

Sen. Ed. 2/27/90 (p. 505)
Approp. Amend. for 6059 + B. Case 4/3

SENATE FILE 2324
APR 24 1990

SENATE FILE 2324
BY COMMITTEE ON EDUCATION
Approp. (p. 505)
(SUCCESSOR TO SSB 2166)

Passed Senate, Date 2/27/90 (p. 741) Passed House, Date 4/5/90 (p. 207?)
Vote: Ayes 37 Nays 11 Vote: Ayes 93 Nays 0

Approved April 24, 1990

Repassed Senate for 5943 4/6/90 (p. 1630)
46-0

A BILL FOR

1 An Act repealing a requirement that area education agencies
2 utilize federally funded health care programs for services
3 provided to certain children requiring special education and
4 providing effective dates.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SE 2324

1 Section 1. Section 281.15, Code Supplement 1989, is
2 repealed.

3 Sec. 2. EMERGENCY RULES.

4 The department of education and the department of human
5 services may adopt rules as the departments deem necessary to
6 implement the repeal of section 281.15. The rules shall take
7 effect immediately upon filing as provided in section 17A.5,
8 unless a later effective date is specified in the rules.

9 Sec. 3. EFFECTIVE DATES.

10 1. Section 2 of this Act, being deemed of immediate
11 importance, takes effect upon enactment.

12 2. Section 1 of this Act, being deemed of immediate
13 importance, takes effect ninety days after the date of
14 enactment.

15 EXPLANATION

16 This bill repeals section 281.15, requiring area education
17 agencies to utilize health care programs funded under the
18 state-federal medical assistance program for services provided
19 to certain children requiring special education. Upon
20 enactment, the departments of education and human services are
21 granted emergency rulemaking authority related to the repeal.
22 The repeal takes effect 90 days after the date of enactment.

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SENATE FILE 2324

S-5059

1 Amend Senate File 2324, as passed by the Senate, as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. MEDICAL ASSISTANCE ADMINISTRATIVE
6 COSTS -- AREA EDUCATION AGENCIES.

7 The area education agencies shall determine their
8 administrative costs relating to recording and billing
9 for medical assistance reimbursement for special
10 education services provided pursuant to section
11 281.15. Up to twelve percent of the federal funds
12 received from the medical assistance reimbursement may
13 be used to pay for the area education agencies'
14 administrative costs."

15 2. Title page, by striking lines 1 through 4, and
16 inserting the following: "An Act providing for area
17 education agency administrative costs relating to
18 special education services reimbursed under the
19 medical assistance program."

By COMMITTEE ON APPROPRIATIONS
JOCHUM of Dubuque, Chairperson

(Adopted 4/5 (p. 2075))
S-5059 FILED APRIL 3, 1990

HOUSE AMENDMENT TO
SENATE FILE 2324

S-5943

1 Amend Senate File 2324, as passed by the Senate, as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. MEDICAL ASSISTANCE ADMINISTRATIVE
6 COSTS -- AREA EDUCATION AGENCIES.

7 The area education agencies shall determine their
8 administrative costs relating to recording and billing
9 for medical assistance reimbursement for special
10 education services provided pursuant to section
11 281.15. Up to twelve percent of the federal funds
12 received from the medical assistance reimbursement may
13 be used to pay for the area education agencies'
14 administrative costs."

15 2. Title page, by striking lines 1 through 4, and
16 inserting the following: "An Act providing for area
17 education agency administrative costs relating to
18 special education services reimbursed under the
19 medical assistance program."

RECEIVED FROM THE HOUSE

S-5943 FILED APRIL 6, 1990
CONCURRED *(p. 1630)*

**SENATE FILE 2324
FISCAL NOTE**

A fiscal note for Senate File 2324 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2324 repeals the requirement that Area Education Agencies are to utilize health care programs funded under the State and Federal Medical Assistance Program for services provided to certain children requiring special education.

Assumptions:

1. Estimated Revenue and Expenses are based on actual FY 1989 figures and no increase is expected.
2. The expense to the State was the \$31,000 (5%) of the Federal reimbursement that Area Education Agencies (AEA) were allowed for administration. The actual AEA administration cost was \$247,000.
3. Department of Human Services will not realize a savings in administration cost by repealing this program.

Fiscal Effect:

Senate File 2324 would cause a loss of \$613,000 in Federal funds. Out of these federal funds AEA's are paid \$31,000 for administration cost. This would cause a net loss to the General Fund of \$582,000.

Source: Department of Education

(LSB 7937sv, JAS)

FILED FEBRUARY 26, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2324
SENATE FILE 2324 AS AMENDED
FISCAL NOTE

A fiscal note for Senate File 2324 as amended is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2324 repeals the requirement that Area Education Agencies (AEA) are to utilize health care programs funded under the State and Federal Medical Assistance Program for services provided to certain children requiring special education. Senate File 2324 as amended does not repeal this program instead it allows the AEA a greater percentage for the administration cost.

Assumptions:

1. The federal reimbursement is projected to be \$713,117 for FY 1991, using the projected FY 1990 reimbursement plus a 5.25% growth rate. The FY 1990 reimbursement was projected assuming that the reimbursement will be collected at the same rate that has been collected through March 16, 1990. The original fiscal note used actual FY 1989 figures as the projected reimbursement.

Fiscal Effect:

Senate File 2324 as amended would give AEA administration cost of \$85,574 (12%) as compared to current law \$35,656 (5%) causing a fiscal impact of \$49,918 over current law.

Source: Department of Education

(LSB 7937sv.2, JAS)

FILED APRIL 4, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR

MURPHY, CH.
HORN
TAYLOR

SSB 2166
EDUCATION

SENATE FILE 2324
BY (PROPOSED COMMITTEE ON
EDUCATION BILL BY
CHAIRPERSON MURPHY)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

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2 repealed.

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4 The department of education and the department of human
5 services may adopt rules as the departments deem necessary to
6 implement the repeal of section 281.15. The rules shall take
7 effect immediately upon filing as provided in section 17A.5,
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assistance reimbursement may be used to pay for the area education agencies' administrative costs.

SENATE FILE 2324

AN ACT

PROVIDING FOR AREA EDUCATION AGENCY ADMINISTRATIVE COSTS RELATING TO SPECIAL EDUCATION SERVICES REIMBURSED UNDER THE MEDICAL ASSISTANCE PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. MEDICAL ASSISTANCE ADMINISTRATIVE COSTS -- AREA EDUCATION AGENCIES.

The area education agencies shall determine their administrative costs relating to recording and billing for medical assistance reimbursement for special education services provided pursuant to section 281.15. Up to twelve percent of the federal funds received from the medical

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2324, Seventy-third General Assembly.

JOHN P. DHYER
Secretary of the Senate
Approved *April 24*, 1990

TERRY E. BRANSTAD
Governor