county

⁵⁶ See chapter 1193, §35 herein

⁵⁷ See chapter 1193, §35 herein

⁵⁸ See chapter 1193, §35 herein

⁵⁹ See chapter 1193, §35 herein

⁶⁰ See chapter 1193, §35 herein

⁶¹ See chapter 1193, §35 herein

enforcement surcharge, amounts collected as a result of procedures initiated under subsection 5 or under section 8A.504 8.74, or fees charged pursuant to section 356.7. ⁶²

Sec. 230. Section 642.2, subsection 4, Code 2009, is amended to read as follows:

4. Notwithstanding subsections 2, 3, 6, and 7, any moneys owed to the child support obligor by the state, with the exception of unclaimed property held by the treasurer of state pursuant to chapter 556, and payments owed to the child support obligor through the Iowa public employees' retirement system are subject to garnishment, attachment, execution, or assignment by the child support recovery unit if the child support recovery unit is providing enforcement services pursuant to chapter 252B. Any moneys that are determined payable by the treasurer pursuant to section 556.20, subsection 2, to the child support obligor shall be subject to setoff pursuant to section 8A.504 8.74, notwithstanding any administrative rule pertaining to the child support recovery unit limiting the amount of the offset. ⁶³

Sec. 231. REPEAL. Sections 8A.502, 8A.503, 8A.504, 8A.506, 8A.507, 8A.508, 8A.509, 8A.510, 8A.511, 8A.512, 8A.513, 8A.514, 8A.515, 8A.516, 8A.517, 8A.518, and 8A.519, Code 2009, are repealed. ⁶⁴

Sec. 232. REPEAL. Section 8A.505, Code Supplement 2009, is repealed. ⁶⁵

Sec. 233. DEPARTMENT OF MANAGEMENT — CENTRALIZED PAYROLL SYSTEM. The department of management ⁶⁶ shall examine the possibility of merging all state payroll systems into the centralized payroll system operated by the department. The department shall consult with those entities of state government not utilizing the centralized payroll system, including but not limited to the state department of transportation, about strategies for encouraging utilization of the state's centralized payroll system and by identifying those barriers preventing merging of the payroll systems. The department shall provide information to the joint appropriations subcommittee on administration and regulation concerning efforts by the department to merge payroll systems and any recommendations for legislative action to encourage, or eliminate barriers to, the provision of payroll services by the department to other state agencies.

Sec. 234. DEPARTMENT OF MANAGEMENT — PAYROLL FREQUENCY. The department of management ⁶⁷ shall implement to the greatest extent possible a reduction in the frequency of paying state employees by paying employees through the payroll system on a semimonthly instead of a biweekly basis.

DIVISION XVII
ADMINISTRATION AND REGULATION APPROPRIATIONS

Sec. 235. DEPARTMENT OF REVENUE — EXAMINERS. There is appropriated from the general fund of the state to the department of revenue for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

| | | |
|-------|------|---------|
| | \$ | 325,000 |
| | FTEs | 5.00 |

The moneys appropriated in this section shall be utilized by the department to hire five additional examiners.

⁶² See chapter 1193, §35 herein
⁶³ See chapter 1193, §35 herein
⁶⁴ See chapter 1193, §35 herein
⁶⁵ See chapter 1193, §35 herein
⁶⁶ See chapter 1193, §33 herein
⁶⁷ See chapter 1193, §34 herein

Sec. 236. DEPARTMENT OF MANAGEMENT — GRANTS ENTERPRISE MANAGEMENT. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the office of grants enterprise management, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent position:

| | | |
|-------|------|---------|
| | \$ | 175,000 |
| | FTEs | 1.00 |

Of the moneys appropriated in this section, \$50,000 shall be used by the department of management to create and fill an additional position in the office of grants enterprise management.

DIVISION XVIII
 ELIMINATION OF STATE ENTITIES
 ENTITIES ASSOCIATED WITH THE DEPARTMENT OF AGRICULTURE AND
 LAND STEWARDSHIP

Sec. 237. Section 159.20, subsection 1, paragraph j, Code Supplement 2009, is amended to read as follows:

~~j. Assist the office of renewable fuels and coproducts and the renewable fuels and coproducts advisory committee in administering the provisions of chapter 159A.~~

Sec. 238. Section 159A.1, subsection 3, Code 2009, is amended to read as follows:

3. This state adopts a policy of enhancing agricultural production by encouraging the development and use of fuels and coproducts derived from agricultural commodities, as provided in this chapter, including rules adopted by the office of renewable fuels and coproducts ~~and the renewable fuels and coproducts advisory committee.~~

Sec. 239. Section 159A.2, subsection 2, Code 2009, is amended by striking the subsection.

Sec. 240. Section 159A.3, subsection 2, paragraph h, Code Supplement 2009, is amended by striking the paragraph.

Sec. 241. Section 159A.3, subsection 2, paragraph i, Code Supplement 2009, is amended by striking the paragraph.

Sec. 242. Section 159A.3, subsection 4, Code Supplement 2009, is amended to read as follows:

4. The office and state entities, including the department, ~~the committee,~~ the Iowa department of economic development, the state department of transportation, the office of energy independence, and the state board of regents institutions, shall cooperate to implement this section.

Sec. 243. Section 159A.6, Code Supplement 2009, is amended to read as follows:

159A.6 Education, promotion, and advertising.

1. The office shall ~~support~~ do all of the following:

~~a. Support~~ education regarding, and promotion and advertising of, renewable fuels and coproducts. The office shall consult with the Iowa corn growers association and the Iowa soybean association.

2. ~~b. The office shall promote~~ Promote the advantages related to the use of renewable fuels as an alternative to nonrenewable fuels. Promotions shall be designed to inform the ultimate consumer of advantages associated with using renewable fuels, and emphasize the benefits to the natural environment. The promotion shall inform consumers at the businesses of retail dealers of motor vehicle fuels.

3. ~~c. The committee shall develop~~ Develop standards for decals required pursuant to section 214A.16, which shall be designed to promote the advantages of using renewable fuels. The standards may be incorporated within a model decal adopted ~~by the committee and approved~~ by the office.

4. ~~d. The office shall promote~~ Promote the advantages related to the use of coproducts derived from the production of renewable fuels, including the use of coproducts used as livestock feed or meal. Promotions shall be designed to inform the potential purchasers of the advantages associated with using coproducts. The office shall promote advantages associated with using coproducts of ethanol production as livestock feed or meal to cattle producers in this state.

5. 2. The office may contract to provide all or part of ~~these~~ the services described in subsection 1.

Sec. 244. Section 159A.7, subsection 2, Code Supplement 2009, is amended to read as follows:

2. Moneys in the fund shall be used only to carry out the provisions of this section and sections 159A.3, ~~159A.4, 159A.5,~~ 159A.6, 159A.6A, and 159A.6B within the state of Iowa.

Sec. 245. Section 214A.1, subsection 7, Code 2009, is amended by striking the subsection.

Sec. 246. Section 214A.1, Code 2009, is amended by adding the following new subsection: NEW SUBSECTION. 17A. "Office" means the office of renewable fuels and coproducts created pursuant to section 159A.3.

Sec. 247. Section 214A.2, subsection 1, Code Supplement 2009, is amended to read as follows:

1. The department shall adopt rules pursuant to chapter 17A for carrying out this chapter. The rules may include, but are not limited to, specifications relating to motor fuel, including but not limited to renewable fuel such as ethanol blended gasoline, biodiesel, biodiesel blended fuel, and motor fuel components such as an oxygenate. In the interest of uniformity, the department shall adopt by reference other specifications relating to tests and standards for motor fuel including renewable fuel and motor fuel components, established by the United States environmental protection agency and A.S.T.M. international. ~~In adopting standards for a renewable fuel, the department shall consult with the committee.~~

Sec. 248. Section 422.11N, subsection 4, paragraph b, unnumbered paragraph 2, Code 2009, is amended to read as follows:

If the governor finds that exigent circumstances exist, the governor may reduce the applicable biofuel threshold percentage by replacing it with an adjusted biofuel threshold percentage. The governor shall consult with the department of revenue and the office of renewable fuels and coproducts advisory committee established pursuant to section 159A.4 159A.3. The governor shall make the adjustment by giving notice of intent to issue a proclamation which shall take effect not earlier than thirty-five days after publication in the Iowa administrative bulletin of a notice to issue the proclamation. The governor shall provide a period of notice and comment in the same manner as provided in section 17A.4, subsection 1. The adjusted biofuel threshold percentage shall be effective for the following determination period.

Sec. 249. Section 469.3, subsection 2, paragraph m, Code Supplement 2009, is amended to read as follows:

m. Coordinate with other state agencies regarding implementation of the office of renewable fuels and coproducts pursuant to section 159A.3, ~~serve on the renewable fuels and coproducts advisory committee,~~ and assist in providing technical assistance to new or existing renewable fuel production facilities.

Sec. 250. REPEAL. Section 159A.4, Code Supplement 2009, is repealed.

Sec. 251. REPEAL. Section 159A.5, Code 2009, is repealed.

Sec. 252. REPEAL. Chapter 175A, Code 2009, is repealed.

Sec. 253. ORGANIC ADVISORY COUNCIL — FEES. Notwithstanding section 190C.5, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the department of agriculture and land stewardship shall increase all fees that it establishes, imposes, and collects pursuant to 21 IAC ch. 47 by ten percent. Of the fees collected by the department, the amount collected representing the ten percent increase in fees authorized by this section shall not be deposited in the general fund of the state but shall be retained by the department for the purposes of the department.

Sec. 254. GRAPE AND WINE DEVELOPMENT FUND. This division of this Act does not affect the expenditure of moneys by the department of agriculture and land stewardship to satisfy any obligations or encumbrances of moneys in the grape and wine development fund created in section 175A.5, if the obligations or encumbrances were incurred prior to the effective date of this division of this Act. Moneys credited to the grape and wine development fund that are unobligated or unencumbered at the close of the fiscal year ending June 30, 2010, shall be transferred to the wine gallonage tax fund created in section 123.183 in the same manner as a reversion.

DIVISION XIX
ELIMINATION OF STATE ENTITIES
ENTITIES ASSOCIATED WITH THE DEPARTMENT OF NATURAL RESOURCES'
CONTROL OF THE NATURAL HABITAT

Sec. 255. 2008 Iowa Acts, chapter 1080, section 1, subsection 6, is amended to read as follows:

6. This section is repealed on ~~July 1, 2010~~ the effective date of this section of this division of this Act.

Sec. 256. REPEAL. 2009 Iowa Acts, chapter 144, section 49, is repealed.

Sec. 257. EFFECTIVE UPON ENACTMENT. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

The section of this Act amending 2008 Iowa Acts, chapter 1080, section 1, concerning the sustainable natural resource funding advisory committee.

The sections of this Act repealing 2009 Iowa Acts, chapter 144, section 49, establishing an upland game bird study advisory committee.

DIVISION XX
ELIMINATION OF STATE ENTITIES
ENTITIES ASSOCIATED WITH THE DEPARTMENT OF NATURAL RESOURCES —
IOWA CLIMATE CHANGE ADVISORY COUNCIL

Sec. 258. Section 455B.104, Code Supplement 2009, is amended by adding the following new subsections:

NEW SUBSECTION. 3. The department may periodically forward recommendations to the commission designed to encourage the reduction of statewide greenhouse gas emissions.

NEW SUBSECTION. 4. By September 1 of each year, the department shall submit a report to the governor and the general assembly regarding the greenhouse gas emissions in the state during the previous calendar year and forecasting trends in such emissions. The first submission by the department shall be filed by September 1, 2011, for the calendar year beginning January 1, 2010.⁶⁸

Sec. 259. Section 455B.851, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 10. This section is repealed July 1, 2011.

⁶⁸ See chapter 1193, §54 herein

Sec. 260. Section 473.7, subsection 12, paragraph b, Code Supplement 2009, is amended by striking the paragraph.

DIVISION XXI
ECONOMIC DEVELOPMENT — COMMITTEES AND COUNCILS

Sec. 261. Section 15.108, subsection 7, paragraph h, Code 2009, is amended by striking the paragraph.

Sec. 262. Section 15G.115, subsections 2 and 3, Code Supplement 2009, are amended to read as follows:

2. a. Each application from a business for financial assistance under the grow Iowa values financial assistance program shall be reviewed by the due diligence committee established by the board pursuant to section 15.103, subsection 6. The due diligence committee shall make a recommendation on each application to the board.

~~b. Each application from a business for financial assistance under the value-added agriculture component of the grow Iowa values financial assistance program shall be reviewed by the agricultural products advisory council established in section 15.203, which shall make a recommendation on each application to the board.~~

e. ~~b.~~ Each application for financial assistance from funds allocated by the department for deposit in the innovation and commercialization development fund pursuant to section 15G.111, subsection 10, shall be reviewed by the technology commercialization committee established in section 15.116, which shall make a recommendation on each application to the board.

3. In overseeing the administration of the grow Iowa values fund and grow Iowa values financial assistance program pursuant to this chapter, the board shall do all of the following:

a. At the first scheduled meeting of the board after the start of a new fiscal year, take final action on all of the following:

(1) The department's recommendations for the annual fiscal year allocation of moneys in the fund, as provided in section 15G.111, subsection 4. The board may adjust the allocation of moneys during the fiscal year as necessary.

(2) The department's recommendations for the allocation of moneys among the program components referred to in section 15G.112, subsection 1, paragraph "b". The board may adjust the allocation of moneys during the fiscal year as necessary.

~~b. Consider the recommendation of the due diligence committee and the agricultural products advisory council on each application for financial assistance, as described in subsection 2, and take final action on each application.~~

c. Take final action on the required plans for proposed expenditures submitted by the entities receiving moneys allocated under section 15G.111, subsections 5 through 8.

d. Take final action on any rules recommended by the department for the implementation of the provisions of this chapter.

Sec. 263. REPEAL. Section 15.114, Code 2009, is repealed.

Sec. 264. REPEAL. Section 15.203, Code Supplement 2009, is repealed.

DIVISION XXII
CONSOLIDATION OF HOUSING PROGRAMS

Sec. 265. **NEW SECTION. 16.41 Shelter assistance fund.**

1. A shelter assistance fund is created as a revolving fund in the state treasury under the control of the authority consisting of any moneys appropriated by the general assembly and received under section 428A.8 for purposes of the rehabilitation, expansion, or costs of operations of group home shelters for the homeless and domestic violence shelters.

2. Of the moneys in the fund, not less than five hundred forty-six thousand dollars shall be spent annually on homeless shelter projects.

3. Notwithstanding section 8.33, all moneys in the shelter assistance fund which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for subsequent fiscal years.

Sec. 266. Section 428A.8, subsection 2, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The treasurer of state shall deposit or transfer the receipts paid the treasurer of state pursuant to subsection 1 to either the general fund of the state, the housing trust fund created in section 16.181, or the shelter assistance fund created in section ~~15.349~~ 16.41 as follows:

Sec. 267. REPEAL. Section 15.349, Code 2009, is repealed.

Sec. 268. DEPARTMENTAL PROGRAM REVIEW — HOUSING PROGRAMS.

1. The department of economic development and the Iowa finance authority shall conduct a joint review of programs administered by the agencies that relate to housing, including all such federal programs. The joint review of programs shall include a review of all federal moneys received and spent on housing programs. The agencies shall identify all programs that are duplicative of another program and all programs that have purposes similar to that of another program.

2. The agencies shall produce a report on how best to transfer all responsibilities for housing-related programs from the department of economic development to the Iowa finance authority.

3. By September 1, 2010, the agencies shall submit a joint written report to the governor, the department of management, and the general assembly consisting of the information required under this section, a complete list of programs reviewed pursuant to this section, and any other relevant information.

DIVISION XXIII AREA EDUCATION AGENCIES

Sec. 269. Section 256.9, Code Supplement 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 59. Provide guidance and standards to area education agencies for federal and state education initiatives which the area education agencies must implement statewide.

Sec. 270. Section 273.2, Code Supplement 2009, is amended by adding the following new subsections:

NEW SUBSECTION. 8. The area education agency board shall collaborate with the department of education to provide a statewide infrastructure for educational data to create cost efficiencies, provide storage and disaster mitigation, and improve interconnectivity between schools and school districts. In addition, the area education agency boards shall work with the department to provide systemwide coordination in the implementation of the statewide longitudinal data system consistent with the federal American Recovery and Reinvestment Act of 2009. The area education agencies shall provide support to school districts' information technology infrastructure that is consistent with the statewide infrastructure for the educational data collaborative.

NEW SUBSECTION. 9. The area education agency boards shall jointly develop a three-year statewide strategic plan that supports goals adopted by the state board of education pursuant to section 256.7, subsection 4, and the accreditation standards established pursuant to section 256.11; establish performance goals; and clearly identify the statewide efforts to improve student learning and create efficiencies in management operations for area education agencies and school districts. The statewide strategic plan shall be approved by the state board of education. The area education agency boards shall jointly provide the state board with annual updates on the performance measures.

Sec. 271. Section 273.10, subsection 2, Code Supplement 2009, is amended to read as follows:

2. Prior to a visit to an area education agency, the accreditation team shall have access to that area education agency's program audit report filed with the department. After a visit to an area education agency, the accreditation team shall determine whether the accreditation standards for a program, including but not limited to standards established pursuant to section 256.9, subsection 59, have been met and shall make a report to the director and the state board, together with a recommendation as to whether the programs of the area education agency should receive initial accreditation or remain accredited. The accreditation team shall report strengths and weaknesses, if any, for each accreditation standard and shall advise the area education agency of available resources and technical assistance to further enhance the strengths and improve areas of weakness. An area education agency may respond to the accreditation team's report.

Sec. 272. Section 273.11, subsection 2, Code 2009, is amended by adding the following new paragraph:

NEW PARAGRAPH. *j.* Support for early childhood service coordination for families and children to meet health, safety, and learning needs.

Sec. 273. NEW SECTION. 273.15 Advisory group.

1. The board of directors of each area education agency shall appoint an advisory group to make recommendations on policy, programs, and services to the board. The advisory group shall provide input, feedback, and recommendations to the board regarding projected future needs, and shall provide a review and response to any state-directed study or task force report on area education agency efficiencies or reorganization.

2. The advisory group shall consist of the following:

a. A minimum of three superintendents employed by school districts served by the area education agency; at least one of whom shall represent a small school district, at least one of whom shall represent a medium-sized school district, and at least one of whom shall represent a large school district.

b. A minimum of three principals employed by school districts served by the area education agency; at least one of whom shall represent an elementary school, at least one of whom shall represent a middle school, and at least one of whom shall represent a high school.

c. A minimum of four teachers employed by school districts served by the area education agency; at least one of whom shall represent early childhood teachers, at least one of whom shall represent elementary school teachers, at least one of whom shall represent middle school teachers, and at least one of whom shall represent high school teachers. At least one of the teachers appointed shall also represent special education and at least one of the teachers appointed shall represent general education. At least one of the teachers appointed shall represent related personnel, including but not limited to media and technology specialists and counselors.

d. A minimum of three parents or guardians of school age children receiving services from the area education agency, at least one of whom shall be the parent or guardian of a child requiring special education.

e. One member who represents accredited nonpublic schools located within the boundaries of the area education agency.

3. In appointing members of the advisory group pursuant to subsection 2, the area education agency shall collaborate with the superintendents and school boards of the school districts served by the area education agency.

4. All member appointments made pursuant to subsection 2 shall comply with sections 69.16, 69.16A, and 69.16C. In addition, every reasonable effort shall be made to appoint members to provide balanced representation based on age, experience, ethnicity, district size, and geography.

5. The advisory group shall meet at least twice annually and shall submit its recommendations in a report to the board of directors of the area education agency at least once annually. The report shall be timely submitted to allow for consideration of the recommendations prior to program planning and budgeting for the following fiscal year.

Sec. 274. Section 280.20, subsection 3, Code 2009, is amended by striking the subsection.

Sec. 275. REPEAL. Sections 280A.1, 280A.3, 280A.4, and 280A.5, Code 2009, are repealed.

Sec. 276. REPEAL. Section 280A.2, Code Supplement 2009, is repealed.

Sec. 277. REPEAL. Section 256.32, Code 2009, is repealed.

DIVISION XXIV
EARLY CHILDHOOD IOWA INITIATIVE

Sec. 278. **NEW SECTION. 256I.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. “*Department*” means the department of management.
2. “*Desired results*” means the set of desired results for improving the quality of life in this state for young children and their families identified in section 256I.2.
3. “*Early care*”, “*early care services*”, or “*early care system*” means the programs, services, support, or other assistance made available to a parent or other person who is involved with addressing the health and education needs of a child from zero through age five. “*Early care*”, “*early care services*”, or “*early care system*” includes but is not limited to public and private efforts and formal and informal settings.
4. “*Early childhood Iowa area*” means a geographic area designated in accordance with this chapter.
5. “*Early childhood Iowa area board*” or “*area board*” means the board for an early childhood Iowa area created in accordance with this chapter.
6. “*Early childhood Iowa state board*” or “*state board*” means the early childhood Iowa state board created in section 256I.3.

Sec. 279. **NEW SECTION. 256I.2 Desired results — purpose and scope.**

1. It is intended that through the early childhood Iowa initiative every community in Iowa will develop the capacity and commitment for using local, informed decision making to achieve the following set of desired results for improving the quality of life in this state for young children and their families:

- a. Healthy children.
- b. Children ready to succeed in school.
- c. Safe and supportive communities.
- d. Secure and nurturing families.
- e. Secure and nurturing early learning environments.

2. The purpose of creating the early childhood Iowa initiative is to empower individuals, communities, and state level partners to achieve the desired results. The desired results will be achieved as private and public entities work collaboratively. This initiative creates a partnership between communities and state level partners to support children zero through age five and their families. The role of the early childhood Iowa state board, area boards, and other state and local government agencies is to provide support, leadership, and facilitation of the growth of individual, community, and state responsibility in addressing the desired results.

3. To achieve the desired results, the initiative’s primary focus shall be on the efforts of the state and communities to work together to improve the efficiency and effectiveness of early care, education, health, and human services provided to families with children from zero through age five.

Sec. 280. **NEW SECTION. 256I.3 Early childhood Iowa state board created.**

1. The early childhood Iowa state board is created to promote a vision for a comprehensive early care, education, health, and human services system in this state. The board shall oversee state and local efforts. The vision shall be achieved through strategic planning, funding identification, guidance, and decision-making authority to assure collaboration among state and local early care, education, health, and human services systems.

2. *a.* The board shall consist of twenty-one voting members with fifteen citizen members and six state agency members. The six state agency members shall be the directors or their designees of the following departments: economic development, education, human rights, human services, public health, and workforce development. The designees of state agency directors shall be selected on an annual basis. The citizen members shall be appointed by the governor, subject to confirmation by the senate. The governor's appointments of citizen members shall be made in a manner so that each of the state's congressional districts is represented by at least two citizen members and so that all the appointments as a whole reflect the ethnic, cultural, social, and economic diversity of the state. A member of the state board shall not be a provider of services or other entity receiving funding through the early childhood Iowa initiative or be employed by such a provider or other entity.

b. The governor's appointees shall be selected from individuals nominated by area boards. The nominations shall reflect the range of interests represented on the area boards so that the governor is able to appoint one or more members each for early care, education, health, human services, business, faith, and public interests. At least one of the citizen members shall be a service consumer or the parent of a service consumer. The term of office of the citizen members is three years. A citizen member vacancy on the board shall be filled in the same manner as the original appointment for the balance of the unexpired term.

3. Citizen members shall be reimbursed for actual and necessary expenses incurred in performance of their duties. Citizen members shall be paid a per diem as specified in section 7E.6.

4. In addition to the voting members, the state board shall include four members of the general assembly with not more than one member from each chamber being from the same political party. The two senators shall be appointed one each by the majority leader of the senate and by the minority leader of the senate. The two representatives shall be appointed one each by the speaker of the house of representatives and by the minority leader of the house of representatives. Legislative members shall serve in an ex officio, nonvoting capacity. A legislative member is eligible for per diem and expenses as provided in section 2.10.

5. The state board shall elect a chairperson from among the citizen members and may select other officers from the voting members as determined to be necessary by the board. The board shall meet regularly as determined by the board, upon the call of the board's chairperson, or upon the call of a majority of voting members. The board shall meet at least quarterly.

Sec. 281. NEW SECTION. 256I.4 Early childhood Iowa state board duties.

The state board shall perform the following duties:

1. Provide oversight of early childhood Iowa areas.
2. Manage and coordinate the provision of grant funding and other moneys made available to early childhood Iowa areas by combining all or portions of appropriations or other revenues as authorized by law.
3. Approve the geographic boundaries for the early childhood Iowa areas throughout the state and approve any proposed changes in the boundaries.
4. Create a strategic plan that supports a comprehensive system of early care, education, health, and human services. The strategic plan shall be developed with extensive community involvement. The strategic plan shall be annually updated and disseminated to the public. Specific items to be addressed in the strategic plan shall include but are not limited to all of the following:
 - a.* Provisions to strengthen the state structure including interagency levels of collaboration, coordination, and integration.
 - b.* Provisions for building public-private partnerships.
 - c.* Provisions to support consolidating, blending, and redistributing state-administered funding streams and the coordination of federal funding streams. The strategic plan shall also address integration of services provided through area boards, other state and local commissions, committees, and other bodies with overlapping and similar purposes which contribute to redundancy and fragmentation in early care, education, health, and human services programs provided to the public.
 - d.* Provisions for improving the efficiency of working with federally mandated bodies.

e. Identification of indicators that measure the success of the various strategies that impact communities, families, and children. The indicators shall be developed with input from area boards.

5. Adopt common performance measures and data reporting requirements, applicable statewide, for services, programs, and activities provided by area boards. The data from common performance measures and other data shall be posted on the early childhood Iowa internet site and disseminated by other means and shall also be aggregated to provide statewide information.

6. Assist with the linkage of child welfare and juvenile justice decategorization projects with early childhood Iowa areas.

7. Coordinate and respond to requests from an area board relating to any of the following:

a. Waiver of existing rules, federal regulation, or amendment of state law, or removal of other barriers.

b. Pooling and redirecting of existing federal, state, or other public or private funds.

c. Seeking of federal waivers.

d. Consolidating community-level committees, planning groups, and other bodies with common memberships formed in response to state requirements.

8. Develop and implement a levels of excellence rating system for use with the state board's designation process for area boards. Allow for flexibility and creativity of area boards in implementing area board responsibilities and provide authority for the area boards to support the communities in the areas served. The levels of excellence rating system shall utilize a tiered approach for recognizing the performance of an area board. The system shall provide for action to address poor performing areas as well as higher performing areas. Subject to the funding requirements and other requirements established in law, if an area board achieves the highest rating level, the state board may allow special flexibility provisions in regard to the funding appropriated or allocated for that area board. The state board shall determine how often area boards are reviewed under the system.

9. Adopt rules pursuant to chapter 17A as necessary for the designation, governance, and oversight of area boards and the administration of this chapter. The state board shall provide for area board input in the rules adoption process.

10. Develop guidelines for recommended insurance or other liability coverage and take other actions to assist area boards in acquiring such coverage at a reasonable cost. Moneys expended by an area board to acquire necessary insurance or other liability coverage shall be considered an administrative cost.

11. In January each year, submit an annual report to the governor and general assembly that includes but is not limited to all of the following:

a. Any updates to the strategic plan.

b. The status and results of the early childhood Iowa initiative efforts to engage the public regarding the early care, education, health, human services, and other needs of children zero through age five.

c. The status and results of the efforts to develop and promote private sector involvement with the early care system.

d. The status of the early childhood Iowa initiative and the overall early care system in achieving the set of desired results.

e. The data and common performance measures addressed by the strategic plan, which shall include but is not limited to funding amounts.

f. The indicators addressed by the strategic plan along with associated data trends and their source.

12. Integrate statewide quality standards and results indicators adopted by other boards and commissions into the state board's funding requirements for investments in early care, health, education, and human services.

13. Ensure alignment of other state departments' activities with the strategic plan.

14. Develop and keep current memoranda of agreements between the state agencies represented on the state board to promote system development and integration and to clarify the roles and responsibilities of partner agencies.

15. Work with the early childhood Iowa office in building public-private partnerships for promoting the collaborative early care, education, health, and human services system.

16. Support and align the early childhood Iowa internet site with other agencies and improve internet communication.

17. Except for the fiscal oversight measures to be adopted by the department, adopt rules to implement this chapter. The rules shall include but are not limited to the following:

a. Indicators of the effectiveness of early childhood Iowa areas, area boards, and the services provided under the auspices of the area boards. The indicators shall be developed with input from area boards and shall build upon the core indicators of effectiveness for the school ready children grant program.

b. Minimum standards to further the provision of equal access to services subject to the authority of area boards.

c. Core functions for family support services, parent education programs, preschool services provided under a school ready children grant, and other programs and services provided under this chapter. The state board shall also develop guidelines and standards for state-supported family support programs, based upon existing guidelines and standards for the services.

18. Address other measures to advance the initiative. The measures may include any of the following:

a. Advance the development of integrated data systems.

b. Expand efforts to improve quality and utilize evidence-based practices.

c. Further develop kindergarten assessment approaches that are tied to state early learning standards.

Sec. 282. NEW SECTION. 256I.5 Early childhood coordination staff.

1. The department shall provide administrative support for implementation of the early childhood Iowa initiative and for the state board. The department shall adopt rules in consultation with the state board to provide fiscal oversight of the initiative. The fiscal oversight measures adopted shall include but are not limited to all of the following:

a. Reporting and other requirements to address the financial activities employed by area boards.

b. Regular audits and other requirements of fiscal agents for area boards.

c. Requirements for area boards to undertake and report on fiscal and performance reviews of the programs, contracts, services, and other functions funded by the area boards.

2. An early childhood Iowa office is established in the department to provide leadership for facilitation, communication, and coordination for the early childhood Iowa initiative activities and funding and for improvement of the early care, education, health, and human services systems. An administrator for the early childhood Iowa office shall be appointed by the director of the department. Other staff may also be designated, subject to appropriation made for this purpose.

3. The state agencies represented on the state board may designate additional staff, as part of the early childhood Iowa initiative, to work as a technical assistance team with the office in providing coordination and other support to the state's comprehensive early care, education, health, and human services system.

4. The office shall work with the state and area boards to provide leadership for comprehensive system development. The office shall also do all of the following:

a. Enter into memoranda of agreement with the departments of economic development, education, human rights, human services, public health, and workforce development to formalize the respective departments' commitments to collaborating with and integrating a comprehensive early care, education, health, and human services system. Items addressed in the memoranda shall include but are not limited to data sharing and providing staffing to the technical assistance team.

b. Work with private businesses, foundations, and nonprofit organizations to develop sustained funding.

c. Maintain the internet site in accordance with section 256I.10.

d. Propose any needed revisions to administrative rules based on stakeholder input.

e. Provide technical support to the state and area boards and to the early childhood Iowa areas through staffing services made available through the state agencies that serve on the state board.

f. Develop, collect, disseminate, and provide guidance for common performance measures for the programs receiving funding under the auspices of the area boards.

g. If a disagreement arises within an early childhood Iowa area regarding the interests represented on the area's board, board decisions, or other disputes that cannot be locally resolved, upon request, provide state or regional technical assistance as deemed appropriate by the office to assist the area in resolving the disagreement.

Sec. 283. NEW SECTION. 256I.6 Early childhood Iowa areas.

1. The purpose of an early childhood Iowa area is to enable local citizens to lead collaborative efforts involving early care, education, health, and human services on behalf of the children, families, and other citizens residing in the area. Leadership functions may include but are not limited to strategic planning for and oversight and managing of such programs and the funding made available to the early childhood Iowa area for such programs from federal, state, local, and private sources. The focus of the area shall be to achieve the desired results and to improve other results for families with young children.

2. An early childhood Iowa area shall be designated by using existing county boundaries to the extent possible.

3. The designation of an early childhood Iowa area boundaries and the creation of an area board are both subject to the approval of the state board. The state board shall determine if a proposed area board can efficiently and effectively administer the responsibilities and authority of the area to be served. The state board may apply additional criteria for designating areas and approving area boards, but shall apply all of the following minimum criteria:

a. An area cannot encompass more than four counties.

b. The counties encompassing a multicounty area must have contiguous borders.

c. A single county area shall have a minimum population of children zero through age five in excess of five thousand, based on the most recent population estimates issued by the United States bureau of the census.

4. If the state board determines exceptional circumstances exist, the state board may waive any of the criteria otherwise specified in subsection 3.

Sec. 284. NEW SECTION. 256I.7 Early childhood Iowa area boards created.

1. a. The early childhood Iowa functions for an area shall be performed under the authority of an early childhood Iowa area board. The members of an area board shall be elected officials or members of the public who are not employed by a provider of services to or for the area board. In addition, the membership of an area board shall include representation from early care, education, health, human services, business, and faith interests, and at least one parent, grandparent, or guardian of a child from zero through age five. The education, health, and human services agencies represented on an area board may receive funding from the area board.⁶⁹

b. Terms of office of area board members shall be not more than three years and the terms shall be staggered.

2. An area board may designate an advisory council consisting of persons employed by or otherwise paid to represent an entity listed in subsection 1 or other provider of service. However, the deliberations of and documents considered by such an advisory council shall be public.

3. An area board shall elect a chairperson from among the members who are citizens or elected officials.

4. An area board is a unit of local government for purposes of chapter 670, relating to tort liability of governmental subdivisions. For purposes of implementing a formal organizational structure, an area board may utilize recommended guidelines and bylaws established for this purpose by the state board.

5. All meetings of an area board or any committee or other body established by an area board at which public business is discussed or formal action taken shall comply with the

⁶⁹ See chapter 1183, §18 herein

requirements of chapter 21. An area board shall maintain its records in accordance with chapter 22.

Sec. 285. **NEW SECTION. 256I.8 Early childhood Iowa area board duties.**

1. An early childhood Iowa area board shall do all of the following:

a. Designate a public agency of this state, as defined in section 28E.2, a community action agency as defined in section 216A.91, an area education agency established under section 273.2, or a nonprofit corporation, to be the fiscal agent for grant moneys and for other moneys administered by the area board.

b. Administer early childhood Iowa grant moneys available from the state to the area board as provided by law and other federal, state, local, and private moneys made available to the area board. Eligibility for receipt of early childhood Iowa grant moneys shall be limited to those early childhood area boards that have developed an approved community plan in accordance with this chapter. An early childhood area board may apply to the state board for any private moneys received by the early childhood Iowa initiative outside of a state appropriation.

c. Develop a comprehensive community plan for providing services for children from zero through age five. At a minimum, the plan shall do all of the following:

(1) Describe community and area needs for children from zero through age five as identified through ongoing assessments.

(2) Describe the current and desired levels of community and area coordination of services for children from zero through age five, including the involvement and specific responsibilities of all related organizations and entities.

(3) Identify all federal, state, local, and private funding sources including funding estimates available in the early childhood Iowa area that will be used to provide services to children from zero through age five.

(4) Describe how funding sources will be used collaboratively and the degree to which the sources can be combined to provide necessary services to young children and their families.

(5) Identify the desired results and the community-wide indicators the area board expects to address through implementation of the comprehensive community plan. The plan shall identify community-specific, quantifiable performance measures to be reported in the area board's annual report and integration with the strategic plan adopted by the state board.

(6) Describe the current status of support services to prevent the spread of infectious diseases, prevent child injuries, develop health emergency protocols, help with medication, and care for children with special health needs that are being provided to child care facilities registered or licensed under chapter 237A within the early childhood Iowa area.

d. Submit an annual report on the effectiveness of the community plan in addressing school readiness and children's health and safety needs to the state board and to the local government bodies in the area. The annual report shall indicate the effectiveness of the area board in addressing state and locally determined goals.

e. Function as a coordinating body for services offered by different entities directed to similar purposes within the area.

f. Assume other responsibilities established by law or administrative rule.

g. Cooperate with the state board, department of education, and school districts and other local education agencies in securing unique student identifiers, in compliance with all applicable federal and state confidentiality provisions.

2. An area board may do any of the following:

a. Designate one or more committees to assist with area board functions.

b. Utilize community bodies for input to the area board and implementation of services.

Sec. 286. **NEW SECTION. 256I.9 School ready children grant program.**

1. The state board shall develop and promote a school ready children grant program which shall provide for all of the following components:

a. Identify the performance measures that will be used to assess the effectiveness of the school ready children grants, including the amount of early intellectual stimulation of very young children, the basic skill levels of students entering school, the health status of

children, the incidence of child abuse and neglect, the level of involvement by parents with their children, and the degree of quality of an accessibility to child care.

b. Identify guidelines and a process to be used for determining the readiness of an early childhood Iowa area board for administering a school ready children grant.

c. Provide for technical assistance concerning funding sources, program design, and other pertinent areas.

2. The state board shall provide maximum flexibility to grantees for the use of the grant moneys included in a school ready children grant.

3. A school ready children grant shall, to the extent possible, be used to support programs that meet quality standards identified by the state board. At a minimum, a grant shall be used to provide all of the following:

a. Preschool services provided on a voluntary basis to children deemed at risk.

b. Family support services and parent education programs promoted to parents of children from zero through age five. Family support services shall include but are not limited to home visitation. Of the funding from all sources that an area board designates for family support programs, at least sixty percent shall be committed to programs with a home visitation component.

c. Other services to support the strategic plan developed by the state board.

d. Services to improve the quality and availability of all types of child care. The services may include but are not limited to making nurse consultants available to support quality improvement.

4. a. A school ready children grant shall be awarded to an area board annually, as funding is available. Receipt of continued funding is subject to submission of the required annual report and the state board's determination that the area board is measuring, through the use of performance measures and community-wide indicators developed by the state board with input from area boards, progress toward and is achieving the desired results and other results identified in the community plan. Each area board shall participate in the levels of excellence rating system to measure the area's success. If the use of performance measures and community-wide indicators does not show that an area board has made progress toward achieving the results identified in the community plan, the state board shall require a plan of corrective action, withhold any increase in funding, or withdraw grant funding.

b. The state board shall distribute school ready children grant moneys to area boards with approved comprehensive community plans based upon a determination of an early childhood Iowa area's readiness to effectively utilize the grant moneys. The grant moneys shall be adjusted for other federal and state grant moneys to be received by the area for services to children from zero through age five.

c. An area board's readiness shall be determined by evidence of successful collaboration among public and private early care, education, health, and human services interests in the area or a documented program design that supports a strong likelihood of a successful collaboration between these interests. Other criteria which may be used by the state board to determine readiness and funding amounts for an area include one or more of the following:

(1) The levels of excellence rating received by the area.

(2) Evidence of the area's capacity to successfully implement the services in the area's community plan.

(3) Local public and private funding and other resources committed to implementation of the community plan.

(4) The adequacy of plans for commitment of local funding and other resources for implementation of the community plan.

d. The provisions for distribution of school ready children grant moneys shall be determined by the state board.

e. The amount of school ready children grant funding an area board may carry forward from one fiscal year to the succeeding fiscal year shall not exceed twenty percent of the grant amount for the fiscal year. All of the school ready children grant funds received by an area board for a fiscal year which remain unencumbered or unobligated at the close of a fiscal year shall be carried forward to the succeeding fiscal year. However, the grant amount for the succeeding fiscal year shall be reduced by the amount in excess of twenty percent of the grant amount received for the fiscal year.

Sec. 287. **NEW SECTION. 256I.10 Early childhood Iowa internet site.**

1. The department shall provide for the operation of an internet site for purposes of widely distributing information regarding early care, education, health, and human services and other information provided by the departments represented on the state board and the public and private agencies addressing the comprehensive system for such services.

2. Information provided on the internet site shall include but is not limited to all of the following:

a. Information about the early childhood Iowa initiative for state and local use. The information shall include data from the indicators of success and performance measures adopted by the state board and fiscal information and other data developed by the department.

b. A link to a special internet site directed to parents, including parent-specific information on early care, education, health, and human services and links to other resources available on the internet and from other sources.

c. Program standards for early care, education, health, and human services that have been approved by state agencies.

3. The department shall provide to the state board information regarding the extent and frequency of usage of the internet site or sites and this information shall be included in the board's annual report to the governor and general assembly.

Sec. 288. **NEW SECTION. 256I.11 Early childhood Iowa fund.**

1. An early childhood Iowa fund is created in the state treasury. The moneys credited to the fund are not subject to section 8.33 and moneys in the fund shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided by law. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

2. A school ready children grants account is created in the fund under the authority of the director of the department of education. Moneys credited to the account are appropriated to and shall be distributed by the department in the form of grants to early childhood Iowa areas pursuant to criteria established by the state board in accordance with law.

3. Unless a different amount is authorized by law, up to three percent of the school ready children grant moneys distributed to an area board may be used by the area board for administrative costs.

4. a. An early childhood programs grants account is created in the fund under the authority of the director of the department of human services. Moneys credited to the account are appropriated to and shall be distributed by the department of human services in the form of grants to early childhood Iowa areas pursuant to criteria established by the state board in accordance with law. The criteria shall include but are not limited to a requirement that an early childhood Iowa area must be designated by the state board in order to be eligible to receive an early childhood programs grant.

b. The maximum funding amount an early childhood Iowa area is eligible to receive from the early childhood programs grant account for a fiscal year 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 credited to the account for the fiscal year.

c. An early childhood Iowa area receiving funding from the early childhood programs grant account shall comply with any federal reporting requirements associated with the use of that funding and other results and reporting requirements established by the state board. The department of human services shall provide technical assistance in identifying and meeting the federal requirements. The availability of funding provided from the account is subject to changes in federal requirements and amendments to Iowa law.

d. The moneys distributed from the early childhood programs grant account shall be used by early childhood Iowa areas 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 zero to age five. Moneys shall be provided in a flexible manner and shall be used to implement strategies identified by the early childhood Iowa area to achieve such purposes. The department of management⁷⁰ may use

⁷⁰ See chapter 1183, §19 herein

a portion of the funding appropriated to the department under this subsection for provision of technical assistance and other support to the early childhood Iowa areas developing and implementing strategies with grant moneys distributed from the account.

e. Moneys from a federal block grant that are credited to the early childhood programs grant account but are not distributed to an early childhood Iowa 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.

5. A first years first account is created in the fund under the authority of the department of management. The account shall consist of gift or grant moneys obtained from any source, including but not limited to the federal government. Moneys credited to the account are appropriated to the department to be used for the early childhood-related purposes for which the moneys were received.

Sec. 289. NEW SECTION. 256I.12 Early childhood stakeholders alliance.

1. *Alliance created.* An early childhood stakeholders alliance is created to support the state board in addressing the early care, health, and education systems that affect children ages zero through five in Iowa.

2. *Purpose.* The purpose of the early childhood stakeholders alliance is to oversee and provide broad input into the development of a high quality Iowa early childhood system that meets the needs of children zero through age five and their families and integrates the early care, health, and education systems. The alliance shall advise the governor, general assembly, state board, and other public and private policy bodies and service providers in coordinating activities throughout the state to fulfill its purpose.

3. *Vision statement.* All system development activities addressed by the early childhood stakeholders alliance shall be aligned around the following vision statement for the children of Iowa: “Every child, beginning at birth, will be healthy and successful.”

4. *Membership.* The early childhood stakeholders alliance membership shall include a representative of any organization that touches the lives of young children in the state zero through age five, has endorsed the purpose and vision statement for the alliance, has endorsed the guiding principles adopted by the alliance for the early childhood system, and has formally asked to be a member and remains actively engaged in alliance activities. The alliance shall work to ensure there is geographic, cultural, and ethnic diversity among the membership.

5. *Procedure.* Except as otherwise provided by law, the early childhood stakeholders alliance shall determine its own rules of procedure and operating provisions.

6. *Steering committee.* The early childhood stakeholders alliance shall operate with a steering committee to organize, manage, and coordinate the activities of the alliance and its component groups. The steering committee may act on behalf of the alliance as necessary. The steering committee membership shall consist of the co-chairpersons of the alliance’s component groups, the administrator of the early childhood Iowa office, and other leaders designated by the alliance.

7. *Component groups.* The early childhood stakeholders alliance shall maintain component groups to address the key components of the Iowa early childhood system. Each component group shall have one private and one public agency co-chairperson. The alliance may change the component groups as deemed necessary by the alliance. Initially, there shall be a component group for each of the following:

- a. Governance planning and administration.
- b. Professional development.
- c. Public engagement.
- d. Quality services and programs.
- e. Resources and funding.
- f. Results accountability.

8. *Duties.* The early childhood stakeholders alliance duties shall include but are not limited to all of the following regarding the Iowa early childhood system:

- a. Coordinate with the early childhood Iowa state board.

b. Serve as the state advisory council required under the federal Improving Head Start for School Readiness Act of 2007, Pub. L. No. 110-134, as designated by the governor.

9. *Staffing.* Staff support for the early childhood stakeholders alliance shall be provided by the department.

Sec. 290. Section 135.106, subsection 3, Code 2009, is amended to read as follows:

3. It is the intent of the general assembly to provide communities with the discretion and authority to redesign existing local programs and services targeted at and assisting families expecting babies and families with children who are newborn through five years of age. The Iowa department of public health, department of human services, department of education, and other state agencies and programs, as appropriate, shall provide technical assistance and support to communities desiring to redesign their local programs and shall facilitate the consolidation of existing state funding appropriated and made available to the community for family support services. Funds which are consolidated in accordance with this subsection shall be used to support the redesigned service delivery system. In redesigning services, communities are encouraged to implement a single uniform family risk assessment mechanism and shall demonstrate the potential for improved outcomes for children and families. Requests by local communities for the redesigning of services shall be submitted to the Iowa department of public health, department of human services, and department of education, and are subject to the approval of the early childhood Iowa empowerment state board in consultation with the departments, based on the practices utilized with ~~community empowerment~~ early childhood Iowa areas under chapter 28 256I.

Sec. 291. Section 135.119, subsection 2, paragraph d, Code Supplement 2009, is amended to read as follows:

d. The program plan shall incorporate a multiyear, collaborative approach for implementation of the plan. The plan shall address how to involve those who regularly work with parents and persons responsible for the care of a child, including but not limited to child abuse prevention programs, child care resource and referral programs, child care providers, family support programs, programs receiving funding through the ~~community empowerment~~ early childhood Iowa initiative, public and private schools, health care providers, local health departments, birth centers, and birthing hospitals.

Sec. 292. Section 135.159, subsection 3, paragraph i, Code Supplement 2009, is amended to read as follows:

i. For children, coordinate with and integrate guidelines, data, and information from existing newborn and child health programs and entities, including but not limited to the healthy opportunities for parents to experience success – healthy families Iowa program, the ~~community empowerment program~~ early childhood Iowa initiative, the center for congenital and inherited disorders screening and health care programs, standards of care for pediatric health guidelines, the office of multicultural health established in section 135.12, the oral health bureau established in section 135.15, and other similar programs and services.

Sec. 293. Section 142A.4, subsection 8, Code Supplement 2009, is amended to read as follows:

8. Assist with the linkage of the initiative with child welfare and juvenile justice decategorization projects, education programming, ~~community empowerment~~ early childhood Iowa areas, and other programs and services directed to youth at the state and community level.

Sec. 294. Section 142A.8, subsection 2, Code 2009, is amended to read as follows:

2. A community partnership area shall encompass a county or multicounty area, school district or multischool district area, economic development enterprise zone that meets the requirements of an urban or rural enterprise community under ~~Title~~ Tit. XIII of the federal Omnibus Budget Reconciliation Act of 1993, or ~~community empowerment~~ early childhood Iowa area, in accordance with criteria adopted by the commission for appropriate population levels and size of geographic areas.

Sec. 295. Section 216A.140, subsection 5, paragraph j, Code Supplement 2009, is amended to read as follows:

j. ~~Office of community empowerment~~ Early childhood Iowa office in the department of management.

Sec. 296. Section 217.42, subsection 1, Code 2009, is amended to read as follows:

1. The organizational structure to deliver the department's field services shall be based upon service areas. The service areas shall serve as a basis for providing field services to persons residing in the counties comprising the service area. The service areas shall be those designated by the department effective January 1, 2002. In determining the service areas, the department shall consider other geographic service areas including but not limited to judicial districts and ~~community empowerment~~ early childhood Iowa areas. The department shall consult with the county boards of supervisors in a service area with respect to the selection of the service area manager responsible for the service area who is initially selected for the service area designated effective January 1, 2002, and any service area manager selected for the service area thereafter. Following establishment of the service areas effective January 1, 2002, if a county seeks to change the boundaries of a service area, the change shall only take place if the change is mutually agreeable to the department and all affected counties. If it is necessary for the department to significantly modify its field operations or the composition of a designated service area, or if it is necessary for the department to change the number of offices operating less than full-time, the department shall consult with the affected counties prior to implementing such action.

Sec. 297. Section 232.188, subsection 4, paragraph c, Code 2009, is amended to read as follows:

c. A decategorization governance board shall coordinate the project's planning and budgeting activities with the departmental service area manager for the county or counties comprising the project area and the ~~community empowerment~~ early childhood Iowa area board or boards for the ~~community empowerment~~ early childhood Iowa area or areas within which the decategorization project is located.

Sec. 298. Section 237A.21, subsection 3, paragraph n, Code Supplement 2009, is amended to read as follows:

n. One designee of the ~~community empowerment office~~ early childhood Iowa office of the department of management.

Sec. 299. Section 237A.21, subsection 3, paragraph q, Code Supplement 2009, is amended to read as follows:

q. One person who represents the early childhood Iowa ~~council~~ state board created in section ~~135.173~~ 256I.3.

Sec. 300. Section 237A.22, subsection 1, paragraph j, Code Supplement 2009, is amended to read as follows:

j. Advise and assist the early childhood Iowa ~~council~~ state board in developing the strategic plan required pursuant to section ~~135.173~~ 256I.4.

Sec. 301. Section 237A.26, subsection 8, Code 2009, is amended to read as follows:

8. For purposes of improving the quality and consistency of data collection, consultation, and other support to child care home and child development home providers, a resource and referral services agency grantee shall coordinate and assist with publicly and privately funded efforts administered at the community level to provide the support. The support and efforts addressed by a grantee may include but are not limited to community-funded child care home and child development home consultants. Community members involved with the assistance may include but are not limited to the efforts of a ~~community empowerment~~ an early childhood Iowa area board under chapter ~~28~~ 256I, and of community representatives of education, health, human services, business, faith, and public interests.

Sec. 302. Section 237A.30, subsection 1, Code 2009, is amended to read as follows:

1. The department shall work with the ~~community empowerment office of~~ early childhood Iowa office in the department of management established in section 28.3 256I.5 and the state child care advisory council in designing and implementing a voluntary quality rating system for each provider type of child care facility.

Sec. 303. Section 256C.3, subsection 3, paragraph e, Code 2009, is amended to read as follows:

e. Collaboration with participating families, early care providers, and community partners including but not limited to ~~community empowerment~~ early childhood Iowa area boards, head start programs, shared visions and other programs provided under the auspices of the child development coordinating council, licensed child care centers, registered child development homes, area education agencies, child care resource and referral services provided under section 237A.26, early childhood special education programs, services funded by ~~Title~~ Tit. I of the federal Elementary and Secondary Education Act of 1965, and family support programs.

Sec. 304. Section 256C.3, subsection 4, paragraph a, Code 2009, is amended to read as follows:

a. Methods of demonstrating community readiness to implement high-quality instruction in a local program shall be identified. The potential provider shall submit a collaborative program proposal that demonstrates the involvement of multiple community stakeholders including but not limited to, and only as applicable, parents, the school district, accredited nonpublic schools and faith-based representatives, the area education agency, the ~~community empowerment~~ early childhood Iowa area board, representatives of business, head start programs, shared visions and other programs provided under the auspices of the child development coordinating council, center-based and home-based providers of child care services, human services, public health, and economic development programs. The methods may include but are not limited to a school district providing evidence of a public hearing on the proposed programming and written documentation of collaboration agreements between the school district, existing community providers, and other community stakeholders addressing operational procedures and other critical measures.

Sec. 305. Section 256C.4, subsection 2, paragraph b, Code 2009, is amended to read as follows:

b. The enrollment count of eligible students shall not include a child who is included in the enrollment count determined under section 257.6 or a child who is served by a program already receiving state or federal funds for the purpose of the provision of four-year-old preschool programming while the child is being served by the program. Such preschool programming includes but is not limited to child development assistance programs provided under chapter 256A, special education programs provided under section 256B.9, school ready children grant programs and other programs provided under chapter 28 256I, and federal head start programs and the services funded by ~~Title~~ Tit. I of the federal Elementary and Secondary Education Act of 1965.

Sec. 306. Section 279.60, Code 2009, is amended to read as follows:

279.60 Kindergarten assessment — access to data — reports.

Each school district shall administer the dynamic indicators of basic early literacy skills kindergarten benchmark assessment or other kindergarten benchmark assessment adopted by the department of education in consultation with the early childhood Iowa empowerment state board to every kindergarten student enrolled in the district not later than the date specified in section 257.6, subsection 1. The school district shall also collect information from each parent, guardian, or legal custodian of a kindergarten student enrolled in the district, including but not limited to whether the student attended preschool, factors identified by the ~~early care staff~~ childhood Iowa office pursuant to section 28.3 256I.5, and other demographic factors. Each school district shall report the results of the assessment and the preschool information collected to the department of education in the manner prescribed by the department not later than January 1 of that school year. The ~~early care staff designated pursuant to section 28.3~~ early childhood Iowa office in the department of management

shall have access to the raw data. The department shall review the information submitted pursuant to this section and shall submit its findings and recommendations annually in a report to the governor, the general assembly, the early childhood Iowa empowerment state board, and the ~~community empowerment~~ early childhood Iowa area boards.

Sec. 307. Section 915.35, subsection 4, paragraph b, Code Supplement 2009, is amended to read as follows:

b. A child protection assistance team may also consult with or include juvenile court officers, medical and mental health professionals, physicians or other hospital-based health professionals, court-appointed special advocates, guardians ad litem, and members of a multidisciplinary team created by the department of human services for child abuse investigations. A child protection assistance team may work cooperatively with the ~~local community empowerment~~ early childhood Iowa area board established under section 28.6 chapter 256I. The child protection assistance team shall work with the department of human services in accordance with section 232.71B, subsection 3, in developing the protocols for prioritizing the actions taken in response to child abuse reports and for law enforcement agencies working jointly with the department at the local level in processes for child abuse reports. The department of justice may provide training and other assistance to support the activities of a child protection assistance team.

Sec. 308. REPEALS.

1. Sections 135.173 and 135.174, Code 2009, are repealed.
2. Chapter 28, Code and Code Supplement 2009, is repealed.

Sec. 309. IMPLEMENTATION OF ACT. Section 25B.2, subsection 3, shall not apply to this division of this Act.

Sec. 310. TRANSITION.

1. The initial membership of the early childhood Iowa state board shall be composed of the membership of the Iowa empowerment board.

2. Effective on or after July 1, 2011, as determined by the early childhood Iowa state board created pursuant to this division of this Act, the designations granted by the Iowa empowerment board to community empowerment areas and community empowerment area boards under chapter 28, Code 2009, are withdrawn. However, subject to the approval of the early childhood Iowa state board in accordance with the area board designation criteria established by this division of this Act, all or a portion of the membership of a community empowerment area board may be redesignated to serve as the membership of the initial early childhood Iowa area board for the relevant early childhood Iowa area to be served. Subject to rules to be adopted by the state board addressing redesignation of community empowerment areas as early childhood Iowa areas, existing multicounty community empowerment area boards may choose to be redefined as early childhood Iowa area boards.

3. Until the early childhood Iowa state board has adopted administrative rules to implement the provisions of chapter 256I, as enacted by this division of this Act, the department of management shall apply the relevant rules adopted to implement the community empowerment initiative under chapter 28, Code 2009. The state board shall also adopt rules addressing transition of contracts entered into by community empowerment area boards that include provisions in effect on or after July 1, 2012.

4. The department of management and the early childhood Iowa board shall implement requirements for school ready children grant funds or other state, federal, or other funds in possession of a community empowerment area remaining unobligated or unexpended to be remitted to the successor early childhood Iowa area board designated to serve that area. The requirements shall include measures to ensure there is continuity of services in the transition from the community empowerment initiative to the early childhood Iowa initiative.

DIVISION XXV
COMMUNITY COLLEGE ACCREDITATION

Sec. 311. DEPARTMENT OF EDUCATION — COMMUNITY COLLEGE ACCREDITATION RECOMMENDATIONS IMPLEMENTATION REVIEW. The department of education shall review and evaluate the implementation of the recommendations submitted on January 22, 2010, by the community college accreditation advisory committee in its final report to the general assembly. The department shall submit its findings and recommendations to the general assembly on or before December 31, 2010.

Sec. 312. DEPARTMENT OF EDUCATION — COMMUNITY COLLEGE ACCREDITATION ADVISORY COMMITTEE — INSTRUCTIONAL HOURS STUDY. The department of education shall convene a working group, whose members shall include at a minimum the members of the community college accreditation advisory committee and the community college faculty advisory committee. The working group shall solicit comments from each of the community college quality faculty committees. The working group shall study the maximum academic credit hour per school term workload appropriate for an instructor beyond the standard workload. The working group shall submit its findings and recommendations to the state board of education and the general assembly on or before December 31, 2010.

Sec. 313. COMMUNITY COLLEGE ACADEMIC WORKLOAD EXCEPTION — FISCAL YEAR 2010-2011. Notwithstanding section 260C.48, subsection 2, a faculty member who has in previous fiscal years exceeded the eighteen credit hour standard set pursuant to section 260C.48, subsection 2, may continue to exceed the eighteen credit hour workload standard for the 2010-2011 fiscal year if the faculty member elects to teach beyond the eighteen credit hour workload standard.

DIVISION XXVI
REGISTRATION OF POSTSECONDARY SCHOOLS

Sec. 314. Section 261.2, subsection 7, paragraph b, Code Supplement 2009, is amended to read as follows:

b. ~~The commission may require a school seeking registration under chapter 261B to provide copies of its application to the Iowa coordinating council for post-high school education. The commission may consider comments from the council that are received by the commission within ninety days of the filing of the application. However, if the council meets to consider comments for submission to the commission, the meeting shall be open to the public and subject to the provisions of chapter 21. The commission shall post an application on the commission's internet site and shall render a decision on an application for registration within one hundred eighty days of the filing of the application.~~

Sec. 315. REPEAL. Section 261B.10, Code Supplement 2009, is repealed.

DIVISION XXVII
DIVISION OF LIBRARIES AND INFORMATION SERVICES

Sec. 316. Section 256.51, subsection 1, paragraph a, Code 2009, is amended to read as follows:

a. Determine policy for providing information service to the three branches of state government and to the legal and medical ⁷¹ ~~communities~~ community in this state.

Sec. 317. Section 256.52, subsection 1, Code 2009, is amended to read as follows:

1. The state commission of libraries consists of one member appointed by the supreme court, the director of the department of education, or the director's designee, and six members appointed by the governor to serve four-year terms beginning and ending as

⁷¹ See chapter 1193, §44, 80 herein

provided in section 69.19. ~~Of the~~ The governor's appointees, ~~one member shall be from the medical profession and five members selected at large. Not more than three of the members appointed by the governor shall be of the same gender.~~ The members shall be reimbursed for their actual expenditures necessitated by their official duties. Members may also be eligible for compensation as provided in section 7E.6.

Sec. 318. Section 256.52, subsection 3, paragraph d, Code 2009, is amended to read as follows:

d. Appoint and approve the technical, professional, ~~excepting the medical librarian and the law librarian,~~ secretarial, and clerical staff necessary to accomplish the purposes of the division subject to chapter 8A, subchapter IV.

Sec. 319. Section 256.54, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The state library includes, but is not limited to, ~~a medical library,~~ a law library, and the state data center.

Sec. 320. Section 256.54, subsection 1, Code 2009, is amended by striking the subsection.

Sec. 321. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXVIII LIBRARY DISTRICTS

Sec. 322. Section 336.2, unnumbered paragraphs 2 and 6, Code 2009, are amended to read as follows:

Eligible electors residing within the proposed district in a number not less than five percent of those voting for president of the United States or governor, as the case may be, within the district at the last general election may petition the board of supervisors of the county, or the city council, for the establishment of the library district. The petition shall clearly designate the area to be included in the district, the total number of board members, and how representation on the board shall be divided among the jurisdictions.

After the establishment of a library district other areas may be included by mutual agreement subject to the approval of the board of trustees of the library district and the governing body passage of a referendum by the electors of the area sought to be included.

Sec. 323. Section 336.4, Code 2009, is amended to read as follows:

336.4 Library trustees.

In any area in which a library district has been established in accordance with this chapter, a board of library trustees, consisting of five, seven, or nine ~~electors of members who resident~~⁷² within the library district, shall be appointed by the ~~board of supervisors of any county or city governing bodies of the jurisdictions comprising the library district. Membership on the library board shall be apportioned between the rural and city areas of the district in proportion to the population in each of such areas. In the event the library district is composed of two or more counties, two or more cities, or any combination of counties and cities, representation on the library board shall be equitably divided between or among the counties and cities in proportion to the population in each of the counties and cities.~~

Sec. 324. Section 336.5, Code 2009, is amended to read as follows:

336.5 Terms — vacancies.

1. ~~Of said the trustees so appointed in accordance with section 336.4 on boards to consist consisting of nine members, three shall hold office for two years, three for four years, and three for six years; on boards to consist consisting of seven members, two shall hold office for two years, two for four years, and three for six years; and on boards to consist consisting of five members, one shall hold office for two years, two for four years, and two for six years,~~

⁷² See chapter 1193, §51 herein

from the first day of July following their appointment in each case. At ~~their~~ the first meeting ~~they of the board, members~~ shall cast lots for their respective terms, reporting the result of such lot to ~~the board of supervisors~~ the governing body of each jurisdiction forming the library district. All subsequent appointments, whatever the size of the board, shall be for terms of six years each.

2. A vacancy exists when a member ceases to be a resident of the jurisdiction the member represents or is absent for six consecutive regular meetings of the board.

3. Vacancies shall be filled for unexpired terms by the governing body of the ~~taxing unit of the district~~ jurisdiction represented by the ~~retiring member~~ vacancy.

Sec. 325. Section 336.8, Code 2009, is amended to read as follows:

336.8 Powers.

~~Said~~ The board of library trustees shall have and exercise the following powers:

1. To meet and ~~organize by the election of one of their number~~ as elect from among its members a president of the board, and ~~by the election of a secretary and such other officers~~ as the board may deem necessary.

2. To direct and control all affairs of the library district, as well as to have charge, and supervision of the public library, and its rooms, appurtenances, and fixtures, and rooms containing the same, directing and controlling all the affairs of such library.

3. To employ a librarian, and authorize the librarian to employ such assistants and employees as may be necessary for the proper management of ~~said the library, and district.~~ The board shall fix their the compensation, but, prior of such employees. Prior to such employment, the compensation of ~~such the~~ librarian, assistants, and employees shall be fixed for the term of employment by a majority of the members of ~~said the~~ board voting in favor thereof.

4. To remove ~~such, by a two-thirds vote of the board, the librarian, and provide procedures for the removal of assistants, or employees by a vote of two-thirds of such board for misdemeanor, incompetency, or inattention to the duties of such employment duty.~~

5. To authorize the librarian to select and make purchases of books, pamphlets, magazines, periodicals, papers, maps, journals, furniture, fixtures, stationery technology, and supplies for such the library district.

6. To authorize the use of ~~such libraries by school corporations or the public library~~ by nonresidents of the area which is taxed to support ~~such libraries~~ the public library and to fix charges therefor for library services.

7. To make and adopt, amend, modify, or repeal bylaws, rules, and regulations, not inconsistent with law, for the care, use, government, and management of ~~such the public library and the business of said the board, fixing and enforcing penalties for the violation thereof violations.~~ The board shall keep a record of its proceedings.

8. To have exclusive control of ~~the expenditures all funds allocated for public library purposes, as provided by law, and of the expenditures of all moneys available by gift or otherwise for the erection of public library buildings, and all other moneys belonging to the public library, including fines and rental fees collected, under the rules of the board.~~ The board shall keep a record of its proceedings.

9. To accept gifts of ~~any real property, personal property, or mixed property, and devises and bequests, including trust funds; to take the title to said the property in the name of said the public library; to execute deeds and bills of sale for the conveyance of said the property; and to expend the funds received by them generated from such the gifts, for the improvement of said the public library.~~

10. To make agreements with local county historical associations to set apart the necessary room and to care for articles that come into the possession of the association. The board may purchase necessary receptacles and materials for the preservation and protection of articles which are of an historical and educational nature.

Sec. 326. Section 336.10, Code 2009, is amended to read as follows:

336.10 Library fund.

1. All moneys ~~received and set apart appropriated or received~~ for the maintenance of the public library shall be deposited in the treasury of the county or city, as determined by the

board of library trustees, and ~~paid out upon warrants drawn by the county or city auditor upon requisition of expenditures shall be paid by the treasurer of the county or city in which the moneys are deposited on warrants ordered by the board of trustees, signed by its~~ board's president and secretary.

~~Provided that where a free public library is maintained jointly by two or more counties or cities or any combination of counties and cities, the library trustees may elect a library treasurer, and it shall be the duty of the city and county treasurers to pay over to the library treasurer any and all library taxes that may be collected by them monthly.~~

2. The library treasurer of the county or city in which the public library moneys are deposited pursuant to subsection 1 shall be required to furnish a bond conditioned as provided by section 64.2 in an amount as agreed upon by the participating boards of supervisors and city councils and the cost shall be paid by the participating counties and cities.

Sec. 327. Section 336.11, Code 2009, is amended to read as follows:

336.11 Annual report.

The board of library trustees shall, immediately after within ninety days after the close of each fiscal year, submit a report to the board of supervisors, and the city council, as appropriate, a report containing governing bodies of the respective jurisdictions comprising the library district. The report shall contain a statement of the condition of the library, the number of books and other resources added thereto, the number of books and other resources circulated, the number of books and other resources not returned or lost, the amount of fines collected, and the amount of money expended in the maintenance thereof of the public library during such the preceding fiscal year, together with such further any other information as it may deem the board deems important.

Sec. 328. Section 336.12, Code 2009, is amended to read as follows:

336.12 Real estate acquired.

~~In any county or city in which a free library has been established, the~~ The board of library trustees may purchase real estate in the name of the county or city library district for the location of public library buildings and branch libraries, and for the purpose of enlarging the grounds.

Sec. 329. Section 336.13, Code 2009, is amended to read as follows:

336.13 Maintenance expense on proportionate basis.

1. The maintenance of a public library established in accordance with this chapter shall be on the basis of each participating unit bearing its share of the total cost in proportion to its population as compared to the total population of the library district.

2. The board of library trustees shall make an estimate of the amount necessary for the maintenance of the library, the sources of direct library revenue, and the amount to be contributed from taxes or other revenues by the participating city or county and hold a hearing on the estimate after notice of the hearing is published as provided in section 331.305 or section 362.3, as appropriate. On or before January 10 of each year, the board of library trustees shall transmit the estimate in dollars to the board of supervisors and to the cities governing bodies of the jurisdictions participating in the library district. The unincorporated area of each county in the library district shall be considered as a separate supporting unit. Each board of supervisors participating shall review the estimate and appropriate for library purposes its share in from the county rural services fund budget. Each city council participating shall review the estimate for the city and appropriate for library purposes its share in from the city general fund budget. Each participating city or county shall contribute its share from taxation or from other sources available for library purposes on an equitable basis. With approval of a city council, the county treasurer may withhold a reasonable portion of the taxes collected for a city to meet the city's contribution for library purposes and deliver a receipt to the city clerk for the amount withheld.

This section shall not affect the taxing authority provided under section 256.69.

Sec. 330. Section 336.15, Code 2009, is amended to read as follows:

336.15 Existing contracts assumed.

Whenever a library district is established in accordance with this chapter, its board of trustees shall assume all the obligations of the existing library service contracts made by cities, townships, school corporations, or counties to receive library service from free public libraries jurisdictions participating in the library district.

Sec. 331. Section 336.16, Code 2009, is amended to read as follows:

336.16 Withdrawal from district — termination.

1. A city may withdraw from the library district upon a majority vote in favor of withdrawal by the electorate of the city in an election held on a motion by the city council. The election shall be held simultaneously with a general or city election. Notice of a favorable vote to withdraw shall be sent by certified mail to the board of library trustees of the library district and the county auditor or city clerk, as appropriate, prior to January 10, and the withdrawal shall be effective on July 1.

2. A county may withdraw from the district after a majority of the voters of the unincorporated area of the county voting on the issue favor the withdrawal. The board of supervisors shall call for the election which shall be held at the next general election.

3. A city or county election shall not be called until a hearing has been held on the proposal to submit a proposition of withdrawal to an election. A hearing may be held only after public notice published as provided in section 362.3 in the case of a city or section 331.305 in the case of a county. A copy of the notice submitted for publication shall be mailed to the public library on or before the date of publication. The proposal presented at the hearing must include a plan for continuing adequate library service with or without all participants and the respective allocated costs and levels of service shall be stated. At the hearing, any interested person shall be given a reasonable time to be heard, either for or against the withdrawal or the plan to accompany it.

4. A library district may be terminated if a majority of the electors of the unincorporated area of the county and the cities included in the library district voting on the issue favor the termination. ~~The election shall be held upon motion of the board of supervisors and simultaneously with a general or other county election.~~ If the vote favors termination, the termination shall be effective on the succeeding July 1.

5. An election for withdrawal from or termination of a library district shall not be held more than once each four years.

Sec. 332. Section 336.18, subsection 4, paragraphs c and d, Code 2009, are amended to read as follows:

c. If a majority of those voting upon the question favors it, the board of supervisors shall ~~within thirty days appoint a board of library trustees from residents of the petitioning area. Vacancies shall be filled by the board.~~

d. ~~The board of trustees may contract with any a~~ library for library use or service for the benefit of the residents and area represented by it.

Sec. 333. NEW SECTION. **336.19 Contracts for use of public library.**

1. *Contracting.* The board of library trustees may contract with any other board of trustees of a free public library or any other city, school corporation, institution of higher learning, township, or county, or with the trustees of any county library district for the use of the library by their respective residents.

2. *Termination.* A contract entered into pursuant to subsection 1 may be terminated as follows:

a. By mutual consent of the contracting parties.

b. By a majority vote of the electors represented by either of the contracting parties. Upon a written petition of a number of eligible electors equaling five percent or more of the number of electors voting at the last general election within the jurisdiction of the contracting party, a termination proposition shall be submitted to the electors by the governing body of the contracting party. The petition shall be presented to the governing body not less than forty days prior to the next general election or special election held throughout the jurisdiction of the party seeking to terminate the contract. The proposition shall be submitted at the next

general election or next special election held throughout the jurisdiction of the party seeking to terminate the contract.

Sec. 334. REPEAL. Sections 336.6, 336.9, and 336.17, Code 2009, are repealed.

DIVISION XXIX
HEALTH AND HUMAN SERVICES PROGRAM EFFICIENCIES

Sec. 335. DIRECTIVE FOR INCREASED EFFICIENCIES IN HUMAN SERVICES PROGRAMS. The department of human services shall develop and implement strategies to increase efficiencies by reducing paperwork, decreasing staff time, and providing more streamlined services to the public relative to programs under the purview of the department. Such strategies may include but are not limited to simplifying and reducing duplication in eligibility determinations among programs by utilizing the same eligibility processes across programs to the extent allowed by federal law. The department shall provide a progress report to the joint appropriations subcommittee on health and human services on an annual basis.

Sec. 336. PHARMACEUTICAL IMPROVEMENTS. The department of human services, department of public health, department of corrections, department of management, and any other appropriate agency shall review the provision of pharmaceuticals to populations they serve and programs under their respective purview to determine efficiencies in the purchase of pharmaceuticals. The departments shall develop strategies to implement efficiencies and reduce costs to the state, and shall determine any changes in state law or approval from the federal government necessary to implement any strategy identified.

DIVISION XXX
CHILD SUPPORT

Sec. 337. Section 252D.17, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 13. The department shall establish criteria and a phased-in schedule to require, no later than June 30, 2015, payors of income to electronically transmit the amounts withheld under an income withholding order. The department shall assist payors of income in complying with the required electronic transmission, and shall adopt rules setting forth procedures for use in electronic transmission of funds, and exemption from use of electronic transmission taking into consideration any undue hardship electronic transmission creates for payors of income.

DIVISION XXXI
FALSE CLAIMS ACT

Sec. 338. NEW SECTION. **685.1 Definitions.**

1. “*Claim*” means any request or demand, whether pursuant to a contract or otherwise, for money or property and whether the state has title to the money or property, which is presented to an officer, employee, agent, or other representative of the state or to a contractor, grantee, or other person if the money or property is to be spent or used on the state’s behalf or to advance a state program or interest, and if the state provides any portion of the money or property which is requested or demanded, or if the state will reimburse directly or indirectly such contractor, grantee, or other person for any portion of the money or property which is requested or demanded. “*Claim*” does not include any requests or demands for money or property that the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual’s use of the money or property.

2. “*Custodian*” means the custodian, or any deputy custodian, designated by the attorney general under section 685.6.

3. “*Documentary material*” includes the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document, or data compilations stored in or accessible through computer or other information retrieval

systems, together with instructions and all other materials necessary to use or interpret such data compilations, and any product of discovery.

4. “*False claims law*” means this chapter.

5. “*False claims law investigation*” means any inquiry conducted by a false claims law investigator for the purpose of ascertaining whether any person is or has been engaged in any violation of a false claims law.

6. “*False claims law investigator*” means any attorney or investigator employed by the department of justice who is charged with the duty of enforcing or carrying into effect any false claims law, or any officer or employee of the state acting under the direction and supervision of such attorney or investigator in connection with a false claims law investigation.

7. a. “*Knowing*” or “*knowingly*” means that a person with respect to information, does any of the following:

(1) Has actual knowledge of the information.

(2) Acts in deliberate ignorance of the truth or falsity of the information.

(3) Acts in reckless disregard of the truth or falsity of the information.

b. “*Knowing*” or “*knowingly*” does not require proof of specific intent to defraud.

8. “*Material*” means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

9. “*Obligation*” means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.

10. “*Official use*” means any use that is consistent with the law, and the regulations and policies of the department of justice, including use, in connection with internal department of justice memoranda and reports; communications between the department of justice and a federal, state, or local government agency or a contractor of a federal, state, or local government agency, undertaken in furtherance of a department of justice investigation or prosecution of a case; interviews of any qui tam plaintiff or other witness; oral examinations; depositions; preparation for and response to civil discovery requests; introduction into the record of a case or proceeding; applications, motions, memoranda and briefs submitted to a court or other tribunal; and communications with government investigators, auditors, consultants and experts, the counsel of other parties, and arbitrators and mediators, concerning an investigation, case, or proceeding.

11. “*Original source*” means an individual who has direct and independent knowledge of the information on which the allegations are based and has voluntarily provided the information to the state before filing an action under section 685.3 which is based on the information.

12. “*Person*” means any natural person, partnership, corporation, association, or other legal entity, including any state or political subdivision of the state.

13. “*Product of discovery*” includes all of the following:

a. The original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission, which is obtained by any method of discovery in any judicial or administrative proceeding of an adversarial nature.

b. Any digest, analysis, selection, compilation, or derivation of any item listed in paragraph “a”.

c. Any index or other manner of access to any item listed in paragraph “a”.

14. “*Qui tam plaintiff*” means a private plaintiff who brings an action under this chapter on behalf of the state.

Sec. 339. NEW SECTION. 685.2 Acts subjecting person to treble damages, costs, and civil penalties — exceptions.

1. A person who commits any of the following acts is liable to the state for a civil penalty of not less than five thousand dollars and not more than ten thousand dollars, plus three times the amount of damages which the state sustains because of the act of that person:

a. Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval.

b. Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim.

c. Conspires to commit a violation of paragraph “a”, “b”, “d”, “e”, “f”, or “g”.

d. Has possession, custody, or control of property or money used, or to be used, by the state and knowingly delivers, or causes to be delivered, less than all of that money or property.

e. Is authorized to make or deliver a document certifying receipt of property used, or to be used, by the state and, intending to defraud the state, makes or delivers the receipt without completely knowing that the information on the receipt is true.

f. Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the state, or a member of the Iowa national guard, who lawfully may not sell or pledge property.

g. Knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the state, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state.

2. Notwithstanding subsection 1, the court may assess not less than two times the amount of damages which the state sustains because of the act of the person described in subsection 1, if the court finds all of the following:

a. The person committing the violation furnished officials of the state responsible for investigating false claims violations with all information known to such person about the violation within thirty days after the date on which the person first obtained the information.

b. The person fully cooperated with the state investigation of such violation.

c. At the time the person furnished the state with the information about the violation, a criminal prosecution, civil action, or administrative action had not commenced under this chapter with respect to such violation, and the person did not have actual knowledge of the existence of an investigation into such violation.

3. A person violating this section shall also be liable to the state for the costs of a civil action brought to recover any such penalty or damages.

4. Any information furnished pursuant to subsection 2 is deemed confidential information exempt from disclosure pursuant to chapter 22.

5. This section shall not apply to claims, records, or statements made under Tit. X relating to state revenue and taxation.

Sec. 340. NEW SECTION. 685.3 Investigations and prosecutions — powers of prosecuting authority — civil actions by individuals as qui tam plaintiffs and as private citizens — jurisdiction of courts.

1. The attorney general shall diligently investigate a violation under section 685.2. If the attorney general finds that a person has violated or is violating section 685.2, the attorney general may bring a civil action under this section against that person.

2. a. A person may bring a civil action for a violation of this chapter for the person and for the state, in the name of the state. The person bringing the action shall be referred to as the qui tam plaintiff. Once filed, the action may be dismissed only if the court and the attorney general provide written consent to the dismissal and the reasons for such consent.

b. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses shall be served on the attorney general pursuant to the Iowa rules of civil procedure. The complaint shall also be filed in camera, shall remain under seal for at least sixty days, and shall not be served on the defendant until the court so orders. The state may elect to intervene and proceed with the action within sixty days after the state receives both the complaint and the material evidence and the information.

c. The state may, for good cause shown, move the court for extensions of the time during which the complaint remains under seal under paragraph “b”. Any such motions may be supported by affidavits or other submissions in camera. The defendant shall not be required to respond to any complaint filed under this section until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 1.302 of the Iowa rules of civil procedure.

d. Before the expiration of the sixty-day period or any extensions obtained under paragraph “c”, the state shall do one of the following:

(1) Proceed with the action, in which case the action shall be conducted by the state.

(2) Notify the court that the state declines to take over the action, in which case the qui tam plaintiff shall have the right to conduct the action.

e. When a person brings an action under this section, no person other than the state may intervene or bring a related action based on the facts underlying the pending action.

3. a. If the state proceeds with the action, the state shall have the primary responsibility for prosecuting the action, and shall not be bound by an act of the qui tam plaintiff. Such qui tam plaintiff shall have the right to continue as a party to the action, subject to the limitations specified in paragraph "b".

b. (1) The state may move to dismiss the action, notwithstanding the objections of the qui tam plaintiff if the qui tam plaintiff has been notified by the state of the filing of the motion and the court has provided the qui tam plaintiff with an opportunity for a hearing on the motion.

(2) The state may settle the action with the defendant notwithstanding the objections of the qui tam plaintiff if the court determines, after a hearing, that the proposed settlement is fair, adequate, and reasonable under all of the circumstances. Upon a showing of good cause, such hearing may be held in camera.

(3) Upon a showing by the state that unrestricted participation during the course of the litigation by the qui tam plaintiff would interfere with or unduly delay the state's prosecution of the case, or would be repetitious, irrelevant, or for purposes of harassment, the court may, in its discretion, impose limitations on the qui tam plaintiff's participation, including but not limited to any of the following:

(a) Limiting the number of witnesses the qui tam plaintiff may call.

(b) Limiting the length of the testimony of such witnesses.

(c) Limiting the qui tam plaintiff's cross-examination of witnesses.

(d) Otherwise limiting the participation by the qui tam plaintiff in the litigation.

(4) Upon a showing by the defendant that unrestricted participation during the course of the litigation by the qui tam plaintiff would be for purposes of harassment or would cause the defendant undue burden or unnecessary expense, the court may limit the participation by the qui tam plaintiff in the litigation.

c. If the state elects not to proceed with the action, the qui tam plaintiff shall have the right to conduct the action. If the state so requests, the state shall be served with copies of all pleadings filed in the action and shall be supplied with copies of all deposition transcripts at the state's expense. When a qui tam plaintiff proceeds with the action, the court, without limiting the status and rights of the qui tam plaintiff, may permit the state to intervene at a later date upon a showing of good cause.

d. Whether or not the state proceeds with the action, upon a showing by the state that certain actions of discovery by the qui tam plaintiff would interfere with the state's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay such discovery for a period of not more than sixty days. Such a showing shall be conducted in camera. The court may extend the sixty-day period upon a further showing in camera that the state has pursued the criminal or civil investigation or proceedings with reasonable diligence and any proposed discovery in the civil action will interfere with the ongoing criminal or civil investigation or proceedings.

e. Notwithstanding subsection 2, the state may elect to pursue the state's claim through any alternate remedy available to the state, including any administrative proceeding to determine a civil penalty. If any such alternate remedy is pursued in another proceeding, the qui tam plaintiff shall have the same rights in such proceeding as such qui tam plaintiff would have had if the action had continued under this section. Any finding of fact or conclusion of law made in such other proceeding that has become final, shall be conclusive as to all such parties to an action under this section. For purposes of this paragraph, a finding or conclusion is final if it has been finally determined on appeal to the appropriate court of the state, if all time for filing such an appeal with respect to the finding or conclusion has expired, or if the finding or conclusion is not subject to judicial review.

4. a. (1) If the state proceeds with an action brought by a qui tam plaintiff under subsection 2, the qui tam plaintiff shall, subject to subparagraph (2), receive at least fifteen percent but not more than twenty-five percent of the proceeds of the action or settlement of the claim,

depending upon the extent to which the qui tam plaintiff substantially contributed to the prosecution of the action.

(2) If the action is one which the court finds to be based primarily on disclosures of specific information, other than information provided by the qui tam plaintiff, relating to allegations or transactions in a criminal, civil, or administrative hearing, or in a legislative, administrative or state auditor report, hearing, audit, or investigation, or from the news media, the court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds, taking into account the significance of the information and the role of the qui tam plaintiff in advancing the case to litigation.

(3) Any payment to a qui tam plaintiff under subparagraph (1) or (2) shall be made from the proceeds. Any such qui tam plaintiff shall also receive an amount for reasonable expenses which the appropriate court finds to have been necessarily incurred, plus reasonable attorney fees and costs. All such expenses, fees, and costs shall be awarded against the defendant.

b. If the state does not proceed with an action under this section, the qui tam plaintiff or person settling the claim shall receive an amount which the court decides is reasonable for collecting the civil penalty and damages. The amount shall be not less than twenty-five percent and not more than thirty percent of the proceeds of the action or settlement and shall be paid out of such proceeds. Such qui tam plaintiff or person shall also receive an amount for reasonable expenses which the court finds to have been necessarily incurred, plus reasonable attorney fees and costs. All such expenses, fees, and costs shall be awarded against the defendant.

c. Whether or not the state proceeds with the action, if the court finds that the action was brought by a qui tam plaintiff who planned and initiated the violation of section 685.2 upon which the action was brought, the court may, to the extent the court considers appropriate, reduce the share of the proceeds of the action which the qui tam plaintiff would otherwise receive under paragraph "a" or "b", taking into account the role of that qui tam plaintiff in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the qui tam plaintiff is convicted of criminal conduct arising from the qui tam plaintiff's role in the violation of section 685.2, the qui tam plaintiff shall be dismissed from the civil action and shall not receive any share of the proceeds of the action. Such dismissal shall not prejudice the right of the state to continue the action represented by the attorney general.

d. If the state does not proceed with the action and the qui tam plaintiff conducts the action, the court may award to the defendant reasonable attorney fees and expenses if the defendant prevails in the action and the court finds that the claim of the qui tam plaintiff was clearly frivolous, clearly vexatious, or brought primarily for purposes of harassment.

5. a. A court shall not have jurisdiction over an action brought by a former or present member of the Iowa national guard under this chapter against a member of the Iowa national guard arising out of such person's services in the Iowa national guard.

b. A qui tam plaintiff shall not bring an action under subsection 2 which is based upon allegations or transactions which are the subject of a civil suit or an administrative civil penalty proceeding in which the state is already a party.

c. A court shall not have jurisdiction over an action under this section based upon the public disclosure of allegations or transactions in a criminal, civil, or administrative hearing, or in a legislative, administrative, or state auditor report, hearing, audit, or investigation, or from the news media, unless the action is brought by the attorney general or the qui tam plaintiff is an original source of the information.

d. The state is not liable for expenses which a person incurs in bringing an action under this section.

6. Any employee, contractor, or agent who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts performed by the employee, contractor, or agent on behalf of the employee, contractor, or agent or associated others in furtherance of other efforts to stop a violation of this chapter, shall be entitled to all relief necessary to make the employee, contractor, or agent whole. Such relief shall include reinstatement with the same seniority status such employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs

and reasonable attorney fees. An employee, contractor, or agent may bring an action in the appropriate district court of the state for the relief provided in this subsection.

Sec. 341. NEW SECTION. 685.4 Procedure — statute of limitations.

1. A subpoena requiring the attendance of a witness at a trial or hearing conducted under this chapter may be served at any place in the state, or through any means authorized in the Iowa rules of civil procedure.

2. A civil action under this chapter may not be brought more than six years after the date on which the violation of section 685.2 is committed, or more than three years after the date when facts material to the right of action are known or reasonably should have been known by the official of state charged with responsibility to act in the circumstances, but in no event more than ten years after the date on which the violation is committed, whichever occurs last.

3. If the state elects to intervene and proceed with an action brought under this chapter, the state may file its own complaint or amend the complaint of a qui tam plaintiff to clarify or add detail to the claims in which the state is intervening and to add any additional claims with respect to which the state contends it is entitled to relief. For statute of limitations purposes, any such state pleading shall relate back to the filing date of the complaint of the qui tam plaintiff who originally brought the action, to the extent that the claim of the state arises out of the conduct, transactions, or occurrences set forth, or attempted to be set forth, in the prior complaint of that person.

4. In any action brought under section 685.3, the state shall prove all essential elements of the cause of action, including damages, by a preponderance of the evidence.

5. Notwithstanding any other provision of law, the Iowa rules of criminal procedure, or the Iowa rules of evidence, a final judgment rendered in favor of the state in any criminal proceeding charging fraud or false statements, whether upon a verdict after trial or upon a plea of guilty or nolo contendere, shall estop the defendant from denying the essential elements of the offense in any action which involves the same transaction as in the criminal proceeding and which is brought under section 685.3.

Sec. 342. NEW SECTION. 685.5 Jurisdiction.

1. Any action under section 685.3 may be brought in any county in which the defendant or, in the case of multiple defendants, any one defendant can be found, resides, transacts business, or in which any act proscribed by section 685.2 occurred. An original notice as required by the Iowa rules of civil procedure shall be issued by the appropriate district court and served in accordance with the Iowa rules of civil procedure.

2. A seal on the action ordered by the court under section 685.3 shall not preclude the state, local government, or the qui tam plaintiff from serving the complaint, any other pleadings, or the written disclosure of substantially all material evidence and information possessed by the qui tam plaintiff on the law enforcement authorities that are authorized under the law of the state or local government to investigate and prosecute such actions on behalf of such governments, except that such seal applies to the law enforcement authorities so served to the same extent as the seal applies to other parties in the action.

Sec. 343. NEW SECTION. 685.6 Civil investigative demands.

1. Issuance and service.

a. If the attorney general, or a designee, for the purposes of this section, has reason to believe that any person may be in possession, custody, or control of any documentary material or information relevant to a false claims law investigation, the attorney general, or a designee, may, before commencing a civil proceeding under section 685.3, subsection 1, or other false claims law, or making an election under section 685.3, subsection 2, issue in writing and cause to be served upon such person, a civil investigative demand requiring any of the following of such person:

(1) To produce such documentary material for inspection and copying.

(2) To answer in writing, written interrogatories with respect to such documentary material or information.

(3) To give oral testimony concerning such documentary material or information.

(4) To furnish any combination of such material, answers, or testimony.

b. The attorney general may delegate the authority to issue civil investigative demands under this subsection. If a civil investigative demand is an express demand for any product of discovery, the attorney general, a deputy attorney general, or an assistant attorney general shall cause to be served, in any manner authorized by this section, a copy of such demand upon the person from whom the discovery was obtained and shall notify the person to whom such demand is issued of the date on which such copy was served. Any information obtained by the attorney general or a designee of the attorney general under this section may be shared with any qui tam plaintiff if the attorney general or designee determines it is necessary as part of any false claims law investigation.

2. *Contents and deadlines.*

a. Each civil investigative demand issued under subsection 1 shall state the nature of the conduct constituting the alleged violation of a false claims law which is under investigation, and the applicable provision of law alleged to be violated.

b. If such demand is for the production of documentary material, the demand shall provide all of the following:

(1) Describe each class of documentary material to be produced with such definiteness and certainty as to permit such material to be fairly identified.

(2) Prescribe a return date for each such class which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying.

(3) Identify the false claims law investigator to whom such material shall be made available.

c. If such demand is for answers to written interrogatories, the demand shall provide for all of the following:

(1) Set forth with specificity the written interrogatories to be answered.

(2) Prescribe dates at which time answers to written interrogatories shall be submitted.

(3) Identify the false claims law investigator to whom such answers shall be submitted.

d. If such demand is for the giving of oral testimony, the demand shall provide for all of the following:

(1) Prescribe a date, time, and place at which oral testimony shall be commenced.

(2) Identify a false claims law investigator who shall conduct the examination and the custodian to whom the transcript of such examination shall be submitted.

(3) Specify that such attendance and testimony are necessary to the conduct of the investigation.

(4) Notify the person receiving the demand of the right to be accompanied by an attorney and any other representative.

(5) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.

e. Any civil investigative demand issued under this section which is an express demand for any product of discovery shall not be returned or returnable until twenty days after a copy of such demand has been served upon the person from whom the discovery was obtained.

f. The date prescribed for the commencement of oral testimony pursuant to a civil investigative demand issued under this section shall be a date which is not less than seven days after the date on which demand is received, unless the attorney general or an assistant attorney general designated by the attorney general determines that exceptional circumstances are present which warrant the commencement of such testimony within a lesser period of time.

g. The attorney general shall not authorize the issuance under this section of more than one civil investigative demand for oral testimony by the same person, unless the person requests otherwise or unless the attorney general, after investigation, notifies that person in writing that an additional demand for oral testimony is necessary.

3. *Protected material or information.*

a. A civil investigative demand issued under subsection 1 shall not require the production of any documentary material, the submission of any answers to written interrogatories, or the giving of any oral testimony if such material, answers, or testimony would be protected from disclosure under any of the following:

(1) The standards applicable to subpoenas or subpoenas duces tecum issued by a court of the state to aid in a grand jury investigation.

(2) The standards applicable to discovery requests under the Iowa rules of civil procedure, to the extent that the application of such standards to any such demand is appropriate and consistent with the provisions and purposes of this section.

b. Any such demand which is an express demand for any product of discovery, supersedes any inconsistent order, rule, or provision of law, other than this section, preventing or restraining disclosure of such product of discovery to any person. Disclosure of any product of discovery pursuant to any such express demand does not constitute a waiver of any right or privilege which the person making such disclosure may be entitled to invoke to resist discovery of trial preparation materials.

4. *Service.*

a. Any civil investigative demand issued under subsection 1 may be served by a false claims law investigator, or by any official authorized to issue civil investigative demands.

b. Service of any civil investigative demand issued under subsection 1 or of any petition filed under subsection 9 may be made upon a partnership, corporation, association, or other legal entity by any of the following methods:

(1) Delivering an executed copy of such demand or petition to any partner, executive officer, managing agent, or general agent of the partnership, corporation, association, or entity, or to any agent authorized by appointment or by law to receive service of process on behalf of such partnership, corporation, association, or entity.

(2) Delivering an executed copy of such demand or petition to the principal office or place of business of the partnership, corporation, association, or entity.

(3) Depositing an executed copy of such demand or petition in the United States mails by registered or certified mail, with a return receipt requested, addressed to such partnership, corporation, association, or entity at its principal office or place of business.

c. Service of any such demand or petition may be made upon any natural person by any of the following methods:

(1) Delivering an executed copy of such demand or petition to the person.

(2) Depositing an executed copy of such demand or petition in the United States mails by registered or certified mail, with a return receipt requested, addressed to the person at the person's residence or principal office or place of business.

d. A verified return by the individual serving any civil investigative demand issued under subsection 1 or any petition filed under subsection 9 setting forth the manner of such service shall be proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such demand.

5. *Documentary material.*

a. The production of documentary material in response to a civil investigative demand served under this section shall be made under a sworn certificate, in such form as the demand designates, by the following persons, as applicable:

(1) In the case of a natural person, the person to whom the demand is directed.

(2) In the case of a person other than a natural person, a person having knowledge of the facts and circumstances relating to such production and authorized to act on behalf of such person.

b. The certificate shall state that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the false claims law investigator identified in the demand.

c. Any person upon whom any civil investigative demand for the production of documentary material has been served under this section shall make such material available for inspection and copying to the false claims law investigator identified in such demand at the principal place of business of such person, or at such other place as the false claims law investigator and the person agree and prescribe in writing, or as the court may direct under subsection 9. Such material shall be made available on the return date specified in such demand, or on such later date as the false claims law investigator may prescribe in writing. Such person may, upon written agreement between the person and the false claims law investigator, substitute copies for originals of all or any part of such material.

6. *Interrogatories.*

a. Each interrogatory in a civil investigative demand served under this section shall be answered separately and fully in writing under oath and shall be submitted under a sworn certificate, in such form as the demand designates, by the following persons, as applicable:

(1) In the case of a natural person, the person to whom the demand is directed.

(2) In the case of a person other than a natural person, the person or persons responsible for answering each interrogatory.

b. If any interrogatory is objected to, the reasons for the objection shall be stated in the certificate instead of an answer. The certificate shall state that all information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted. To the extent that any information is not furnished, the information shall be identified and reasons set forth with particularity regarding the reasons why the information was not furnished.

7. *Oral examinations.*

a. The examination of any person pursuant to a civil investigative demand for oral testimony served under this section shall be taken before an officer authorized to administer oaths and affirmations by the laws of this state or of the place where the examination is held. The officer before whom the testimony is to be taken shall put the witness on oath or affirmation and shall, personally or by someone acting under the direction of the officer and in the officer's presence, record the testimony of the witness. The testimony shall be taken stenographically and shall be transcribed. When the testimony is fully transcribed, the officer before whom the testimony is taken shall promptly transmit a copy of the transcript of the testimony to the custodian. This subsection shall not preclude the taking of testimony by any means authorized by, and in a manner consistent with, the Iowa rules of civil procedure.

b. The false claims law investigator conducting the examination shall exclude from the place where the examination is held all persons except the person giving the testimony, the attorney for and any other representative of the person giving the testimony, the attorney for the state, any person who may be agreed upon by the attorney for the state and the person giving the testimony, the officer before whom the testimony is to be taken, and any stenographer taking such testimony.

c. The oral testimony of any person taken pursuant to a civil investigative demand served under this section shall be taken in any state in which such person resides, is found, or transacts business, or in such other place as may be agreed upon by the false claims law investigator conducting the examination and such person.

d. When the testimony is fully transcribed, the false claims law investigator or the officer before whom the testimony is taken shall afford the witness, who may be accompanied by counsel, a reasonable opportunity to examine and read the transcript, unless such examination and reading are waived by the witness. Any changes in form or substance which the witness desires to make shall be entered and identified upon the transcript by the officer or the false claims law investigator, with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness, unless the witness in writing waives the signing, is ill, cannot be found, or refuses to sign. If the transcript is not signed by the witness within thirty days after being afforded a reasonable opportunity to examine the transcript, the officer or the false claims law investigator shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with the reasons, if any, for the waiver, illness, absence, or refusal.

e. The officer before whom the testimony is taken shall certify on the transcript that the witness was sworn by the officer and that the transcript is a true record of the testimony given by the witness, and the officer or false claims law investigator shall promptly deliver the transcript, or send the transcript by registered or certified mail, to the custodian.

f. Upon payment of reasonable charges for a copy, the false claims law investigator shall furnish a copy of the transcript to the witness only, except that the attorney general, the deputy attorney general, or an assistant attorney general may, for good cause, limit such witness to inspection of the official transcript of the witness' testimony.

g. (1) Any person compelled to appear for oral testimony under a civil investigative demand issued under subsection 1 may be accompanied, represented, and advised by counsel. Counsel may advise such person, in confidence, with respect to any question asked

of such person. Such person or counsel may object on the record to any question, in whole or in part, and shall briefly state for the record the reason for the objection. An objection may be made, received, and entered upon the record when it is claimed that such person is entitled to refuse to answer the question on the grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination. Such person may not otherwise object to or refuse to answer any question, and may not directly or through counsel otherwise interrupt the oral examination. If such person refuses to answer any question, a petition may be filed in the district court of the state under subsection 9 for an order compelling such person to answer such question.

(2) If such person refuses to answer any question on the grounds of the privilege against self-incrimination, the testimony of such person may be compelled in accordance with applicable law.

h. Any person appearing for oral testimony under a civil investigative demand issued under subsection 1 shall be entitled to the same fees and allowances which are paid to witnesses in the district courts of the state.

8. Custodians of documents, answers, and transcripts.

a. The attorney general shall designate a false claims law investigator to serve as custodian of documentary material, answers to interrogatories, and transcripts of oral testimony received under this section, and shall designate such additional false claims law investigators as the attorney general determines from time to time to be necessary to serve as deputies to the custodian.

b. (1) A false claims law investigator who receives any documentary material, answers to interrogatories, or transcripts of oral testimony under this section shall transmit them to the custodian. The custodian shall take physical possession of such material, answers, or transcripts and shall be responsible for their use and for the return of documentary material under paragraph “*d*”.

(2) The custodian may cause the preparation of such copies of such documentary material, answers to interrogatories, or transcripts of oral testimony as may be required for official use by any false claims law investigator, or other officer or employee of the department of justice. Such material, answers, and transcripts may be used by any such authorized false claims law investigator or other officer or employee in connection with the taking of oral testimony under this section.

(3) Except as otherwise provided in this subsection, documentary material, answers to interrogatories, or transcripts of oral testimony, or copies of documentary materials, answers or transcripts, while in the possession of the custodian, shall not be available for examination by any individual other than a false claims law investigator or other officer or employee of the department of justice authorized under subparagraph (2). This prohibition on the availability of material, answers, or transcripts shall not apply if consent is given by the person who produced such material, answers, or transcripts, or, in the case of any product of discovery produced pursuant to an express demand for such material, consent is given by the person from whom the discovery was obtained. Nothing in this subparagraph is intended to prevent disclosure to the general assembly, including any committee or subcommittee of the general assembly, or to any other agency of the state for use by such agency in furtherance of its statutory responsibilities.

(4) While in the possession of the custodian and under such reasonable terms and conditions as the attorney general shall prescribe all of the following shall apply, as applicable:

(a) Documentary material and answers to interrogatories shall be available for examination by the person who produced such material or answers, or by a representative of that person authorized by that person to examine such material and answers.

(b) Transcripts of oral testimony shall be available for examination by the person who produced such testimony, or by a representative of that person authorized by that person to examine such transcripts.

c. If an attorney of the department of justice has been designated to appear before any court, grand jury, state agency, or federal agency in any case or proceeding, the custodian of any documentary material, answers to interrogatories, or transcripts of oral testimony received under this section may deliver to such attorney such material, answers, or transcripts

for official use in connection with any such case or proceeding as such attorney determines to be required. Upon the completion of any such case or proceeding, such attorney shall return to the custodian any such material, answers, or transcripts delivered which have not passed into the control of such court, grand jury, or agency through introduction into the record of such case or proceeding.

d. If any documentary material has been produced by any person in the course of any false claims law investigation pursuant to a civil investigative demand under this section, and any case or proceeding before the court or grand jury arising out of such investigation, or any proceeding before any state agency or federal agency involving such material, has been completed, or a case or proceeding in which such material may be used has not been commenced within a reasonable time after completion of the examination and analysis of all documentary material and other information assembled in the course of such investigation, the custodian shall, upon written request of the person who produced such material, return to such person any such material, other than copies furnished to the false claims law investigator under subsection 5 or made for the department of justice under paragraph "b" which has not passed into the control of any court, grand jury, or agency through introduction into the record of such case or proceeding.

e. (1) In the event of the death, disability, or separation from service in the department of justice of the custodian of any documentary material, answers to interrogatories, or transcripts of oral testimony produced pursuant to a civil investigative demand under this section, or in the event of the official relief of such custodian from responsibility for the custody and control of such material, answers, or transcripts, the attorney general shall promptly do all of the following:

(a) Designate another false claims law investigator to serve as custodian of such material, answers, or transcripts.

(b) Transmit in writing to the person who produced such material, answers, or testimony notice of the identity and address of the successor designated.

(2) Any person who is designated to be a successor under this paragraph "e" shall have, with regard to such material, answers, or transcripts, the same duties and responsibilities as were imposed by this section upon that person's predecessor in office, except that the successor shall not be held responsible for any default or dereliction which occurred before that designation.

9. *Judicial proceedings.*

a. If a person fails to comply with any civil investigative demand issued under subsection 1, or if satisfactory copying or reproduction of any material requested in such demand cannot be completed and such person refuses to surrender such material, the attorney general may file, in the district court of the state for any county in which such person resides, is found, or transacts business, and serve upon such person, a petition for an order of such court for the enforcement of the civil investigative demand.

b. (1) A person who has received a civil investigative demand issued under subsection 1 may file, in the district court of the state for the county within which such person resides, is found, or transacts business, and serve upon the false claims law investigator identified in such demand, a petition for an order of the court to modify or set aside such demand. In the case of a petition addressed to an express demand for any product of discovery, a petition to modify or set aside such demand may be brought only in the district court of the state for the county in which the proceeding in which such discovery was obtained is or was last pending. Any petition under this paragraph shall be filed in accordance with the following, as applicable:

(a) Within twenty days after the date of service of the civil investigative demand, or at any time before the return date specified in the demand, whichever date is earlier.

(b) Within such longer period as may be prescribed in writing by any false claims law investigator identified in the demand.

(2) The petition shall specify each ground upon which the petitioner relies in seeking relief under subparagraph (1), and may be based upon any failure of the demand to comply with the provisions of this section or upon any constitutional or other legal right or privilege of such person. During the pendency of the petition in the court, the court may stay, as it deems proper, the running of the time allowed for compliance with the demand, in whole or in part,

except that the person filing the petition shall comply with any portions of the demand not sought to be modified or set aside.

c. (1) In the case of any civil investigative demand issued under subsection 1 which is an express demand for any product of discovery, the person from whom such discovery was obtained may file, in the district court of the state for the county in which the proceeding in which such discovery was obtained is or was last pending, and serve upon any false claims law investigator identified in the demand and upon the recipient of the demand, a petition for an order of such court to modify or set aside those portions of the demand requiring production of any such product of discovery. Any petition under this subparagraph shall be filed in accordance with the following, as applicable:

(a) Within twenty days after the date of service of the civil investigative demand, or at any time before the return date specified in the demand, whichever date is earlier.

(b) Within such longer period as may be prescribed in writing by any false claims law investigator identified in the demand.

(2) The petition shall specify each ground upon which the petitioner relies in seeking relief under subparagraph (1), and may be based upon any failure of the portions of the demand from which relief is sought to comply with the provisions of this section, or upon any constitutional or other legal right or privilege of the petitioner. During the pendency of the petition, the court may stay, as it deems proper, compliance with the demand and the running of the time allowed for compliance with the demand.

d. At any time during which any custodian is in custody or control of any documentary material or answers to interrogatories produced, or transcripts of oral testimony given, by any person in compliance with any civil investigative demand issued under subsection 1, such person, and in the case of an express demand for any product of discovery, the person from whom such discovery was obtained, may file, in the district court of⁷³ state for the judicial district within which the office of such custodian is located, and serve upon such custodian, a petition for an order of such court to require the performance by the custodian of any duty imposed upon the custodian by this section.

e. If a petition is filed in any district court of the state under this subsection, such court shall have jurisdiction to hear and determine the matter so presented, and to enter such order or orders as may be required to carry out the provisions of this section. Any final order so entered shall be subject to appeal in accordance with the Iowa rules of civil procedure. Any disobedience of any final order entered under this section by any court shall be punished as a contempt of the court.

f. The Iowa rules of civil procedure shall apply to any petition under this subsection, to the extent that such rules are not inconsistent with the provisions of this section.

10. *Disclosure exemption.* Any documentary material, answers to written interrogatories, or oral testimony provided under any civil investigative demand issued under subsection 1 shall be deemed confidential and exempt from disclosure under chapter 22.

Sec. 344. NEW SECTION. 685.7 Rulemaking authority.

The attorney general may adopt such rules and regulations as are necessary to effectuate the purposes of this chapter.

Sec. 345. ANNUAL REPORTING REQUIREMENT. On the thirtieth day after the effective date of this division of this Act, and on the anniversary of the effective date of this division of this Act each year thereafter, the attorney general shall submit to the chairpersons and ranking members of the house and senate committees on judiciary, the legislative caucus staffs, and the legislative services agency, in electronic format, a report containing all of the following information:

1. The number of cases the attorney general filed during the previous calendar year under this chapter.

2. The number of cases qui tam plaintiffs filed under this chapter during the previous calendar year, including those cases that remain under seal, and specifying all of the following for the cases:

⁷³ See chapter 1193, §64 herein

- a. The state or federal court in which each case was filed and the total number filed in each court.
- b. The state program or agency involved in each case.
- c. The number of cases filed by qui tam plaintiffs who previously filed an action based on the same or similar transaction or allegation under the federal False Claims Act or the false claims act of another state.
- 3. The amount recovered by the state in the form of settlement, damages, penalties, and litigation costs, if known, and specifying the following for each case:
 - a. The case number and parties for each case in which there was a recovery.
 - b. The amount of funds recovered respectively for damages, penalties, and litigation costs.
 - c. The percentage of the recovery and the amount that the state paid to any qui tam plaintiff.

Sec. 346. DEPARTMENT OF JUSTICE — FALSE CLAIMS ACT ENFORCEMENT. There is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

| | | |
|-------|------|--------|
| | \$ | 60,000 |
| | FTEs | 1.00 |

DIVISION XXXII
MEDICAID PRESCRIPTION DRUGS

Sec. 347. Section 249A.20A, subsection 4, Code 2009, is amended to read as follows:

4. With the exception of drugs prescribed for the treatment of human immunodeficiency virus or acquired immune deficiency syndrome, transplantation, or cancer ~~and drugs prescribed for mental illness~~ with the exception of drugs and drug compounds that do not have a significant variation in a therapeutic profile or side effect profile within a therapeutic class, prescribing and dispensing of prescription drugs not included on the preferred drug list shall be subject to prior authorization.

Sec. 348. MEDICAID NONPREFERRED DRUG LIST PRESCRIBING.

1. The department shall adopt rules pursuant to chapter 17A to restrict physicians and other prescribers to prescribing not more than a 72-hour or three-day supply of a prescription drug not included on the medical assistance preferred drug list while seeking approval to continue prescribing the medication.

2. Notwithstanding subsection 1, the department shall adopt rules pursuant to chapter 17A to restrict a physician or other prescriber prescribing a chemically unique mental health prescription drug to prescribing not more than a seven-day supply of the prescription drug while requesting approval to continue to prescribe the medication. The rules shall provide that if an approval or disapproval is not received by the physician or other prescriber within 48 hours of the request, the request is deemed approved.

Sec. 349. MEDICAID MENTAL HEALTH MEDICATIONS. The department shall adopt rules pursuant to chapter 17A to require that unless the manufacturer of a chemically unique mental health prescription drug enters into a contract to provide the state with a supplemental rebate, the drug may be placed on the nonpreferred drug list and subject to prior authorization before a medical assistance program recipient is able to obtain the drug. The department shall consult with the national alliance on mental illness, Iowa chapter, and other mental health patient organizations in the development of the rules and the development of associated formularies. The rules shall provide that a medical assistance program recipient whose drug regimen is established prior to January 1, 2011, on a chemically unique mental health prescription drug that would otherwise be placed on the nonpreferred drug list and subject to prior authorization under this section, shall be exempt from the restrictions of this section. The department shall not adopt rules under this section by emergency rulemaking pursuant to section 17A.4, subsection 3, and section

17A.5, subsection 2, paragraph “b”. The rules adopted pursuant to this section shall not take effect prior to January 1, 2011.

DIVISION XXXIII
MEDICAID DISEASE MANAGEMENT

Sec. 350. MEDICAID DISEASE MANAGEMENT FOR CHILDREN. The department of human services shall design and implement a disease management program for children to address the most prevalent chronic diseases among children in Iowa. The program may include technology-based disease management, in-person or telephonic care management, self-management strategies, and health literacy education and training.

DIVISION XXXIV
MEDICAID HOME AND COMMUNITY-BASED SERVICES WAIVER PAYMENTS

Sec. 351. MEDICAID HOME AND COMMUNITY-BASED SERVICES WAIVER PAYMENTS — REVIEW. The department of human services shall evaluate payment records and determine the proper mechanism to trigger a review of payments for services provided under each home and community-based services waiver that are in excess of the median amount for payments through the applicable waiver. Following development of the trigger mechanism, the department shall require advance approval for services for which payment is projected to exceed the median as applicable to each waiver. The use of trigger mechanism and the approval process is intended to preserve necessary services while preventing overuse of services.

DIVISION XXXV
DIVESTITURE — MEDICAID PROGRAM

Sec. 352. Section 249F.1, subsection 2, paragraph a, Code 2009, is amended to read as follows:

a. *“Transfer of assets”* means any transfer or assignment of a legal or equitable interest in property, as defined in section 702.14, from a transferor to a transferee for less than fair consideration, made while the transferor is receiving medical assistance or within five years prior to application for medical assistance by the transferor. Any such transfer or assignment is presumed to be made with the intent, on the part of the transferee; transferor; or another person acting on behalf of a transferor who is an actual or implied agent, guardian, attorney-in-fact, or person acting as a fiduciary, of enabling the transferor to obtain or maintain eligibility for medical assistance or of impacting the recovery or payment of a medical assistance debt. This presumption is rebuttable only by clear and convincing evidence that the transferor’s eligibility or potential eligibility for medical assistance or the impact on the recovery or payment of a medical assistance debt was no part of the transferee’s reason of the transferee; transferor; or other person acting on behalf of a transferor who is an actual or implied agent, guardian, attorney-in-fact, or person acting as a fiduciary for making or accepting the transfer or assignment. A transfer of assets includes a transfer of an interest in the transferor’s home, domicile, or land appertaining to such home or domicile while the transferor is receiving medical assistance, unless otherwise exempt under paragraph “b”.

Sec. 353. Section 249F.1, subsection 2, paragraph b, subparagraph (6), Code 2009, is amended to read as follows:

(6) Transfers of assets that would, at the time of the transferor’s application for medical assistance, have been exempt from consideration as a resource if retained by the transferor, pursuant to 42 U.S.C. § 1382b(a), as implemented by regulations adopted by the secretary of the United States department of health and human services, excluding the home and land appertaining to the home.

DIVISION XXXVI
CHILD CARE ADVISORY COMMITTEE

Sec. 354. **NEW SECTION. 135.173A Child care advisory committee.**

1. The early childhood Iowa council shall establish a state child care advisory committee as part of the council. The advisory committee shall advise and make recommendations to the governor, general assembly, department of human services, and other state agencies concerning child care.

2. The membership of the advisory committee shall consist of a broad spectrum of parents and other persons from across the state with an interest in or involvement with child care.

3. Except as otherwise provided, the voting members of the advisory committee shall be appointed by the council from a list of names submitted by a nominating committee to consist of one member of the advisory committee, one member of the department of human services' child care staff, three consumers of child care, and one member of a professional child care organization. Two names shall be submitted for each appointment. The voting members shall be appointed for terms of three years.

4. The voting membership of the advisory committee shall be appointed in a manner so as to provide equitable representation of persons with an interest in child care and shall include all of the following:

- a. Two parents of children served by a registered child development home.
- b. Two parents of children served by a licensed center.
- c. Two not-for-profit child care providers.
- d. Two for-profit child care providers.
- e. One child care home provider.
- f. Three child development home providers.
- g. One child care resource and referral service grantee.
- h. One nongovernmental child advocacy group representative.
- i. One designee of the department of human services.
- j. One designee of the Iowa department of public health.
- k. One designee of the department of education.
- l. One head start program provider.
- m. One person who is a business owner or executive officer from nominees submitted by the Iowa chamber of commerce executives.
- n. One designee of the community empowerment office of the department of management.
- o. One person who is a member of the Iowa afterschool alliance.
- p. One person who is part of a local program implementing the statewide preschool program for four-year-old children under chapter 256C.
- q. One person who represents the early childhood Iowa council.

5. In addition to the voting members of the advisory committee, the membership shall include four legislators as ex officio, nonvoting members. The four legislators shall be appointed one each by the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives for terms as provided in section 69.16B.

6. In fulfilling the advisory committee's role, the committee shall do all of the following:

- a. Consult with the department of human services and make recommendations concerning policy issues relating to child care.
- b. Advise the department of human services concerning services relating to child care, including but not limited to any of the following:
 - (1) Resource and referral services.
 - (2) Provider training.
 - (3) Quality improvement.
 - (4) Public-private partnerships.
 - (5) Standards review and development.
 - (6) The federal child care and development block grant, state funding, grants, and other funding sources for child care.
- c. Assist the department of human services in developing an implementation plan to provide seamless service to recipients of public assistance, which includes child care

services. For the purposes of this subsection, “seamless service” means coordination, where possible, of the federal and state requirements which apply to child care.

d. Advise and provide technical services to the director of the department of education or the director’s designee relating to prekindergarten, kindergarten, and before and after school programming and facilities.

e. Make recommendations concerning child care expansion programs that meet the needs of children attending a core education program by providing child care before and after the core program hours and during times when the core program does not operate.

f. Make recommendations for improving collaborations between the child care programs involving the department of human services and programs supporting the education and development of young children including but not limited to the federal head start program, the statewide preschool program for four-year-old children and the early childhood, at-risk, and other early education programs administered by the department of education.

g. Make recommendations for eliminating duplication and otherwise improving the eligibility determination processes used for the state child care assistance program and other programs supporting low-income families, including but not limited to the federal head start, early head start, and even start programs; the early childhood, at-risk, and preschool programs administered by the department of education; the family and self-sufficiency grant program; and the family investment program.

h. Make recommendations as to the most effective and efficient means of managing the state and federal funding available for the state child care assistance program.

i. Review program data from the department of human services and other departments concerning child care as deemed to be necessary by the advisory committee, although a department shall not provide personally identifiable data or information.

j. Advise and assist the early childhood Iowa council in developing the strategic plan required pursuant to section 135.173.

7. The department of human services shall provide information to the advisory committee semiannually on all of the following:

a. Federal, state, local, and private revenues and expenditures for child care, including but not limited to updates on the current and future status of the revenues and expenditures.

b. Financial information and data relating to regulation of child care by the department of human services and the usage of the state child care assistance program.

c. Utilization and availability data relating to child care regulation, quantity, and quality from consumer and provider perspectives.

d. Statistical and demographic data regarding child care providers and the families utilizing child care.

e. Statistical data regarding the processing time for issuing notices of decision to state child care assistance applicants and for issuing payments to child care providers.

8. The advisory committee shall coordinate with the early childhood Iowa council its reporting annually in December to the governor and general assembly concerning the status of child care in the state, providing findings, and making recommendations. The annual report may be personally presented to the general assembly’s standing committees on human resources by a representative of the advisory committee.

Sec. 355. Section 237A.1, subsection 16, Code 2009, is amended to read as follows:

16. “*State child care advisory council*” committee means the state child care advisory council committee established pursuant to ~~sections 237A.21 and 237A.22~~ section 135.173A.

Sec. 356. Section 237A.12, subsection 3, Code 2009, is amended to read as follows:

3. Rules relating to fire safety for child care centers shall be adopted under this chapter by the state fire marshal in consultation with the department. Rules adopted by the state fire marshal for a building which is owned or leased by a school district or accredited nonpublic school and used as a child care facility shall not differ from standards adopted by the state fire marshal for school buildings under chapter 100. Rules relating to sanitation shall be adopted by the department in consultation with the director of public health. All rules shall be developed in consultation with the state child care advisory ~~council~~ committee. The state fire marshal shall inspect the facilities.

Sec. 357. Section 237A.25, subsection 1, Code 2009, is amended to read as follows:

1. 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~~ committee, 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.

Sec. 358. Section 237A.30, subsection 1, Code 2009, is amended to read as follows:

1. The department shall work with the community empowerment office of the department of management established in section 28.3 and the state child care advisory ~~council~~ committee in designing and implementing a voluntary quality rating system for each provider type of child care facility.

Sec. 359. Section 256.9, subsection 32, paragraph b, Code Supplement 2009, is amended to read as follows:

b. Standards and materials developed shall include materials which employ developmentally appropriate practices and incorporate substantial parental involvement. The materials and standards shall include alternative teaching approaches including collaborative teaching and alternative dispute resolution training. The department shall consult with the child development coordinating council, the state child care advisory ~~council~~ committee established pursuant to section 135.173A, the department of human services, the state board of regents center for early developmental education, the area education agencies, the department of ~~child~~ human development and family studies in the college of ~~family and consumer~~ human sciences at Iowa state university of science and technology, the early childhood elementary division of the college of education at the university of Iowa, and the college of education at the university of northern Iowa, in developing these standards and materials.

Sec. 360. REPEAL. Sections 237A.21 and 237A.22, Code Supplement 2009, are repealed.

Sec. 361. IMPLEMENTATION — EFFECTIVE DATE.

1. The early childhood Iowa council shall develop a legislation proposal identifying memberships slots for the state child care advisory committee as created by this division of this Act. The proposal shall ensure that there is appropriate representation for the various types of child care arrangements available in the state and for expertise. The proposal shall be submitted to the governor and general assembly on or before December 15, 2010.

2. If a provision of this Act or another enactment of the Eighty-third General Assembly repeals section 135.173 and creates the early childhood Iowa state board in new Code chapter 256I, the early childhood Iowa state board shall fulfill the responsibilities assigned to the early childhood Iowa council in subsection 1 and the department of education⁷⁴ shall propose corrective legislation for the provisions of this division of this Act in accordance with section 2.16 for consideration by the Eighty-fourth General Assembly, 2011 Regular Session.

3. The provisions of this division of this Act other than this section take effect July 1, 2011.

DIVISION XXXVII MH/MR/DD/BI COMMISSION DUTIES

Sec. 362. Section 229.24, subsection 3, unnumbered paragraph 1, Code 2009, is amended to read as follows:

If all or part of the costs associated with hospitalization of an individual under this chapter are chargeable to a county of legal settlement, the clerk of the district court shall provide to the county of legal settlement and to the county in which the hospitalization order is entered, ~~in a form prescribed by the mental health, mental retardation, developmental disabilities, and brain injury commission,~~ the following information pertaining to the individual which would be confidential under subsection 1:

⁷⁴ See chapter 1192, §84 herein

Sec. 363. Section 230A.2, Code 2009, is amended to read as follows:

230A.2 Services offered.

A community mental health center established or operating as authorized by section 230A.1 may offer to residents of the county or counties it serves any or all of the mental health services defined by the ~~mental health, mental retardation, developmental disabilities, and brain injury commission~~ in the comprehensive state mental health and disability services plan under section 225C.6B.

Sec. 364. Section 230A.15, Code 2009, is amended to read as follows:

230A.15 Comprehensive community mental health program.

A community mental health center established or operating as authorized by section 230A.1, or which a county or group of counties has agreed to establish or support pursuant to that section, may with approval of the board or boards of supervisors of the county or counties supporting or establishing the center, undertake to provide a comprehensive community mental health program for the county or counties. A center providing a comprehensive community mental health program shall, at a minimum, make available to residents of the county or counties it serves all of the ~~comprehensive mental health services~~ described in the comprehensive state mental health and disability services plan under section 225C.6B.

Sec. 365. Section 331.438, subsection 1, paragraph b, Code 2009, is amended to read as follows:

b. ~~“Qualified mental health, mental retardation, and developmental disabilities services” means the services specified on forms issued in the rules adopted by the county finance committee following consultation with the state commission for administering the services fund, pursuant to section 331.424A.~~

Sec. 366. Section 331.438, subsection 4, paragraph b, Code 2009, is amended to read as follows:

b. The state commission shall do all of the following:

(1) ~~Identify~~ Receive and review reports from the department of human services identifying characteristics of the service county services system, including amounts expended, equity of funding among counties, funding sources, provider types, service availability, and equity of service availability among counties and among persons served.

~~(2) Assess the accuracy and uniformity of recordkeeping and reporting in the service system.~~

~~(3) Identify for each county the factors associated with inflationary growth of the service system.~~

~~(4) Identify opportunities for containing service system growth.~~

~~(5) (2) Consider proposals for revising service county services system administrative rules.~~

~~(6) Consider provisions and adopt rules for counties to implement a central point of coordination to plan, budget, and monitor county expenditures for the service system. The provisions shall provide options for counties to implement the central point of coordination in collaboration with other counties.~~

~~(7) Develop criteria for annual county mental health, mental retardation, and developmental disabilities plans.~~

~~(8) (3) Adopt administrative rules identifying qualified mental health, mental retardation, and developmental disabilities service expenditures for purposes of state payment pursuant to subsection 1 relating to county management plans.~~

~~(9) Adopt rules for the county central point of coordination and clinical assessment processes required under section 331.440 and other rules necessary for the implementation of county management plans and expenditure reports required for state payment pursuant to section 331.439.~~

~~(10) Consider recommendations to improve the programs and cost-effectiveness of state and county contracting processes and procedures, including strategies for negotiations relating to managed care. The recommendations implemented by the commission for the state and county regarding managed care shall include but are not limited to standards for~~

~~limiting excess costs and profits, and for restricting cost shifting under a managed care system.~~

~~(11)~~ (4) Provide input, when appropriate, to the director of human services in any decision involving administrative rules which were adopted by the department of human services pertaining to the mental illness, mental retardation, and developmental disabilities services system administered by counties.

~~(12)~~ Identify the fiscal impact of existing or proposed legislation and administrative rules on state and county expenditures.

~~(13)~~ Adopt administrative rules providing statewide standards and a monitoring methodology to determine whether cost effective individualized services are available as required pursuant to section 331.439, subsection 1, paragraph "b".

(14) (5) Consider recommendations for and adopt administrative rules establishing statewide minimum standards for services and other support required to be available to persons covered by a county management plan under section 331.439.

(15) (6) Consider recommendations for measuring and improving the quality of state and county mental health, mental retardation, and developmental disabilities services and other support.

~~(16)~~ Develop a procedure for each county to disclose to the department of human services information approved by the commission concerning the mental health, mental retardation, developmental disabilities, and brain injury services provided to the individuals served through the county central point of coordination process. The procedure shall incorporate protections to ensure that if individually identified information is disclosed, it is disclosed and maintained in compliance with applicable Iowa and federal confidentiality laws, including but not limited to federal Health Insurance Portability and Accountability Act, Pub. L. No. 104-191, requirements.

Sec. 367. Section 331.439, subsection 1, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The state payment to eligible counties under this section shall be made as provided in sections 331.438 and 426B.2. A county is eligible for the state payment, as defined in section 331.438, for a fiscal year if the director of human services, ~~in consultation with the state commission,~~ determines for a specific fiscal year that all of the following conditions are met:

Sec. 368. Section 331.439, subsection 1, paragraph a, Code 2009, is amended to read as follows:

a. The county accurately reported by December 1 the county's expenditures for mental health, mental retardation, and developmental disabilities services and the information required under section 225C.6A, subsection 2 3, paragraph "c", for the previous fiscal year ~~on forms prescribed by~~ in accordance with rules adopted by the state commission. If the department determines good cause exists, the department may extend a deadline otherwise imposed under this chapter, chapter 225C, or chapter 426B for a county's reporting concerning mental health, mental retardation, or developmental disabilities services or related revenues and expenditures.

Sec. 369. Section 331.439, subsection 1, paragraph b, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The county developed and implemented a county management plan for the county's mental health, mental retardation, and developmental disabilities services system in accordance with the provisions of this paragraph "b". The plan shall comply with the administrative rules adopted for this purpose by the state commission and is subject to the approval of the director of human services in consultation with the state commission. The plan shall include a description of the county's service management provision for mental health, mental retardation, and developmental disabilities services. For mental retardation and developmental disabilities service management, the plan shall describe the county's development and implementation of a ~~managed~~ system of cost-effective individualized services and shall comply with the provisions of paragraph "f". The goal of this part of the plan shall be to assist the individuals served to be as independent, productive, and integrated

into the community as possible. The service management provisions for mental health shall comply with the provisions of paragraph "e". A county is subject to all of the following provisions in regard to the county's services system management plan and planning process:

Sec. 370. Section 331.439, subsection 1, paragraph b, subparagraphs (2) and (3), Code 2009, are amended to read as follows:

(2) For informational purposes, the county shall submit a management plan review to the department of human services by December 1 of each year. The annual review shall incorporate an analysis of the data associated with the services system managed during the preceding fiscal year by the county or by a ~~managed care~~ private entity on behalf of the county. The annual review shall also identify measurable outcomes and results showing the county's progress in fulfilling the purposes listed in paragraph "c", and in achieving the disability services outcomes and indicators identified by the commission pursuant to section 225C.6.

(3) For informational purposes, every three years the county shall submit to the department of human services a three-year strategic plan. The strategic plan shall describe how the county will proceed to attain the plan's goals and objectives, and the measurable outcomes and results necessary for moving the county's ~~service~~ services system toward an individualized, community-based focus in accordance with paragraph "c". The three-year strategic plan shall be submitted by April 1, 2000, and by April 1 of every third year thereafter.

Sec. 371. Section 331.439, subsection 1, paragraphs c, e, and f, Code 2009, are amended to read as follows:

c. The county implements its county management plan under paragraph "b" and other service management functions in a manner that seeks to achieve all of the following purposes identified in section 225C.1 for persons who are covered by the plan or are otherwise subject to the county's ~~service~~ services system management functions:

(1) The ~~service~~ services system seeks to empower persons to exercise their own choices about the amounts and types of services and other support received.

(2) The ~~service~~ services system seeks to empower the persons to accept responsibility, exercise choices, and take risks.

(3) The ~~service~~ services system seeks to provide services and other support that are individualized, provided to produce results, flexible, and cost-effective.

(4) The ~~service~~ services system seeks to provide services and other ~~supports~~ support in a manner which supports the ability of the persons to live, learn, work, and recreate in communities of their choice.

e. (1) For mental health service management, the county may either directly implement a system of service management and contract with service providers, or contract with a private entity to manage the county services system, provided all requirements of this lettered paragraph are met by the private entity. The mental health ~~service management~~ services system shall incorporate a central point of coordination and clinical assessment process developed in accordance with the provisions of section 331.440.

(2) ~~A managed care~~ The county services system for mental health proposed by a county shall include but is not limited to all of the following elements which shall be specified in administrative rules adopted by the state commission:

(a) The enrollment and eligibility process.

(b) The scope of services included.

(c) The method of plan administration.

(d) The process for managing utilization and access to services and other assistance.

(e) The quality assurance process.

(f) The risk management provisions and fiscal viability of the provisions, if the county contracts with a private ~~managed care~~ entity.

f. For mental retardation and developmental disabilities services management, the county must either develop and implement a ~~managed~~ system of care which addresses a full array of appropriate services and cost-effective delivery of services by contracting directly with service providers or contract by contracting with a state-approved managed care contractor or contractors private entity to manage the county services system. ~~Any system or contract~~

~~implemented under this paragraph~~ The county services system shall incorporate a central point of coordination and clinical assessment process developed in accordance with the provisions of section 331.440. The elements of ~~the county managed system of care~~ a county services system shall be specified in rules developed by the department of human services in consultation with and adopted by the state commission.

Sec. 372. Section 331.439, subsection 3, paragraph b, Code 2009, is amended to read as follows:

b. Based upon information contained in county management plans and budgets and proposals made by representatives of counties, the state commission shall recommend an allowed growth factor adjustment to the governor by November 15 for the fiscal year which commences two years from the beginning date of the fiscal year in progress at the time the recommendation is made. The allowed growth factor adjustment ~~shall~~ may address various costs including but not limited to the costs associated with new consumers of service, service cost inflation, and investments for economy and efficiency. In developing the service cost inflation recommendation, the state commission shall consider the cost trends indicated by the gross expenditure amount reported in the expenditure reports submitted by counties pursuant to subsection 1, paragraph "a". The governor shall consider the state commission's recommendation in developing the governor's recommendation for an allowed growth factor adjustment for such fiscal year. The governor's recommendation shall be submitted at the time the governor's proposed budget for the succeeding fiscal year is submitted in accordance with chapter 8.

Sec. 373. Section 331.439, subsection 7, Code 2009, is amended to read as follows:

7. A county shall annually report data concerning the county's services system managed by in accordance with the county management plan. At a minimum, the data reported shall indicate the number of different individuals who utilized services in a fiscal year and the various types of services. Data reported under this subsection shall be submitted with the county's expenditure report required under subsection 1, paragraph "a".

DIVISION XXXVIII MH/MR/DD/BI SERVICES

Sec. 374. Section 225C.4, subsection 1, paragraph a, Code 2009, is amended to read as follows:

a. Prepare and administer the comprehensive mental health and disability services plan as provided in section 225C.6B, including state mental health and mental retardation plans for the provision of disability services within the state and ~~prepare and administer~~ the state developmental disabilities plan. The administrator shall consult with the Iowa department of public health, the state board of regents or a body designated by the board for that purpose, the department of management or a body designated by the director of the department for that purpose, the department of education, the department of workforce development and any other appropriate governmental body, in order to facilitate coordination of disability services provided in this state. The state mental health and mental retardation plans shall be consistent with the state health plan, and shall incorporate county disability services plans.

Sec. 375. Section 225C.6, subsections 1 and 3, Code 2009, are amended to read as follows:

1. To the extent funding is available, the commission shall perform the following duties:

a. Advise the administrator on the administration of the overall state disability services system.

b. Adopt necessary rules pursuant to chapter 17A which relate to disability programs and services, including but not limited to definitions of each disability included within the term "*disability services*" as necessary for purposes of state, county, and regional planning, programs, and services.

c. Adopt standards for community mental health centers, services, and programs as recommended under section 230A.16. ~~The commission~~ administrator shall determine whether to grant, deny, or revoke the accreditation of the centers, services, and programs.

~~d. Adopt standards for the care of and services to persons with mental illness and mental retardation residing in county care facilities recommended under section 227.4 the provision under medical assistance of individual case management services.~~

~~e. Unless another governmental body sets standards for a service available to persons with disabilities, adopt state standards for that service. The commission shall provide that a service provider's compliance with standards for a service set by a nationally recognized body shall be deemed to be in compliance with the state standards adopted by the commission for that service. The commission shall adopt state standards for those residential and community-based providers of services to persons with mental illness or developmental disabilities that are not otherwise subject to licensure by the department of human services or department of inspections and appeals, including but not limited to remedial services payable under the medical assistance program and other services payable from funds credited to a county mental health, mental retardation, and developmental disabilities services fund created in section 331.424A. In addition, the The commission shall review the licensing standards used by the department of human services or department of inspections and appeals for those facilities providing disability services to persons with mental illness or developmental disabilities.~~

~~f. Assure that proper reconsideration and appeal procedures are available to persons aggrieved by decisions, actions, or circumstances relating to accreditation.~~

~~g. Adopt necessary rules for awarding grants from the state and federal government as well as other moneys that become available to the division for grant purposes.~~

~~h. Annually submit to the governor and the general assembly:~~

~~(1) A report concerning the activities of the commission.~~

~~(2) Recommendations formulated by the commission for changes in law.~~

~~i. By January 1 of each odd-numbered year, submit to the governor and the general assembly an evaluation of:~~

~~(1) The extent to which services to persons with disabilities are actually available to persons in each county in the state and the quality of those services.~~

~~(2) The effectiveness of the services being provided by disability service providers in this state and by each of the state mental health institutes established under chapter 226 and by each of the state resource centers established under chapter 222.~~

~~j. Advise the administrator, the council on human services, the governor, and the general assembly on budgets and appropriations concerning disability services.~~

~~k. Coordinate activities with the governor's developmental disabilities council and the mental health planning council, created pursuant to federal law. Work with other state agencies on coordinating, collaborating, and communicating concerning activities involving persons with disabilities.~~

~~l. Establish standards for the provision under medical assistance of individual case management services. The commission shall determine whether to grant, deny, or revoke the accreditation of the services.~~

~~m. l. Identify basic financial eligibility standards for disability services. The standards shall include but are not limited to the following:~~

~~(1) A financial eligibility standard providing that a person with an income equal to or less than one hundred fifty percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, is eligible for disability services paid with public funding. However, a county may apply a copayment requirement for a particular disability service to a person with an income equal to or less than one hundred fifty percent of the federal poverty level, provided the disability service and the copayment amount both comply with rules adopted by the commission applying uniform standards with respect to copayment requirements. A person with an income above one hundred fifty percent of the federal poverty level may be eligible subject to a copayment or other cost-sharing arrangement subject to limitations adopted in rule by the commission.~~

~~(2) A requirement that a person who is eligible for federally funded services and other support must apply for the services and support.~~

~~(3) Resource limitations that are derived from the federal supplemental security income program limitations. A person with resources above the federal supplemental security income~~

program limitations may be eligible subject to limitations adopted in rule by the commission. If a person does not qualify for federally funded services and other support but meets income, resource, and functional eligibility requirements, the following types of resources shall be disregarded:

- (a) A retirement account that is in the accumulation stage.
- (b) A burial, medical savings, or assistive technology account.

~~n. m.~~ Identify disability services outcomes and indicators to support the ability of eligible persons with a disability to live, learn, work, and recreate in communities of the persons' choice. The identification duty includes but is not limited to responsibility for identifying, collecting, and analyzing data as necessary to issue reports on outcomes and indicators at the county and state levels.

~~o. Prepare five-year plans based upon the county management plans developed pursuant to section 331.439.~~

~~p. Work with other state agencies on coordinating, collaborating, and communicating concerning activities involving persons with disabilities.~~

~~q. Perform analyses and other functions associated with a redesign of the mental health and developmental disability services systems for adults and for children.~~

3. If the executive branch creates a committee, task force, council, or other advisory body to consider mental health and developmental disabilities disability services policy, services, or program options involving children or adult consumers, the commission is designated to receive and consider any report, findings, recommendations, or other work product issued by such body. The commission may address the report, findings, recommendations, or other work product in fulfilling the commission's functions and to advise the department, council on human services, governor, and general assembly concerning disability services.

Sec. 376. Section 225C.6A, Code 2009, is amended to read as follows:

225C.6A Mental health, developmental disability, and brain injury service system redesign implementation.

1. *Purpose.* It is the intent of the general assembly to implement a redesign of the mental health, developmental disability, and brain injury service system over a period of years in order to transition to a coordinated system for Iowans with mental illness, mental retardation or other developmental disabilities, or brain injury. Because of the significance of the redesign to the persons who may be affected by it and the degree of uncertainty regarding the extent of funding changes necessary for implementation, the department and the commission shall not implement a redesign provision through rulemaking or other means unless specific statutory authority provides for the provision's implementation.

2. *Initial activities.* For the fiscal years beginning July 1, 2004, and July 1, 2005, the The commission shall do the following relating to redesign of the disability services system in the state:

~~a.~~ 1. Identify sources of revenue to support statewide delivery of core disability services to eligible disability populations.

~~b. Further develop adult disability services system redesign proposals and propose a redesign of the children's disability service system. The redesign of the children's system shall address issues associated with an individual's transition between the two systems.~~

2. Ensure there is a continuous improvement process for development and maintenance of the disability services system for adults and children. The process shall include but is not limited to data collection and reporting provisions.

~~e.~~ (1) 3. a. Plan, collect, and analyze data as necessary to issue cost estimates for serving additional populations and providing core disability services statewide. The department shall maintain compliance with applicable federal and state privacy laws to ensure the confidentiality and integrity of individually identifiable disability services data. The department shall regularly assess the status of the compliance in order to assure that data security is protected.

(2) ~~b.~~ In implementing a system under this ~~paragraph "e"~~ subsection for collecting and analyzing state, county, and private contractor data, the department shall establish a client identifier for the individuals receiving services. The client identifier shall be used in lieu of the individual's name or social security number. The client identifier shall consist of the last

four digits of an individual's social security number, the first three letters of the individual's last name, the individual's date of birth, and the individual's gender in an order determined by the department.

~~(3) c.~~ Each county shall report to the department annually on or before December 1, for the preceding fiscal year the following information for each individual served: demographic information, expenditure data, and data concerning the services and other support provided to each individual, as specified in administrative rule adopted by the commission.

~~d.~~ With consumer input, identify and propose standardized functional assessment tools and processes for use in the eligibility determination process when eligibility for a particular disability population group is implemented. The tools and processes shall be integrated with those utilized for the medical assistance program under chapter 249A. For the initial diagnostic criteria, the commission shall consider identifying a qualifying functional assessment score and any of the following diagnoses: mental illness, chronic mental illness, mental retardation, developmental disability, or brain injury.

~~e.~~ The commission shall adopt a multiyear plan for developing and providing the data, cost projections, revenue requirements, and other information needed to support decision making concerning redesign provisions. The information shall be provided as part of the commission's regular reports to the governor and general assembly or more often as determined to be appropriate by the commission.

~~f.~~ Propose case rates for disability services.

~~g.~~ 4. Work with county representatives and other qualified persons to develop an implementation plan for replacing the county of legal settlement approach to determining service system funding responsibilities with an approach based upon residency. The plan shall address a statewide standard for proof of residency, outline a plan for establishing a data system for identifying residency of eligible individuals, address residency issues for individuals who began residing in a county due to a court order or criminal sentence or to obtain services in that county, recommend an approach for contesting a residency determination, and address other implementation issues.

Sec. 377. Section 225C.6B, subsection 1, Code 2009, is amended to read as follows:

1. *Intent.*

a. The general assembly intends for the state to implement a comprehensive, continuous, and integrated state mental health and disability services plan in accordance with the requirements of sections 225C.4 and 225C.6 and other provisions of this chapter, by increasing the department's responsibilities in the development, funding, oversight, and ongoing leadership of mental health and disability services in this state.

b. In order to further the purposes listed in sections section 225C.1 and 225C.27 and in other provisions of this chapter, the general assembly intends that efforts focus on the goal of making available a comprehensive array of high-quality, evidence-based consumer and family-centered mental health and disability services and other support in the least restrictive, community-based setting appropriate for a consumer.

c. In addition, it is the intent of the general assembly to promote policies and practices that achieve for consumers the earliest possible detection of mental health problems and the need for disability services and for early intervention; to stress that all health care programs address mental health disorders with the same urgency as physical health disorders; to promote the policies of all public programs that serve adults and children with mental disorders or with a need for disability services, including but not limited to child welfare, Medicaid, education, housing, criminal and juvenile justice, substance abuse treatment, and employment services; to consider the special mental health and disability services needs of adults and children; and to promote recovery and resiliency as expected outcomes for all consumers.

Sec. 378. Section 225C.6B, subsection 2, Code 2009, is amended by striking the subsection and inserting in lieu thereof the following:

2. *Comprehensive plan.* The division shall develop a comprehensive written five-year state mental health and disability services plan with annual updates and readopt the plan every five years. The plan shall describe the key components of the state's mental health and disability

services system, including the services that are community-based, state institution-based, or regional or state-based. The five-year plan and each update shall be submitted annually to the commission on or before October 30 for review and approval.

Sec. 379. Section 225C.21, subsection 2, Code 2009, is amended to read as follows:

2. The commission shall adopt rules pursuant to chapter 17A establishing minimum standards for supported community living services. The ~~commission~~ administrator shall determine whether to grant, deny, or revoke approval for any supported community living service.

Sec. 380. Section 225C.52, subsection 1, Code 2009, is amended to read as follows:

1. Establishing a comprehensive community-based mental health services system for children and youth is part of fulfilling the requirements of the division and the commission to facilitate a comprehensive, continuous, and integrated state mental health and disability services plan in accordance with sections 225C.4, 225C.6, and 225C.6A, and other provisions of this chapter. The purpose of establishing the children's system is to improve access for children and youth with serious emotional disturbances and youth with other qualifying mental health disorders to mental health treatment, services, and other support in the least restrictive setting possible so the children and youth can live with their families and remain in their communities. The children's system is also intended to meet the needs of children and youth who have mental health disorders that co-occur with substance abuse, mental retardation, developmental disabilities, or other disabilities. The children's system shall emphasize community-level collaborative efforts between children and youth and the families and the state's systems of education, child welfare, juvenile justice, health care, substance abuse, and mental health.

Sec. 381. REPEAL. Section 225C.27, Code 2009, is repealed.

DIVISION XXXIX
MH/MR/DD/BI COMMISSION AND WAIVER NAME CHANGE

Sec. 382. Section 225C.2, subsection 3, Code 2009, is amended to read as follows:

3. "*Commission*" means the mental health, ~~mental retardation, developmental disabilities, and brain injury~~ and disability services commission.

Sec. 383. Section 225C.5, subsection 1, unnumbered paragraph 1, Code Supplement 2009, is amended to read as follows:

A mental health, ~~mental retardation, developmental disabilities, and brain injury~~ and disability services commission is created as the state policy-making body for the provision of services to persons with mental illness, mental retardation or other developmental disabilities, or brain injury. The commission's voting members shall be appointed to three-year staggered terms by the governor and are subject to confirmation by the senate. Commission members shall be appointed on the basis of interest and experience in the fields of mental health, mental retardation or other developmental disabilities, and brain injury, in a manner so as to ensure adequate representation from persons with disabilities and individuals knowledgeable concerning disability services. The department shall provide staff support to the commission, and the commission may utilize staff support and other assistance provided to the commission by other persons. The commission shall meet at least four times per year. The membership of the commission shall consist of the following persons who, at the time of appointment to the commission, are active members of the indicated groups:

Sec. 384. Section 249A.12, subsection 4, paragraph b, Code 2009, is amended to read as follows:

b. ~~Effective July 1, 1995, the~~ The state shall be responsible for all of the nonfederal share of medical assistance home and community-based services waivers for persons with ~~mental retardation~~ intellectual disabilities services provided to minors and a county is not required to reimburse the department and shall not be billed for the nonfederal share of the costs of the services.

Sec. 385. Section 249A.12, subsection 5, paragraph a, unnumbered paragraph 1, Code 2009, is amended to read as follows:

The mental health, ~~mental retardation, developmental disabilities, and brain injury and disability services~~ commission shall recommend to the department the actions necessary to assist in the transition of individuals being served in an intermediate care facility for persons with mental retardation, who are appropriate for the transition, to services funded under a medical assistance home and community-based services waiver for persons with ~~mental retardation~~ intellectual disabilities in a manner which maximizes the use of existing public and private facilities. The actions may include but are not limited to submitting any of the following or a combination of any of the following as a request for a revision of the medical assistance home and community-based services waiver for persons with ~~mental retardation in effect as of June 30, 1996~~ intellectual disabilities:

Sec. 386. Section 249A.12, subsection 5, paragraph a, subparagraph (1), Code 2009, is amended to read as follows:

(1) Allow for the transition of intermediate care facilities for persons with mental retardation licensed under chapter 135C ~~as of June 30, 1996~~, to services funded under the medical assistance home and community-based services waiver for persons with ~~mental retardation~~ intellectual disabilities. The request shall be for inclusion of additional persons under the waiver associated with the transition.

Sec. 387. Section 249A.12, subsection 6, paragraphs a and b, Code 2009, are amended to read as follows:

a. ~~Effective July 1, 2003, the~~ The provisions of the home and community-based services waiver for persons with ~~mental retardation~~ intellectual disabilities shall include adult day care, prevocational, and transportation services. Transportation shall be included as a separately payable service.

b. The department of human services shall seek federal approval to amend the home and community-based services waiver for persons with ~~mental retardation~~ intellectual disabilities to include day habilitation services. Inclusion of day habilitation services in the waiver shall take effect upon receipt of federal approval ~~and no later than July 1, 2004~~.

Sec. 388. Section 423.3, subsection 18, paragraph f, subparagraph (6), Code Supplement 2009, is amended to read as follows:

(6) ~~MR~~ Intellectual disabilities waiver service providers, described in 441 IAC 77.37.

Sec. 389. MENTAL HEALTH, MENTAL RETARDATION, DEVELOPMENTAL DISABILITIES, AND BRAIN INJURY COMMISSION TERMINOLOGY CHANGES — CODE EDITOR'S DIRECTIVE.

1. Sections 230A.16, 230A.17, 230A.18, 249A.12, 331.438, and 426B.4, Code 2009, and sections 249A.4, 249A.31, and 426B.5, Code Supplement 2009, are amended by striking the term “mental health, mental retardation, developmental disabilities, and brain injury commission” and inserting in lieu thereof the term “mental health and disability services commission”.

2. This division of this Act changes the name of the mental health, mental retardation, developmental disabilities, and brain injury commission to the mental health and disability services commission. The Code editor shall correct any references to the term “mental health, mental retardation, developmental disabilities, and brain injury commission” anywhere else in the Iowa Code or Iowa Code Supplement, in any bills awaiting codification, in this Act, and in any bills enacted by the Eighty-third General Assembly, 2010 Regular Session, or any extraordinary session.

Sec. 390. HOME AND COMMUNITY-BASED SERVICES WAIVER FOR PERSONS WITH MENTAL RETARDATION TERMINOLOGY CHANGES — CODE EDITOR'S DIRECTIVE.

1. Sections 135C.6, 219.1, 249A.26, and 249A.30, Code 2009, are amended by striking the term “waiver for persons with mental retardation” and inserting in lieu thereof the term “waiver for persons with intellectual disabilities”.

2. This division of this Act changes the name of the home and community-based services waiver for persons with mental retardation under the medical assistance program to the waiver for persons with intellectual disabilities. The Code editor shall correct any references to the term “waiver for persons with mental retardation” or other forms of the term anywhere else in the Iowa Code or Iowa Code Supplement, in any bills awaiting codification, in this Act, and in any bills enacted by the Eighty-third General Assembly, 2010 Regular Session, or any extraordinary session.

DIVISION XL
CONSOLIDATION OF ADVISORY
BODIES — COUNCIL ON HUMAN SERVICES

Sec. 391. NEW SECTION. 217.3A Advisory committees.

1. *General.* The council on human services shall establish and utilize the advisory committees identified in this section and may establish and utilize other advisory committees. The council shall establish appointment provisions, membership terms, operating guidelines, and other operational requirements for committees established pursuant to this section.

2. *Child abuse prevention.* The council shall establish a child abuse prevention program advisory committee to support the child abuse prevention program implemented in accordance with section 235A.1. The duties of the advisory committee shall include all of the following:

a. Advise the director of human services and the administrator of the division of the department of human services responsible for child and family programs regarding expenditures of funds received for the child abuse prevention program.

b. Review the implementation and effectiveness of legislation and administrative rules concerning the child abuse prevention program.

c. Recommend changes in legislation and administrative rules to the general assembly and the appropriate administrative officials.

d. Require reports from state agencies and other entities as necessary to perform its duties.

e. Receive and review complaints from the public concerning the operation and management of the child abuse prevention program.

f. Approve grant proposals.

3. a. The council shall establish a child support advisory committee.

(1) Members of the advisory committee shall include at least one district judge and representatives of custodial parent groups, noncustodial parent groups, the general assembly, the office of citizens' aide, the Iowa state bar association, the Iowa county attorneys association, and other constituencies which have an interest in child support enforcement issues, appointed by the respective entity.

(2) The legislative members of the advisory committee shall be appointed as follows: one senator each by the majority leader of the senate, after consultation with the president of the senate, and by the minority leader of the senate, and one member of the house of representatives each by the speaker of the house of representatives, after consultation with the majority leader of the house of representatives, and by the minority leader of the house of representatives.

b. The legislative members of the advisory committee shall serve for terms as provided in section 69.16B. Appointments shall comply with sections 69.16 and 69.16A. Vacancies shall be filled by the original appointing authority and in the manner of the original appointments.

c. The child support advisory committee shall assist the department in all of the following activities:

(1) Review of existing child support guidelines and recommendations for revision.

(2) Examination of the operation of the child support system to identify program improvements or enhancements which would increase the effectiveness of securing parental support and parental involvement.

(3) Recommendation of legislation which would clarify and improve state law regarding support for children.

d. The committee shall receive input from the public regarding any child support issues.

4. *Child welfare.*

a. The council shall establish a child welfare advisory committee to advise the department of human services on programmatic and budgetary matters related to the provision or purchase of child welfare services. The committee shall meet to review departmental budgets, policies, and programs, and proposed budgets, policies, and programs, and to make recommendations and suggestions to make the state child welfare budget, programs, and policies more effective in serving families and children.

b. The membership of the advisory committee shall include representatives of child welfare service providers, juvenile court services, the Iowa foster and adoptive parent association, the child advocacy board, the coalition for family and children's services in Iowa, children's advocates, service consumers, and others who have training or knowledge related to child welfare services. In addition, four members shall be legislators, all serving as ex officio, nonvoting members, with one each appointed by the speaker of the house of representatives, the minority leader of the house of representatives, the majority leader of the senate, and the minority leader of the senate. The director of human services and the administrator of the division of the department of human services responsible for child welfare services, or their designees, shall also be ex officio, nonvoting members, and shall serve as resource persons to the advisory committee.

Sec. 392. Section 235A.1, subsections 3 and 4, Code Supplement 2009, are amended by striking the subsections.

Sec. 393. REPEAL. Sections 234.3 and 252B.18, Code 2009, are repealed.

Sec. 394. IMPLEMENTATION. In establishing the child abuse prevention program, child support, and child welfare advisory committees and appointing members, the council on human services shall consider reappointing those individuals who were serving as members of the child abuse prevention advisory council, the child support advisory committee, and the child welfare advisory committee as of June 30, 2009.

DIVISION XLI HEALTH ADVISORY BODIES

Sec. 395. Section 135.29, subsection 3, Code 2009, is amended to read as follows:

3. The local substitute medical decision-making board and its members shall not be held liable, jointly or severally, for any actions or omissions taken or made in the official discharge of their duties, except those acts or omissions constituting willful or wanton misconduct. A physician or other health care provider who acts on a decision or directive of the local substitute medical decision-making board ~~or state substitute medical decision-making board~~ shall not be held liable for any damages resulting from that act, unless such physician's or other health care provider's actions or omissions constitute negligence in the practice of the profession or occupation, or willful or wanton misconduct.

Sec. 396. Section 135.107, subsection 5, paragraph a, Code Supplement 2009, is amended to read as follows:

a. There is established an advisory committee to the center for rural health and primary care consisting of one representative, approved by the respective agency, of each of the following agencies: the department of agriculture and land stewardship, the Iowa department of public health, the department of inspections and appeals, the national institute for rural health policy, the rural health resource center, the institute of agricultural medicine and occupational health, and the Iowa state association of counties. The governor shall appoint two representatives of consumer groups active in rural health issues and a representative of each of two farm organizations active within the state, a representative of an agricultural business in the state, a representative of a critical needs hospital, a practicing rural family physician, a practicing rural physician assistant, a practicing rural advanced registered nurse practitioner, and a rural health practitioner who is not a physician, physician assistant, or advanced registered nurse practitioner, as members of the advisory committee. The advisory committee shall also include as members two state representatives, one appointed by the speaker of the house of representatives and one by the minority leader

of the house, and two state senators, one appointed by the majority leader of the senate and one by the minority leader of the senate.

Sec. 397. Section 136C.3, subsection 2, paragraph b, Code Supplement 2009, is amended by striking the paragraph.

Sec. 398. Section 691.6, subsection 3, Code Supplement 2009, is amended to read as follows:

3. To adopt rules pursuant to chapter 17A, and subject to the approval of the director of public health, ~~with the advice and approval of the state medical examiner advisory council.~~

Sec. 399. REPEAL. Sections 135.28, 135N.1, 135N.2, 135N.3, 135N.4, 135N.5, ⁷⁵ 135N.6, and 142C.16, Code 2009, are repealed.

Sec. 400. ELIMINATION OF SWIMMING POOL ADVISORY COMMITTEE. On or before July 1, 2010, the department of public health shall no longer operate any advisory committee on swimming pools created by the department for purposes of chapter 135I.

DIVISION XLII DEPARTMENT OF HUMAN SERVICES — FIELD SERVICES ORGANIZATION

Sec. 401. Section 217.42, subsection 1, Code 2009, is amended to read as follows:

1. The organizational structure to deliver the department's field services shall be based upon service areas designated by the department. The service areas shall serve as a basis for providing field services to persons residing in the counties comprising the service area. ~~The service areas shall be those designated by the department effective January 1, 2002. In determining the service areas, the department shall consider other geographic service areas including but not limited to judicial districts and community empowerment areas. The department shall consult with the county boards of supervisors in a service area with respect to the selection of the service area manager responsible for the service area who is initially selected for the service area designated effective January 1, 2002, and any service area manager selected for the service area thereafter. Following establishment of the service areas effective January 1, 2002, if a county seeks to change the boundaries of a service area, the change shall only take place if the change is mutually agreeable to the department and all affected counties. If it is necessary for the department to significantly modify its field operations or the composition of a designated service area, or if it is necessary for the department to change the number of offices operating less than full-time, the department shall consult with the affected counties prior to implementing such action.~~

Sec. 402. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XLIII DEPARTMENT OF HUMAN SERVICES — FAMILY SUPPORT SUBSIDY

Sec. 403. Section 225C.37, Code Supplement 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 3. Effective July 1, 2010, the department shall not accept new applications for the family support subsidy program and shall not approve pending applications for the program. Subsidy termination or application denial relating to family members enrolled in the family support subsidy program as of July 1, 2010, is subject to section 225C.40.

⁷⁵ See chapter 1192, §85 herein

DIVISION XLIV
DEPARTMENT OF HUMAN
SERVICES — LEVEL OF CARE

Sec. 404. LEVEL OF CARE EVALUATION. The department of human services shall amend the medical assistance program home and community-based services waiver for persons with intellectual disabilities so that required evaluations performed subsequent to the initial diagnosis of mental retardation are for the purpose of determining the appropriate level of care rather than confirming the original diagnosis.

DIVISION XLV
DEPARTMENT OF HUMAN
SERVICES — TRANSPORTATION SERVICES

Sec. 405. INCLUSION OF TRANSPORTATION SERVICES. The department of human services shall amend the medical assistance program home and community-based services waiver for persons with intellectual disabilities as necessary for employment-related transportation to be covered by the supported community living services provider.

DIVISION XLVI
DEPARTMENT OF HUMAN SERVICES — ELECTRONIC TRANSACTIONS

Sec. 406. Section 217.6, Code 2009, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the department of human services requires or requests a service consumer, service provider, or other person to maintain required documentation in electronic form, the department shall accept such documentation submitted by electronic means and shall not require a physical copy of the documentation unless required by state or federal law.

Sec. 407. NEW SECTION. 217.24 Payment by electronic funds transfer.

The department of human services shall continue expanding the practice of making payments to program participants and vendors by means of electronic funds transfer. The department shall seek the capacity for making payment by such means for all programs administered by the department.

DIVISION XLVII
DEPARTMENT OF HUMAN SERVICES — ADOPTION SUBSIDY PROGRAM

Sec. 408. ADOPTION SUBSIDY PROGRAM RATES. For the fiscal year beginning July 1, 2010, the maximum payment for nonrecurring expenses shall be limited to \$500 and additional amounts for court costs and other related legal expenses shall no longer be allowed.

DIVISION XLVIII
COUNTY COMMISSIONS OF VETERAN AFFAIRS FUND

Sec. 409. Section 35A.16, subsection 3, paragraph a, Code Supplement 2009, is amended to read as follows:

a. If sufficient moneys are available, the department shall annually allocate ten thousand dollars to each county commission of veteran affairs, or to each county sharing the services of an executive director or administrator pursuant to chapter 28E, to be used to provide services to veterans pursuant to section 35B.6. Each county receiving an allocation shall annually report on expenditure of the allocation in a form agreed to by the department and county representatives.

DIVISION XLIX
DEPARTMENT OF CORRECTIONS

Sec. 410. Section 904.106, Code 2009, is amended to read as follows:

904.106 Meetings — expenses.

The board shall meet at least ~~twelve times~~ a quarterly throughout the year. Special meetings may be called by the chairperson or upon written request of any three members of the board. The chairperson shall preside at all meetings or in the chairperson’s absence, the vice chairperson shall preside. The members of the board shall be paid their actual expenses while attending the meetings. Each member of the board may also be able to receive compensation as provided in section 7E.6.

Sec. 411. Section 904.505, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The disciplinary rules may impose a reasonable administrative fee for the filing of a report of a major disciplinary rule infraction for which an inmate is found guilty. A fee charged pursuant to this subsection shall be deposited in the general fund of the state.

Sec. 412. CORRECTIONAL FACILITY CLOSURE. The department of corrections shall close by July 1, 2010, farm 1 and by January 1, 2011, farm 3, which are satellite facilities of the Iowa state penitentiary, and shall transfer the inmates confined at such facilities to other institutions under the control of the department of corrections.

Sec. 413. EFFECTIVE UPON ENACTMENT. The section of this division of this Act concerning correctional facility closure, being deemed of immediate importance, takes effect upon enactment.

DIVISION L
STATE PUBLIC DEFENDER

Sec. 414. Section 13B.2A, Code 2009, is amended by striking the section and inserting in lieu thereof the following:

13B.2A Indigent defense — report — court-appointed counsel fees.

1. The state public defender shall file a written report every three years with the governor and the general assembly by January 1 of a year in which a report is due relating to the recommendations and activities of the state public defender relating to the state indigent defense system. The first such report shall be due on January 1, 2012.

2. The report shall contain recommendations to the general assembly regarding the hourly rates paid to court-appointed counsel and per case fee limitations. These recommendations shall be consistent with the constitutional requirement to provide effective assistance of counsel to those indigent persons for whom the state is required to provide counsel.

Sec. 415. PUBLIC DEFENDERS. There is appropriated from the general fund of the state to the office of the state public defender of the department of inspections and appeals for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

| | | |
|---|------|-----------|
| For additional public defender positions and staff, including salaries, support, maintenance, and miscellaneous purposes: | \$ | 1,140,000 |
| | FTEs | 16.00 |

DIVISION LI
IOWA LAW ENFORCEMENT ACADEMY

Sec. 416. Section 80.13, Code 2009, is amended to read as follows:

80.13 Training schools.

The commissioner may hold a training school for peace officer candidates or for peace officers of the department, and may send to recognized training schools peace officers of the department as the commissioner may deem advisable. The expenses candidate shall pay one-third of the costs of such school of training, and the remaining costs shall be paid in the same manner as other expenses paid by the department. The department may pay for all or a portion of the candidate's share of the costs.

Sec. 417. Section 80B.11B, subsection 2, Code 2009, is amended by striking the subsection and inserting in lieu thereof the following:

2. The Iowa law enforcement academy shall charge to the following entities the following costs to provide the basic training course which is designed to meet the minimum basic training requirements for a law enforcement officer:

a. To the department of natural resources and the department of transportation, the total cost.

b. To a candidate from any other state agency or department of the state, one-third of the total cost, and to the agency or department the remaining cost. The agency or department may pay for all or a portion of the candidate's share of the costs.

c. For a candidate sponsored by a political subdivision and hired by the political subdivision, to the political subdivision, one-third of the total cost; to the candidate, one-third of the total cost; and to the state, the remainder of the total cost. The political subdivision may pay for all or a portion of the candidate's share of the costs.

d. For all other candidates, including a candidate from a tribal government, to the candidate the total costs.

Sec. 418. Section 80B.11E, subsection 1, Code 2009, is amended to read as follows:

1. Notwithstanding any other provision of law to the contrary, an individual who is not a certified law enforcement officer may apply for attendance at the law enforcement academy ~~at their own expense~~ if such individual is sponsored by a law enforcement agency that either intends to hire or has hired the individual as a law enforcement officer on the condition that the individual meets the minimum eligibility standards described in subsection 2. The costs for attendance by such an individual at the law enforcement academy shall be paid as provided in section 80B.11B.

Sec. 419. IOWA LAW ENFORCEMENT ACADEMY — PILOT TRAINING PROGRAM — PRIVATE SECURITY PERSONNEL. The Iowa law enforcement academy, subject to the approval of the Iowa law enforcement academy council, shall develop and administer a pilot program consisting of training seminars for private security personnel. The pilot program shall consist of fifty hours of training for each of ten trainees at a cost of fifty dollars per hour of training. All moneys received from the training seminars shall be deposited in the general fund of the state.

DIVISION LII

STATE GOVERNMENT EFFICIENCY REVIEW COMMITTEE

Sec. 420. NEW SECTION. 2.69 State government efficiency review committee established.

1. A state government efficiency review committee is established which shall meet at least every two years to review the operations of state government. The committee shall meet as directed by the legislative council.

2. a. The committee shall consist of three members of the senate appointed by the majority leader of the senate, two members of the senate appointed by the minority leader of the senate, three members of the house of representatives appointed by the speaker of the house of representatives, and two members of the house of representatives appointed by the minority leader of the house of representatives.

b. Members shall be appointed prior to January 31 of the first regular session of each general assembly and shall serve for terms ending upon the convening of the following general assembly or when their successors are appointed, whichever is later. A vacancy

shall be filled in the same manner as the original appointment and shall be for the remainder of the unexpired term of the vacancy.

c. The committee shall elect a chairperson and vice chairperson.

3. The members of the committee shall be reimbursed for actual and necessary expenses incurred in the performance of their duties and shall be paid a per diem as specified in section 7E.6⁷⁶ for each day in which they engaged in the performance of their duties. However, per diem compensation and expenses shall not be paid when the general assembly is actually in session at the seat of government. Expenses and per diem shall be paid from funds appropriated pursuant to section 2.12.

4. The committee shall do the following:

a. Review and consider options for reorganizing state government to improve efficiency, modernize processes, eliminate duplication and outdated processes, reduce costs, and increase accountability. The review shall address the expanded use of the internet and other technology, and the incorporation of productivity improvement measures.

b. Review recommendations received through⁷⁷ a process to receive state government efficiency suggestions offered by the public and public employees.

c. Issue a report, including its findings and recommendations, to the general assembly.

5. The first report required by this section shall be submitted to the general assembly no later than January 1, 2013, with subsequent reports developed and submitted by January 1 at least every second year thereafter.

6. Administrative assistance shall be provided by the legislative services agency.

DIVISION LIII BOARDS AND COMMISSIONS — ESTABLISHMENT CRITERIA

Sec. 421. NEW SECTION. **69.16D Boards and commissions — criteria for establishing.**

1. Prior to establishing a new appointive board, commission, committee, or council of the state, the general assembly shall consider all of the following:

a. Whether there is an existing board or commission that would be able to perform the duties of the new board, commission, committee, or council.

b. The estimated annual cost of the new board, commission, committee, or council, including any additional personnel costs arising out of the creation of the new board, commission, committee, or council.

c. Whether a repeal date is needed for the new board, commission, committee, or council. Whenever possible, an appropriate repeal date should be included.

2. This section shall apply to appointive boards, commissions, committees, and councils of the state established by the Code on or after July 1, 2010.

Approved March 10, 2010

⁷⁶ See chapter 1193, §36 herein

⁷⁷ According to enrolled Act; the word "through" probably intended