

(P.122) 1/26/94
Substituted for HF 2043

(P.122) 1/26/94 Passed in file

FILED JAN 13 1994
SENATE FILE 2034
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 2011)

Passed Senate, Date 1-24-94 Passed House, Date 1/26/94
Vote: Ayes 46 Nays 0 Vote: Ayes 91 Nays 0
Approved Feb. 7, 1994

A BILL FOR

1 An Act relating to department of human services provisions
2 involving the family investment program and appropriating
3 federal flood relief supplemental social services block grant
4 funds and providing an effective date.

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

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SF 2034

1 Section 1. WELFARE REFORM WAIVER MODIFICATION.

2 1. The department of human services shall submit a waiver
3 or waiver modification request to the United States department
4 of health and human services as necessary to revise a
5 provision of the federal waiver granted pursuant to the
6 request submitted to the federal government in accordance with
7 1993 Iowa Acts, chapter 97, section 3, subsection 1, paragraph
8 "b". The request shall be to revise the provision involving
9 the fifty percent earned income work incentive deduction used
10 by the department. Under the revision, the department would
11 allow the work incentive deduction only when calculating the
12 amount of a family investment program grant and when
13 determining continuing eligibility for the program. When used
14 to determine continuing eligibility, the deduction would only
15 be applied if countable income, after applicable deductions
16 other than the work incentive deduction are subtracted, is
17 below the family investment program standard of need in the
18 current month or was below the standard of need in a month
19 during a period of continuous eligibility for the family
20 investment program as defined in administrative rules.

21 2. It is the intent of the general assembly that
22 implementation of the provisions of subsection 1 shall limit
23 the application of the earned income work incentive deduction
24 so that the deduction does not apply to certain family
25 investment program-related medical assistance eligibility
26 groups in which the income limits used for eligibility are
27 greater than income limits used for the family investment
28 program. It is further the intent of the general assembly
29 that the implementation of the provisions of subsection 1
30 shall not substantially affect eligibility for the family
31 investment program.

32 3. The department shall implement the provisions of this
33 section on the first day of the month following federal
34 approval of the provisions or March 1, 1994, whichever date is
35 later.

1 4. The department may adopt emergency rules to implement
2 the provisions of this section; however, the department shall
3 implement the provisions of this section on the date required
4 pursuant to subsection 3.

5 Sec. 2. EMERGENCY SOCIAL SERVICES -- FEDERAL SUPPLEMENTAL
6 BLOCK GRANT FUNDS. Federal flood relief supplemental social
7 services block grant funds available for emergency social
8 services for the fiscal year beginning July 1, 1993, and
9 ending June 30, 1994, are appropriated to the department of
10 human services. The funds may be used by the department in
11 accordance with all applicable special federal conditions to
12 provide emergency social services and to make grants to
13 agencies, organizations, and other government entities for
14 provision of emergency social services for flood relief. The
15 department shall coordinate expenditure of the funds with
16 other relief efforts. The department may adopt emergency
17 administrative rules to define eligibility, services to be
18 provided, and grantees, and to establish contracting and
19 reporting requirements.

20 Sec. 3. EMERGENCY RULES. The department of human services
21 may adopt emergency rules under section 17A.4, subsection 2,
22 and section 17A.5, subsection 2, paragraph "b", to implement
23 the provisions of this Act and the rules shall be effective
24 immediately upon filing unless a later date is specified in
25 the rules. Any rules adopted in accordance with this section
26 shall also be published as a notice of intended action as
27 provided in section 17A.4.

28 Sec. 4. EFFECTIVE DATE. This Act, being deemed of
29 immediate importance, takes effect upon enactment.

30 EXPLANATION

31 This bill relates to department of human services
32 provisions involving the family investment program and federal
33 flood relief supplemental social services block grant funds.

34 The bill directs the department to request federal approval
35 of a revision of the welfare reform waiver previously approved

1 by the federal government. The provisions of the welfare
2 reform waiver were part of the creation of the family
3 investment program during the 1993 legislative session.

4 The revision of the waiver would limit the applicability of
5 the work incentive deduction to family investment program
6 participants. Under the current waiver, this deduction may
7 also be applicable in determining eligibility for public
8 assistance programs other than the family investment program.
9 The revision would be implemented on the first day of the
10 month following federal approval or March 1, 1994, whichever
11 date is later. The bill authorizes the department to adopt
12 administrative rules implementing the change but the change
13 may be required to be implemented prior to issuance of the
14 administrative rules.

15 The bill also appropriates to the department federal flood
16 relief supplemental social services block grant funds
17 available during FY 1993-1994. Again, the department is
18 authorized to adopt administrative rules on an emergency
19 basis.

20 The bill takes effect upon enactment.

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SEVENTY-FIFTH GENERAL ASSEMBLY
1994 REGULAR SESSION
DAILY
SENATE CLIP SHEET
JANUARY 24, 1994

SENATE FILE 2034
FISCAL NOTE

A fiscal note for Senate File 2034 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 2034 requires the Department of Human Services (DHS) to request a revision in the federal waiver for the Family Investment Program (FIP). Federal regulations (and the current waiver) require that a state must apply the same income deductions to individuals applying for Medicaid-only benefits as are applied to FIP. Under the current waiver, 3 deductions are allowed. The first is a 20% deduction for work expenses; the second is a child care deduction (if applicable); and the third is a 50% deduction (as a work incentive). The revised waiver would limit the applicability of the 50% work incentive deduction to the FIP Program.

With the 20% work expenses deduction, child care deduction, and the 50% deduction the effective gross income level for eligibility could reach nearly 400% of poverty. For a family of 3, the gross income (after disregards) would be approximately \$46,000. For a family of 4, the gross income for determining eligibility would be approximately \$60,000.

Section 2 of SF 2034 appropriates supplemental social services block grant funds to the DHS. The language requires that funds be used in accordance with all applicable federal conditions.

Assumptions:

1. The current number of eligible individuals for the affected groups is 36,045.
2. The low range estimate assumes 1,092 individuals will not utilize Medicaid because of the change and the high range estimate assumes 12,554 individuals will not utilize Medicaid because of the change in SF 2034.
3. The FY 1994 State match rate is 36.67%.
4. The FY 1995 State match rate is 37.20%.

Fiscal Effect:

The fiscal effect of SF 2034, Section 1, is a General Fund savings due to reducing the number of individuals eligible for the Medicaid Program. Due to the difficulty in accurately predicting the utilization rate, a range estimate has been used.

General Fund Savings

	<u>Low Range</u>	<u>High Range</u>
FY 1994	\$ 149,000	\$ 532,000
FY 1995	\$1,528,000	\$4,953,000

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For FY 1994, the total State cost (low range estimate) without SF 2034 is \$1,368,000, while with SF 2034 the total State cost is \$1,219,000 (a savings of \$149,000). For FY 1995, the total State cost without SF 2034 is \$2,612,000, while with SF 2034 the total State cost is \$1,084,000 (a savings of \$1,528,000). The high range estimates are calculated in the same manner as the low range estimates.

There is no net fiscal effect of Section 2 because the funding would be received regardless of SF 2034.

Source: Department of Human Services

(LSB 3500sv, LCS)

FILED JANUARY 20, 1994

BY DENNIS PROUTY, FISCAL DIRECTOR

Van. Chair
Murphy
Kramer

SSB- 2011
Appropriations

SENATE FILE ^{New} ~~2011~~
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON MURPHY)

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

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SENATE FILE 2034

AN ACT

RELATING TO DEPARTMENT OF HUMAN SERVICES PROVISIONS INVOLVING
THE FAMILY INVESTMENT PROGRAM AND APPROPRIATING FEDERAL
FLOOD RELIEF SUPPLEMENTAL SOCIAL SERVICES BLOCK GRANT FUNDS
AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. WELFARE REFORM WAIVER MODIFICATION.

1. The department of human services shall submit a waiver or waiver modification request to the United States department of health and human services as necessary to revise a provision of the federal waiver granted pursuant to the request submitted to the federal government in accordance with 1991 Iowa Acts, chapter 97, section 3, subsection 1, paragraph "b". The request shall be to revise the provision involving the fifty percent earned income work incentive deduction used by the department. Under the revision, the department would allow the work incentive deduction only when calculating the amount of a family investment program grant and when determining continuing eligibility for the program. When used to determine continuing eligibility, the deduction would only be applied if countable income, after applicable deductions other than the work incentive deduction are subtracted, is below the family investment program standard of need in the current month or was below the standard of need in a month during a period of continuous eligibility for the family investment program as defined in administrative rules.

2. It is the intent of the general assembly that implementation of the provisions of subsection 1 shall limit the application of the earned income work incentive deduction so that the deduction does not apply to certain family investment program-related medical assistance eligibility

groups in which the income limits used for eligibility are greater than income limits used for the family investment program. It is further the intent of the general assembly that the implementation of the provisions of subsection 1 shall not substantially affect eligibility for the family investment program.

3. The department shall implement the provisions of this section on the first day of the month following federal approval of the provisions or March 1, 1994, whichever date is later.

4. The department may adopt emergency rules to implement the provisions of this section; however, the department shall implement the provisions of this section on the date required pursuant to subsection 3.

Sec. 2. EMERGENCY SOCIAL SERVICES -- FEDERAL SUPPLEMENTAL BLOCK GRANT FUNDS. Federal flood relief supplemental social services block grant funds available for emergency social services for the fiscal year beginning July 1, 1993, and ending June 30, 1994, are appropriated to the department of human services. The funds may be used by the department in accordance with all applicable special federal conditions to provide emergency social services and to make grants to agencies, organizations, and other government entities for provision of emergency social services for flood relief. The department shall coordinate expenditure of the funds with other relief efforts. The department may adopt emergency administrative rules to define eligibility, services to be provided, and grantees, and to establish contracting and reporting requirements.

Sec. 3. EMERGENCY RULES. The department of human services may adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this Act and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section

shall also be published as a notice of intended action as provided in section 17A.4.

Sec. 4. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2034, Seventy-fifth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved Oct 7, 1994 1994

TERRY E. BRANSTAD
Governor