EIGHTY-FIFTH GENERAL ASSEMBLY
2013 REGULAR SESSION
DAILY

SENATE CLIP SHEET

MAY 23, 2013

HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 489

S-3267

Amend the Senate amendment, H-1455 , to House File 489, as amended, passed, and reprinted by the House, as follows:

1. By striking page 1, line 44, through page 2, line 26.
2. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-3267 FILED MAY 22, 2013
ADOPTED

Amend House File 625, as passed by the House, as follows:

1. Page 1, before line 1 by inserting:

<DIVISION I

SALES AND USE TAX

Section 1. Section 423.1, subsection 48, Code 2013, is amended to read as follows:

48. a. "Retailer maintaining a place of business in this state" or any like term includes any retailer having or maintaining within this state, directly or by a subsidiary, an office, distribution house, sales house, warehouse, or other place of business, or any representative operating within this state under the authority of the retailer or its subsidiary, irrespective of whether that place of business or representative is located here permanently or temporarily, or whether the retailer or subsidiary is admitted to do business within this state pursuant to chapter 490.

b. (1) A retailer shall be presumed to be maintaining a place of business in this state, as defined in paragraph "a", if any person that has substantial nexus in this state, other than a person acting in its capacity as a common carrier, does any of the following:

(a) Sells a similar line of products as the retailer and does so under the same or similar business name.

(b) Maintains an office, distribution facility, warehouse, storage place, or similar place of business in this state to facilitate the delivery of property or services sold by the retailer to the retailer's customers.

(c) Uses trademarks, service marks, or trade names in this state that are the same or substantially similar to those used by the retailer.

(d) Delivers, installs, assembles, or performs maintenance services for the retailer's customers.

(e) Facilitates the retailer's delivery of property to customers in this state by allowing the retailer's customers to take delivery of property sold by the retailer at an office, distribution facility, warehouse, storage place, or similar place of business maintained by the person in this state.

(f) Conducts any other activities in this state that are significantly associated with the retailer's ability to establish and maintain a market in this state for the retailer's sales.

(2) The presumption established in this paragraph may be rebutted by a showing of proof that the

person's activities in this state are not significantly associated with the retailer's ability to establish or maintain a market in this state for the retailer's sales.

Sec. ___. NEW SECTION. 423.13A Administration — effectiveness of agreements with retailers.

1. Notwithstanding any provision of this chapter to the contrary, any ruling, agreement, or contract, whether written or oral, express or implied, entered into after the effective date of this division of this Act between a retailer and a state agency that provides that a retailer is not required to collect sales and use tax in this state despite the presence in this state of a warehouse, distribution center, or fulfillment center that is owned and operated by the retailer or an affiliate of the retailer shall be null and void unless such ruling, agreement, or contract is approved, by resolution, by a majority vote of each house of the general assembly.

2. For purposes of this section, "state agency" means the executive branch, including any executive department, commission, board, institution, division, bureau, office, agency, or other entity of state government. "State agency" does not mean the general assembly, or the judicial branch as provided in section 602.1102.

Sec. ___. Section 423.36, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. a. Notwithstanding subsection 1, if any person will make taxable sales of tangible personal property or furnish services to any state agency, that person shall, prior to the sale, apply for and receive a permit to collect sales or use tax pursuant to this section. A state agency shall not purchase tangible personal property or services from any person unless that person has a valid, unexpired permit issued pursuant to this section and is in compliance with all other requirements in this chapter imposed upon retailers, including but not limited to the requirement to collect and remit sales and use tax and file sales and use tax returns.

b. For purposes of this subsection, "state agency" means any executive, judicial, or legislative department, commission, board, institution, division, bureau, office, agency, or other entity of state government.

DIVISION ___

SCHOOL TUITION ORGANIZATION TAX CREDIT>

2. Page 1, line 22, before <Act> by inserting <division of this>

3. Page 1, line 24, before <Act> by inserting <division of this>

4. Title page, by striking lines 1 through 3 and inserting <An Act relating to revenue and taxation, including retailers maintaining a place of business in this state for purposes of sales and use taxes, agreements relating to the collection of sales and use taxes, sales of tangible personal property and services to state agencies, modifying the school tuition organization income>

5. Title page, line 4, by striking <credits> and inserting <credit>

6. By renumbering as necessary.

COMMITTEE ON WAYS AND MEANS
JOE BOLKCOM, CHAIRPERSON

S-3266 FILED MAY 22, 2013
ADOPTED

HOUSE FILE 648

S-3262

Amend House File 648, as amended, passed, and reprinted by the House, as follows:

1. By striking page 4, line 19, through page 21, line 1.

By JACK WHITVER

S-3262 FILED MAY 22, 2013
LOST

HOUSE FILE 648

S-3263

Amend House File 648, as amended, passed, and reprinted by the House, as follows:

1. Page 16, after line 23 by inserting:

<Sec. ___. NEW SECTION. 331.399 GOVERNMENTAL BODY.

Mental health and disability services regions formed pursuant to this part shall be a governmental body for purposes of chapter 21 and shall be a government body for purposes of chapter 22.>

2. By renumbering as necessary.

By DAVID JOHNSON

S-3263 FILED MAY 22, 2013
ADOPTED

HOUSE FILE 648

S-3264

Amend House File 648, as amended, passed, and reprinted by the House, as follows:

1. Page 12, line 25, before <For> by inserting <a.>
2. Page 12, line 29, by striking <subsection> and inserting <lettered paragraph>
3. Page 12, after line 32 by inserting:

<b. For multimodal transportation projects as determined by the state transportation commission: ..... $ 11,000,000

Moneys appropriated in this lettered paragraph shall be awarded to projects that improve the connectivity and efficiency of Iowa's multimodal transportation system. This includes but is not limited to aviation, public transit, rail transloading, intermodal, rail infrastructure, and waterway projects.>

4. By renumbering as necessary.

By TIM L. KAPUCIAN
HUBERT HOUSER
BILL ANDERSON
JERRY BEHN
JONI ERNST
DAN ZUMBACH
MICHAEL BREITBACH
DAVID JOHNSON
BILL DIX

S-3264 FILED MAY 22, 2013
LOST

HOUSE FILE 648

S-3265

Amend House File 648, as amended, passed, and reprinted by the House, as follows:

1. Page 17, after line 4 by inserting:

<Sec. ___. 2013 Iowa Acts, Senate File 452, section 10, if enacted, is amended to read as follows:

SEC. 10. IOWA TUITION GRANTS. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For Iowa tuition grants under section 261.25, subsection 1: ..... $ 500,000>

2. By renumbering as necessary.

By ROBERT E. DVORSKY

S-3265 FILED MAY 22, 2013
ADOPTED

HOUSE FILE 648

S-3268

Amend House File 648, as amended, passed, and reprinted by the House, as follows:

1. Page 4, line 25, by striking <$18,900,000> and inserting <$15,900,000>

2. Page 4, line 32, by striking <$91,300,000> and inserting <$84,300,000>

3. Page 4, after line 32 by inserting:

<Sec. ___. STATEWIDE FIRE AND POLICE RETIREMENT SYSTEM FUND — APPROPRIATION. There is appropriated from the general fund of the state to the statewide fire and police retirement fund created in section 411.8, for the fiscal year beginning July 1, 2012, and ending June 30, 2013, an amount equal to $10,000,000.>

By JEFF DANIELSON
KENT SORENSON
RICK BERTRAND

S-3268 FILED MAY 22, 2013
LOST

HOUSE FILE 648

S-3269

Amend the amendment, S-3262, to House File 648, as amended, passed, and reprinted by the House, as follows:

1. Page 1, by striking lines 3 and 4 and inserting:

<___. By striking page 4, line 19, through page 5, line 1.

___. Page 5, by striking lines 10 through 19.

___. By striking page 5, line 31, through page 17, line 4.>

2. By renumbering as necessary.

By MARK CHELGREN
TIM L. KAPUCIAN
JONI ERNST
DAN ZUMBACH

S-3269 FILED MAY 22, 2013
LOST

CCS-446

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 446

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on Senate File 446, a bill for an Act relating to appropriations for health and human services and including other related provisions and appropriations, providing penalties, and including effective, retroactive, and applicability date provisions, respectfully make the following report:

1. That the House recedes from its amendment, S-3217.

2. That Senate File 446, as amended, passed, and reprinted by the Senate, is amended to read as follows:

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

<DIVISION I

DEPARTMENT ON AGING — FY 2013-2014

Section 1. DEPARTMENT ON AGING. There is appropriated from the general fund of the state to the department on aging for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

CCS-446

For aging programs for the department on aging and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management for frail elders, Iowa's aging and disabilities resource center, and other services which may include but are not limited to adult day services, respite care, chore services, information and assistance, and material aid, for information and options counseling for persons with disabilities who are 18 years of age or older, and for salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 10,600,379

..... FTEs 28.00

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

2. Of the funds appropriated in this section, $279,946 is transferred to the economic development authority for the Iowa commission on volunteer services to be used for the retired and senior volunteer program.

3. a. The department on aging shall establish and enforce procedures relating to expenditure of state and federal funds by area agencies on aging that require compliance with both state and federal laws, rules, and regulations, including but not limited to all of the following:

(1) Requiring that expenditures are incurred only for goods or services received or performed prior to the end of the fiscal period designated for use of the funds.

(2) Prohibiting prepayment for goods or services not received or performed prior to the end of the fiscal period designated for use of the funds.

(3) Prohibiting the prepayment for goods or services not defined specifically by good or service, time period, or recipient.

(4) Prohibiting the establishment of accounts from which future goods or services which are not defined specifically by good or service, time period, or recipient, may be purchased.

b. The procedures shall provide that if any funds are expended in a manner that is not in compliance with the procedures and applicable federal and state laws, rules, and regulations, and are subsequently subject to repayment, the area agency on aging expending such funds in contravention of such procedures, laws, rules and regulations, not the state, shall be liable for such repayment.

4. Of the funds appropriated in this section, $250,000 shall be used to fund services to meet the unmet needs of older individuals as identified in the annual compilation of unmet service units by the area agencies on aging.

5. Of the funds appropriated in this section, $600,000 shall be used to fund home and community-based services through the area agencies on aging that enable older individuals to avoid more costly utilization of residential or institutional services and remain in their own homes.

6. Of the funds appropriated in this subsection, $20,000 shall be used for implementation of a guardianship and conservatorship monitoring and assistance pilot project as specified in this Act.

DIVISION II

OFFICE OF LONG-TERM CARE RESIDENT'S ADVOCATE — FY 2013-2014

Sec. 2. OFFICE OF LONG-TERM CARE RESIDENT'S ADVOCATE. There is appropriated from the general fund of the state to the office of long-term care resident's advocate for the fiscal

year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 1,021,707
..... FTEs 13.00

1. Of the funds appropriated in this section, $200,000 shall be used to provide two additional local long-term care resident's advocates to continue moving toward the national recommendation of one full-time equivalent paid staff ombudsman per 2,000 long-term care beds in the state.

2. Of the funds appropriated in this section, $210,000 shall be used to provide two local long-term care resident's advocates to administer the certified volunteer long-term care resident's advocate program pursuant to section 231.45, including operational certification and training costs.

DIVISION III

DEPARTMENT OF PUBLIC HEALTH — FY 2013-2014

Sec. 3. DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADDICTIVE DISORDERS

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

..... $ 27,163,690
..... FTEs 13.00

a. (1) Of the funds appropriated in this subsection, $5,148,361 shall be used for the tobacco use prevention

and control initiative, including efforts at the state and local levels, as provided in chapter 142A. The commission on tobacco use prevention and control established pursuant to section 142A.3 shall advise the director of public health in prioritizing funding needs and the allocation of moneys appropriated for the programs and activities of the initiative under this subparagraph (1) and shall make recommendations to the director in the development of budget requests relating to the initiative.

(2) Of the funds allocated in this paragraph "a", $75,000 shall be used to develop a social media structure to engage youth and prevent youth initiation of tobacco use. Of the amount allocated in this subparagraph (2), $25,000 shall be used for a youth summit.

(3) Of the funds allocated in this paragraph "a", $200,000 shall be used to increase the efficacy of local tobacco control efforts by community partnerships, including through professional development, regional trainings and round table planning efforts, and a training opportunity involving all community partnerships.

(4) Of the funds allocated in this paragraph "a", $1,200,000 shall be used to promote smoking cessation and to reduce the number of tobacco users in the state by offering nicotine replacement therapy to uninsured and underinsured Iowans.

(5) (a) Of the funds allocated in this paragraph "a", $453,067 is transferred to the alcoholic beverages division of the department of commerce for enforcement of tobacco laws, regulations, and ordinances and to engage in tobacco control activities approved by the division of tobacco use prevention and control as specified in the memorandum of understanding entered into between the divisions.

(b) For the fiscal year beginning July 1, 2013, and ending June 30, 2014, the terms of the memorandum of understanding, entered into between the division of tobacco use prevention

and control of the 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.

b. Of the funds appropriated in this subsection, $22,015,329 shall be used for problem gambling and substance-related disorder prevention, treatment, and recovery services, including a 24-hour helpline, public information resources, professional training, and program evaluation.

(1) Of the funds allocated in this paragraph "b", $18,903,715 shall be used for substance-related disorder prevention and treatment.

(a) Of the funds allocated in this subparagraph (1), $899,300 shall be used for the public purpose of a grant program to provide substance-related disorder prevention programming for children.

(i) Of the funds allocated in this subparagraph division (a), $427,539 shall be used for grant funding for organizations that provide programming for children by utilizing mentors. Programs approved for such grants shall be certified or will be certified within six months of receiving the grant award by the Iowa commission on volunteer services as utilizing the standards for effective practice for mentoring programs.

(ii) Of the funds allocated in this subparagraph division (a), $426,839 shall be used for grant funding for organizations that provide programming that includes youth development and leadership. The programs shall also be recognized as being programs that are scientifically based with evidence of their effectiveness in reducing substance-related disorders in children.

(iii) The department of public health shall utilize a request for proposals process to implement the grant program.

(iv) All grant recipients shall participate in a program evaluation as a requirement for receiving grant funds.

(v) Of the funds allocated in this subparagraph division (a), up to $44,922 may be used to administer substance-related disorder prevention grants and for program evaluations.

(b) Of the funds allocated in this subparagraph (1), $272,603 shall be used for culturally competent substance-related disorder treatment pilot projects.

(i) The department shall utilize the amount allocated in this subparagraph division (b) for at least three pilot projects to provide culturally competent substance-related disorder treatment in various areas of the state. Each pilot project shall target a particular ethnic minority population. The populations targeted shall include but are not limited to African American, Asian, and Latino.

(ii) The pilot project requirements shall provide for documentation or other means to ensure access to the cultural competence approach used by a pilot project so that such approach can be replicated and improved upon in successor programs.

(2) Of the funds allocated in this paragraph "b", up to $3,111,614 may be used for problem gambling prevention, treatment, and recovery services.

(a) Of the funds allocated in this subparagraph (2), $2,573,762 shall be used for problem gambling prevention and treatment.

(b) Of the funds allocated in this subparagraph (2), up to $437,852 may be used for a 24-hour helpline, public information resources, professional training, and program evaluation.

(c) Of the funds allocated in this subparagraph (2), up to $100,000 may be used for the licensing of problem gambling treatment programs.

(3) It is the intent of the general assembly that from the moneys allocated in this paragraph "b", persons with a dual diagnosis of substance-related disorder and gambling addiction shall be given priority in treatment services.

c. Notwithstanding any provision of law to the contrary, to standardize the availability, delivery, cost of delivery, and accountability of problem gambling and substance-related disorder treatment services statewide, the department shall continue implementation of a process to create a system for delivery of treatment services in accordance with the requirements specified in 2008 Iowa Acts, chapter 1187, section 3, subsection 4. To ensure the system provides a continuum of treatment services that best meets the needs of Iowans, the problem gambling and substance-related disorder treatment services in any area may be provided either by a single agency or by separate agencies submitting a joint proposal.

(1) The system for delivery of substance-related disorder and problem gambling treatment shall include problem gambling prevention.

(2) The system for delivery of substance-related disorder and problem gambling treatment shall include substance-related disorder prevention by July 1, 2014.

(3) Of the funds allocated in paragraph "b", the department may use up to $100,000 for administrative costs to continue developing and implementing the process in accordance with this paragraph "c".

d. The requirement of section 123.53, subsection 5, is met by the appropriations and allocations made in this Act for purposes of substance-related disorder treatment and addictive disorders for the fiscal year beginning July 1, 2013.

e. The department of public health shall work with all other departments that fund substance-related disorder prevention and treatment services and all such departments shall, to the extent necessary, collectively meet the state

maintenance of effort requirements for expenditures for substance-related disorder services as required under the federal substance-related disorder prevention and treatment block grant.

2. HEALTHY CHILDREN AND FAMILIES

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

..... $ 3,653,559
..... FTEs 14.00

a. Of the funds appropriated in this subsection, not more than $734,841 shall be used for the healthy opportunities for parents to experience success (HOPES)-healthy families Iowa (HFI) program established pursuant to section 135.106. The funding shall be distributed to renew the grants that were provided to the grantees that operated the program during the fiscal year ending June 30, 2013.

b. In order to implement the legislative intent stated in sections 135.106 and 256I.9, that priority for home visitation program funding be given to programs using evidence-based or promising models for home visitation, it is the intent of the general assembly to phase in the funding priority in accordance with 2012 Iowa Acts, chapter 1133, section 2, subsection 2, paragraph "0b".

c. Of the funds appropriated in this subsection, $1,327,887 shall be used for the department's initiative to provide for adequate developmental surveillance and screening during a child's first five years statewide. The funds shall be used first to fully fund the current sites to ensure that the sites are fully operational, with the remaining funds to be used for expansion to additional sites. Full implementation and expansion shall include enhancing the scope of the program through collaboration with the child health specialty

clinics to promote healthy child development through early identification and response to both biomedical and social determinants of healthy development; by developing child health metrics to inform practice, document long-term health impacts and savings, and provide for continuous improvement through training, education, and evaluation; and by providing for practitioner consultation particularly for children with behavioral conditions and needs. The department of public health shall also collaborate with the Iowa Medicaid enterprise and the child health specialty clinics to integrate the activities of the first five initiative into the establishment of patient-centered medical homes, community utilities, accountable care organizations, and other integrated care models developed to improve health quality and population health while reducing health care costs. To the maximum extent possible, funding allocated in this paragraph shall be utilized as matching funds for medical assistance program reimbursement.

d. Of the funds appropriated in this subsection, $31,597 shall be distributed to a statewide dental carrier to provide funds to continue the donated dental services program patterned after the projects developed by the lifeline network to provide dental services to indigent elderly and disabled individuals.

e. Of the funds appropriated in this subsection, $111,995 shall be used for childhood obesity prevention.

f. Of the funds appropriated in this subsection, $162,768 shall be used to provide audiological services and hearing aids for children. The department may enter into a contract to administer this paragraph.

g. Of the funds appropriated in this subsection, $25,000 is transferred to the university of Iowa college of dentistry for provision of primary dental services to children. State funds shall be matched on a dollar-for-dollar basis. The university of Iowa college of dentistry shall coordinate efforts with the department of public health, bureau of oral and health delivery

systems, to provide dental care to underserved populations throughout the state.

h. Of the funds appropriated in this subsection, $50,000 shall be used to address youth suicide prevention.

3. CHRONIC CONDITIONS

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

..... $ 5,080,692

..... FTEs 6.00

a. Of the funds appropriated in this subsection, $159,932 shall be used for grants to individual patients who have phenylketonuria (PKU) to assist with the costs of necessary special foods.

b. Of the funds appropriated in this subsection, $891,644 shall be used for the brain injury services program pursuant to section 135.22B, including for continuation of the contracts for resource facilitator services in accordance with section 135.22B, subsection 9, and to enhance brain injury training and recruitment of service providers on a statewide basis. Of the amount allocated in this paragraph, $95,000 shall be used to fund one full-time equivalent position to serve as the state brain injury service program manager.

c. Of the funds appropriated in this subsection, $547,982 shall be used as additional funding to leverage federal funding through the federal Ryan White Care Act, Tit. II, AIDS drug assistance program supplemental drug treatment grants.

d. Of the funds appropriated in this subsection, $99,823 shall be used for the public purpose of continuing to contract with an existing national-affiliated organization to provide education, client-centered programs, and client and family support for people living with epilepsy and their families.

e. Of the funds appropriated in this subsection, $785,114 shall be used for child health specialty clinics.

f. Of the funds appropriated in this subsection, $400,000 shall be used by the regional autism assistance program established pursuant to section 256.35, and administered by the child health specialty clinic located at the university of Iowa hospitals and clinics. The funds shall be used to enhance interagency collaboration and coordination of educational, medical, and other human services for persons with autism, their families, and providers of services, including delivering regionalized services of care coordination, family navigation, and integration of services through the statewide system of regional child health specialty clinics and fulfilling other requirements as specified in chapter 225D, creating the autism support program, as enacted in this Act. The university of Iowa shall not receive funds allocated under this paragraph for indirect costs associated with the regional autism assistance program.

g. Of the funds appropriated in this subsection, $570,993 shall be used for the comprehensive cancer control program to reduce the burden of cancer in Iowa through prevention, early detection, effective treatment, and ensuring quality of life. Of the funds allocated in this lettered paragraph, $150,000 shall be used to support a melanoma research symposium, a melanoma biorepository and registry, basic and translational melanoma research, and clinical trials.

h. Of the funds appropriated in this subsection, $126,450 shall be used for cervical and colon cancer screening, and $500,000 shall be used to enhance the capacity of the cervical cancer screening program to include provision of recommended prevention and early detection measures to a broader range of low-income women.

i. Of the funds appropriated in this subsection, $526,695 shall be used for the center for congenital and inherited disorders.

j. Of the funds appropriated in this subsection, $129,411

shall be used for the prescription drug donation repository program created in chapter 135M.

k. Of the funds appropriated in this subsection, $215,263 shall be used for the costs of the medical home system advisory council established pursuant to section 135.159 including incorporation of the development and implementation of the prevention and chronic care management state initiative.

4. COMMUNITY CAPACITY

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

..... $ 8,562,617
..... FTEs 18.25

a. Of the funds appropriated in this subsection, $99,414 is allocated for continuation of the child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with early childhood Iowa areas. The program shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "a". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on service provided; and the continuing needs of the program.

b. Of the funds appropriated in this subsection, $110,656 is allocated for continuation of an initiative implemented at the university of Iowa and $99,904 is allocated for continuation of an initiative at the state mental health institute at Cherokee to expand and improve the workforce engaged in mental health treatment and services. The initiatives shall receive input from the university of Iowa, the department of human services,

the department of public health, and the mental health and disability services commission to address the focus of the initiatives.

c. Of the funds appropriated in this subsection, $1,164,628 shall be used for essential public health services that promote healthy aging throughout the lifespan, contracted through a formula for local boards of health, to enhance health promotion and disease prevention services.

d. Of the funds appropriated in this section, $99,286 shall be deposited in the governmental public health system fund created in section 135A.8 to be used for the purposes of the fund.

e. Of the funds appropriated in this subsection, $105,448 shall be used to address the shortage of mental health professionals in the state.

f. Of the funds appropriated in this subsection, $50,000 shall be used for a grant to a statewide association of psychologists that is affiliated with the American psychological association to be used for continuation of a program to rotate intern psychologists in placements in urban and rural mental health professional shortage areas, as defined in section 135.180.

g. Of the funds appropriated in this subsection, the following amounts shall be allocated to the Iowa collaborative safety net provider network established pursuant to section 135.153 to be used for the purposes designated. The following amounts allocated under this lettered paragraph shall be distributed to the specified provider and shall not be reduced for administrative or other costs prior to distribution:

(1) For distribution to the Iowa primary care association for statewide coordination of the Iowa collaborative safety net provider network:

..... $ 145,785

(2) For distribution to the Iowa primary care association

to be used to continue a training program for sexual assault response team (SART) members, including representatives of law enforcement, victim advocates, prosecutors, and certified medical personnel:

..... $ 50,000

(3) For distribution to federally qualified health centers for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care:

..... $ 75,000

(4) For distribution to the local boards of health that provide direct services for pilot programs in three counties to assist patients in securing a medical home inclusive of oral health care:

..... $ 77,153

(5) For distribution to maternal and child health centers for pilot programs in three service areas to assist patients in securing a medical home inclusive of oral health care:

..... $ 95,126

(6) For distribution to free clinics for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care:

..... $ 348,322

(7) For distribution to rural health clinics for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care:

..... $ 141,544

(8) For continuation of the safety net provider patient access to a specialty health care initiative as described in 2007 Iowa Acts, chapter 218, section 109:

..... $ 378,474

(9) For continuation of the pharmaceutical infrastructure for safety net providers as described in 2007 Iowa Acts, chapter 218, section 108:

..... $ 413,415

The Iowa collaborative safety net provider network may continue to distribute funds allocated pursuant to this lettered paragraph through existing contracts or renewal of existing contracts.

h. Of the funds appropriated in this subsection, $175,900 shall be used for continuation of the work of the direct care worker advisory council established pursuant to 2008 Iowa Acts, chapter 1188, section 69, in implementing the recommendations in the final report submitted by the advisory council to the governor and the general assembly in March 2012. During the fiscal year beginning July 1, 2013, the advisory council shall focus on doing all of the following:

(1) Finalizing core and advanced competencies and curricula and making them available statewide.

(2) Conducting education and outreach about the competencies and curricula to direct care professionals, community colleges health occupations, training centers, employers, the public, and other stakeholders.

(3) Establishing a means of tracking and evaluating the impact of the training, including retention and direct care professional job satisfaction.

(4) Working with statewide associations of stakeholders, including providers, to promote adoption and utilization of the competencies, curricula, training programs, and impact tracking.

(5) Conducting an initial study of differential reimbursement rates in cooperation with the department of human services and the Iowa Medicaid enterprise. The study shall include research on provider reimbursements and worker compensation based on demonstrated knowledge and skill of the

worker.

i. (1) Of the funds appropriated in this subsection, $178,875 shall be used for allocation to an independent statewide direct care worker organization under continuation of the contract in effect during the fiscal year ending June 30, 2013, with terms determined by the director of public health relating to education, outreach, leadership development, mentoring, and other initiatives intended to enhance the recruitment and retention of direct care workers in health care and long-term care settings.

(2) Of the funds appropriated in this subsection, $75,000 shall be used to provide scholarships or other forms of subsidization for direct care worker educational conferences, training, or outreach activities.

j. Of the funds appropriated in this subsection, the department may use up to $58,175 for up to one full-time equivalent position to administer the volunteer health care provider program pursuant to section 135.24.

k. Of the funds appropriated in this subsection, $49,707 shall be used for a matching dental education loan repayment program to be allocated to a dental nonprofit health service corporation to develop the criteria and implement the loan repayment program.

l. Of the funds appropriated in this subsection, $105,823 is transferred to the college student aid commission for deposit in the rural Iowa primary care trust fund created in section 261.113 to be used for the purposes of the fund.

m. Of the funds appropriated in this subsection, $150,000 shall be used for the purposes of the Iowa donor registry as specified in section 142C.18.

n. Of the funds appropriated in this subsection, $100,000 shall be used for continuation of a grant to a nationally affiliated volunteer eye organization that has an established program for children and adults and that is solely dedicated to

preserving sight and preventing blindness through education, nationally certified vision screening and training, and community and patient service programs. The organization shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "n". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on services provided; and the continuing needs of the program.

o. Of the funds appropriated in this subsection, $25,000 shall be used for the establishment of a wellness council under the direction of the director of public health to increase support for wellness activities in the state.

p. Of the funds appropriated in this section, $1,158,150 is allocated to the Iowa collaborative safety net provider network established pursuant to section 135.153 to be used for the development and implementation of a statewide regionally based network to provide an integrated approach to health care delivery through care coordination that supports primary care providers and links patients with community resources necessary to empower patients in addressing biomedical and social determinants of health to improve health outcomes. The Iowa collaborative safety net provider network shall work in conjunction with the department of human services to align the integrated network with the health care delivery system model developed under the state innovation models initiative grant. The Iowa collaborative safety net provider network shall submit a progress report to the individuals designated in this Act for submission of reports by December 31, 2013, including progress in developing and implementing the network, how the funds

were distributed and used in developing and implementing the network, and the remaining needs in developing and implementing the network.

q. Of the funds appropriated in this section, $50,000 shall be distributed to a statewide nonprofit organization to be used for the public purpose of supporting a partnership between medical providers and parents through community health centers to promote reading and encourage literacy skills so children enter school prepared for success in reading.

r. Of the funds appropriated in this subsection, $2,000,000 shall be deposited in the medical residency training account created in section 135.175, subsection 5, paragraph "a", and is appropriated from the account to the department of public health to be used for the purposes of the medical residency training state matching grants program as specified in section 135.176.

5. HEALTHY AGING

To provide public health services that reduce risks and invest in promoting and protecting good health over the course of a lifetime with a priority given to older Iowans and vulnerable populations:

..... $ 7,297,142

6. ENVIRONMENTAL HAZARDS

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

..... $ 803,870

..... FTEs 4.00

Of the funds appropriated in this subsection, $537,750 shall be used for childhood lead poisoning provisions.

7. INFECTIOUS DISEASES

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

..... $ 1,335,155

..... FTEs 4.00

8. PUBLIC PROTECTION

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

..... $ 3,278,771

..... FTEs 131.00

a. Of the funds appropriated in this subsection, not more than $454,700 shall be credited to the emergency medical services fund created in section 135.25. Moneys in the emergency medical services fund are appropriated to the department to be used for the purposes of the fund.

b. Of the funds appropriated in this subsection, $203,032 shall be used for sexual violence prevention programming through a statewide organization representing programs serving victims of sexual violence through the department's sexual violence prevention program. The amount allocated in this lettered paragraph shall not be used to supplant funding administered for other sexual violence prevention or victims assistance programs.

c. Of the funds appropriated in this subsection, $598,751 shall be used for the state poison control center.

d. Of the funds appropriated in this section, $28,000 shall be used as one-time funding to transition the licensing of orthotists, prosthetists, and pedorthists to a fee-supported licensing model. The fee-supported model shall provide for repayment of the funds allocated under this paragraph to the general fund of the state by June 30, 2015.

e. Of the funds appropriated in this section, $28,644 shall be used for the costs of the emergency medical services task force as enacted in this Act.

9. RESOURCE MANAGEMENT

For establishing and sustaining the overall ability of the

department to deliver services to the public, and for not more than the following full-time equivalent positions:

..... $ 804,054

..... FTEs 5.00

The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the funds appropriated in this section. The university of Iowa hospitals and clinics billings to the department shall be on at least a quarterly basis.

The department of public health shall submit a report to the individuals specified in this Act for submission of reports by December 15, 2013, providing recommendations for improvements in the intraoperability and interoperability of communications technology under the purview of the department to improve efficiency and reduce costs.

DIVISION IV

DEPARTMENT OF VETERANS AFFAIRS — FY 2013-2014

Sec. 4. DEPARTMENT OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION

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

..... $ 1,093,508

..... FTEs 13.00

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

..... $ 7,525,714

a. The Iowa veterans home billings involving the department

of human services shall be submitted to the department on at least a monthly basis.

b. If there is a change in the employer of employees providing services at the Iowa veterans home under a collective bargaining agreement, such employees and the agreement shall be continued by the successor employer as though there had not been a change in employer.

c. Within available resources and in conformance with associated state and federal program eligibility requirements, the Iowa veterans home may implement measures to provide financial assistance to or on behalf of veterans or their spouses who are participating in the community reentry program.

d. The Iowa veterans home expenditure report shall be submitted monthly to the legislative services agency.

3. HOME OWNERSHIP ASSISTANCE PROGRAM

For transfer to the Iowa finance authority for the continuation of the home ownership assistance program for persons who are or were eligible members of the armed forces of the United States, pursuant to section 16.54:

..... $ 1,600,000

Sec. 5. LIMITATION OF COUNTY COMMISSIONS OF VETERAN AFFAIRS FUND STANDING APPROPRIATIONS. Notwithstanding the standing appropriation in the following designated section for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the amounts appropriated from the general fund of the state pursuant to that section for the following designated purposes shall not exceed the following amount:

For the county commissions of veteran affairs fund under section 35A.16:

..... $ 990,000

DIVISION V

DEPARTMENT OF HUMAN SERVICES — FY 2013-2014

Sec. 6. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in section

8.41 to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, from moneys received under the federal temporary assistance for needy families (TANF) block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 18,116,948

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

..... $ 11,866,439

3. To be used for the family development and self-sufficiency grant program in accordance with section 216A.107:

..... $ 2,898,980

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year. However, unless such moneys are encumbered or obligated on or before September 30, 2014, the moneys shall revert.

4. For field operations:

..... $ 31,296,232

5. For general administration:

..... $ 3,744,000

6. For state child care assistance:

..... $ 25,732,687

The funds appropriated in this subsection are transferred to the child care and development block grant appropriation made by the Eighty-fifth General Assembly, 2013 Session, for the federal fiscal year beginning October 1, 2013, and ending September 30, 2014. Of this amount, $200,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.

7. For distribution to counties and regions through the property tax relief fund for mental health and disability services as provided in an appropriation made for this purpose:
..... $ 4,894,052

8. For child and family services:
..... $ 32,084,430

9. For child abuse prevention grants:
..... $ 125,000

10. For pregnancy prevention grants on the condition that family planning services are funded:
..... $ 1,930,067

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2013, if the programs have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2013, if the programs are based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, including the requirement that grant programs must emphasize sexual abstinence. Priority in

the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females of childbearing age within the geographic area to be served by the grant.

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

..... $ 1,037,186

12. For the family investment program share of the costs to develop and maintain a new, integrated eligibility determination system:

..... $ 5,050,451

13. a. Notwithstanding any provision to the contrary, including but not limited to requirements in section 8.41 or provisions in 2012 or 2013 Iowa Acts regarding the receipt and appropriation of federal block grants, federal funds from the temporary assistance for needy families block grant received by the state not otherwise appropriated in this section and remaining available for the fiscal year beginning July 1, 2013, are appropriated to the department of human services to the extent as may be necessary to be used in the following priority order: the family investment program, for state child care assistance program payments for individuals enrolled in the family investment program who are employed, and for the family investment program share of costs to develop and maintain a new, integrated eligibility determination system. The federal funds appropriated in this paragraph "a" shall be expended only after all other funds appropriated in subsection 1 for the assistance under the family investment program, in subsection 6 for child care assistance, or in subsection 12 for the family investment program share of the costs to develop and maintain a new, integrated eligibility determination system, as applicable, have been expended.

b. The department shall, on a quarterly basis, advise the

legislative services agency and department of management of the amount of funds appropriated in this subsection that was expended in the prior quarter.

14. Of the amounts appropriated in this section, $12,962,008 for the fiscal year beginning July 1, 2013, is transferred to the appropriation of the federal social services block grant made to the department of human services for that fiscal year.

15. For continuation of the program providing categorical eligibility for the food assistance program as specified for the program in the section of this division relating to the family investment program account:

..... $ 25,000

16. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for the same fiscal year for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the same fiscal year for the family investment program from the general fund of the state.

Sec. 7. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2013, and ending June 30, 2014, shall be used to provide assistance in accordance with chapter 239B.

2. The department may use a portion of the moneys credited to the FIP account under this section as necessary for salaries, support, maintenance, and miscellaneous purposes.

3. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for the same fiscal year for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the

appropriation made in this division of this Act for the same fiscal year for the family investment program from the general fund of the state.

4. Moneys appropriated in this division of this Act and credited to the FIP account for the fiscal year beginning July 1, 2013, and ending June 30, 2014, are allocated as follows:

a. To be retained by the department of human services to be used for coordinating with the department of human rights to more effectively serve participants in FIP and other shared clients and to meet federal reporting requirements under the federal temporary assistance for needy families block grant:
..... $ 20,000

b. To the department of human rights for staffing, administration, and implementation of the family development and self-sufficiency grant program in accordance with section 216A.107:
..... $ 6,042,834

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

(2) The department of human rights may continue to implement the family development and self-sufficiency grant program statewide during fiscal year 2013-2014.

c. For the diversion subaccount of the FIP account:
..... $ 1,698,400

A portion of the moneys allocated for the subaccount may be used for field operations, salaries, data management system development, and implementation costs and support deemed necessary by the director of human services in order to administer the FIP diversion program. To the extent moneys allocated in this lettered paragraph are not deemed by the department to be necessary to support diversion activities, such moneys may be used for other efforts intended to increase

engagement by family investment program participants in work, education, or training activities.

d. For the food assistance employment and training program:
..... $ 66,588

(1) The department shall apply the federal supplemental nutrition assistance program (SNAP) employment and training state plan in order to maximize to the fullest extent permitted by federal law the use of the 50 percent federal reimbursement provisions for the claiming of allowable federal reimbursement funds from the United States department of agriculture pursuant to the federal SNAP employment and training program for providing education, employment, and training services for eligible food assistance program participants, including but not limited to related dependent care and transportation expenses.

(2) The department shall continue the categorical federal food assistance program eligibility at 160 percent of the federal poverty level and continue to eliminate the asset test from eligibility requirements, consistent with federal food assistance program requirements. The department shall include as many food assistance households as is allowed by federal law. The eligibility provisions shall conform to all federal requirements including requirements addressing individuals who are incarcerated or otherwise ineligible.

e. For the JOBS program:
..... $ 19,690,816

5. Of the child support collections assigned under FIP, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation made in this division of this Act. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the FIP account, a portion may be used to increase recoveries, and a portion may be used to sustain cash flow in the child support

payments account. If as a consequence of the appropriations and allocations made in this section the resulting amounts are insufficient to sustain cash assistance payments and meet federal maintenance of effort requirements, the department shall seek supplemental funding. If child support collections assigned under FIP are greater than estimated or are otherwise determined not to be required for maintenance of effort, the state share of either amount may be transferred to or retained in the child support payment account.

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

Sec. 8. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... $ 48,437,214

1. Of the funds appropriated in this section, $7,824,377 is allocated for the JOBS program.

2. Of the funds appropriated in this section, $3,163,854 is allocated for the family development and self-sufficiency grant program.

3. Notwithstanding section 8.39, for the fiscal year beginning July 1, 2013, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with

this division of this Act, activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys, the department of human services may transfer funds within or between any of the appropriations made in this division of this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

a. For the family investment program.

b. For child care assistance.

c. For child and family services.

d. For field operations.

e. For general administration.

f. For distribution to counties or regions for services to persons with mental illness or an intellectual disability.

This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes. The department shall report any transfers made pursuant to this subsection to the legislative services agency.

4. Of the funds appropriated in this section, $195,678 shall be used for continuation of a grant to an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit. The purpose of the grant is to supply this assistance to underserved areas of the state.

5. Of the funds appropriated in this section, $40,000 shall be used to fund the expansion of an unfunded pilot project, as defined in 441 IAC 100.1, that has been in existence for at least six months, relating to parental obligations, in which the child support recovery unit participates, to support the efforts of a nonprofit organization committed to strengthening the community through youth development, healthy living, and

social responsibility in a county with a population over 350,000. The funds allocated in this subsection shall be used by the recipient organization to develop a larger community effort, through public and private partnerships, to support a broad-based fatherhood initiative that promotes payment of child support obligations, improved family relationships, and full-time employment. The department shall collaborate with other state agencies to compile a comprehensive inventory of the parenthood support programs in the state. The inventory shall provide a description of each program, the population served, outcomes to date, and funding sources and funding expended for each program. The inventory shall be submitted to the individuals identified in this Act for submission of reports by December 15, 2013.

6. The department may transfer funds appropriated in this section to the appropriations made in this division of this Act for general administration and field operations as necessary to administer this section and the overall family investment program.

Sec. 9. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 14,173,770

..... FTEs 464.00

1. The department shall expend up to $24,329, including federal financial participation, for the fiscal year beginning July 1, 2013, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public

awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

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

3. The appropriation made to the department for child support recovery may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for cash flow management purposes the department may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

4. With the exception of the funding amount specified, the requirements established under 2001 Iowa Acts, chapter 191, section 3, subsection 5, paragraph "c", subparagraph (3), shall be applicable to parental obligation pilot projects for the fiscal year beginning July 1, 2013, and ending June 30, 2014. Notwithstanding 441 IAC 100.8, providing for termination of rules relating to the pilot projects, the rules shall remain in effect until June 30, 2014.

Sec. 10. HEALTH CARE TRUST FUND — MEDICAL ASSISTANCE — FY 2013-2014. Any funds remaining in the health care trust fund created in section 453A.35A for the fiscal year beginning July 1, 2013, and ending June 30, 2014, are appropriated to the department of human services to supplement the medical assistance program appropriations made in this division of this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with program implementation.

Sec. 11. MEDICAID FRAUD FUND — MEDICAL ASSISTANCE — FY 2013-2014. Any funds remaining in the Medicaid fraud

fund created in section 249A.7 for the fiscal year beginning July 1, 2013, and ending June 30, 2014, are appropriated to the department of human services to supplement the medical assistance appropriations made in this division of this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with program implementation.

Sec. 12. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2013, except as otherwise expressly authorized by law, consistent with options under federal law and regulations, and contingent upon receipt of approval from the office of the governor of reimbursement for each abortion performed under the program:

..... $ 1,143,810,311

1. a. Iowans support reducing the number of abortions performed in our state. For an abortion covered under the program, except in the case of a medical emergency, as defined in section 135L.1, for any woman, the physician shall certify both of the following:

(1) That the woman has been given the opportunity to view an ultrasound image of the fetus as part of the standard of care before an abortion is performed.

(2) That the woman has been provided information regarding the options relative to a pregnancy, including continuing the pregnancy to term and retaining parental rights following the child's birth, continuing the pregnancy to term and placing the child for adoption, and terminating the pregnancy.

b. Funds appropriated under this section shall not be used

for abortions, unless otherwise authorized under this section.

c. The provisions of this section relating to abortions shall also apply to the Iowa health and wellness plan created pursuant to chapter 249N, as enacted in this Act.

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

3. Of the funds appropriated in this Act to the department of public health for addictive disorders, $950,000 for the fiscal year beginning July 1, 2013, is transferred to the department of human services for an integrated substance-related disorder managed care system. The department shall not assume management of the substance-related disorder system in place of the managed care contractor unless such a change in approach is specifically authorized in law. The departments of human services and public health shall work together to maintain the level of mental health and substance-related disorder treatment services provided by the managed care contractor through the Iowa plan for behavioral health. Each department shall take the steps necessary to continue the federal waivers as necessary to maintain the level of services.

4. a. The department shall aggressively pursue options for providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess

of the funding available through the exception to policy provisions.

b. Of the funds appropriated in this section, $100,000 shall be used for participation in one or more pilot projects operated by a private provider to allow the individual or individuals to receive service in the community in accordance with principles established in Olmstead v. L.C., 527 U.S. 581 (1999), for the purpose of providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to the policy provisions.

5. Of the funds appropriated in this section, up to $3,050,082 may be transferred to the field operations or general administration appropriations in this division of this Act for operational costs associated with Part D of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003, Pub. L. No. 108-173.

6. Of the funds appropriated in this section, up to $442,100 may be transferred to the appropriation in this division of this Act for medical contracts to be used for clinical assessment services and prior authorization of services.

7. A portion of the funds appropriated in this section may be transferred to the appropriations in this division of this Act for general administration, medical contracts, the children's health insurance program, or field operations to be used for the state match cost to comply with the payment error rate measurement (PERM) program for both the medical assistance and children's health insurance programs as developed by the centers for Medicare and Medicaid services of the United States

department of health and human services to comply with the federal Improper Payments Information Act of 2002, Pub. L. No. 107-300.

8. It is the intent of the general assembly that the department continue to implement the recommendations of the assuring better child health and development initiative II (ABCDII) clinical panel to the Iowa early and periodic screening, diagnostic, and treatment services healthy mental development collaborative board regarding changes to billing procedures, codes, and eligible service providers.

9. Of the funds appropriated in this section, a sufficient amount is allocated to supplement the incomes of residents of nursing facilities, intermediate care facilities for persons with mental illness, and intermediate care facilities for persons with an intellectual disability, with incomes of less than $50 in the amount necessary for the residents to receive a personal needs allowance of $50 per month pursuant to section 249A.30A.

10. Of the funds appropriated in this section, the following amounts are transferred to the appropriations made in this division of this Act for the state mental health institutes:

a. Cherokee mental health institute..... $ 9,098,425

b. Clarinda mental health institute..... $ 1,977,305

c. Independence mental health institute..... $ 9,045,894

d. Mount Pleasant mental health institute..... $ 5,752,587

11. a. Of the funds appropriated in this section, $7,969,074 is allocated for the state match for a disproportionate share hospital payment of $19,133,430 to hospitals that meet both of the conditions specified in subparagraphs (1) and (2). In addition, the hospitals that meet the conditions specified shall either certify public expenditures or transfer to the medical assistance program an amount equal to provide the nonfederal share for a disproportionate share hospital payment of $7,500,000. The

hospitals that meet the conditions specified shall receive and retain 100 percent of the total disproportionate share hospital payment of $26,633,430.

(1) The hospital qualifies for disproportionate share and graduate medical education payments.

(2) The hospital is an Iowa state-owned hospital with more than 500 beds and eight or more distinct residency specialty or subspecialty programs recognized by the American college of graduate medical education.

b. Distribution of the disproportionate share payments shall be made on a monthly basis. The total amount of disproportionate share payments including graduate medical education, enhanced disproportionate share, and Iowa state-owned teaching hospital payments shall not exceed the amount of the state's allotment under Pub. L. No. 102-234. In addition, the total amount of all disproportionate share payments shall not exceed the hospital-specific disproportionate share limits under Pub. L. No. 103-66.

12. The university of Iowa hospitals and clinics shall either certify public expenditures or transfer to the appropriations made in this division of this Act for medical assistance an amount equal to provide the nonfederal share for increased medical assistance payments for inpatient and outpatient hospital services of $9,900,000. The university of Iowa hospitals and clinics shall receive and retain 100 percent of the total increase in medical assistance payments.

13. Of the funds appropriated in this section, up to $11,921,225 may be transferred to the IowaCare account created in section 249J.24.

14. One hundred percent of the nonfederal share of payments to area education agencies that are medical assistance providers for medical assistance-covered services provided to medical assistance-covered children, shall be made from the appropriation made in this section.

15. Any new or renewed contract entered into by the department with a third party to administer behavioral health services under the medical assistance program shall provide that any interest earned on payments from the state during the state fiscal year shall be remitted to the department and treated as recoveries to offset the costs of the medical assistance program.

16. The department shall continue to implement the provisions in 2007 Iowa Acts, chapter 218, section 124 and section 126, as amended by 2008 Iowa Acts, chapter 1188, section 55, relating to eligibility for certain persons with disabilities under the medical assistance program in accordance with the federal Family Opportunity Act.

17. A portion of the funds appropriated in this section may be transferred to the appropriation in this division of this Act for medical contracts to be used for administrative activities associated with the money follows the person demonstration project.

18. Of the funds appropriated in this section, $349,011 shall be used for the administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes.

19. a. The department shall implement the following cost containment strategies for the medical assistance program and shall adopt emergency rules for such implementation:

(1) Notwithstanding any provision of law to the contrary, the department shall integrate medical assistance program habilitation services into the Iowa plan contract for the fiscal year beginning July 1, 2013.

(2) The department shall only provide coverage for medically necessary, elective cesarean sections.

(3) The department shall require prior authorization based on specified criteria before providing reimbursement for hospital swing bed placements and continued stays.

(4) The department shall align payment methodologies and rates between medical and nonmedical transportation services through the transportation brokerage provider.

(5) The department shall require that all fees for employee records checks shall be paid by the medical assistance home and community-based waiver services consumer-directed attendant care or consumer choices option provider, with the exception of one initial state records check per employee which shall be paid by the Iowa Medicaid enterprise.

(6) The department shall require transition of the provision by individual providers of personal care under the consumer-directed attendant care option to agency-provided personal care services and shall retain the consumer choice option for those individuals able and desiring to self-direct services.

(7) The department shall require that persons with an intellectual disability receiving services under the medical assistance program receive a functional assessment utilizing the supports intensity scale tool. The department shall contract with an independent entity to perform the functional assessments. The department shall implement a tiered resource allocation methodology for service plans under the medical assistance home and community-based services waiver for persons with an intellectual disability.

(8) The department shall develop a new reimbursement methodology for medical assistance targeted case management that applies appropriate cost limits.

(9) The department shall implement an integrated health home approach under the medical assistance program for persons with chronic mental illness. The approach shall integrate the functions of medical assistance targeted case management.

(10) The department shall expand the categories of diabetic supplies for which a rebate may be received.

(11) The department shall limit initial authorizations

for institutional-based care to 30 days for members following discharge from a hospital if the member previously lived in a community-based setting.

b. The department shall not implement the cost containment strategies to require a primary care referral for the provision of chiropractic services or to require prior authorization of the provision of any home health services for adults in excess of 100 visits per year.

c. The department may increase the amounts allocated for salaries, support, maintenance, and miscellaneous purposes associated with the medical assistance program, as necessary, to implement the cost containment strategies. The department shall report any such increase to the legislative services agency and the department of management.

d. If the savings to the medical assistance program exceed the cost for the fiscal year, the department may transfer any savings generated for the fiscal year due to medical assistance program cost containment efforts to the appropriation made in this division of this Act for medical contracts or general administration to defray the increased contract costs associated with implementing such efforts.

e. The department shall report the implementation of any cost containment strategies under this subsection to the individuals specified in this division of this Act for submission of reports on a quarterly basis.

20. Of the funds appropriated in this section, $8,715,473 shall be used to implement reductions in the waiting lists of all medical assistance home and community-based services waivers.

21. a. Of the funds appropriated in this section, $900,000 shall be used to implement the children's mental health home project proposed by the department of human services and reported to the general assembly's mental health and disability services study committee in December 2011. Of this

amount, up to $50,000 may be transferred by the department to the appropriation made in this division of this Act to the department for the same fiscal year for general administration to be used for associated administrative expenses and for not more than one full-time equivalent position, in addition to those authorized for the same fiscal year, to be assigned to implementing the project.

b. Of the funds appropriated in this section, up to $400,000 may be transferred by the department to the appropriation made to the department in this division of this Act for the same fiscal year for general administration to support the redesign of mental health and disability services and the state balancing incentive payments program planning and implementation activities. The funds may be used for contracts or for personnel in addition to the amounts appropriated for and the positions authorized for general administration for the same fiscal year.

c. Of the funds appropriated in this section, up to $3,000,000 may be transferred by the department to the appropriations made to the department in this division of this Act for the same fiscal year for general administration or medical contracts to be used to support the development and implementation of standardized assessment tools for persons with mental illness, an intellectual disability, a developmental disability, or a brain injury.

d. For the fiscal year beginning July 1, 2013, and ending June 30, 2014, the replacement generation tax revenues required to be deposited in the property tax relief fund pursuant to section 437A.8, subsection 4, paragraph "d", and section 437A.15, subsection 3, paragraph "f", shall instead be credited to and supplement the appropriation made in this section and used for the allocations made in this subsection.

e. The moneys reimbursed and credited to the risk pool in the property tax relief fund pursuant to 2012 Iowa Acts,

chapter 1128, section 6, subsection 5, as amended by 2012 Iowa Acts, chapter 1133, section 67, are appropriated to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, to be used to supplement the appropriation made in this section for the medical assistance program.

22. Of the funds appropriated in this section, $250,000 shall be used for lodging expenses associated with care provided at the university of Iowa hospitals and clinics under chapter 249J for patients with cancer whose travel distance is 30 miles or more from the university of Iowa hospitals and clinics. The department of human services shall establish the maximum number of overnight stays and the maximum rate reimbursed for overnight lodging, which may be based on the state employee rate established by the department of administrative services. The funds allocated in this subsection shall not be used as nonfederal share matching funds. Any funds allocated in this subsection that remain unencumbered or unobligated on December 31, 2013, shall continue to be used in accordance with departmental specifications established in this subsection for lodging expenses associated with care provided at the university of Iowa hospitals and clinics for patients with cancer whose travel distance is 30 miles or more and whose income is at or below 200 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.

23. The department shall continue to administer the state balancing incentive payments program as specified in 2012 Iowa Acts, chapter 1133, section 14.

24. Of the funds appropriated in this section, $300,000 shall be used for reimbursement of staff training as direct costs for home and community-based services providers beginning January 1, 2014, as provided under 2013 Iowa Acts, House File

198 or 2013 successor legislation, if enacted.

Sec. 13. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... $ 12,291,569

1. The department of inspections and appeals shall provide all state matching funds for survey and certification activities performed by the department of inspections and appeals. The department of human services is solely responsible for distributing the federal matching funds for such activities.

2. Of the funds appropriated in this section, $50,000 shall be used for continuation of home and community-based services waiver quality assurance programs, including the review and streamlining of processes and policies related to oversight and quality management to meet state and federal requirements.

3. Of the amount appropriated in this section, up to $200,000 may be transferred to the appropriation for general administration in this division of this Act to be used for additional full-time equivalent positions in the development of key health initiatives such as cost containment, development and oversight of managed care programs, and development of health strategies targeted toward improved quality and reduced costs in the Medicaid program.

4. Of the funds appropriated in this section, $64,398 shall be used for provision of the IowaCare program nurse helpline for the expansion population as provided in section 249J.6.

5. Of the funds appropriated in this section, $80,000 shall be used for costs related to audits, performance evaluations, and studies required pursuant to chapter 249J.

6. Of the funds appropriated in this section, $194,654 shall

be used for administrative costs associated with chapter 249J.

7. Of the funds appropriated in this section, $1,000,000 shall be used for planning and development, in cooperation with the department of public health, of a phased-in program to provide a dental home for children.

8. Of the funds appropriated in this section, $270,000 shall be used for payment to the publicly owned acute care teaching hospital located in a county with a population of over 350,000 that is a participating provider pursuant to chapter 249J. Disbursements under this subsection shall be made monthly. The hospital shall submit a report following the close of the fiscal year regarding use of the funds allocated in this subsection to the persons specified in this Act to receive reports.

9. Of the funds appropriated in this section, $75,000 shall be used for continued implementation of a uniform cost report.

10. Of the funds appropriated in this section, $2,000,000 shall be used for the autism support program created in chapter 225D, as enacted in this Act, beginning January 1, 2014.

11. Of the funds appropriated in this section, $99,790 shall be used for continued implementation of an electronic medical records system.

Sec. 14. STATE SUPPLEMENTARY ASSISTANCE.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the state supplementary assistance program:
..... $ 16,512,174

2. The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are

increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

3. If during the fiscal year beginning July 1, 2013, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-through requirement specified in Tit. XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this division of this Act to ensure that federal requirements are met. In addition, the department may make other programmatic and rate adjustments necessary to remain within the amount appropriated in this section while ensuring compliance with federal requirements. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 15. CHILDREN'S HEALTH INSURANCE PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the healthy and well kids in Iowa (hawk-i) program pursuant to chapter 514I, including supplemental dental services, for receipt of federal financial participation under Tit. XXI of the federal Social Security Act, which creates the children's health insurance program:

..... $ 36,806,102

2. Of the funds appropriated in this section, $141,450 is allocated for continuation of the contract for outreach with the department of public health.

Sec. 16. CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... $ 62,709,794

1. Of the funds appropriated in this section, $54,755,189 shall be used for state child care assistance in accordance with section 237A.13.

2. Nothing in this section shall be construed or is intended as or shall imply a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the waiting list requirements of section 237A.13. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. Of the funds appropriated in this section, $432,453 is allocated for the statewide program for child care resource and referral services under section 237A.26. A list of the registered and licensed child care facilities operating in the area served by a child care resource and referral service shall be made available to the families receiving state child care assistance in that area.

4. Of the funds appropriated in this section, $936,974 is allocated for child care quality improvement initiatives including but not limited to the voluntary quality rating system in accordance with section 237A.30.

5. Of the funds appropriated in this section, $135,178 shall be used to conduct fingerprint-based national criminal history record checks of home-based child care providers pursuant to section 237A.5, subsection 2, through the United States department of justice, federal bureau of investigation.

6. Of the amount appropriated in this section, up to

$25,000 shall be used to implement a searchable internet-based application as part of the consumer information made available under section 237A.25. The application shall provide a listing of the child care providers in this state that have received a rating under the voluntary quality rating system implemented pursuant to section 237A.30 and information on whether a provider specializes in child care for infants, school-age children, children with special needs, or other populations or provides any other specialized services to support family needs.

7. Of the amount appropriated in this section, up to $75,000 shall be used by the department to conduct an independent evaluation of Iowa's child care quality rating system. The evaluation shall address the system's strengths and weaknesses, and shall provide recommendations for change. The department shall submit a final report on or before December 16, 2013, to the governor and general assembly concerning the evaluation. The evaluation shall also include but is not limited to all of the following:

a. An assessment of the validity of the system's key underlying concepts.

b. An assessment of the techniques utilized and psychometric properties of the measures used in the system to assess quality.

c. An analysis of the outputs quantified by the rating process.

d. An analysis of the relationship between the ratings utilized and child outcomes realized.

8. Of the funds appropriated in this section, $6,350,000 shall be credited to the early childhood programs grants account in the early childhood Iowa fund created in section 256I.11. The moneys shall be distributed for funding of community-based early childhood programs targeted to children from birth through five years of age developed by early

childhood Iowa areas in accordance with approved community plans as provided in section 256I.8

9. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department's service areas. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

10. A portion of the state match for the federal child care and development block grant shall be provided as necessary to meet federal matching funds requirements through the state general fund appropriation made for child development grants and other programs for at-risk children in section 279.51.

11. If a uniform reduction ordered by the governor under section 8.31 or other operation of law, transfer, or federal funding reduction reduces the appropriation made in this section for the fiscal year, the percentage reduction in the amount paid out to or on behalf of the families participating in the state child care assistance program shall be equal to or less than the percentage reduction made for any other purpose payable from the appropriation made in this section and the federal funding relating to it. The percentage reduction to the other allocations made in this section shall be the same as the uniform reduction ordered by the governor or the percentage change of the federal funding reduction, as applicable. If there is an unanticipated increase in federal funding

provided for state child care assistance, the entire amount of the increase shall be used for state child care assistance payments. If the appropriations made for purposes of the state child care assistance program for the fiscal year are determined to be insufficient, it is the intent of the general assembly to appropriate sufficient funding for the fiscal year in order to avoid establishment of waiting list requirements.

12. Notwithstanding section 8.33, moneys advanced for purposes of the programs developed by early childhood Iowa areas, advanced for purposes of wraparound child care, or received from the federal appropriations made for the purposes of this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 17. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 8,859,355

..... FTEs 114.00

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

..... $ 11,256,969

..... FTEs 164.30

Of the funds appropriated in this subsection, $91,150 shall be used for distribution to licensed classroom teachers at this and other institutions under the control of the department of

human services based upon the average student yearly enrollment at each institution as determined by the department.

3. A portion of the moneys appropriated in this section shall be used by the state training school and by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 2013.

Sec. 18. CHILD AND FAMILY SERVICES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... $ 91,283,920

2. Up to $5,200,000 of the amount of federal temporary assistance for needy families block grant funding appropriated in this division of this Act for child and family services shall be made available for purposes of juvenile delinquent graduated sanction services.

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

4. a. Of the funds appropriated in this section, up to $32,242,236 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services. If the department projects that such expenditures

for the fiscal year will be less than the target amount allocated in this lettered paragraph, the department may reallocate the excess to provide additional funding for shelter care or the child welfare emergency services addressed with the allocation for shelter care.

b. If at any time after September 30, 2013, annualization of a service area's current expenditures indicates a service area is at risk of exceeding its group foster care expenditure target under section 232.143 by more than 5 percent, the department and juvenile court services shall examine all group foster care placements in that service area in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

5. In accordance with the provisions of section 232.188, the department shall continue the child welfare and juvenile justice funding initiative during fiscal year 2013-2014. Of the funds appropriated in this section, $1,717,753 is allocated specifically for expenditure for fiscal year 2013-2014 through the decategorization service funding pools and governance boards established pursuant to section 232.188.

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

7. Notwithstanding section 234.35 or any other provision of law to the contrary, state funding for shelter care and

the child welfare emergency services contracting implemented to provide for or prevent the need for shelter care shall be limited to $7,616,048.

8. Federal funds received by the state during the fiscal year beginning July 1, 2013, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for services and purposes provided for under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for the purposes designated until the close of the succeeding fiscal year.

9. a. Of the funds appropriated in this section, up to $3,290,000 is allocated for the payment of the expenses of court-ordered services provided to juveniles who are under the supervision of juvenile court services, which expenses are a charge upon the state pursuant to section 232.141, subsection 4. Of the amount allocated in this lettered paragraph, up to $1,556,287 shall be made available to provide school-based supervision of children adjudicated under chapter 232, of which not more than $15,000 may be used for the purpose of training. A portion of the cost of each school-based liaison officer shall be paid by the school district or other funding source as approved by the chief juvenile court officer.

b. Of the funds appropriated in this section, up to $748,985 is allocated for the payment of the expenses of court-ordered services provided to children who are under the supervision of the department, which expenses are a charge upon the state pursuant to section 232.141, subsection 4.

c. Notwithstanding section 232.141 or any other provision of law to the contrary, the amounts allocated in this subsection shall be distributed to the judicial districts

as determined by the state court administrator and to the department's service areas as determined by the administrator of the department's division of child and family services. The state court administrator and the division administrator shall make the determination of the distribution amounts on or before June 15, 2013.

d. Notwithstanding chapter 232 or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district court or departmental service area distribution amounts to pay for the service. The chief juvenile court officer and the departmental service area manager shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The chief juvenile court officers and departmental service area managers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator or division administrator to transfer funds between the judicial districts' or departmental service areas' distribution amounts as prudent.

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

f. Of the funds allocated in this subsection, not more than $83,000 may be used by the judicial branch for administration of the requirements under this subsection.

g. Of the funds allocated in this subsection, $17,000 shall be used by the department of human services to support the interstate commission for juveniles in accordance with the interstate compact for juveniles as provided in section

10. Of the funds appropriated in this section, $8,053,226 is allocated for juvenile delinquent graduated sanctions services. Any state funds saved as a result of efforts by juvenile court services to earn federal Tit. IV-E match for juvenile court services administration may be used for the juvenile delinquent graduated sanctions services.

11. Of the funds appropriated in this section, $1,608,285 is transferred to the department of public health to be used for equalization and renewal of the grants under the child protection center grant program in accordance with section 135.118. The grant amounts shall be equalized so that each center receives a uniform amount of at least $245,000.

12. If the department receives federal approval to implement a waiver under Tit. IV-E of the federal Social Security Act to enable providers to serve children who remain in the children's families and communities, for purposes of eligibility under the medical assistance program through 25 years of age, children who participate in the waiver shall be considered to be placed in foster care.

13. Of the funds appropriated in this section, $3,256,980 is allocated for the preparation for adult living program pursuant to section 234.46.

14. Of the funds appropriated in this section, $520,150 shall be used for juvenile drug courts. The amount allocated in this subsection shall be distributed as follows:

To the judicial branch for salaries to assist with the operation of juvenile drug court programs operated in the following jurisdictions:

a. Marshall county:

..... $ 62,708

b. Woodbury county:

..... $ 125,682

c. Polk county:

..... $ 195,892

d. The third judicial district:

..... $ 67,934

e. The eighth judicial district:

..... $ 67,934

15. Of the funds appropriated in this section, $227,337 shall be used for the public purpose of continuing a grant to a nonprofit human services organization providing services to individuals and families in multiple locations in southwest Iowa and Nebraska for support of a project providing immediate, sensitive support and forensic interviews, medical exams, needs assessments, and referrals for victims of child abuse and their nonoffending family members.

16. Of the funds appropriated in this section, $200,590 is allocated for the foster care youth council approach of providing a support network to children placed in foster care.

17. Of the funds appropriated in this section, $202,000 is allocated for use pursuant to section 235A.1 for continuation of the initiative to address child sexual abuse implemented pursuant to 2007 Iowa Acts, chapter 218, section 18, subsection 21.

18. Of the funds appropriated in this section, $630,240 is allocated for the community partnership for child protection sites.

19. Of the funds appropriated in this section, $371,250 is allocated for the department's minority youth and family projects under the redesign of the child welfare system.

20. Of the funds appropriated in this section, up to $1,436,595 is allocated for funding of the community circle of care collaboration for children and youth in northeast Iowa. The department may determine the appropriate allocation of funding to ensure there is not duplication of services and that the needs of children and youth are met as they transition to an integrated health home.

21. Of the funds appropriated in this section, at least $147,158 shall be used for the child welfare training academy.

22. Of the funds appropriated in this section, $25,000 shall be used for the public purpose of continuation of a grant to a child welfare services provider headquartered in a county with a population between 205,000 and 215,000 in the latest certified federal census that provides multiple services including but not limited to a psychiatric medical institution for children, shelter, residential treatment, after school programs, school-based programming, and an Asperger's syndrome program, to be used for support services for children with autism spectrum disorder and their families.

23. Of the funds appropriated in this section, $25,000 shall be used for the public purpose of continuing a grant to a hospital-based provider headquartered in a county with a population between 90,000 and 95,000 in the latest certified federal census that provides multiple services including but not limited to diagnostic, therapeutic, and behavioral services to individuals with autism spectrum disorder across the lifespan. The grant recipient shall utilize the funds to continue the pilot project to determine the necessary support services for children with autism spectrum disorder and their families to be included in the children's disabilities services system. The grant recipient shall submit findings and recommendations based upon the results of the pilot project to the individuals specified in this division of this Act for submission of reports by December 31, 2013.

24. Of the funds appropriated in this section, $327,947 shall be used for continuation of the central Iowa system of care program grant through June 30, 2014. The department may determine the appropriate allocation of funding to ensure there is not duplication of services and that the needs of children and youth are met as they transition to an integrated health home.

25. Of the funds appropriated in this section, $160,000 shall be used for the public purpose of the continuation of a system of care grant implemented in Cerro Gordo and Linn counties. The department may determine the appropriate allocation of funding to ensure there is not duplication of services and that the needs of children and youth are met as they transition to an integrated health home.

26. Of the funds appropriated in this section, at least $25,000 shall be used to continue and to expand the foster care respite pilot program in which postsecondary students in social work and other human services-related programs receive experience by assisting family foster care providers with respite and other support.

Sec. 19. ADOPTION SUBSIDY.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For adoption subsidy payments and services:
..... $ 40,729,282

2. The department may transfer funds appropriated in this section to the appropriation made in this division of this Act for general administration for costs paid from the appropriation relating to adoption subsidy.

3. Federal funds received by the state during the fiscal year beginning July 1, 2013, as the result of the expenditure of state funds during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for the services and activities funded under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund

but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 20. JUVENILE DETENTION HOME FUND. Moneys deposited in the juvenile detention home fund created in section 232.142 during the fiscal year beginning July 1, 2013, and ending June 30, 2014, are appropriated to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for distribution of an amount equal to a percentage of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2012. Moneys appropriated for distribution in accordance with this section shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all eligible detention homes in the fiscal year beginning July 1, 2012. The percentage figure shall be determined by the department based on the amount available for distribution for the fund. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2013, shall be limited to the amount appropriated for the purposes of this section.

Sec. 21. FAMILY SUPPORT SUBSIDY PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program subject to the enrollment restrictions in section 225C.37, subsection 3:
..... $ 1,092,955

2. The department shall use at least $483,500 of the moneys appropriated in this section for the family support center component of the comprehensive family support program under section 225C.47. Not more than $25,000 of the amount allocated

in this subsection shall be used for administrative costs.

3. If at any time during the fiscal year, the amount of funding available for the family support subsidy program is reduced from the amount initially used to establish the figure for the number of family members for whom a subsidy is to be provided at any one time during the fiscal year, notwithstanding section 225C.38, subsection 2, the department shall revise the figure as necessary to conform to the amount of funding available.

Sec. 22. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... $ 33,622

Sec. 23. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 5,954,464

..... FTEs 169.20

If recommended by the superintendent, the department may sell or transfer ownership of unused facilities at the state mental health institute to the city in which the institute is located.

2. For the state mental health institute at Clarinda for

salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... $ 6,751,868
..... FTEs 86.10

3. For the state mental health institute at Independence for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... $ 10,318,778
..... FTEs 233.00

4. For the state mental health institute at Mount Pleasant for salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... $ 1,366,686
..... FTEs 97.92

Sec. 24. STATE RESOURCE CENTERS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:
..... $ 20,274,472

b. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:
..... $ 14,220,463

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

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

4. If the department's administration and the department of management concur with a finding by a state resource center's superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center's superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

5. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and begin implementing the service or addressing the special need during fiscal year 2013-2014.

Sec. 25. SEXUALLY VIOLENT PREDATORS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For costs associated with the commitment and treatment of sexually violent predators in the unit located at the state

mental health institute at Cherokee, including costs of legal services and other associated costs, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 9,416,969

..... FTEs 124.50

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

Sec. 26. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 66,522,388

..... FTEs 1,837.00

1. As a condition of this appropriation, the department shall make every possible effort to fill the entire number of positions authorized by this section and, unless specifically provided otherwise by an applicable collective bargaining agreement, the department is not subject to any approval requirement external to the department to fill a field operations vacancy within the number of full-time equivalent positions authorized by this section. The department shall report on the first of each month to the chairpersons and

ranking members of the appropriations committees of the senate and house of representatives, and the persons designated by this Act for submission of reports concerning the status of filling the positions.

2. Priority in filling full-time equivalent positions shall be given to those positions related to child protection services and eligibility determination for low-income families.

Sec. 27. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... $ 16,304,771

..... FTEs 309.00

1. Of the funds appropriated in this section, $63,543 is allocated for the prevention of disabilities policy council established in section 225B.3. Of the amount allocated in this subsection, $25,000 shall be passed through to the council for the costs involved with holding a summit meeting of the multiple entities providing services to persons with disabilities. The focus of the summit meeting shall be to review existing disability prevention activities in order to identify cost effective public policy options for reaching the greatest number of children and adults in order to eliminate the risk of disabilities. The review shall also address options for health care services available to youth transitioning to the adult system of health care. The council shall report to the individuals identified in this Act for submission of reports within 60 calendar days of completing the summit meeting concerning the review, policy options identified, and recommendations made.

2. The department shall report at least monthly to the legislative services agency concerning the department's operational and program expenditures.

3. Of the funds appropriated in this section, $132,300 shall be used to continue the contract for the provision of a program to provide technical assistance, support, and consultation to providers of habilitation services and home and community-based services waiver services for adults with disabilities under the medical assistance program.

4. Of the funds appropriated in this section, $50,000 is transferred to the Iowa finance authority to be used for administrative support of the council on homelessness established in section 16.100A and for the council to fulfill its duties in addressing and reducing homelessness in the state.

5. Of the funds appropriated in this section, $250,000 is transferred to the department of inspections and appeals to be used to implement a new mental health advocate division in the department in accordance with 2013 Iowa Acts, Senate File 406, if enacted.

Sec. 28. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:
..... $ 84,660

Sec. 29. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. (1) For the fiscal year beginning July 1, 2013, the total state funding amount for the nursing facility budget shall not exceed $268,712,511.

(2) For the fiscal year beginning July 1, 2013, the

department shall rebase case-mix nursing facility rates effective July 1, 2013. However, total nursing facility budget expenditures, including both case-mix and noncase-mix, shall not exceed the amount specified in subparagraph (1). When calculating case-mix per diem cost and the patient-day-weighted medians used in rate-setting for nursing facilities effective July 1, 2013, the inflation factor applied from the midpoint of the cost report period to the first day of the state fiscal year rate period shall be adjusted to maintain state funding within the amount specified in subparagraph (1).

(3) The department, in cooperation with nursing facility representatives, shall review projections for state funding expenditures for reimbursement of nursing facilities on a quarterly basis and the department shall determine if an adjustment to the medical assistance reimbursement rate is necessary in order to provide reimbursement within the state funding amount for the fiscal year. Notwithstanding 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c", and subsection 3, paragraph "a", subparagraph (2), if the state funding expenditures for the nursing facility budget for the fiscal year are projected to exceed the amount specified in subparagraph (1), the department shall adjust the reimbursement for nursing facilities reimbursed under the case-mix reimbursement system to maintain expenditures of the nursing facility budget within the specified amount for the fiscal year.

(4) For the fiscal year beginning July 1, 2013, special population nursing facilities shall be reimbursed in accordance with the methodology in effect on June 30, 2013.

b. (1) For the fiscal year beginning July 1, 2013, the department shall establish the pharmacy dispensing fee reimbursement at $10.12 per prescription. Any subsequent actual dispensing fee shall be established within the range determined by a cost of dispensing survey performed by

the department and required to be completed by all medical assistance program participating pharmacies every two years beginning in FY 2014-2015.

(2) The department shall utilize an average acquisition cost reimbursement methodology for pharmacy ingredient cost reimbursement of all drugs covered under the medical assistance program in accordance with 2012 Iowa Acts, chapter 1133, section 33.

c. (1) For the fiscal year beginning July 1, 2013, reimbursement rates for outpatient hospital services shall be increased 1 percent over the rates in effect on June 30, 2013, subject to Medicaid program upper payment limit rules.

(2) For the fiscal year beginning July 1, 2013, reimbursement rates for inpatient hospital services shall be increased by 1 percent over the rates in effect on June 30, 2013, subject to Medicaid program upper payment limit rules.

(3) For the fiscal year beginning July 1, 2013, the graduate medical education and disproportionate share hospital fund shall be increased by 1 percent over the amount in effect on June 30, 2013, except that the portion of the fund attributable to graduate medical education shall be reduced in an amount that reflects the elimination of graduate medical education payments made to out-of-state hospitals.

(4) In order to ensure the efficient use of limited state funds in procuring health care services for low-income Iowans, funds appropriated in this Act for hospital services shall not be used for activities which would be excluded from a determination of reasonable costs under the federal Medicare program pursuant to 42 U.S.C. § 1395X(v)(1)(N).

d. For the fiscal year beginning July 1, 2013, reimbursement rates for rural health clinics, hospices, and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. For the fiscal year beginning July 1, 2013, independent laboratories shall be reimbursed using the same methodology in effect on June 30, 2013, and reimbursement for rehabilitation agencies shall be increased by 1 percent over the rates in effect on June 30, 2013.

f. (1) For the fiscal year beginning July 1, 2013, rates for home health services shall be reimbursed based on the Medicare low utilization payment amount (LUPA) methodology with state geographic wage adjustments. The Medicare LUPA per-visit rates in effect on July 1, 2013, shall be utilized as the basis for establishing the initial reimbursement schedule. The department shall update the rates every two years to reflect the most recent Medicare LUPA rates. For the fiscal year beginning July 1, 2013, the department shall adjust the reimbursement rates as calculated under this paragraph to reflect the most recent Medicare LUPA rates for home health services, not to exceed an additional $2,765,655.

(2) For the fiscal year beginning July 1, 2013, rates for private duty nursing and personal care services under the early and periodic screening, diagnostic, and treatment program benefit shall be established based on an hourly interim rate subject to cost settlement up to a limit calculated by the department, and subject to approval by the centers for Medicare and Medicaid services of the United States department of health and human services.

g. For the fiscal year beginning July 1, 2013, federally qualified health centers shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

h. For the fiscal year beginning July 1, 2013, the reimbursement rates for dental services shall be increased by 1 percent over the rates in effect on June 30, 2013.

i. (1) For the fiscal year beginning July 1, 2013, state-owned psychiatric medical institutions for children shall

receive cost-based reimbursement for 100 percent of the actual and allowable costs for the provision of services to recipients of medical assistance.

(2) For the nonstate-owned psychiatric medical institutions for children, reimbursement rates shall be based on the reimbursement methodology developed by the department as required for federal compliance.

(3) As a condition of participation in the medical assistance program, enrolled providers shall accept the medical assistance reimbursement rate for any covered goods or services provided to recipients of medical assistance who are children under the custody of a psychiatric medical institution for children.

j. For the fiscal year beginning July 1, 2013, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall be increased by 1 percent over the rates in effect on June 30, 2013, except for area education agencies, local education agencies, infant and toddler services providers, home and community-based services providers including consumer-directed attendant care providers under a section 1915(c) or 1915(i) waiver, targeted case management providers, and those providers whose rates are required to be determined pursuant to section 249A.20.

k. Notwithstanding any provision to the contrary, for the fiscal year beginning July 1, 2013, the reimbursement rate for anesthesiologists shall be increased by 1 percent over the rate in effect on June 30, 2013.

l. Notwithstanding section 249A.20, for the fiscal year beginning July 1, 2013, the average reimbursement rate for health care providers eligible for use of the federal Medicare resource-based relative value scale reimbursement methodology under that section shall be increased by 1 percent over the rate in effect on June 30, 2013; however, this rate shall not exceed the maximum level authorized by the federal government.

m. For the fiscal year beginning July 1, 2013, the reimbursement rate for residential care facilities shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement. The flat reimbursement rate for facilities electing not to file annual cost reports shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

n. For the fiscal year beginning July 1, 2013, the reimbursement rates for inpatient mental health services provided at hospitals shall be increased by 1 percent over the rates in effect on June 30, 2013, subject to Medicaid program upper payment limit rules; community mental health centers and providers of mental health services to county residents pursuant to a waiver approved under section 225C.7, subsection 3, shall be reimbursed at 100 percent of the reasonable costs for the provision of services to recipients of medical assistance; and psychiatrists shall be reimbursed at the medical assistance program fee-for-service rate.

o. For the fiscal year beginning July 1, 2013, the reimbursement rate for providers of family planning services that are eligible to receive a 90 percent federal match shall be increased by 1 percent over the rates in effect on June 30, 2013.

p. For the fiscal year beginning July 1, 2013, the upper limits on reimbursement rates for providers of home and community-based services waiver services shall be the limits in effect on June 30, 2013, pursuant to 441 IAC 79.1(2) based on federal Medicare rates, federal veterans administration rates, or the dollar amount specified in the rule, increased by 3 percent.

q. For the fiscal year beginning July 1, 2013, the reimbursement rate for emergency medical services providers

shall be increased by 10 percent over the rates in effect on June 30, 2013.

2. For the fiscal year beginning July 1, 2013, the reimbursement rate for providers reimbursed under the in-home-related care program shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

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

4. a. For the fiscal year beginning July 1, 2013, notwithstanding section 234.38, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be $16.78, the rate for children ages 6 through 11 years shall be $17.45, the rate for children ages 12 through 15 years shall be $19.10, and the rate for children and young adults ages 16 and older shall be $19.35. For youth ages 18 to 21 who have exited foster care, the maximum preparation for adult living program maintenance rate shall be $602.70 per month. The maximum payment for adoption subsidy nonrecurring expenses shall be limited to $500 and the disallowance of additional amounts for court costs and other related legal expenses implemented pursuant to 2010 Iowa Acts, chapter 1031, section 408 shall be continued.

b. (1) For the fiscal year beginning July 1, 2013, the reimbursement rates for child welfare services providers shall be increased by 5 percent over the rates in effect on June 30, 2013, and the maximum reimbursement rate for group foster care providers, including service and maintenance costs, shall be increased by 5 percent.

(2) For purposes of this lettered paragraph, "child welfare

services providers" means the resource family recruitment and retention contractors, the family safety, risk, and permanency services (family-centered) contractors, the child welfare emergency services contractors, and supervised apartment living foster care providers.

c. For the fiscal year beginning July 1, 2013, the maximum reimbursement rates under the supervised apartment living program other than foster care-related, and for social services providers under contract, shall be increased by 5 percent over the rates in effect on June 30, 2013, or the provider's actual and allowable cost plus inflation for each service, whichever is less. However, if a new service or service provider is added after June 30, 2013, the initial reimbursement rate for the service or provider shall be based upon a weighted average of provider rates for similar services.

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

5. a. For the fiscal year beginning July 1, 2013, the reimbursement rate paid for shelter care and the child welfare emergency services implemented to provide or prevent the need for shelter care shall be established by contract.

b. For the fiscal year beginning July 1, 2013, the combined service and maintenance components of the reimbursement rate paid for shelter care services shall be based on the financial and statistical report submitted to the department. The maximum reimbursement rate shall be $96.98 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not

to exceed the maximum reimbursement rate.

c. Notwithstanding section 232.141, subsection 8, for the fiscal year beginning July 1, 2013, the amount of the statewide average of the actual and allowable rates for reimbursement of juvenile shelter care homes that is utilized for the limitation on recovery of unpaid costs shall be increased by $4.62 over the amount in effect for this purpose in the preceding fiscal year.

6. For the fiscal year beginning July 1, 2013, the department shall calculate reimbursement rates for intermediate care facilities for persons with intellectual disabilities at the 80th percentile. Beginning July 1, 2013, the rate calculation methodology shall utilize the consumer price index inflation factor applicable to the fiscal year beginning July 1, 2013.

7. For the fiscal year beginning July 1, 2013, for child care providers reimbursed under the state child care assistance program, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 2004. Effective July 1, 2013, the child care provider reimbursement rates shall be increased by 4 percent over the rates in effect on June 30, 2013. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered by applying the increase only to registered and licensed providers.

8. Any increase specified in a provider's reimbursement rate in accordance with this section shall be used to increase compensation and costs of employment, including benefits, for nonadministrative staff.

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

Sec. 30. EMERGENCY RULES.

1. If specifically authorized by a provision of this division of this Act for the fiscal year beginning July 1,

2013, the department of human services or the mental health and disability services commission may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 7, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

2. If during the fiscal year beginning July 1, 2013, the department of human services is adopting rules in accordance with this section or as otherwise directed or authorized by state law, and the rules will result in an expenditure increase beyond the amount anticipated in the budget process or if the expenditure was not addressed in the budget process for the fiscal year, the department shall notify the persons designated by this division of this Act for submission of reports, the chairpersons and ranking members of the committees on appropriations, and the department of management concerning the rules and the expenditure increase. The notification shall be provided at least 30 calendar days prior to the date notice of the rules is submitted to the administrative rules coordinator and the administrative code editor.

Sec. 31. REPORTS. Any reports or other information required to be compiled and submitted under this Act during the

fiscal year beginning July 1, 2013, shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the legislative caucus staffs on or before the dates specified for submission of the reports or information.

DIVISION VI

HEALTH CARE ACCOUNTS AND FUNDS — FY 2013-2014

Sec. 32. PHARMACEUTICAL SETTLEMENT ACCOUNT. There is appropriated from the pharmaceutical settlement account created in section 249A.33 to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding any provision of law to the contrary, to supplement the appropriations made in this Act for medical contracts under the medical assistance program for the fiscal year beginning July 1, 2013, and ending June 30, 2014:

..... $ 6,650,000

Sec. 33. APPROPRIATIONS FROM IOWACARE ACCOUNT.

1. There is appropriated from the IowaCare account created in section 249J.24 to the state board of regents for distribution to the university of Iowa hospitals and clinics for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes, for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, for medical education and contingent upon receipt of approval from the office of the governor of reimbursement for each abortion performed under chapter 249J:

CCS-446

..... $ 13,642,292

a. (1) Funds appropriated in this subsection used for abortions shall be used in a manner consistent with options under federal Medicaid law and regulation. Funds appropriated in this subsection shall not be used for abortions, unless otherwise authorized under the appropriation in this Act for the medical assistance program.

(2) Iowans support reducing the number of abortions performed in our state. For an abortion covered under this subsection, except in the case of a medical emergency, as defined in section 135L.1, for any woman, the physician shall certify both of the following:

(a) That the woman has been given the opportunity to view an ultrasound image of the fetus as part of the standard of care before an abortion is performed.

(b) That the woman has been provided information regarding the options relative to a pregnancy, including continuing the pregnancy to term and retaining parental rights following the child's birth, continuing the pregnancy to term and placing the child for adoption, and terminating the pregnancy.

b. Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise.

c. The university of Iowa hospitals and clinics shall certify public expenditures in an amount equal to provide the nonfederal share on total expenditures not to exceed $10,000,000.

2. There is appropriated from the IowaCare account created in section 249J.24 to the state board of regents for distribution to the university of Iowa hospitals and clinics for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the following amount, or so much thereof as

is necessary, to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes, for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... $ 26,284,600

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise.

3. There is appropriated from the IowaCare account created in section 249J.24 to the state board of regents for distribution to university of Iowa physicians for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the following amount, or so much thereof as is necessary to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... $ 9,903,183

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise. Once the entire amount appropriated in this subsection has been distributed, claims shall continue to be submitted and adjudicated by the Iowa Medicaid enterprise; however, no payment shall be made based upon such claims.

4. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30,

2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For distribution to a publicly owned acute care teaching hospital located in a county with a population over 350,000 for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:
..... $ 35,500,000

a. Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise plus a monthly disproportionate share hospital payment. Any amount appropriated in this subsection in excess of $32,500,000 shall be distributed only if the sum of the expansion population claims adjudicated and paid by the Iowa Medicaid enterprise plus the estimated disproportionate share hospital payments exceeds $32,500,000. The amount paid in excess of $32,500,000 shall not adjust the original monthly payment amount but shall be distributed monthly based on actual claims adjudicated and paid by the Iowa Medicaid enterprise plus the estimated disproportionate share hospital amount. Any amount appropriated in this subsection in excess of $32,500,000 shall be allocated only if federal funds are available to match the amount allocated. Pursuant to paragraph "b", of the amount appropriated in this subsection, not more than $2,000,000 shall be distributed for prescription drugs, podiatry services, optometric services, and durable medical equipment.

b. Notwithstanding any provision of law to the contrary, the hospital identified in this subsection shall be reimbursed for outpatient prescription drugs, podiatry services, optometric services, and durable medical equipment provided to members of the expansion population pursuant to all applicable medical assistance program rules, in an amount not to exceed

$2,000,000.

c. Notwithstanding the total amount of proceeds distributed pursuant to section 249J.24, subsection 4, paragraph "a", unnumbered paragraph 1, for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the county treasurer of a county with a population of over 350,000 in which a publicly owned acute care teaching hospital is located shall distribute the proceeds collected pursuant to section 347.7 between July 1, 2013, and December 31, 2013, in a total amount of $19,000,000, which would otherwise be distributed to the county hospital, to the treasurer of state for deposit in the IowaCare account.

d. Notwithstanding the amount collected and distributed for deposit in the IowaCare account pursuant to section 249J.24, subsection 4, paragraph "a", subparagraph (1), the first $19,000,000 in proceeds collected pursuant to section 347.7 between July 1, 2013, and December 31, 2013, shall be distributed to the treasurer of state for deposit in the IowaCare account and collections during this time period in excess of $19,000,000 shall be distributed to the acute care teaching hospital identified in this subsection. Of the collections in excess of the $19,000,000 received by the acute care teaching hospital under this paragraph "d", $2,000,000 shall be distributed by the acute care teaching hospital to the treasurer of state for deposit in the IowaCare account in the month of January 2014, following the July 1 through December 31, 2013, period.

5. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the following amount, or so much thereof as is necessary to be used for the purpose designated:

For payment to the regional provider network specified

by the department pursuant to section 249J.7 for provision of covered services to members of the expansion population pursuant to chapter 249J:

..... $ 2,993,183

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise. Once the entire amount appropriated in this subsection has been distributed, claims shall continue to be submitted and adjudicated by the Iowa Medicaid enterprise; however, no payment shall be made based upon such claims.

6. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For a care coordination pool to pay the expansion population providers consisting of the university of Iowa hospitals and clinics, the publicly owned acute care teaching hospital as specified in section 249J.7, and current medical assistance program providers that are not expansion population network providers pursuant to section 249J.7, for services covered by the full benefit medical assistance program but not under the IowaCare program pursuant to section 249J.6, that are provided to expansion population members:

..... $ 1,500,000

a. Notwithstanding sections 249J.6 and 249J.7, the amount appropriated in this subsection is intended to provide payment for medically necessary services provided to expansion population members for continuation of care provided by the university of Iowa hospitals and clinics or the publicly owned acute care teaching hospital as specified in section 249J.7. Payment may only be made for services that are not otherwise

covered under section 249J.6, and which are follow-up services to covered services provided by the hospitals specified in this paragraph "a".

b. The funds appropriated in this subsection are intended to provide limited payment for continuity of care services for an expansion population member, and are intended to cover the costs of services to expansion population members, regardless of the member's county of residence or medical home assignment, if the care is related to specialty or hospital services provided by the hospitals specified in paragraph "a".

c. The funds appropriated in this subsection are not intended to provide for expanded coverage under the IowaCare program, and shall not be used to cover emergency transportation services.

d. The department shall adopt administrative rules pursuant to chapter 17A to establish a prior authorization process and to identify covered services for reimbursement under this subsection.

7. There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the following amount, or so much thereof as is necessary, for the purposes designated:

For transfer to the medical contracts appropriation in this division of this Act to be used for administrative costs associated with chapter 249J including eligibility determinations:

..... $ 371,552

8. For the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the state board of regents shall transfer $637,789 to the IowaCare account created in section 249J.24, to provide the nonfederal share for distribution to

university of Iowa physicians under the IowaCare program. The university of Iowa hospitals and clinics shall receive and retain 100 percent of the total increase in IowaCare program payments.

Sec. 34. APPROPRIATIONS FROM NONPARTICIPATING PROVIDER REIMBURSEMENT FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary, and subject to the availability of funds, there is appropriated from the nonparticipating provider reimbursement fund created in section 249J.24A to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the program period beginning July 1, 2013, and ending December 31, 2013, the following amount, or so much thereof as is necessary, for the purposes designated:

To reimburse nonparticipating providers in accordance with section 249J.24A:

..... $ 1,000,000

Sec. 35. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the quality assurance trust fund created in section 249L.4 to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amounts, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance for the same fiscal year:

..... $ 28,788,917

Sec. 36. HOSPITAL HEALTH CARE ACCESS TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the hospital health care access trust fund created in section 249M.4 to the department of human services

for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance for the same fiscal year:
..... $ 34,288,000

2. For deposit in the nonparticipating provider reimbursement fund created in section 249J.24A to be used for the purposes of the fund:
..... $ 412,000

Sec. 37. MEDICAL ASSISTANCE PROGRAM — NONREVERSION FOR FY 2013-2014. Notwithstanding section 8.33, if moneys appropriated for purposes of the medical assistance program for the fiscal year beginning July 1, 2013, and ending June 30, 2014, from the general fund of the state, the quality assurance trust fund and the hospital health care access trust fund, are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated at the close of the fiscal year, the excess moneys shall not revert but shall remain available for expenditure for the purposes of the medical assistance program until the close of the succeeding fiscal year.

DIVISION VII

PRIOR YEAR APPROPRIATIONS

RESPITE

Sec. 38. 2011 Iowa Acts, chapter 129, section 128, as amended by 2012 Iowa Acts, chapter 1133, section 22, subsection 26, is amended to read as follows:

26. Of the funds appropriated in this section, at least $25,000 shall be used to continue and to expand the foster care respite pilot program in which postsecondary students in social work and other human services-related programs receive experience by assisting family foster care providers with

respite and other support. Notwithstanding section 8.33, moneys allocated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

MEDICAL ASSISTANCE — GENERAL FUND

Sec. 39. 2011 Iowa Acts, chapter 129, section 122, unnumbered paragraph 2, is amended to read as follows:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2012, except as otherwise expressly authorized by law, ~~and~~ consistent with options under federal law and regulations, and contingent upon receipt of approval from the office of the governor of reimbursement for each abortion performed under the program:

..... ~~$914,993,421~~
975,993,421

Sec. 40. 2011 Iowa Acts, chapter 129, section 122, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. Funds appropriated under this section shall not be used for abortions, unless otherwise authorized under this section.

MEDICAL ASSISTANCE — IOWACARE TRANSFER ALLOCATION

Sec. 41. 2011 Iowa Acts, chapter 129, section 122, subsection 13, as amended by 2012 Iowa Acts, chapter 1133, section 10, is amended to read as follows:

13. Of the funds appropriated in this section, up to ~~$8,684,329~~ $16,004,422 may be transferred to the IowaCare account created in section 249J.24.

ADOPTION SUBSIDY — GENERAL FUND

Sec. 42. 2011 Iowa Acts, chapter 129, section 129, as amended by 2012 Iowa Acts, chapter 1133, section 23, subsection 1, is amended to read as follows:

1. There is appropriated from the general fund of the

state to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For adoption subsidy payments and services:

..... $ ~~36,788,576~~
37,743,429

NURSING FACILITY REIMBURSEMENT

Sec. 43. 2011 Iowa Acts, chapter 129, section 141, subsection 1, paragraph a, subparagraph (1), as amended by 2012 Iowa Acts, chapter 1133, section 32, is amended to read as follows:

(1) For the fiscal year beginning July 1, 2012, the total state funding amount for the nursing facility budget shall not exceed ~~$237,226,901~~ $239,226,901.

Sec. 44. 2012 Iowa Acts, chapter 1133, section 55, is amended to read as follows:

SEC. 55. REPLACEMENT GENERATION TAX REVENUES — LEVY RATES FOR FY 2011-2012 AND FY 2012-2013.

1. a. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, and for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the replacement generation tax revenues required to be deposited in the property tax relief fund pursuant to section 437A.8, subsection 4, paragraph "d", and section 437A.15, subsection 3, paragraph "f", shall instead be credited to the mental health and disability services redesign fund created in this division of this Act.

b. If this section of this division of this Act is enacted after the department of management has reduced county certified budgets and revised rates of taxation pursuant to section 426B.2, subsection 3, paragraph "b", to reflect anticipated replacement generation tax revenues, and the enactment date is during the period beginning May 1, 2012, and ending June 30, 2012, the reductions and revisions shall be rescinded and the

department of management shall expeditiously report that fact to the county auditors.

2. Except as otherwise provided in subsection 1 for department of management reductions of certified budgets and revisions of tax rates and rescinding of those reductions and revisions, the budgets and tax rates certified for a county services fund under section 331.424A, for the fiscal year beginning July 1, 2012, shall remain in effect, notwithstanding section 426B.3, subsection 1, the property tax relief fund payment and other services fund financing changes made in this division of this Act, or other statutory amendments affecting county services funds for the fiscal year to the contrary.

Sec. 45. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 46. RETROACTIVE APPLICABILITY. The following provision of this Act applies retroactively to July 1, 2011:

1. The section amending 2012 Iowa Acts, chapter 1133, section 55.

DIVISION VIII

CHILD WELFARE AND CHILD CARE

Sec. 47. Section 232.142, subsection 5, Code 2013, is amended to read as follows:

5. The director shall approve annually all such homes established and maintained under the provisions of this chapter. A home shall not be approved unless it complies with minimal rules and standards adopted by the director and has been inspected by the department of inspections and appeals. <u>The statewide number of beds in the homes approved by the director shall not exceed two hundred sixty-two beds.</u>

DIVISION IX

AGING

Sec. 48. Section 231.33, subsection 21, Code 2013, if enacted by 2013 Iowa Acts, Senate File 184, section 22, is

amended to read as follows:

21. Comply with all applicable requirements of the Iowa public employees' retirement system established pursuant to chapter 97B. Notwithstanding any provision to the contrary, an employee of an area agency on aging that was enrolled in an alternative qualified plan prior to July 1, 2012, may continue participation in that alternative qualified plan in lieu of mandatory participation in the Iowa public employees' retirement system.

Sec. 49. Section 231.42, subsection 7, paragraph a, Code 2013, is amended to read as follows:

a. An officer, owner, director, or employee of a long-term care facility, assisted living program, or elder group home who intentionally prevents, interferes with, or attempts to impede the work of the state or a local long-term care resident's advocate is subject to a penalty imposed by the director of not more than one thousand five hundred dollars for each violation. If the director imposes a penalty for a violation under this paragraph, no other state agency shall impose a penalty for the same interference violation. Any moneys collected pursuant to this subsection shall be deposited in the general fund of the state and are appropriated to the office of long-term care resident's advocate to be used for administration and the duties of the office.

Sec. 50. TASK FORCE ON ELDER ABUSE PREVENTION AND INTERVENTION.

1. The department on aging shall continue a task force on elder abuse prevention and intervention to continue the work of the elder abuse task force established pursuant to 2012 Iowa Acts, chapter 1056. The task force shall include representatives of the department on aging, the office of long-term care resident's advocate, the department of human services, the department of inspections and appeals, the department of public health, the office of the attorney

general, the department of veterans affairs, the department of public safety, the insurance division of the department of commerce, a county attorney's office with experience in prosecuting elder abuse, the superintendent of banking, the courts, the elder law section of the Iowa state bar association, and other affected stakeholders. The task force shall form workgroups as necessary to address the specific recommendations.

2. The task force shall review the report of the elder abuse task force submitted in December 2012, develop an implementation plan for the recommendations, and make any additional recommendations as necessary. The implementation plan and additional recommendations shall address all of the following:

a. The design of the comprehensive approach to elder abuse prevention and intervention in the state utilizing the prevention of elder abuse program pursuant to section 231.56A and the office of substitute decision maker pursuant to chapter 231E. The design shall also address all of the following:

(1) Harmonization of the approach design with the existing dependent adult abuse system pursuant to chapter 235B, including but not limited to standardized training, collaboration between the elder abuse approach and the department of human services when a report of dependent adult abuse involves an older individual, and the membership of multidisciplinary teams.

(2) Incorporation of the approach design into other existing and developing components of the system including the area agencies on aging, the mental health and disability services regions, local public health departments, the local offices of the department on human services, the courts, and other appropriate entities, to most effectively and efficiently address the needs of older individuals.

b. The definition of elder abuse to be used in the approach

to elder abuse. The task force shall address continued use of the definition of "elder abuse" as specified under the federal Older Americans Act and utilized by the prevention of elder abuse program under section 231.56A, or shall provide a specific alternative definition.

c. The designation of a single point of contact to report elder abuse. The task force shall specifically address utilizing the aging and disability resource center network as the single point of contact.

d. The means of addressing financial exploitation of older individuals, including those relating to powers of attorney and conservatorships as described in the 2012 task force report.

e. Promotion of public awareness of elder abuse and the services and support available to older individuals at risk of or experiencing elder abuse.

f. Any specific changes in statute and rules necessary to achieve the recommendations of the task force.

3. The task force shall submit a progress report to the elder abuse prevention and intervention legislative interim committee established pursuant to this Act for review, by October 31, 2013, and shall submit a final report of its recommendations and proposed legislation following approval by the legislative interim committee to the governor and the general assembly no later than December 31, 2013.

Sec. 51. LEGISLATIVE INTERIM COMMITTEE. The legislative council is requested to establish a legislative interim committee on elder abuse prevention and intervention for the 2013 legislative interim to monitor the progress of, and provide direction to, the task force on elder abuse prevention and intervention created in this Act. The legislative committee shall review the progress report and approve the final report of the task force and shall submit the committee's recommendations and a final report to the general assembly following completion of the committee's work.

Sec. 52. PILOT PROJECT — GUARDIANSHIP AND CONSERVATORSHIP MONITORING. The department on aging shall collaborate with the national health law and policy resource center at the university of Iowa college of law to establish a three-year pilot project to train, recruit, and oversee volunteers to assist the courts in monitoring guardianships and conservatorships and to provide assistance to guardians and conservators. The pilot project shall be implemented initially in the sixth judicial district. The pilot project shall be utilized to establish a basis for an ongoing guardianship and conservatorship monitoring and assistance program administered through the department on aging. The department on aging shall submit an annual report to the individuals identified in this Act for submission of reports. The annual report shall include the objectives and results for the pilot project year, how the funds allocated were utilized in meeting the pilot project's objectives, the number of individuals served, the types of services provided, any other sources of funding utilized or identified as available for the pilot project, and the continuing needs of the pilot project.

Sec. 53. EFFECTIVE UPON ENACTMENT. The section of this division of this Act establishing a task force on elder abuse prevention, being deemed of immediate importance, takes effect upon enactment.

Sec. 54. EFFECTIVE UPON ENACTMENT. The section of this division of this Act amending section 231.33, subsection 21, as enacted by 2013 Iowa Acts, Senate File 184, being deemed of immediate importance, takes effect upon enactment.

Sec. 55. RETROACTIVE APPLICABILITY. The section of this division of this Act amending section 231.33, subsection 21, as enacted by 2013 Iowa Acts, Senate File 184, applies retroactively to July 1, 2012.

DIVISION X

EMS TASK FORCE

Sec. 56. EMERGENCY MEDICAL SERVICES TASK FORCE AND REPORT.

1. The department of public health shall establish a task force to ensure the future availability of quality emergency medical services for the state.

2. The members of the task force shall be appointed by the director of the department of public health, or the director's designee, as follows:

a. A manager of a rural volunteer emergency medical transport service.

b. A manager of a rural paid emergency medical transport service.

c. A manager of an urban emergency medical transport service.

d. A manager of a nontransport emergency medical service.

e. A representative of a fire department-based emergency medical service.

f. A representative of a hospital-based emergency medical service.

g. A representative of a private, for-profit emergency medical transport service.

h. A representative of a not-for-profit emergency medical transport service.

i. A representative of the Iowa emergency medical services association board of directors.

j. A representative of an emergency medical services training agency.

k. An urban emergency department physician.

l. A rural emergency department physician.

m. A representative of the Iowa emergency nurses association.

n. A representative of the Iowa alliance in home care.

o. A representative of an emergency medical service air ambulance.

p. A representative of the Iowa hospital association.

q. A representative of the private insurance industry.

r. A representative of the Iowa Medicaid enterprise division of the department of human services.

s. A representative of city government.

t. A representative of county government.

u. A representative of the nursing facility industry.

v. A representative of the Iowa behavioral health association.

w. A consumer of emergency medical services.

x. An advanced registered nurse practitioner.

3. The task force shall discuss the current state of emergency medical services in Iowa and make recommendations for enhancement of Iowa's emergency medical services system. The recommendations shall address issues facing volunteer and paid rural emergency medical services, cost projections including administration costs for all recommendations, the Medicaid reimbursement fee schedule for ambulance services, and the nature and scope of any recommended changes in regulations governing emergency medical services.

4. The task force shall, by December 15, 2013, submit a final report of its findings and recommendations to the governor, the general assembly, the department of public health, and the emergency medical services advisory council. The emergency medical services advisory council shall review the report and make recommendations related to implementation of the report's recommendations to the director of the department of public health.

DIVISION XI

HOSPITAL PROVIDER TAX

Sec. 57. Section 249M.5, Code 2013, is amended to read as follows:

249M.5 Future repeal.

This chapter is repealed June 30, ~~2013~~ 2016.

Sec. 58. EFFECTIVE UPON ENACTMENT. The section of this

division of this Act relating to the future repeal of the hospital health care access assessment program chapter, being deemed of immediate importance, takes effect upon enactment.

DIVISION XII

ILL AND HANDICAPPED WAIVER NAME CHANGE

Sec. 59. Section 423.3, subsection 18, paragraph f, subparagraph (1), Code 2013, is amended to read as follows:

(1) ~~Ill and handicapped~~ Health and disability waiver service providers, described in 441 IAC 77.30.

DIVISION XIII

FAMILY PLANNING WAIVER

Sec. 60. 2010 Iowa Acts, chapter 1192, section 11, subsection 24, paragraph a, subparagraph (1), subparagraph division (a), is amended to read as follows:

(a) Are uninsured or have health insurance coverage ~~that does not include coverage for benefits provided under the Iowa family planning network~~ subject to the medical assistance program being the payer of last resort.

Sec. 61. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XIV

MISCELLANEOUS HEALTH CARE AMENDMENTS

Sec. 62. Section 249A.2, subsection 1, Code 2013, is amended by striking the subsection.

Sec. 63. Section 249A.2, subsections 4 and 7, Code 2013, are amended to read as follows:

4. *"Discretionary medical assistance"* means mandatory medical assistance or ~~additional~~ optional medical assistance provided to medically needy individuals whose income and resources are in excess of eligibility limitations but are insufficient to meet all of the costs of necessary medical care and services, provided that if the assistance includes services in institutions for mental diseases or intermediate

care facilities for persons with an intellectual disability, or both, for any group of such individuals, the assistance also includes for all covered groups of such individuals at least the care and services enumerated in Tit. XIX of the federal Social Security Act, section 1905(a), paragraphs (1) through (5), and (17), as codified in 42 U.S.C. § 1396d(a), pars. (1) through (5), and (17), or any seven of the care and services enumerated in Tit. XIX of the federal Social Security Act, section 1905(a), paragraphs (1) through ~~(7) and (9) through (18)~~ (24), as codified in 42 U.S.C. § 1396d(a), ~~pars.~~ paragraphs (1) through ~~(7), and (9) through (18)~~ (24).

7. *"Medical assistance"* or *"Medicaid"* means payment of all or part of the costs of the care and services ~~required to be provided by~~ made in accordance with Tit. XIX of the federal Social Security Act~~, section 1905(a), paragraphs (1) through (5), and (17), as codified in 42 U.S.C. § 1396d(a), pars. (1) through (5), and (17)~~ and authorized pursuant to this chapter.

Sec. 64. Section 249A.2, Code 2013, is amended by adding the following new subsections:

NEW SUBSECTION. 6A. *"Mandatory medical assistance"* means payment of all or part of the costs of the care and services required to be provided by Tit. XIX of the federal Social Security Act, section 1905(a), paragraphs (1) through (5), (17),(21), and (28), as codified in 42 U.S.C. § 1396d(a), paragraphs (1) through (5), (17), (21), and (28).

NEW SUBSECTION. 7A. *"Medical assistance program"* or *"Medicaid program"* means the program established under this chapter to provide medical assistance.

NEW SUBSECTION. 8A. *"Optional medical assistance"* means payment of all or part of the costs of any or all of the care and services authorized to be provided by Tit. XIX of the federal Social Security Act, section 1905(a), paragraphs (6) through (16), (18) through (20), (22) through (27), and (29), as codified in 42 U.S.C. § 1396d(a), paragraphs (6) through

(16), and (18) through (20), (22) through (27), and (29).

Sec. 65. Section 249A.3, subsection 1, unnumbered paragraph 1, Code 2013, is amended to read as follows:

~~Medical~~ Mandatory medical assistance shall be provided to, or on behalf of, any individual or family residing in the state of Iowa, including those residents who are temporarily absent from the state, who:

Sec. 66. Section 249A.3, subsection 1, paragraph 1, subparagraph (2), Code 2013, is amended to read as follows:

(2) ~~Additionally, effective July 1, 2009, medical assistance shall be provided to~~ Is a pregnant woman or infant whose family income is at or below three hundred 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, if otherwise eligible.

Sec. 67. Section 249A.3, subsection 2, paragraph a, unnumbered paragraph 1, Code 2013, is amended to read as follows:

~~Medical~~ Mandatory medical assistance may also, within the limits of available funds and in accordance with section 249A.4, subsection 1, be provided to, or on behalf of, other individuals and families who are not excluded under subsection 5 of this section and whose incomes and resources are insufficient to meet the cost of necessary medical care and services in accordance with the following order of priorities:

Sec. 68. Section 249A.3, subsection 2, paragraph a, subparagraph (1), subparagraph division (a), Code 2013, is amended to read as follows:

(a) As allowed under 42 U.S.C. § 1396a(a)(10)(A)(ii)(XIII), individuals with disabilities, who are less than sixty-five years of age, who are members of families whose income is less than two hundred fifty percent of the most recently revised official poverty guidelines published by the United States department of health and human services for the family, who

have earned income and who are eligible for mandatory medical assistance or ~~additional~~ optional medical assistance under this section if earnings are disregarded. As allowed by 42 U.S.C. § 1396a(r)(2), unearned income shall also be disregarded in determining whether an individual is eligible for assistance under this subparagraph. For the purposes of determining the amount of an individual's resources under this subparagraph and as allowed by 42 U.S.C. § 1396a(r)(2), a maximum of ten thousand dollars of available resources shall be disregarded, and any additional resources held in a retirement account, in a medical savings account, or in any other account approved under rules adopted by the department shall also be disregarded.

Sec. 69. Section 249A.3, subsection 2, paragraph a, subparagraph (3), Code 2013, is amended to read as follows:

(3) Individuals who are receiving care in a hospital or in a basic nursing home, intermediate nursing home, skilled nursing home or extended care facility, as defined by section 135C.1, and who meet all eligibility requirements for federal supplemental security income except that their income exceeds the allowable maximum ~~therefor~~ for such eligibility, but whose income is not in excess of the maximum established ~~by subsection 4~~ for eligibility for discretionary medical assistance and is insufficient to meet the full cost of their care in the hospital or health care facility on the basis of standards established by the department.

Sec. 70. Section 249A.3, subsection 2, paragraph b, Code 2013, is amended to read as follows:

b. Notwithstanding the provisions of this subsection establishing priorities for individuals and families to receive mandatory medical assistance, the department may determine within the priorities listed in this subsection which persons shall receive mandatory medical assistance based on income levels established by the department, subject to the limitations provided in subsection 4.

Sec. 71. Section 249A.3, subsection 3, Code 2013, is amended to read as follows:

3. ~~Additional~~ Optional medical assistance may, within the limits of available funds and in accordance with section 249A.4, subsection 1, be provided to, or on behalf of, either of the following groups of individuals and families:

a. Only those individuals and families described in subsection 1 ~~of this section; or~~.

b. Those individuals and families described in both subsections 1 and 2.

Sec. 72. Section 249A.4, subsection 9, unnumbered paragraph 1, Code 2013, is amended to read as follows:

Adopt rules pursuant to chapter 17A in determining the method and level of reimbursement for all medical and health services ~~referred to in section 249A.2, subsection 1 or 7~~ to be provided under the medical assistance program, after considering all of the following:

Sec. 73. Section 249B.1, subsection 6, Code 2013, is amended to read as follows:

6. *"Medical assistance"* means *"mandatory medical assistance"*, ~~*"additional*~~ *"optional medical assistance"*, *"discretionary medical assistance"* or *"medicare cost sharing"* as defined in section 249A.2 which is provided to an individual pursuant to chapter 249A and Tit. XIX of the federal Social Security Act.

Sec. 74. Section 249F.1, subsection 1, Code 2013, is amended to read as follows:

1. *"Medical assistance"* means "mandatory medical assistance", ~~"additional~~ "optional medical assistance", "discretionary medical assistance", or "Medicare cost sharing" as each is defined in section 249A.2 which is provided to an individual pursuant to chapter 249A and Tit. XIX of the federal Social Security Act.

Sec. 75. Section 509.1, subsection 7, Code 2013, is amended to read as follows:

7. A policy issued to the department of human services, which shall be deemed the policyholder, to insure eligible persons for medical assistance, or for both mandatory medical assistance and ~~additional~~ optional medical assistance, as defined by chapter 249A as hereafter amended.

Sec. 76. Section 514.1, subsection 2, Code 2013, is amended to read as follows:

2. For the purposes of this chapter, *"subscriber"* means an individual who enters into a contract for health care services with a corporation subject to this chapter and includes a person eligible for mandatory medical assistance or ~~additional~~ optional medical assistance as defined under chapter 249A, with respect to whom the department of human services has entered into a contract with a firm operating under this chapter. For purposes of this chapter, *"provider"* means a person as defined in section 4.1, subsection 20, which is licensed or authorized in this state to furnish health care services. *"Health care"* means that care necessary for the purpose of preventing, alleviating, curing, or healing human physical or mental illness, injury, or disability.

DIVISION XV

MEDICAID BREAST AND CERVICAL CANCER

Sec. 77. Section 249A.3, subsection 2, paragraph a, subparagraph (2), Code 2013, is amended to read as follows:

(2) (a) As provided under the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000, Pub. L. No. 106-354, ~~women~~ individuals who meet all of the following criteria:

(i) Are not described in 42 U.S.C. § 1396a(a)(10)(A)(i).

(ii) Have not attained age sixty-five.

(iii) Have been screened for breast and cervical cancer under the United States centers for disease control and prevention breast and cervical cancer early detection program established under 42 U.S.C. § 300k et seq., in accordance

with the requirements of 42 U.S.C. § 300n, and need treatment for breast or cervical cancer. ~~A woman~~ An individual is considered screened for breast and cervical cancer under this subparagraph subdivision if the ~~woman~~ individual is screened by any provider or entity, and the state grantee of the United States centers for disease control and prevention funds under Tit. XV of the federal Public Health Services Act has elected to include screening activities by that provider or entity as screening activities pursuant to Tit. XV of the federal Public Health Services Act. This screening includes ~~but is not limited to~~ breast or cervical cancer screenings or related diagnostic services provided or funded by family planning ~~or~~ centers, community health centers ~~and breast cancer screenings funded by the Susan G. Komen foundation which~~, or nonprofit organizations, and the screenings or services are provided to ~~women~~ individuals who meet the eligibility requirements established by the state grantee of the United States centers for disease control and prevention funds under Tit. XV of the federal Public Health Services Act.

(iv) Are not otherwise covered under creditable coverage as defined in 42 U.S.C. § 300gg(c).

(b) ~~A woman~~ An individual who meets the criteria of this subparagraph (2) shall be presumptively eligible for medical assistance.

Sec. 78. MEDICAID STATE PLAN AMENDMENT. The department of human services shall submit a medical assistance state plan amendment to the centers for Medicare and Medicaid services of the United States department of health and human services to provide for applicability of the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000, Pub. L. No. 106-354, to both men and women. The department shall implement applicability of the program to both men and women upon receipt of federal approval.

DIVISION XVI

HEALTH AND LONG-TERM CARE

Sec. 79. Section 135.164, subsection 1, paragraph d, Code 2013, is amended by striking the paragraph.

Sec. 80. Section 135.164, subsection 4, Code 2013, is amended by striking the subsection.

Sec. 81. COST PROJECTION REPORT — STRATEGIC PLAN. The department of public health shall develop cost projections for implementing the strategic plan for health care delivery infrastructure and health care workforce resources as specified in section 135.164, and shall submit a report of such cost projections and any recommendations to the individuals identified in this Act for submission of reports by December 15, 2013.

DIVISION XVII

AUTISM SUPPORT PROGRAM

Sec. 82. NEW SECTION. **225D.1 Definitions.**

As used in this chapter unless the context otherwise requires:

1. *"Applied behavioral analysis"* means the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior or to prevent loss of attained skill or function, including the use of direct observation, measurement, and functional analysis of the relations between environment and behavior.

2. *"Autism"* means autism spectrum disorders as defined in section 514C.28.

3. *"Autism service provider"* means a person providing applied behavioral analysis, who meets all of the following criteria:

a. Is certified as a behavior analyst by the behavior analyst certification board or is a health professional licensed under chapter 147.

b. Is approved as a member of the provider network by the

department.

4. *"Autism support fund"* or *"fund"* means the autism support fund created in section 225D.2.

5. *"Clinically relevant"* means medically necessary and resulting in the development, maintenance, or restoration, to the maximum extent practicable, of the functioning of an individual.

6. *"Department"* means the department of human services.

7. *"Diagnostic assessment of autism"* means medically necessary assessment, evaluations, or tests performed by a licensed child psychiatrist, developmental pediatrician, or clinical psychologist.

8. *"Eligible individual"* means a child less than nine years of age who has been diagnosed with autism based on a diagnostic assessment of autism, is not otherwise eligible for coverage for applied behavioral analysis treatment under the medical assistance program, section 514C.28, or private insurance coverage, and whose household income does not exceed four hundred percent of the federal poverty level.

9. *"Federal poverty level"* means the most recently revised poverty income guidelines published by the United States department of health and human services.

10. *"Household income"* means household income as determined using the modified adjusted gross income methodology pursuant to section 2002 of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148.

11. *"Medical assistance"* or *"Medicaid"* means assistance provided under the medical assistance program pursuant to chapter 249A.

12. *"Regional autism assistance program"* means the regional autism assistance program created in section 256.35.

13. *"Treatment plan"* means a plan for the treatment of autism developed by a licensed physician or licensed psychologist pursuant to a comprehensive evaluation or

reevaluation performed in consultation with the patient and the patient's representative.

Sec. 83. NEW SECTION. **225D.2 Autism support program — fund.**

1. The department shall implement an autism support program beginning January 1, 2014, to provide payment for the provision of applied behavioral analysis treatment for eligible individuals. The department shall adopt rules, including standards and guidelines pursuant to chapter 17A to implement and administer the program. In adopting the rules, standards, and guidelines for the program, the department shall consult with and incorporate the recommendations of an expert panel convened by the regional autism assistance program to provide expert opinion on clinically relevant practices and guidance on program implementation and administration. The expert panel shall consist of families of individuals with autism; educational, medical, and human services specialists, professionals, and providers; and others with interest in or expertise related to autism. The program shall be implemented and administered in a manner so that payment for services is available throughout the state, including in rural and under-resourced areas.

2. At a minimum, the rules, standards, and guidelines for the program shall address all of the following:

a. A maximum annual benefit amount for an eligible individual of thirty-six thousand dollars.

b. A maximum of twenty-four months of applied behavioral analysis treatment.

c. Notwithstanding the age limitation for an eligible individual, a provision that if an eligible individual reaches nine years of age prior to completion of the maximum applied behavioral analysis treatment period specified in paragraph "*b*", the individual may complete such treatment in accordance with the individual's treatment plan, not to exceed the maximum

treatment period.

d. A graduated schedule for cost-sharing by an eligible individual based on a percentage of the total benefit amount expended for the eligible individual, annually. Cost-sharing shall be applicable to eligible individuals with household incomes at or above two hundred percent of the federal poverty level in incrementally increased amounts up to a maximum of ten percent. The rules shall provide a financial hardship exemption from payment of the cost-sharing based on criteria established by rule of the department.

e. Application, approval, compliance, and appeal processes for eligible individuals as necessary to operate and manage the program.

f. Enrollment, renewal, and reimbursement of claims provisions for autism service providers participating in the program.

g. A requirement of family engagement and participation as part of the eligible individual's treatment plan.

h. A requirement that the autism service provider coordinate interventions with the school in which the eligible individual is enrolled.

i. A requirement that the administrator of the program utilize the regional autism assistance program to coordinate interventions between eligible individuals and their families receiving support through the autism support program with appropriate medical, educational, and treatment providers, including integrated health homes. The regional autism assistance program shall provide for family navigation and coordination and integration of services through the statewide system of regional child health specialty clinics, utilizing the community child health team model. As necessitated by the availability of resources in the community where services are delivered, telehealth may be used in delivering and coordinating interventions with appropriate providers. To the

extent available and accessible to an eligible individual, the eligible individual shall be enrolled in an integrated health home that is an approved provider enrolled in the medical assistance program. Health home services that are covered services under the medical assistance program shall be reimbursed under the autism support program at rates consistent with those established under the medical assistance program.

j. Requirements related to review of treatment plans, which may require review once every six months, subject to utilization review requirements established by rule. A more or less frequent review may be agreed upon by the eligible individual and the licensed physician or licensed psychologist developing the treatment plan.

k. Recognition of the results of a diagnostic assessment of autism as valid for a period of not less than twelve months, unless a licensed physician or licensed psychologist determines that a more frequent assessment is necessary.

3. Moneys in the autism support fund created under subsection 5 shall be expended only for eligible individuals who are not eligible for coverage for applied behavioral analysis treatment under the medical assistance program, section 514C.28, or private insurance. Payment for applied behavioral analysis treatment through the fund shall be limited to only applied behavioral analysis treatment that is clinically relevant and only to the extent approved under the guidelines established by rule of the department.

4. This section shall not be construed as granting an entitlement for any program, service, or other support for eligible individuals. Any state obligation to provide a program, service, or other support pursuant to this section is limited to the extent of the funds appropriated for the purposes of the program. The department may establish a waiting list or terminate participation of eligible individuals if the department determines that moneys in the autism support

fund are insufficient to cover future claims for reimbursement beyond ninety days.

5. *a.* An autism support fund is created in the state treasury under the authority of the department. Moneys appropriated to and all other moneys specified for deposit in the fund shall be deposited in the fund and used for the purposes of the program.

b. The fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the fund shall not be considered revenue of the state, but rather shall be funds of the autism support program. The moneys deposited in the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

c. The department shall adopt rules pursuant to chapter 17A to administer the fund and reimbursements made from the fund.

d. Moneys in the fund are appropriated to the department and shall be used by the department for the purposes of the autism support program. The department shall be the administrator of the fund for auditing purposes.

e. The department shall submit an annual report to the governor and the general assembly no later than January 1 of each year that includes but is not limited to all of the following:

(1) The total number of applications received under the program for the immediately preceding fiscal year.

(2) The number of applications approved and the total amount of funding expended for reimbursements under the program in the immediately preceding fiscal year.

(3) The cost of administering the program in the immediately preceding fiscal year.

(4) The number of eligible individuals on a waiting list, if any, and the amount of funding necessary to reduce the existing waiting list.

(5) Recommendations for any changes to the program.

Sec. 84. IMPLEMENTATION.

1. The department of human services shall implement the autism support program beginning January 1, 2014, subject to available funding.

2. Notwithstanding section 8.47 or any other provision of law to the contrary, the department may utilize a sole-source contract and utilize the managed care entity under contract with the department to manage behavioral health services under the medical assistance program to administer the program. Total administrative costs of the program shall not exceed ten percent of the funds expended through the program, annually.

Sec. 85. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XVIII

DEPARTMENT OF HUMAN SERVICES — CHILD, ADULT, AND FAMILY SERVICES

Sec. 86. Section 225C.38, subsection 1, paragraph c, Code 2013, is amended to read as follows:

c. Except as provided in section 225C.41, a family support subsidy for a fiscal year shall be in an amount determined by the department ~~in consultation with the comprehensive family support council created in section 225C.48~~. The parent or legal guardian receiving a family support subsidy may elect to receive a payment amount which is less than the amount determined in accordance with this paragraph.

Sec. 87. Section 225C.42, subsection 1, Code 2013, is amended to read as follows:

1. The department shall conduct an annual evaluation of the family support subsidy program ~~in conjunction with the~~

~~comprehensive family support council~~ and shall submit the evaluation report with recommendations to the governor and general assembly. The report shall be submitted on or before October 30 and provide an evaluation of the latest completed fiscal year.

Sec. 88. Section 225C.47, subsection 5, unnumbered paragraph 1, Code 2013, is amended to read as follows:

The department shall design the program ~~in consultation with the comprehensive family support council created in section 225C.48~~. The department shall adopt rules to implement the program which provide for all of the following:

Sec. 89. Section 225C.49, subsection 4, Code 2013, is amended to read as follows:

4. The department shall designate one individual whose sole duties are to provide central coordination of the programs under sections 225C.36 and 225C.47 and ~~to work with the comprehensive family support council~~ to oversee development and implementation of the programs.

Sec. 90. Section 239B.5, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 4. *a.* The department shall implement policies and procedures as necessary to comply with provisions of the federal Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, to prevent assistance provided under this chapter from being used in any electronic benefit transfer transaction in any liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment. For purposes of this paragraph, the definitions found in the federal Middle Class Tax Relief and Job Creation Act and related rules and statutes apply.

b. Unless otherwise precluded by federal law or regulation, policies and procedures implemented under this subsection shall

at a minimum impose the prohibition described in paragraph *"a"* as a condition for continued eligibility for assistance under this chapter.

c. The department may implement additional measures as may be necessary to comply with federal regulations in implementing paragraph *"a"*.

d. The department shall adopt rules as necessary to implement this subsection.

Sec. 91. Section 239B.14, subsection 1, Code 2013, is amended to read as follows:

1. *a.* An individual who obtains, or attempts to obtain, or aids or abets an individual to obtain, by means of a willfully false statement or representation, by knowingly failing to disclose a material fact, or by impersonation, or any fraudulent device, any assistance or other benefits under this chapter to which the individual is not entitled, commits a fraudulent practice.

b. An individual who accesses benefits provided under this chapter in violation of any prohibition imposed by the department pursuant to section 239B.5, subsection 4, commits a fraudulent practice.

Sec. 92. Section 249A.3, subsection 1, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *v.* Beginning January 1, 2014, is an individual who meets all of the following requirements:

(1) Is under twenty-six years of age.

(2) Was in foster care under the responsibility of the state on the date of attaining eighteen years of age or such higher age to which foster care is provided.

(3) Was enrolled in the medical assistance program under this chapter while in such foster care.

Sec. 93. Section 249A.3, subsection 2, paragraph a, subparagraph (9), Code 2013, is amended by striking the subparagraph.

Sec. 94. Section 249J.26, subsection 2, Code 2013, is amended to read as follows:

2. This chapter is repealed ~~October~~ December 31, 2013.

Sec. 95. Section 514I.4, subsection 5, paragraph a, Code 2013, is amended by striking the paragraph.

Sec. 96. Section 514I.5, subsection 7, paragraph f, Code 2013, is amended to read as follows:

f. Review, in consultation with the department, and take necessary steps to improve interaction between the program and other public and private programs which provide services to the population of eligible children. ~~The board, in consultation with the department, shall also develop and implement a plan to improve the medical assistance program in coordination with the hawk-i program, including but not limited to a provision to coordinate eligibility between the medical assistance program and the hawk-i program, and to provide for common processes and procedures under both programs to reduce duplication and bureaucracy.~~

Sec. 97. Section 514I.5, subsection 8, paragraphs b and f, Code 2013, are amended by striking the paragraphs.

Sec. 98. Section 514I.7, subsection 2, paragraphs a and g, Code 2013, are amended to read as follows:

a. Determine ~~individual~~ eligibility for program enrollment ~~based upon review of completed applications and supporting documentation~~ as prescribed by federal law and regulation, using policies and procedures adopted by rule of the department pursuant to chapter 17A. The administrative contractor shall not enroll a child who has group health coverage, unless expressly authorized by such rules.

g. ~~Create and~~ Utilize the department's eligibility system to maintain eligibility files ~~that are compatible with the data system of the department~~ with pertinent eligibility determination and ongoing enrollment information including~~,~~ but not limited to~~,~~ data regarding beneficiaries, enrollment dates,

disenrollments, and annual financial redeterminations.

Sec. 99. Section 514I.7, subsection 2, paragraphs c, d, e, f, and k, Code 2013, are amended by striking the paragraphs.

Sec. 100. Section 514I.8, subsection 1, Code 2013, is amended to read as follows:

1. *a.* Effective July 1, 1998, and notwithstanding any medical assistance program eligibility criteria to the contrary, medical assistance shall be provided to, or on behalf of, an eligible child under the age of nineteen whose family income does not exceed one hundred thirty-three 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.

b. ~~Additionally, effective~~ Effective July 1, 2000, and notwithstanding any medical assistance program eligibility criteria to the contrary, medical assistance shall be provided to, or on behalf of, an eligible infant whose family income does not exceed two hundred 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.

c. Effective July 1, 2009, and notwithstanding any medical assistance program eligibility criteria to the contrary, medical assistance shall be provided to, or on behalf of, a pregnant woman or an eligible child who is an infant and whose family income is at or below three hundred 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.

Sec. 101. Section 514I.8, subsection 2, paragraph c, Code 2013, is amended to read as follows:

c. Is a member of a family whose income does not exceed three hundred percent of the federal poverty level, as defined in 42 U.S.C. § 9902(2), including any revision required by

such section, and in accordance with the federal Children's Health Insurance Program Reauthorization Act of 2009, Pub. L. No. 111-3. The modified adjusted gross income methodology prescribed in section 2101 of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, to determine family income under this paragraph.

Sec. 102. Section 514I.8, subsections 3 and 4, Code 2013, are amended to read as follows:

3. In accordance with the rules adopted by the board, a child may be determined to be presumptively eligible for the program pending a final eligibility determination. Following final determination of eligibility ~~by the administrative contractor~~, a child shall be eligible for a twelve-month period. At the end of the twelve-month period, ~~the administrative contractor shall conduct~~ a review of the circumstances of the ~~eligible~~ child's family shall be conducted to establish eligibility and cost sharing for the subsequent twelve-month period.

4. Once an eligible child is enrolled in a plan, the ~~eligible child shall remain enrolled in the plan unless a determination is made, according to criteria established by the board, that the eligible child should be allowed to enroll in another qualified child health plan or should be disenrolled. An~~ enrollee may request to change plans within ninety days of initial enrollment for any reason and at any time for cause, as defined in 42 C.F.R. § 438.56(d)(2). Otherwise, an enrollee may change plan enrollment once a year on the enrollee's anniversary date.

Sec. 103. Section 514I.8, subsections 5 and 6, Code 2013, are amended by striking the subsections.

Sec. 104. Section 514I.9, Code 2013, is amended to read as follows:

514I.9 Program benefits.

1. ~~Until June 30, 1999, the benefits provided under the~~

~~program shall be those benefits established by rule of the board and in compliance with Tit. XXI of the federal Social Security Act.~~

~~2. On or before June 30, 1999, the hawk-i board shall adopt rules to amend the benefits package based upon review of the results of the initial benefits package used.~~

~~3. Subsequent to June 30, 1999, the~~ The hawk-i board shall review the benefits package annually and shall determine additions to or deletions from the benefits package offered. The hawk-i board shall submit the recommendations to the general assembly for any amendment to the benefits package.

~~4.~~ 2. Benefits, in addition to those required by rule, may be provided to eligible children by a participating insurer if the benefits are provided at no additional cost to the state.

Sec. 105. REPEAL. Section 225C.48, Code 2013, is repealed.

Sec. 106. EFFECTIVE DATE. The following provision or provisions of this division of this Act take effect December 31, 2013:

1. The section of this Act amending section 249A.3, subsection 2, paragraph "a", subparagraph (9).

DIVISION XIX

OPTIONS — PERSONS WITH AGGRESSIVE OR PSYCHIATRIC BEHAVIORS

Sec. 107. FACILITY FOR PERSONS WITH AGGRESSIVE OR PSYCHIATRIC BEHAVIORS — COMMITTEE — REPORT.

1. The department of inspections and appeals, in conjunction with the department of human services, shall establish and facilitate a committee of stakeholders to examine options for designating a facility to provide care for persons in this state who are sexually aggressive, combative, or have unmet psychiatric needs.

2. The membership of the committee shall include but is not limited to the following:

a. Representatives of the departments of inspections and appeals, human services, corrections, and public health, the

department on aging, the state public defender, the office of the citizens' aide, the office of the state long-term care resident's advocate, and the judicial branch.

b. Consumers of services provided by long-term care facilities and family members of consumers.

c. Representatives from leadingage Iowa, the Iowa health care association, and the Iowa association of community providers.

d. Direct care workers employed by long-term care facilities.

e. Representatives from Iowa legal aid.

f. Representatives from AARP Iowa.

g. Representatives from the Iowa civil liberties union.

h. Other stakeholders as the department of inspections and appeals and the department of human services deem appropriate.

3. The committee shall discuss whether a long-term care facility, as defined in section 142D.2, should have the ability to refuse admission to, or discharge, residents who are sexually aggressive, combative, or have unmet psychiatric needs. The committee shall consider options for establishment of a facility to provide care for persons who are sexually aggressive, combative, or have unmet psychiatric needs. The committee shall identify the characteristics of residents for such a facility, options for creating a new facility to house such residents, options for the expansion of an existing facility to house such residents, options for using any alternative facilities for such residents, the workforce and training necessary for the workforce in such facility, options to qualify a facility for Medicaid reimbursement, cost projections for any recommendations, and other information deemed relevant by the department of inspections and appeals.

4. The committee shall provide a report detailing its findings and recommendations to the governor and the general assembly by December 15, 2013.

DIVISION XX

SPORTS INJURY PREVENTION

Sec. 108. MUNICIPAL YOUTH SPORTS INJURY PREVENTION STUDY AND REPORT.

1. A municipal youth sports injury prevention study is established to make recommendations regarding how cities can most effectively prevent concussions and other sports-related injuries in children participating in municipal youth sports programs. The national center for sports safety is requested to administer the study in coordination with the department of public health and interested parties representing cities, municipal youth sports programs, parents, coaches, trainers, and other stakeholders. The study shall include recommendations for safety equipment for participants and training for employees and volunteers to be required by cities as part of municipal youth sports programs.

2. The national center for sports safety is requested to submit a report on its findings and recommendations to the general assembly by December 15, 2013.

DIVISION XXI

SUICIDE PREVENTION

Sec. 109. SUICIDE PREVENTION. The department of education shall work with the departments of human services and public health in developing recommendations for required training of persons who hold a license, certificate, authorization, or statement of recognition issued by the board of educational examiners and who provide services to students. The recommendations shall address training of such persons on suicide prevention and trauma-informed care. In developing the recommendations, the department shall consult with stakeholders, including but not limited to mental health professionals, school administrators, school nurses, and guidance counselors. For purposes of this section, "trauma-informed care" means services that are based

on an understanding of the vulnerabilities and triggers of individuals who have experienced trauma, recognize the role trauma has played in the lives of those individuals, recognize the presence of trauma symptoms and their onset, are supportive of trauma recovery, and avoid further traumatization. The department shall submit a report to the governor and general assembly providing findings and recommendations on or before December 15, 2013.

DIVISION XXII

IOWACARE — ACCOUNT FOR HEALTH CARE TRANSFORMATION

Sec. 110. Section 249J.8, subsection 1, paragraph k, Code 2013, is amended to read as follows:

k. Premiums collected under this subsection shall be deposited in the ~~premiums subaccount of the~~ IowaCare account ~~for health care transformation~~ created pursuant to section ~~249J.23~~ 249J.24.

Sec. 111. Section 249J.23, subsection 1, Code 2013, is amended to read as follows:

1. An account for health care transformation is created in the state treasury under the authority of the department. Moneys received from sources including but not limited to appropriations from the general fund of the state, grants, and contributions shall be deposited in the account. ~~The account shall include a separate premiums subaccount. Revenue generated through payment of premiums by expansion population members as required pursuant to section 249J.8 shall be deposited in the separate premiums subaccount within the account.~~

Sec. 112. Section 249J.24, subsection 1, Code 2013, is amended to read as follows:

1. An IowaCare account is created in the state treasury under the authority of the department of human services. Moneys appropriated from the general fund of the state to the account, moneys received as federal financial participation

funds under the expansion population provisions of this chapter and credited to the account, moneys received for disproportionate share hospitals and credited to the account, moneys received for graduate medical education and credited to the account, proceeds distributed from the county treasurer as specified in subsection 4, revenue generated through payment of premiums pursuant to section 249J.8, and moneys from any other source credited to the account shall be deposited in the account. Moneys deposited in or credited to the account shall be used only as provided in appropriations or distributions from the account for the purposes specified in the appropriation or distribution. Moneys in the account shall be appropriated to the university of Iowa hospitals and clinics and to a publicly owned acute care teaching hospital located in a county with a population over three hundred fifty thousand for the purposes provided in the federal law making the funds available or as specified in the state appropriation and shall be distributed as determined by the department.

DIVISION XXIII

IOWACARE REPEAL — CONFORMING CHANGES

Sec. 113. Section 8A.504, subsection 1, paragraph c, subparagraph (1), Code 2013, is amended to read as follows:

(1) Any debt, which is assigned to the department of human services, or which is owed to the department of human services for unpaid premiums under section 249A.3, subsection 2, paragraph *"a"*, subparagraph (1), ~~or section 249J.8, subsection 1,~~ 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.

Sec. 114. Section 21.5, subsection 1, paragraph l, Code 2013, is amended to read as follows:

l. To discuss patient care quality and process improvement

initiatives in a meeting of a public hospital or to discuss marketing and pricing strategies or similar proprietary information in a meeting of a public hospital, where public disclosure of such information would harm such a hospital's competitive position when no public purpose would be served by public disclosure. The minutes and the audio recording of a closed session under this paragraph shall be available for public inspection when the public disclosure would no longer harm the hospital's competitive position. For purposes of this paragraph, *"public hospital"* means ~~the same as defined in section 249J.3~~ a hospital licensed pursuant to chapter 135B and governed pursuant to chapter 145A, 226, 347, 347A, or 392. This paragraph does not apply to the information required to be disclosed pursuant to section 347.13, subsection 11, or to any discussions relating to terms or conditions of employment, including but not limited to compensation of an officer or employee or group of officers or employees.

Sec. 115. Section 97B.52A, subsection 1, paragraph c, subparagraph (2), subparagraph division (b), Code 2013, is amended to read as follows:

(b) For a member whose first month of entitlement is July 2004 or later, but before July 2014, covered employment does not include employment as a licensed health care professional by a public hospital ~~as defined in section 249J.3, with the exception of public hospitals governed pursuant to chapter 226~~. For the purposes of this subparagraph, *"public hospital"* means a hospital licensed pursuant to chapter 135B and governed pursuant to chapter 145A, 347, 347A, or 392.

Sec. 116. Section 135.152, subsection 5, paragraphs a and c, Code 2013, are amended to read as follows:

a. The department, in collaboration with the department of human services and the Iowa state association of counties, shall adopt rules pursuant to chapter 17A to establish minimum standards for eligibility for obstetrical and newborn care,

including physician examinations, medical testing, ambulance services, and inpatient transportation services under the program. The minimum standards shall provide that the individual is not otherwise eligible for assistance under the medical assistance program or for assistance under the medically needy program without a spend-down requirement pursuant to chapter 249A~~, or for expansion population benefits pursuant to chapter 249J~~. If the individual is eligible for assistance pursuant to chapter 249A ~~or 249J~~, or if the individual is eligible for maternal and child health care services covered by a maternal and child health program, the obstetrical and newborn indigent patient care program shall not provide the assistance, care, or covered services provided under the other program.

c. The department in cooperation with the department of human services, shall develop a standardized application form for the program and shall coordinate the determination of eligibility for the medical assistance and medically needy programs under chapter 249A~~, the medical assistance expansion under chapter 249J~~, and the obstetrical and newborn indigent patient care program.

Sec. 117. Section 135.153, subsection 1, unnumbered paragraph 1, Code 2013, is amended to read as follows:

The department shall establish an Iowa collaborative safety net provider network that includes community health centers, rural health clinics, free clinics, maternal and child health centers, ~~the expansion population provider network as described in chapter 249J,~~ local boards of health that provide direct services, Iowa family planning network agencies, child health specialty clinics, and other safety net providers. The network shall be a continuation of the network established pursuant to 2005 Iowa Acts, ch. 175, section 2, subsection 12. The network shall include all of the following:

Sec. 118. Section 135.153, subsection 1, paragraphs a and c,

Code 2013, are amended to read as follows:

a. An Iowa safety net provider advisory group consisting of representatives of community health centers, rural health clinics, free clinics, maternal and child health centers, ~~the expansion population provider network as described in chapter 249J,~~ local boards of health that provide direct services, Iowa family planning network agencies, child health specialty clinics, other safety net providers, patients, and other interested parties.

c. A database of all community health centers, rural health clinics, free clinics, maternal and child health centers, ~~the expansion population provider network as described in chapter 249J,~~ local boards of health that provide direct services, Iowa family planning network agencies, child health specialty clinics, and other safety net providers. The data collected shall include the demographics and needs of the vulnerable populations served, current provider capacity, and the resources and needs of the participating safety net providers.

Sec. 119. Section 135.153, subsection 2, Code 2013, is amended to read as follows:

2. The network shall form a governing group which includes two individuals each representing community health centers, rural health clinics, free clinics, maternal and child health centers, ~~the expansion population provider network as described in chapter 249J,~~ local boards of health that provide direct services, the state board of health, Iowa family planning network agencies, child health specialty clinics, and other safety net providers.

Sec. 120. Section 135.154, subsection 15, Code 2013, is amended to read as follows:

15. *"Iowa Medicaid enterprise"* means the ~~Iowa Medicaid enterprise as defined in section 249J.3~~ centralized medical assistance program infrastructure, based on a business enterprise model, and designed to foster collaboration among

all program stakeholders by focusing on quality, integrity, and consistency.

Sec. 121. Section 135.157, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. *"Dental home"* means a network of individualized care based on risk assessment, which includes oral health education, dental screenings, preventive services, diagnostic services, treatment services, and emergency services.

Sec. 122. Section 217.34, Code 2013, 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, nonpayment of premiums pursuant to section 249A.3, subsection 2, paragraph *"a"*, subparagraph (1), ~~or section 249J.8, subsection 1,~~ 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 in the implementation of the setoff under section 8A.504 in regard to money owed to the state for public assistance overpayments or nonpayment of premiums as specified in this section. The department of human services shall adopt rules under chapter 17A necessary to assist the department of administrative services in the implementation of the setoff under section 8A.504, in regard to collections by the child support recovery unit and the foster care recovery unit.

Sec. 123. Section 249K.2, subsection 3, Code 2013, is amended to read as follows:

3. *"Iowa Medicaid enterprise"* means Iowa Medicaid enterprise as defined in section ~~249J.3~~ 135.154.

Sec. 124. Section 249M.4, subsection 2, Code 2013, is amended to read as follows:

2. Moneys in the trust fund shall be used, subject to their appropriation by the general assembly, by the department to reimburse participating hospitals the medical assistance program upper payment limit for inpatient and outpatient hospital services as calculated in this section. Following payment of such upper payment limit to participating hospitals, any remaining funds in the trust fund on an annual basis may be used for any of the following purposes:

a. To support medical assistance program utilization shortfalls.

b. To maintain the state's capacity to provide access to and delivery of services for vulnerable Iowans.

~~*c.* To support payments to nonparticipating hospitals under the IowaCare program pursuant to chapter 249J.~~

~~*d.*~~ *c.* To fund the health care workforce support initiative created pursuant to section 135.175.

~~*e.*~~ *d.* To support access to health care services for uninsured Iowans.

~~*f.*~~ *e.* To support Iowa hospital programs and services which expand access to health care services for Iowans.

Sec. 125. Section 263.18, subsection 4, Code 2013, is amended to read as follows:

4. The physicians and surgeons on the staff of the university of Iowa hospitals and clinics who care for patients provided for in this section may charge for the medical services provided under such rules, regulations, and plans approved by the state board of regents. ~~However, a physician or surgeon who provides treatment or care for an expansion population member pursuant to chapter 249J shall only receive compensation for the treatment or care provided in accordance~~

~~with section 249J.7.~~

Sec. 126. Section 476B.1, subsection 4, paragraph d, subparagraph (2), Code 2013, is amended to read as follows:

(2) For applications filed on or after July 1, 2009, by a private college or university, community college, institution under the control of the state board of regents, public or accredited nonpublic elementary and secondary school, or public hospital ~~as defined in section 249J.3~~, for the applicant's own use of qualified electricity, consists of wind turbines with a combined nameplate capacity of three-fourths of a megawatt or greater. For the purposes of this subparagraph, *"public hospital"* means a hospital licensed pursuant to chapter 135B and governed pursuant to chapter 145A, 226, 347, 347A, or 392.

Sec. 127. EFFECTIVE DATE. This division of this Act takes effect January 1, 2014.

DIVISION XXIV

TELEPHARMACY

Sec. 128. 2011 Iowa Acts, chapter 63, section 36, subsections 2 and 4, are amended to read as follows:

2. The board of pharmacy shall adopt rules and procedures pursuant to chapter 17A for application for and approval of such projects. The rules may include exceptions to any existing rules under the purview of the board of pharmacy as necessary for completion of the project, limited to the duration of the project. The initial duration of any project approved by the board of pharmacy shall not exceed eighteen months ~~and~~. However, the board of pharmacy may approve an extension or renewal of a project in accordance with rules adopted by the board of pharmacy. Any project approved shall comply with the rules and procedures adopted for such projects.

4. The board of pharmacy shall submit ~~a report~~ reports to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services regarding all of the following:

a. The approval or denial of any projects.

b. By December 15, 2013, any changes in law or rules necessary to implement telepharmacy throughout the state.

DIVISION XXV

MEDICAID COST CONTAINMENT

Sec. 129. 2011 Iowa Acts, chapter 129, section 122, subsection 26, as enacted by 2012 Iowa Acts, chapter 1133, section 12, is amended by striking the subsection.

DIVISION XXVI

CIGARETTE AND TOBACCO TAX PROCEEDS — HEALTH CARE TRUST FUND

Sec. 130. Section 453A.35, Code 2013, is amended to read as follows:

453A.35 ~~Tax and fees~~ Proceeds paid to general fund ~~—standing appropriation to~~ health care trust fund.

1. *a.* With the exception of revenues credited to the health care trust fund pursuant to paragraph *"b"*, the proceeds derived from the sale of stamps and the payment of ~~taxes,~~ fees~~,~~ and penalties provided for under this chapter, and the permit fees received from all permits issued by the department, shall be credited to the general fund of the state.

b. ~~Of the~~ The revenues generated from the tax on cigarettes pursuant to section 453A.6, subsection 1, and from the tax on tobacco products as specified in section 453A.43, subsections 1, 2, 3, and 4, ~~the first one hundred six million sixteen thousand four hundred dollars~~ shall be credited to the health care trust fund created in section 453A.35A.

2. All permit fees provided for in this chapter and collected by cities in the issuance of permits granted by the cities shall be paid to the treasurer of the city where the permit is effective, or to another city officer as designated by the council, and credited to the general fund of the city. Permit fees so collected by counties shall be paid to the county treasurer.

DIVISION XXVII

DEPARTMENT ON AGING — FY 2014-2015

Sec. 131. DEPARTMENT ON AGING. There is appropriated from the general fund of the state to the department on aging for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For aging programs for the department on aging and area agencies on aging to provide citizens of Iowa who are 60 years of age and older with case management for frail elders, Iowa's aging and disabilities resource center, and other services which may include but are not limited to adult day services, respite care, chore services, information and assistance, and material aid, for information and options counseling for persons with disabilities who are 18 years of age or older, and for salaries, support, administration, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 5,300,190

..... FTEs 28.00

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

2. Of the funds appropriated in this section, $139,973 is transferred to the economic development authority for the Iowa commission on volunteer services to be used for the retired and senior volunteer program.

3. a. The department on aging shall establish and enforce procedures relating to expenditure of state and federal funds

by area agencies on aging that require compliance with both state and federal laws, rules, and regulations, including but not limited to all of the following:

(1) Requiring that expenditures are incurred only for goods or services received or performed prior to the end of the fiscal period designated for use of the funds.

(2) Prohibiting prepayment for goods or services not received or performed prior to the end of the fiscal period designated for use of the funds.

(3) Prohibiting the prepayment for goods or services not defined specifically by good or service, time period, or recipient.

(4) Prohibiting the establishment of accounts from which future goods or services which are not defined specifically by good or service, time period, or recipient, may be purchased.

b. The procedures shall provide that if any funds are expended in a manner that is not in compliance with the procedures and applicable federal and state laws, rules, and regulations, and are subsequently subject to repayment, the area agency on aging expending such funds in contravention of such procedures, laws, rules and regulations, not the state, shall be liable for such repayment.

4. Of the funds appropriated in this section, $125,000 shall be used to fund services to meet the unmet needs of older individuals as identified in the annual compilation of unmet service units by the area agencies on aging.

5. Of the funds appropriated in this section, $300,000 shall be used to fund home and community-based services through the area agencies on aging that enable older individuals to avoid more costly utilization of residential or institutional services and remain in their own homes.

6. Of the funds appropriated in this subsection, $10,000 shall be used for implementation of a guardianship and conservatorship monitoring and assistance pilot project as

specified in this Act.

DIVISION XXVIII

OFFICE OF LONG-TERM CARE RESIDENT'S ADVOCATE — FY 2014-2015

Sec. 132. OFFICE OF LONG-TERM CARE RESIDENT'S ADVOCATE. There is appropriated from the general fund of the state to the office of long-term care resident's advocate for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 510,854

..... FTEs 13.00

1. Of the funds appropriated in this section, $100,000 shall be used to continue to provide two additional local long-term care resident's advocates to continue moving toward the national recommendation of one full-time equivalent paid staff ombudsman per 2,000 long-term care beds in the state.

2. Of the funds appropriated in this section, $105,000 shall be used to provide two local long-term care resident's advocates to administer the certified volunteer long-term care resident's advocates program pursuant to section 231.45, including operational certification and training costs.

DIVISION XXIX

DEPARTMENT OF PUBLIC HEALTH — FY 2014-2015

Sec. 133. DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADDICTIVE DISORDERS

For reducing the prevalence of use of tobacco, alcohol, and

other drugs, and treating individuals affected by addictive behaviors, including gambling, and for not more than the following full-time equivalent positions:

..... $ 13,581,845

..... FTEs 13.00

a. (1) Of the funds appropriated in this subsection, $2,574,181 shall be used for the tobacco use prevention and control initiative, including efforts at the state and local levels, as provided in chapter 142A. The commission on tobacco use prevention and control established pursuant to section 142A.3 shall advise the director of public health in prioritizing funding needs and the allocation of moneys appropriated for the programs and activities of the initiative under this subparagraph (1) and shall make recommendations to the director in the development of budget requests relating to the initiative.

(2) Of the funds allocated in this paragraph "a", $37,500 shall be used to develop a social media structure to engage youth and prevent youth initiation of tobacco use. Of the amount allocated in this subparagraph (2), $12,500 shall be used for a youth summit.

(3) Of the funds allocated in this paragraph "a", $100,000 shall be used to increase the efficacy of local tobacco control efforts by community partnerships, including through professional development, regional trainings and round table planning efforts, and a training opportunity involving all community partnerships.

(4) Of the funds allocated in this paragraph "a", $600,000 shall be used to promote smoking cessation and to reduce the number of tobacco users in the state by offering nicotine replacement therapy to uninsured and underinsured Iowans.

(5) (a) Of the funds allocated in this paragraph "a", $226,534 is transferred to the alcoholic beverages division of the department of commerce for enforcement of tobacco laws,

regulations, and ordinances and to engage in tobacco control activities approved by the division of tobacco use prevention and control as specified in the memorandum of understanding entered into between the divisions.

(b) For the fiscal year beginning July 1, 2014, and ending June 30, 2015, the terms of the memorandum of understanding, entered into between the division of tobacco use prevention and control of the 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.

b. Of the funds appropriated in this subsection, $11,007,665 shall be used for problem gambling and substance-related disorder prevention, treatment, and recovery services, including a 24-hour helpline, public information resources, professional training, and program evaluation.

(1) Of the funds allocated in this paragraph "b", $9,451,858 shall be used for substance-related disorder prevention and treatment.

(a) Of the funds allocated in this subparagraph (1), $449,650 shall be used for the public purpose of a grant program to provide substance-related disorder prevention programming for children.

(i) Of the funds allocated in this subparagraph division (a), $213,770 shall be used for grant funding for organizations that provide programming for children by utilizing mentors. Programs approved for such grants shall be certified or will be certified within six months of receiving the grant award by the Iowa commission on volunteer services as utilizing the standards for effective practice for mentoring programs.

(ii) Of the funds allocated in this subparagraph division (a), $213,420 shall be used for grant funding for organizations that provide programming that includes youth development and leadership. The programs shall also be recognized as being programs that are scientifically based with evidence of their effectiveness in reducing substance-related disorders in children.

(iii) The department of public health shall utilize a request for proposals process to implement the grant program.

(iv) All grant recipients shall participate in a program evaluation as a requirement for receiving grant funds.

(v) Of the funds allocated in this subparagraph division (a), up to $22,461 may be used to administer substance-related disorder prevention grants and for program evaluations.

(b) Of the funds allocated in this subparagraph (1), $136,302 shall be used for culturally competent substance-related disorder treatment pilot projects.

(i) The department shall utilize the amount allocated in this subparagraph division (b) for at least three pilot projects to provide culturally competent substance-related disorder treatment in various areas of the state. Each pilot project shall target a particular ethnic minority population. The populations targeted shall include but are not limited to African American, Asian, and Latino.

(ii) The pilot project requirements shall provide for documentation or other means to ensure access to the cultural competence approach used by a pilot project so that such approach can be replicated and improved upon in successor programs.

(2) Of the funds allocated in this paragraph "b", up to $1,555,807 may be used for problem gambling prevention, treatment, and recovery services.

(a) Of the funds allocated in this subparagraph (2), $1,286,881 shall be used for problem gambling prevention and

treatment.

(b) Of the funds allocated in this subparagraph (2), up to $218,926 may be used for a 24-hour helpline, public information resources, professional training, and program evaluation.

(c) Of the funds allocated in this subparagraph (2), up to $50,000 may be used for the licensing of problem gambling treatment programs.

(3) It is the intent of the general assembly that from the moneys allocated in this paragraph "b", persons with a dual diagnosis of substance-related disorder and gambling addiction shall be given priority in treatment services.

c. Notwithstanding any provision of law to the contrary, to standardize the availability, delivery, cost of delivery, and accountability of problem gambling and substance-related disorder treatment services statewide, the department shall continue implementation of a process to create a system for delivery of treatment services in accordance with the requirements specified in 2008 Iowa Acts, chapter 1187, section 3, subsection 4. To ensure the system provides a continuum of treatment services that best meets the needs of Iowans, the problem gambling and substance-related disorder treatment services in any area may be provided either by a single agency or by separate agencies submitting a joint proposal.

(1) The system for delivery of substance-related disorder and problem gambling treatment shall include problem gambling prevention.

(2) The system for delivery of substance-related disorder and problem gambling treatment shall include substance-related disorder prevention by July 1, 2015.

(3) Of the funds allocated in paragraph "b", the department may use up to $50,000 for administrative costs to continue developing and implementing the process in accordance with this paragraph "c".

d. The requirement of section 123.53, subsection 5, is met

by the appropriations and allocations made in this Act for purposes of substance-related disorder treatment and addictive disorders for the fiscal year beginning July 1, 2014.

e. The department of public health shall work with all other departments that fund substance-related disorder prevention and treatment services and all such departments shall, to the extent necessary, collectively meet the state maintenance of effort requirements for expenditures for substance-related disorder services as required under the federal substance-related disorder prevention and treatment block grant.

2. HEALTHY CHILDREN AND FAMILIES

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

..... $ 1,826,780
..... FTEs 14.00

a. Of the funds appropriated in this subsection, not more than $367,421 shall be used for the healthy opportunities for parents to experience success (HOPES)-healthy families Iowa (HFI) program established pursuant to section 135.106. The funding shall be distributed to renew the grants that were provided to the grantees that operated the program during the fiscal year ending June 30, 2014.

b. In order to implement the legislative intent stated in sections 135.106 and 256I.9, that priority for home visitation program funding be given to programs using evidence-based or promising models for home visitation, it is the intent of the general assembly to phase in the funding priority in accordance with 2012 Iowa Acts, chapter 1133, section 2, subsection 2, paragraph 0b.

c. Of the funds appropriated in this subsection, $663,944 shall be used to continue the department's initiative to

provide for adequate developmental surveillance and screening during a child's first five years statewide. The funds shall be used first to fully fund the current sites to ensure that the sites are fully operational, with the remaining funds to be used for expansion to additional sites. The full implementation and expansion shall include enhancing the scope of the program through collaboration with the child health specialty clinics to promote healthy child development through early identification and response to both biomedical and social determinants of healthy development; by developing child health metrics to inform practice, document long-term health impacts and savings, and provide for continuous improvement through training, education, and evaluation; and by providing for practitioner consultation particularly for children with behavioral conditions and needs. The department of public health shall also collaborate with the Iowa Medicaid enterprise and the child health specialty clinics to integrate the activities of the first five initiative into the establishment of patient-centered medical homes, community utilities, accountable care organizations, and other integrated care models developed to improve health quality and population health while reducing health care costs. To the maximum extent possible, funding allocated in this paragraph shall be utilized as matching funds for medical assistance program reimbursement.

d. Of the funds appropriated in this subsection, $15,799 shall be distributed to a statewide dental carrier to provide funds to continue the donated dental services program patterned after the projects developed by the lifeline network to provide dental services to indigent elderly and disabled individuals.

e. Of the funds appropriated in this subsection, $55,998 shall be used for childhood obesity prevention.

f. Of the funds appropriated in this subsection, $81,384 shall be used to provide audiological services and hearing aids for children. The department may enter into a contract

to administer this paragraph.

g. Of the funds appropriated in this subsection, $12,500 is transferred to the university of Iowa college of dentistry for provision of primary dental services to children. State funds shall be matched on a dollar-for-dollar basis. The university of Iowa college of dentistry shall coordinate efforts with the department of public health, bureau of oral and health delivery systems, to provide dental care to underserved populations throughout the state.

h. Of the funds appropriated in this subsection, $25,000 shall be used to address youth suicide prevention.

3. CHRONIC CONDITIONS

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

..... $ 2,540,346

..... FTEs 6.00

a. Of the funds appropriated in this subsection, $79,966 shall be used for grants to individual patients who have phenylketonuria (PKU) to assist with the costs of necessary special foods.

b. Of the funds appropriated in this subsection, $445,822 shall be used for the brain injury services program pursuant to section 135.22B, including for continuation of the contracts for resource facilitator services in accordance with section 135.22B, subsection 9, and to enhance brain injury training and recruitment of service providers on a statewide basis. Of the amount allocated in this paragraph, $47,500 shall be used to fund one full-time equivalent position to serve as the state brain injury service program manager.

c. Of the funds appropriated in this subsection, $273,991 shall be used as additional funding to leverage federal funding through the federal Ryan White Care Act, Tit. II, AIDS drug assistance program supplemental drug treatment grants.

d. Of the funds appropriated in this subsection, $49,912 shall be used for the public purpose of continuing to contract with an existing national-affiliated organization to provide education, client-centered programs, and client and family support for people living with epilepsy and their families.

e. Of the funds appropriated in this subsection, $392,557 shall be used for child health specialty clinics.

f. Of the funds appropriated in this subsection, $200,000 shall be used by the regional autism assistance program established pursuant to section 256.35, and administered by the child health specialty clinic located at the university of Iowa hospitals and clinics. The funds shall be used to enhance interagency collaboration and coordination of educational, medical, and other human services for persons with autism, their families, and providers of services, including delivering regionalized services of care coordination, family navigation, and integration of services through the statewide system of regional child health specialty clinics and fulfilling other requirements as specified in chapter 225D, creating the autism support program, as enacted in this Act. The university of Iowa shall not receive funds allocated under this paragraph for indirect costs associated with the regional autism assistance program.

g. Of the funds appropriated in this subsection, $285,497 shall be used for the comprehensive cancer control program to reduce the burden of cancer in Iowa through prevention, early detection, effective treatment, and ensuring quality of life. Of the funds allocated in this lettered paragraph, $75,000 shall be used to support a melanoma research symposium, a melanoma biorepository and registry, basic and translational melanoma research, and clinical trials.

h. Of the funds appropriated in this subsection, $63,225 shall be used for cervical and colon cancer screening, and $250,000 shall be used to enhance the capacity of the cervical

cancer screening program to include provision of recommended prevention and early detection measures to a broader range of low-income women.

i. Of the funds appropriated in this subsection, $263,348 shall be used for the center for congenital and inherited disorders.

j. Of the funds appropriated in this subsection, $64,706 shall be used for the prescription drug donation repository program created in chapter 135M.

k. Of the funds appropriated in this subsection, $107,632 shall be used for the costs of the medical home system advisory council established pursuant to section 135.159 including incorporation of the development and implementation of the prevention and chronic care management state initiative.

4. COMMUNITY CAPACITY

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

..... $ 4,281,309
..... FTEs 18.25

a. Of the funds appropriated in this subsection, $49,707 is allocated for continuation of the child vision screening program implemented through the university of Iowa hospitals and clinics in collaboration with early childhood Iowa areas. The program shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "a". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of services provided to the individuals served; the distribution of funds based on service provided; and the continuing needs of the program.

b. Of the funds appropriated in this subsection, $55,328 is allocated for continuation of an initiative implemented at the university of Iowa and $49,952 is allocated for continuation of an initiative at the state mental health institute at Cherokee to expand and improve the workforce engaged in mental health treatment and services. The initiatives shall receive input from the university of Iowa, the department of human services, the department of public health, and the mental health and disability services commission to address the focus of the initiatives.

c. Of the funds appropriated in this subsection, $582,314 shall be used for essential public health services that promote healthy aging throughout the lifespan, contracted through a formula for local boards of health, to enhance health promotion and disease prevention services.

d. Of the funds appropriated in this section, $49,643 shall be deposited in the governmental public health system fund created in section 135A.8 to be used for the purposes of the fund.

e. Of the funds appropriated in this subsection, $52,724 shall be used to continue to address the shortage of mental health professionals in the state.

f. Of the funds appropriated in this subsection, $25,000 shall be used for a grant to a statewide association of psychologists that is affiliated with the American psychological association to be used for continuation of a program to rotate intern psychologists in placements in urban and rural mental health professional shortage areas, as defined in section 135.180.

g. Of the funds appropriated in this subsection, the following amounts shall be allocated to the Iowa collaborative safety net provider network established pursuant to section 135.153 to be used for the purposes designated. The following amounts allocated under this lettered paragraph shall be

distributed to the specified provider and shall not be reduced for administrative or other costs prior to distribution:

(1) For distribution to the Iowa primary care association for statewide coordination of the Iowa collaborative safety net provider network:

..... $ 72,893

(2) For distribution to the Iowa primary care association to be used to continue a training program for sexual assault response team (SART) members, including representatives of law enforcement, victim advocates, prosecutors, and certified medical personnel:

..... $ 25,000

(3) For distribution to federally qualified health centers for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care:

..... $ 37,500

(4) For distribution to the local boards of health that provide direct services for pilot programs in three counties to assist patients in securing a medical home inclusive of oral health care:

..... $ 38,577

(5) For distribution to maternal and child health centers for pilot programs in three service areas to assist patients in securing a medical home inclusive of oral health care:

..... $ 47,563

(6) For distribution to free clinics for necessary infrastructure, statewide coordination, provider recruitment, service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care:

..... $ 174,161

(7) For distribution to rural health clinics for necessary infrastructure, statewide coordination, provider recruitment,

service delivery, and provision of assistance to patients in securing a medical home inclusive of oral health care:
..... $ 70,772

(8) For continuation of the safety net provider patient access to a specialty health care initiative as described in 2007 Iowa Acts, chapter 218, section 109:
..... $ 189,237

(9) For continuation of the pharmaceutical infrastructure for safety net providers as described in 2007 Iowa Acts, chapter 218, section 108:
..... $ 206,708

The Iowa collaborative safety net provider network may continue to distribute funds allocated pursuant to this lettered paragraph through existing contracts or renewal of existing contracts.

The Iowa collaborative safety net provider network may continue to distribute funds allocated pursuant to this lettered paragraph through existing contracts or renewal of existing contracts.

h. Of the funds appropriated in this subsection, $87,950 shall be used for continuation of the work of the direct care worker advisory council established pursuant to 2008 Iowa Acts, chapter 1188, section 69, in implementing the recommendations in the final report submitted by the advisory council to the governor and the general assembly in March 2012.

i. (1) Of the funds appropriated in this subsection, $89,438 shall be used for allocation to an independent statewide direct care worker organization under continuation of the contract in effect during the fiscal year ending June 30, 2013, with terms determined by the director of public health relating to education, outreach, leadership development, mentoring, and other initiatives intended to enhance the recruitment and retention of direct care workers in health care and long-term care settings.

(2) Of the funds appropriated in this subsection, $37,500 shall be used to provide scholarships or other forms of subsidization for direct care worker educational conferences, training, or outreach activities.

j. Of the funds appropriated in this subsection, the department may use up to $29,088 for up to one full-time equivalent position to administer the volunteer health care provider program pursuant to section 135.24.

k. Of the funds appropriated in this subsection, $24,854 shall be used for a matching dental education loan repayment program to be allocated to a dental nonprofit health service corporation to develop the criteria and implement the loan repayment program.

l. Of the funds appropriated in this subsection, $52,912 is transferred to the college student aid commission for deposit in the rural Iowa primary care trust fund created in section 261.113 to be used for the purposes of the fund.

m. Of the funds appropriated in this subsection, $75,000 shall be used for the purposes of the Iowa donor registry as specified in section 142C.18.

n. Of the funds appropriated in this subsection, $50,000 shall be used for continuation of a grant to a nationally affiliated volunteer eye organization that has an established program for children and adults and that is solely dedicated to preserving sight and preventing blindness through education, nationally certified vision screening and training, and community and patient service programs. The organization shall submit a report to the individuals identified in this Act for submission of reports regarding the use of funds allocated under this paragraph "n". The report shall include the objectives and results for the program year including the target population and how the funds allocated assisted the program in meeting the objectives; the number, age, and location within the state of individuals served; the type of

services provided to the individuals served; the distribution of funds based on services provided; and the continuing needs of the program.

o. Of the funds appropriated in this subsection, $12,500 shall be used for the establishment of a wellness council under the direction of the director of public health to increase support for wellness activities in the state.

p. Of the funds appropriated in this section, $579,075 is allocated to the Iowa collaborative safety net provider network established pursuant to section 135.153 to be used for the development and implementation of a statewide regionally based network to provide an integrated approach to health care delivery through care coordination that supports primary care providers and links patients with community resources necessary to empower patients in addressing biomedical and social determinants of health to improve health outcomes. The Iowa collaborative safety net provider network shall work in conjunction with the department of human services to align the integrated network with the health care delivery system model developed under the state innovation models initiative grant. The Iowa collaborative safety net provider network shall submit a progress report to the individuals designated in this Act for submission of reports by December 31, 2014, including progress in developing and implementing the network, how the funds were distributed and used in developing and implementing the network, and the remaining needs in developing and implementing the network.

q. Of the funds appropriated in this subsection, $1,000,000 shall be deposited in the medical residency training account created in section 135.175, subsection 5, paragraph a, and is appropriated from the account to the department of public health to be used for the purposes of the medical residency training state matching grants program as specified in section 135.176.

r. Of the funds appropriated in this section, $25,000 shall be distributed to a statewide nonprofit organization to be used for the public purpose of supporting a partnership between medical providers and parents through community health centers to promote reading and encourage literacy skills so children enter school prepared for success in reading.

5. HEALTHY AGING

To provide public health services that reduce risks and invest in promoting and protecting good health over the course of a lifetime with a priority given to older Iowans and vulnerable populations:

..... $ 3,648,571

6. ENVIRONMENTAL HAZARDS

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

..... $ 401,935

..... FTEs 4.00

Of the funds appropriated in this subsection, $268,875 shall be used for childhood lead poisoning provisions.

7. INFECTIOUS DISEASES

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

..... $ 667,578

..... FTEs 4.00

8. PUBLIC PROTECTION

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

..... $ 1,639,386

..... FTEs 131.00

a. Of the funds appropriated in this subsection, not more than $227,350 shall be credited to the emergency medical

services fund created in section 135.25. Moneys in the emergency medical services fund are appropriated to the department to be used for the purposes of the fund.

b. Of the funds appropriated in this subsection, $101,516 shall be used for sexual violence prevention programming through a statewide organization representing programs serving victims of sexual violence through the department's sexual violence prevention program. The amount allocated in this lettered paragraph shall not be used to supplant funding administered for other sexual violence prevention or victims assistance programs.

c. Of the funds appropriated in this subsection, $299,376 shall be used for the state poison control center.

9. RESOURCE MANAGEMENT

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

..... $ 402,027

..... FTEs 5.00

The university of Iowa hospitals and clinics under the control of the state board of regents shall not receive indirect costs from the funds appropriated in this section. The university of Iowa hospitals and clinics billings to the department shall be on at least a quarterly basis.

DIVISION XXX

DEPARTMENT OF VETERANS AFFAIRS — FY 2014-2015

Sec. 134. DEPARTMENT OF VETERANS AFFAIRS. There is appropriated from the general fund of the state to the department of veterans affairs for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION

For salaries, support, maintenance, and miscellaneous

purposes, and for not more than the following full-time equivalent positions:

..... $ 546,754

..... FTEs 13.00

2. IOWA VETERANS HOME

For salaries, support, maintenance, and miscellaneous purposes:

..... $ 3,762,857

a. The Iowa veterans home billings involving the department of human services shall be submitted to the department on at least a monthly basis.

b. If there is a change in the employer of employees providing services at the Iowa veterans home under a collective bargaining agreement, such employees and the agreement shall be continued by the successor employer as though there had not been a change in employer.

c. Within available resources and in conformance with associated state and federal program eligibility requirements, the Iowa veterans home may implement measures to provide financial assistance to or on behalf of veterans or their spouses who are participating in the community reentry program.

d. The Iowa veterans home expenditure report shall be submitted monthly to the legislative services agency.

3. HOME OWNERSHIP ASSISTANCE PROGRAM

For transfer to the Iowa finance authority for the continuation of the home ownership assistance program for persons who are or were eligible members of the armed forces of the United States, pursuant to section 16.54:

..... $ 800,000

Sec. 135. LIMITATION OF COUNTY COMMISSIONS OF VETERAN AFFAIRS FUND STANDING APPROPRIATIONS. Notwithstanding the standing appropriation in the following designated section for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the amounts appropriated from the general fund of the

state pursuant to that section for the following designated purposes shall not exceed the following amount:

For the county commissions of veteran affairs fund under section 35A.16:

..... $ 495,000

DIVISION XXXI

DEPARTMENT OF HUMAN SERVICES — FY 2014-2015

Sec. 136. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, from moneys received under the federal temporary assistance for needy families (TANF) block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 9,058,474

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

..... $ 5,933,220

3. To be used for the family development and self-sufficiency grant program in accordance with section 216A.107:

..... $ 1,449,490

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of

the succeeding fiscal year. However, unless such moneys are encumbered or obligated on or before September 30, 2015, the moneys shall revert.

4. For field operations:

..... $ 15,648,116

5. For general administration:

..... $ 1,872,000

6. For state child care assistance:

..... $ 12,866,344

The funds appropriated in this subsection are transferred to the child care and development block grant appropriation made by the Eighty-fifth General Assembly, 2013 Session, for the federal fiscal year beginning October 1, 2014, and ending September 30, 2015. Of this amount, $100,000 shall be used for provision of educational opportunities to registered child care home providers in order to improve services and programs offered by this category of providers and to increase the number of providers. The department may contract with institutions of higher education or child care resource and referral centers to provide the educational opportunities. Allowable administrative costs under the contracts shall not exceed 5 percent. The application for a grant shall not exceed two pages in length.

7. For distribution to counties and regions through the property tax relief fund for mental health and disability services as provided in an appropriation made for this purpose:

..... $ 2,447,026

8. For child and family services:

..... $ 16,042,215

9. For child abuse prevention grants:

..... $ 62,500

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

..... $ 965,034

Pregnancy prevention grants shall be awarded to programs in existence on or before July 1, 2014, if the programs have demonstrated positive outcomes. Grants shall be awarded to pregnancy prevention programs which are developed after July 1, 2014, if the programs are based on existing models that have demonstrated positive outcomes. Grants shall comply with the requirements provided in 1997 Iowa Acts, chapter 208, section 14, subsections 1 and 2, including the requirement that grant programs must emphasize sexual abstinence. Priority in the awarding of grants shall be given to programs that serve areas of the state which demonstrate the highest percentage of unplanned pregnancies of females of childbearing age within the geographic area to be served by the grant.

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

..... $ 518,593

The department shall transfer TANF block grant funding appropriated and allocated in this subsection to the child care and development block grant appropriation in accordance with federal law as necessary to comply with the provisions of this subsection.

12. For the family investment program share of the costs to continue to develop and maintain a new, integrated eligibility determination system:

..... $ 2,525,226

13. a. Notwithstanding any provision to the contrary, including but not limited to requirements in section 8.41 or provisions in 2013 or 2014 Iowa Acts regarding the receipt and appropriation of federal block grants, federal funds from the temporary assistance for needy families block grant received by the state not otherwise appropriated in this section and remaining available for the fiscal year beginning July 1, 2014, are appropriated to the department of human services to the

extent as may be necessary to be used in the following priority order: the family investment program, for state child care assistance program payments for individuals enrolled in the family investment program who are employed, and for the family investment program share of costs to develop and maintain a new, integrated eligibility determination system. The federal funds appropriated in this paragraph "a" shall be expended only after all other funds appropriated in subsection 1 for the assistance under the family investment program, in subsection 6 for child care assistance, or in subsection 12 for the family investment program share of the costs to continue to develop and maintain a new, integrated eligibility determination system, as applicable, have been expended.

b. The department shall, on a quarterly basis, advise the legislative services agency and department of management of the amount of funds appropriated in this subsection that was expended in the prior quarter.

14. Of the amounts appropriated in this section, $6,481,004 for the fiscal year beginning July 1, 2014, is transferred to the appropriation of the federal social services block grant made to the department of human services for that fiscal year.

15. For continuation of the program providing categorical eligibility for the food assistance program as specified for the program in the section of this division relating to the family investment program account:

..... $ 12,500

16. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for the same fiscal year for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the same fiscal year for the family investment program from the general fund of the state.

Sec. 137. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program (FIP) account for the fiscal year beginning July 1, 2014, and ending June 30, 2015, shall be used to provide assistance in accordance with chapter 239B.

2. The department may use a portion of the moneys credited to the FIP account under this section as necessary for salaries, support, maintenance, and miscellaneous purposes.

3. The department may transfer funds allocated in this section to the appropriations made in this division of this Act for the same fiscal year for general administration and field operations for resources necessary to implement and operate the services referred to in this section and those funded in the appropriation made in this division of this Act for the same fiscal year for the family investment program from the general fund of the state.

4. Moneys appropriated in this division of this Act and credited to the FIP account for the fiscal year beginning July 1, 2014, and ending June 30, 2015, are allocated as follows:

a. To be retained by the department of human services to be used for coordinating with the department of human rights to more effectively serve participants in FIP and other shared clients and to meet federal reporting requirements under the federal temporary assistance for needy families block grant:
..... $ 10,000

b. To the department of human rights for staffing, administration, and implementation of the family development and self-sufficiency grant program in accordance with section 216A.107:
..... $ 3,021,417

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

(2) The department of human rights may continue to implement the family development and self-sufficiency grant program statewide during fiscal year 2014-2015.

c. For the diversion subaccount of the FIP account:
..... $ 849,200

A portion of the moneys allocated for the subaccount may be used for field operations, salaries, data management system development, and implementation costs and support deemed necessary by the director of human services in order to administer the FIP diversion program. To the extent moneys allocated in this lettered paragraph are not deemed by the department to be necessary to support diversion activities, such moneys may be used for other efforts intended to increase engagement by family investment program participants in work, education, or training activities.

d. For the food assistance employment and training program:
..... $ 33,294

(1) The department shall apply the federal supplemental nutrition assistance program (SNAP) employment and training state plan in order to maximize to the fullest extent permitted by federal law the use of the 50 percent federal reimbursement provisions for the claiming of allowable federal reimbursement funds from the United States department of agriculture pursuant to the federal SNAP employment and training program for providing education, employment, and training services for eligible food assistance program participants, including but not limited to related dependent care and transportation expenses.

(2) The department shall continue the categorical federal food assistance program eligibility at 160 percent of the federal poverty level and continue to eliminate the asset test from eligibility requirements, consistent with federal food assistance program requirements. The department shall include as many food assistance households as is allowed by federal

law. The eligibility provisions shall conform to all federal requirements including requirements addressing individuals who are incarcerated or otherwise ineligible.

e. For the JOBS program:

..... $ 9,845,408

5. Of the child support collections assigned under FIP, an amount equal to the federal share of support collections shall be credited to the child support recovery appropriation made in this division of this Act. Of the remainder of the assigned child support collections received by the child support recovery unit, a portion shall be credited to the FIP account, a portion may be used to increase recoveries, and a portion may be used to sustain cash flow in the child support payments account. If as a consequence of the appropriations and allocations made in this section the resulting amounts are insufficient to sustain cash assistance payments and meet federal maintenance of effort requirements, the department shall seek supplemental funding. If child support collections assigned under FIP are greater than estimated or are otherwise determined not to be required for maintenance of effort, the state share of either amount may be transferred to or retained in the child support payment account.

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

Sec. 138. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

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..... $ 24,218,607

1. Of the funds appropriated in this section, $3,912,189 is allocated for the JOBS program.

2. Of the funds appropriated in this section, $1,581,927 is allocated for the family development and self-sufficiency grant program.

3. Notwithstanding section 8.39, for the fiscal year beginning July 1, 2014, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant or to meet cash flow needs resulting from delays in receiving federal funding or to implement, in accordance with this division of this Act, activities currently funded with juvenile court services, county, or community moneys and state moneys used in combination with such moneys, the department of human services may transfer funds within or between any of the appropriations made in this division of this Act and appropriations in law for the federal social services block grant to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

a. For the family investment program.

b. For child care assistance.

c. For child and family services.

d. For field operations.

e. For general administration.

f. For distribution to counties or regions for services to persons with mental illness or an intellectual disability.

This subsection shall not be construed to prohibit the use of existing state transfer authority for other purposes. The department shall report any transfers made pursuant to this subsection to the legislative services agency.

4. Of the funds appropriated in this section, $97,839 shall be used for continuation of a grant to an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit. The purpose of the grant is to supply this assistance to underserved areas of the state.

5. Of the funds appropriated in this section, $20,000 shall be used for the continuation of an unfunded pilot project, as defined in 441 IAC 100.1, relating to parental obligations, in which the child support recovery unit participates, to support the efforts of a nonprofit organization committed to strengthening the community through youth development, healthy living, and social responsibility in a county with a population over 350,000. The funds allocated in this subsection shall be used by the recipient organization to develop a larger community effort, through public and private partnerships, to support a broad-based fatherhood initiative that promotes payment of child support obligations, improved family relationships, and full-time employment.

6. The department may transfer funds appropriated in this section to the appropriations made in this division of this Act for general administration and field operations as necessary to administer this section and the overall family investment program.

Sec. 139. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 7,086,885

..... FTEs 464.00

1. The department shall expend up to $12,165, including federal financial participation, for the fiscal year beginning July 1, 2014, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

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

3. The appropriation made to the department for child support recovery may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for cash flow management purposes the department may temporarily draw more than the amount appropriated, provided the amount appropriated is not exceeded at the close of the fiscal year.

4. With the exception of the funding amount specified, the requirements established under 2001 Iowa Acts, chapter 191, section 3, subsection 5, paragraph "c", subparagraph (3), shall be applicable to parental obligation pilot projects for the fiscal year beginning July 1, 2014, and ending June 30, 2015. Notwithstanding 441 IAC 100.8, providing for termination of rules relating to the pilot projects, the rules shall remain in effect until June 30, 2015.

Sec. 140. HEALTH CARE TRUST FUND — MEDICAL ASSISTANCE — FY 2013-2014. Any funds remaining in the health care trust fund created in section 453A.35A for the fiscal year beginning July 1, 2014, and ending June 30, 2015, are appropriated to the department of human services to supplement the medical assistance program appropriations made in this division of this

Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with program implementation.

Sec. 141. MEDICAID FRAUD FUND — MEDICAL ASSISTANCE — FY 2014-2015. Any funds remaining in the Medicaid fraud fund created in section 249A.7 for the fiscal year beginning July 1, 2014, and ending June 30, 2015, are appropriated to the department of human services to supplement the medical assistance appropriations made in this division of this Act, for medical assistance reimbursement and associated costs, including program administration and costs associated with program implementation.

Sec. 142. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance program reimbursement and associated costs as specifically provided in the reimbursement methodologies in effect on June 30, 2014, except as otherwise expressly authorized by law, consistent with options under federal law and regulations, and contingent upon receipt of approval from the office of the governor of reimbursement for each abortion performed under the program:

..... $ 1,143,810,311

1. a. Iowans support reducing the number of abortions performed in our state. For an abortion covered under the program, except in the case of a medical emergency, as defined in section 135L.1, for any woman, the physician shall certify both of the following:

(1) That the woman has been given the opportunity to view an ultrasound image of the fetus as part of the standard of care before an abortion is performed.

(2) That the woman has been provided information regarding

the options relative to a pregnancy, including continuing the pregnancy to term and retaining parental rights following the child's birth, continuing the pregnancy to term and placing the child for adoption, and terminating the pregnancy.

b. Funds appropriated under this section shall not be used for abortions, unless otherwise authorized under this section.

c. The provisions of this section relating to abortions shall also apply to the Iowa health and wellness plan created pursuant to chapter 249N, as enacted in this Act.

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

3. Of the funds appropriated in this Act to the department of public health for addictive disorders, $950,000 for the fiscal year beginning July 1, 2014, is transferred to the department of human services for an integrated substance-related disorder managed care system. The department shall not assume management of the substance-related disorder system in place of the managed care contractor unless such a change in approach is specifically authorized in law. The departments of human services and public health shall work together to maintain the level of mental health and substance-related disorder treatment services provided by the managed care contractor through the Iowa plan for behavioral health. Each department shall take the steps necessary to continue the federal waivers as necessary to maintain the level of services.

4. a. The department shall aggressively pursue options for providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving

services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to policy provisions.

b. Of the funds appropriated in this section, $100,000 shall be used for participation in one or more pilot projects operated by a private provider to allow the individual or individuals to receive service in the community in accordance with principles established in Olmstead v. L.C., 527 U.S. 581 (1999), for the purpose of providing medical assistance or other assistance to individuals with special needs who become ineligible to continue receiving services under the early and periodic screening, diagnostic, and treatment program under the medical assistance program due to becoming 21 years of age who have been approved for additional assistance through the department's exception to policy provisions, but who have health care needs in excess of the funding available through the exception to the policy provisions.

5. Of the funds appropriated in this section, up to $3,050,082 may be transferred to the field operations or general administration appropriations in this division of this Act for operational costs associated with Part D of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003, Pub. L. No. 108-173.

6. Of the funds appropriated in this section, up to $442,100 may be transferred to the appropriation in this division of this Act for medical contracts to be used for clinical assessment services and prior authorization of services.

7. A portion of the funds appropriated in this section may be transferred to the appropriations in this division of this Act for general administration, medical contracts, the

children's health insurance program, or field operations to be used for the state match cost to comply with the payment error rate measurement (PERM) program for both the medical assistance and children's health insurance programs as developed by the centers for Medicare and Medicaid services of the United States department of health and human services to comply with the federal Improper Payments Information Act of 2002, Pub. L. No. 107-300.

8. It is the intent of the general assembly that the department continue to implement the recommendations of the assuring better child health and development initiative II (ABCDII) clinical panel to the Iowa early and periodic screening, diagnostic, and treatment services healthy mental development collaborative board regarding changes to billing procedures, codes, and eligible service providers.

9. Of the funds appropriated in this section, a sufficient amount is allocated to supplement the incomes of residents of nursing facilities, intermediate care facilities for persons with mental illness, and intermediate care facilities for persons with an intellectual disability, with incomes of less than $50 in the amount necessary for the residents to receive a personal needs allowance of $50 per month pursuant to section 249A.30A.

10. Of the funds appropriated in this section, the following amounts are transferred to the appropriations made in this division of this Act for the state mental health institutes:

a. Cherokee mental health institute..... $ 9,098,425

b. Clarinda mental health institute..... $ 1,977,305

c. Independence mental health institute..... $ 9,045,894

d. Mount Pleasant mental health institute..... $ 5,752,587

11. a. Of the funds appropriated in this section, $7,969,074 is allocated for the state match for a disproportionate share hospital payment of $19,133,430 to hospitals that meet both of the conditions specified in

subparagraphs (1) and (2). In addition, the hospitals that meet the conditions specified shall either certify public expenditures or transfer to the medical assistance program an amount equal to provide the nonfederal share for a disproportionate share hospital payment of $7,500,000. The hospitals that meet the conditions specified shall receive and retain 100 percent of the total disproportionate share hospital payment of $26,633,430.

(1) The hospital qualifies for disproportionate share and graduate medical education payments.

(2) The hospital is an Iowa state-owned hospital with more than 500 beds and eight or more distinct residency specialty or subspecialty programs recognized by the American college of graduate medical education.

b. Distribution of the disproportionate share payments shall be made on a monthly basis. The total amount of disproportionate share payments including graduate medical education, enhanced disproportionate share, and Iowa state-owned teaching hospital payments shall not exceed the amount of the state's allotment under Pub. L. No. 102-234. In addition, the total amount of all disproportionate share payments shall not exceed the hospital-specific disproportionate share limits under Pub. L. No. 103-66.

12. The university of Iowa hospitals and clinics shall either certify public expenditures or transfer to the appropriations made in this division of this Act for medical assistance an amount equal to provide the nonfederal share for increased medical assistance payments for inpatient and outpatient hospital services of $9,900,000. The university of Iowa hospitals and clinics shall receive and retain 100 percent of the total increase in medical assistance payments.

13. One hundred percent of the nonfederal share of payments to area education agencies that are medical assistance providers for medical assistance-covered services provided to

medical assistance-covered children, shall be made from the appropriation made in this section.

14. Any new or renewed contract entered into by the department with a third party to administer behavioral health services under the medical assistance program shall provide that any interest earned on payments from the state during the state fiscal year shall be remitted to the department and treated as recoveries to offset the costs of the medical assistance program.

15. The department shall continue to implement the provisions in 2007 Iowa Acts, chapter 218, section 124 and section 126, as amended by 2008 Iowa Acts, chapter 1188, section 55, relating to eligibility for certain persons with disabilities under the medical assistance program in accordance with the federal Family Opportunity Act.

16. A portion of the funds appropriated in this section may be transferred to the appropriation in this division of this Act for medical contracts to be used for administrative activities associated with the money follows the person demonstration project.

17. Of the funds appropriated in this section, $349,011 shall be used for the administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes.

18. a. The department shall continue to implement the cost containment strategies for the medical assistance program in the fiscal year beginning July 1, 2014, that were recommended by the governor for the fiscal year beginning July 1, 2013, as specified in this Act and may adopt emergency rules for such implementation.

b. The department may increase the amounts allocated for salaries, support, maintenance, and miscellaneous purposes associated with the medical assistance program, as necessary, to implement the cost containment strategies. The department

shall report any such increase to the legislative services agency and the department of management.

c. If the savings to the medical assistance program exceed the cost for the fiscal year beginning July 1, 2014, the department may transfer any savings generated for the fiscal year due to medical assistance program cost containment efforts to the appropriation made in this division of this Act for medical contracts or general administration to defray the increased contract costs associated with implementing such efforts.

d. The department shall report the implementation of any cost containment strategies under this subsection to the individuals specified in this division of this Act for submission of reports on a quarterly basis.

19. a. Of the funds appropriated in this section, $900,000 shall be used to continue implementation of the children's mental health home project proposed by the department of human services and reported to the general assembly's mental health and disability services study committee in December 2011. Of this amount, up to $50,000 may be transferred by the department to the appropriation made in this division of this Act to the department for the same fiscal year for general administration to be used for associated administrative expenses and for not more than one full-time equivalent position, in addition to those authorized for the same fiscal year, to be assigned to implementing the project.

b. Of the funds appropriated in this section, up to $400,000 may be transferred by the department to the appropriation made to the department in this division of this Act for the same fiscal year for general administration to continue to support the redesign of mental health and disability services and the state balancing incentive payments program planning and implementation activities. The funds may be used for contracts or for personnel in addition to the amounts appropriated for

and the positions authorized for general administration for the same fiscal year.

c. Of the funds appropriated in this section, up to $3,000,000 may be transferred by the department to the appropriations made to the department in this division of this Act for the same fiscal year for general administration or medical contracts to be used to continue to support the development and implementation of standardized assessment tools for persons with mental illness, an intellectual disability, a developmental disability, or a brain injury.

d. For the fiscal year beginning July 1, 2014, and ending June 30, 2015, the replacement generation tax revenues required to be deposited in the property tax relief fund pursuant to section 437A.8, subsection 4, paragraph "d", and section 437A.15, subsection 3, paragraph "f", shall instead be credited to and supplement the appropriation made in this section and used for the allocations made in this subsection.

20. The department shall continue to administer the state balancing incentive payments program as specified in 2012 Iowa Acts, chapter 1133, section 14.

21. Of the funds appropriated in this section, $250,000 shall be used for lodging expenses associated with care provided at the university of Iowa hospitals and clinics for patients with cancer whose travel distance is 30 miles or more and whose income is at or below 200 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. The department of human services shall establish the maximum number of overnight stays and the maximum rate reimbursed for overnight lodging, which may be based on the state employee rate established by the department of administrative services. The funds allocated in this subsection shall not be used as nonfederal share matching funds.

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Sec. 143. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... $ 6,145,785

1. The department of inspections and appeals shall provide all state matching funds for survey and certification activities performed by the department of inspections and appeals. The department of human services is solely responsible for distributing the federal matching funds for such activities.

2. Of the funds appropriated in this section, $25,000 shall be used for continuation of home and community-based services waiver quality assurance programs, including the review and streamlining of processes and policies related to oversight and quality management to meet state and federal requirements.

3. Of the amount appropriated in this section, up to $100,000 may be transferred to the appropriation for general administration in this division of this Act to be used for additional full-time equivalent positions in the development of key health initiatives such as cost containment, development and oversight of managed care programs, and development of health strategies targeted toward improved quality and reduced costs in the Medicaid program.

4. Of the funds appropriated in this section, $500,000 shall be used for planning and development, in cooperation with the department of public health, of a phased-in program to provide a dental home for children.

5. Of the funds appropriated in this section, $37,500 shall be used for continued implementation of a uniform cost report.

6. Of the funds appropriated in this section, $1,000,000 shall be used for the autism support program created in chapter

225D, as enacted in this Act.

7. Of the funds appropriated in this section, $49,895 shall be used for continued implementation of an electronic medical records system.

Sec. 144. STATE SUPPLEMENTARY ASSISTANCE.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the state supplementary assistance program:
..... $ 8,256,087

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

3. If during the fiscal year beginning July 1, 2014, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-through requirement specified in Tit. XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this division of this Act to ensure that federal requirements are met. In addition, the department may make other programmatic and rate adjustments necessary to remain within the amount appropriated in this section while ensuring compliance with federal requirements. The department may adopt

emergency rules to implement the provisions of this subsection.

Sec. 145. CHILDREN'S HEALTH INSURANCE PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For maintenance of the healthy and well kids in Iowa (hawk-i) program pursuant to chapter 514I, including supplemental dental services, for receipt of federal financial participation under Tit. XXI of the federal Social Security Act, which creates the children's health insurance program:

..... $ 18,403,051

2. Of the funds appropriated in this section, $70,725 is allocated for continuation of the contract for outreach with the department of public health.

Sec. 146. CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child care programs:

..... $ 31,354,897

1. Of the funds appropriated in this section, $27,377,595 shall be used for state child care assistance in accordance with section 237A.13.

2. Nothing in this section shall be construed or is intended as or shall imply a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the waiting list requirements of section 237A.13. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

3. Of the funds appropriated in this section, $216,227 is

allocated for the statewide program for child care resource and referral services under section 237A.26. A list of the registered and licensed child care facilities operating in the area served by a child care resource and referral service shall be made available to the families receiving state child care assistance in that area.

4. Of the funds appropriated in this section, $468,487 is allocated for child care quality improvement initiatives including but not limited to the voluntary quality rating system in accordance with section 237A.30.

5. Of the funds appropriated in this section, $67,589 shall be used to conduct fingerprint-based national criminal history record checks of home-based child care providers pursuant to section 237A.5, subsection 2, through the United States department of justice, federal bureau of investigation.

6. Of the amount appropriated in this section, up to $12,500 shall be used to continue to implement a searchable internet-based application as part of the consumer information made available under section 237A.25. The application shall provide a listing of the child care providers in this state that have received a rating under the voluntary quality rating system implemented pursuant to section 237A.30 and information on whether a provider specializes in child care for infants, school-age children, children with special needs, or other populations or provides any other specialized services to support family needs.

7. Of the funds appropriated in this section, $3,175,000 shall be credited to the early childhood programs grants account in the early childhood Iowa fund created in section 256I.11. The moneys shall be distributed for funding of community-based early childhood programs targeted to children from birth through five years of age developed by early childhood Iowa areas in accordance with approved community plans as provided in section 256I.8.

8. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child care assistance and related programs. For the purpose of expenditures of state and federal child care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department's service areas. Projections shall be based on current and projected caseload growth, current and projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

9. A portion of the state match for the federal child care and development block grant shall be provided as necessary to meet federal matching funds requirements through the state general fund appropriation made for child development grants and other programs for at-risk children in section 279.51.

10. If a uniform reduction ordered by the governor under section 8.31 or other operation of law, transfer, or federal funding reduction reduces the appropriation made in this section for the fiscal year, the percentage reduction in the amount paid out to or on behalf of the families participating in the state child care assistance program shall be equal to or less than the percentage reduction made for any other purpose payable from the appropriation made in this section and the federal funding relating to it. The percentage reduction to the other allocations made in this section shall be the same as the uniform reduction ordered by the governor or the percentage change of the federal funding reduction, as applicable. If there is an unanticipated increase in federal funding provided for state child care assistance, the entire amount of the increase shall be used for state child care assistance

payments. If the appropriations made for purposes of the state child care assistance program for the fiscal year are determined to be insufficient, it is the intent of the general assembly to appropriate sufficient funding for the fiscal year in order to avoid establishment of waiting list requirements.

11. Notwithstanding section 8.33, moneys advanced for purposes of the programs developed by early childhood Iowa areas, advanced for purposes of wraparound child care, or received from the federal appropriations made for the purposes of this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 147. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 4,429,678

..... FTEs 114.00

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

..... $ 5,628,485

..... FTEs 164.30

Of the funds appropriated in this subsection, $45,575 shall be used for distribution to licensed classroom teachers at this and other institutions under the control of the department of human services based upon the average student yearly enrollment at each institution as determined by the department.

3. A portion of the moneys appropriated in this section shall be used by the state training school and by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 2014.

Sec. 148. CHILD AND FAMILY SERVICES.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... $ 45,641,960

2. Up to $2,600,000 of the amount of federal temporary assistance for needy families block grant funding appropriated in this division of this Act for child and family services shall be made available for purposes of juvenile delinquent graduated sanction services.

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

4. a. Of the funds appropriated in this section, up to $16,121,163 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services. If the department projects that such expenditures for the fiscal year will be less than the target amount allocated in this lettered paragraph, the department may

reallocate the excess to provide additional funding for shelter care or the child welfare emergency services addressed with the allocation for shelter care.

b. If at any time after September 30, 2014, annualization of a service area's current expenditures indicates a service area is at risk of exceeding its group foster care expenditure target under section 232.143 by more than 5 percent, the department and juvenile court services shall examine all group foster care placements in that service area in order to identify those which might be appropriate for termination. In addition, any aftercare services believed to be needed for the children whose placements may be terminated shall be identified. The department and juvenile court services shall initiate action to set dispositional review hearings for the placements identified. In such a dispositional review hearing, the juvenile court shall determine whether needed aftercare services are available and whether termination of the placement is in the best interest of the child and the community.

5. In accordance with the provisions of section 232.188, the department shall continue the child welfare and juvenile justice funding initiative during fiscal year 2014-2015. Of the funds appropriated in this section, $858,877 is allocated specifically for expenditure for fiscal year 2014-2015 through the decategorization service funding pools and governance boards established pursuant to section 232.188.

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

7. Notwithstanding section 234.35 or any other provision of law to the contrary, state funding for shelter care and the child welfare emergency services contracting implemented to provide for or prevent the need for shelter care shall be

limited to $3,808,024.

8. Federal funds received by the state during the fiscal year beginning July 1, 2014, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for services and purposes provided for under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for the purposes designated until the close of the succeeding fiscal year.

9. a. Of the funds appropriated in this section, up to $1,645,000 is allocated for the payment of the expenses of court-ordered services provided to juveniles who are under the supervision of juvenile court services, which expenses are a charge upon the state pursuant to section 232.141, subsection 4. Of the amount allocated in this lettered paragraph, up to $778,144 shall be made available to provide school-based supervision of children adjudicated under chapter 232, of which not more than $7,500 may be used for the purpose of training. A portion of the cost of each school-based liaison officer shall be paid by the school district or other funding source as approved by the chief juvenile court officer.

b. Of the funds appropriated in this section, up to $374,493 is allocated for the payment of the expenses of court-ordered services provided to children who are under the supervision of the department, which expenses are a charge upon the state pursuant to section 232.141, subsection 4.

c. Notwithstanding section 232.141 or any other provision of law to the contrary, the amounts allocated in this subsection shall be distributed to the judicial districts as determined by the state court administrator and to the department's service areas as determined by the administrator

of the department's division of child and family services. The state court administrator and the division administrator shall make the determination of the distribution amounts on or before June 15, 2014.

d. Notwithstanding chapter 232 or any other provision of law to the contrary, a district or juvenile court shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district court or departmental service area distribution amounts to pay for the service. The chief juvenile court officer and the departmental service area manager shall encourage use of the funds allocated in this subsection such that there are sufficient funds to pay for all court-related services during the entire year. The chief juvenile court officers and departmental service area managers shall attempt to anticipate potential surpluses and shortfalls in the distribution amounts and shall cooperatively request the state court administrator or division administrator to transfer funds between the judicial districts' or departmental service areas' distribution amounts as prudent.

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

f. Of the funds allocated in this subsection, not more than $41,500 may be used by the judicial branch for administration of the requirements under this subsection.

g. Of the funds allocated in this subsection, $8,500 shall be used by the department of human services to support the interstate commission for juveniles in accordance with the interstate compact for juveniles as provided in section 232.173.

10. Of the funds appropriated in this section, $4,026,613 is

allocated for juvenile delinquent graduated sanctions services. Any state funds saved as a result of efforts by juvenile court services to earn federal Tit. IV-E match for juvenile court services administration may be used for the juvenile delinquent graduated sanctions services.

11. Of the funds appropriated in this section, $804,143 is transferred to the department of public health to be used for the child protection center grant program in accordance with section 135.118. The grant amounts under the program shall be equalized so that each center receives a uniform amount of at least $122,500.

12. If the department receives federal approval to implement a waiver under Tit. IV-E of the federal Social Security Act to enable providers to serve children who remain in the children's families and communities, for purposes of eligibility under the medical assistance program through 25 years of age, children who participate in the waiver shall be considered to be placed in foster care.

13. Of the funds appropriated in this section, $1,628,490 is allocated for the preparation for adult living program pursuant to section 234.46.

14. Of the funds appropriated in this section, $260,075 shall be used for juvenile drug courts. The amount allocated in this subsection shall be distributed as follows:

To the judicial branch for salaries to assist with the operation of juvenile drug court programs operated in the following jurisdictions:

a. Marshall county:

..... $ 31,354

b. Woodbury county:

..... $ 62,841

c. Polk county:

..... $ 97,946

d. The third judicial district:

..... $ 33,967

e. The eighth judicial district:

..... $ 33,967

15. Of the funds appropriated in this section, $113,669 shall be used for the public purpose of continuing a grant to a nonprofit human services organization providing services to individuals and families in multiple locations in southwest Iowa and Nebraska for support of a project providing immediate, sensitive support and forensic interviews, medical exams, needs assessments, and referrals for victims of child abuse and their nonoffending family members.

16. Of the funds appropriated in this section, $100,295 is allocated for the foster care youth council approach of providing a support network to children placed in foster care.

17. Of the funds appropriated in this section, $101,000 is allocated for use pursuant to section 235A.1 for continuation of the initiative to address child sexual abuse implemented pursuant to 2007 Iowa Acts, chapter 218, section 18, subsection 21.

18. Of the funds appropriated in this section, $315,120 is allocated for the community partnership for child protection sites.

19. Of the funds appropriated in this section, $185,625 is allocated for the department's minority youth and family projects under the redesign of the child welfare system.

20. Of the funds appropriated in this section, $718,298 is allocated for funding of the community circle of care collaboration for children and youth in northeast Iowa.

21. Of the funds appropriated in this section, at least $73,579 shall be used for the child welfare training academy.

22. Of the funds appropriated in this section, $12,500 shall be used for the public purpose of continuation of a grant to a child welfare services provider headquartered in a county with a population between 205,000 and 215,000 in the

latest certified federal census that provides multiple services including but not limited to a psychiatric medical institution for children, shelter, residential treatment, after school programs, school-based programming, and an Asperger's syndrome program, to be used for support services for children with autism spectrum disorder and their families.

23. Of the funds appropriated in this section, $12,500 shall be used for the public purpose of continuing a grant to a hospital-based provider headquartered in a county with a population between 90,000 and 95,000 in the latest certified federal census that provides multiple services including but not limited to diagnostic, therapeutic, and behavioral services to individuals with autism spectrum disorder across the lifespan. The grant recipient shall utilize the funds to continue the pilot project to determine the necessary support services for children with autism spectrum disorder and their families to be included in the children's disabilities services system. The grant recipient shall submit findings and recommendations based upon the results of the pilot project to the individuals specified in this division of this Act for submission of reports by December 31, 2014.

24. Of the funds appropriated in this section, $163,974 shall be used for continuation of the central Iowa system of care program grant through June 30, 2015.

25. Of the funds appropriated in this section, $80,000 shall be used for the public purpose of the continuation of a system of care grant implemented in Cerro Gordo and Linn counties.

26. Of the funds appropriated in this section, at least $12,500 shall be used to continue and to expand the foster care respite pilot program in which postsecondary students in social work and other human services-related programs receive experience by assisting family foster care providers with respite and other support.

Sec. 149. ADOPTION SUBSIDY.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For adoption subsidy payments and services:
..... $ 20,364,641

2. The department may transfer funds appropriated in this section to the appropriation made in this division of this Act for general administration for costs paid from the appropriation relating to adoption subsidy.

3. Federal funds received by the state during the fiscal year beginning July 1, 2014, as the result of the expenditure of state funds during a previous state fiscal year for a service or activity funded under this section are appropriated to the department to be used as additional funding for the services and activities funded under this section. Notwithstanding section 8.33, moneys received in accordance with this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 150. JUVENILE DETENTION HOME FUND. Moneys deposited in the juvenile detention home fund created in section 232.142 during the fiscal year beginning July 1, 2014, and ending June 30, 2015, are appropriated to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, for distribution of an amount equal to a percentage of the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 2013. Moneys appropriated for distribution in accordance with this section shall be allocated among eligible detention homes, prorated on the basis of an eligible detention home's proportion of the costs of all

eligible detention homes in the fiscal year beginning July 1, 2013. The percentage figure shall be determined by the department based on the amount available for distribution for the fund. Notwithstanding section 232.142, subsection 3, the financial aid payable by the state under that provision for the fiscal year beginning July 1, 2014, shall be limited to the amount appropriated for the purposes of this section.

Sec. 151. FAMILY SUPPORT SUBSIDY PROGRAM.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program subject to the enrollment restrictions in section 225C.37, subsection 3:
..... $ 546,478

2. The department shall use at least $241,750 of the moneys appropriated in this section for the family support center component of the comprehensive family support program under section 225C.47. Not more than $12,500 of the amount allocated in this subsection shall be used for administrative costs.

3. If at any time during the fiscal year, the amount of funding available for the family support subsidy program is reduced from the amount initially used to establish the figure for the number of family members for whom a subsidy is to be provided at any one time during the fiscal year, notwithstanding section 225C.38, subsection 2, the department shall revise the figure as necessary to conform to the amount of funding available.

Sec. 152. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... $ 16,811

Sec. 153. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 2,977,232

..... FTEs 169.20

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

..... $ 3,375,934

..... FTEs 86.10

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

..... $ 5,159,389

..... FTEs 233.00

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

..... $ 683,343

..... FTEs 97.92

Sec. 154. STATE RESOURCE CENTERS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year

beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

a. For the state resource center at Glenwood for salaries, support, maintenance, and miscellaneous purposes:
..... $ 10,137,236

b. For the state resource center at Woodward for salaries, support, maintenance, and miscellaneous purposes:
..... $ 7,110,232

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

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

4. If the department's administration and the department of management concur with a finding by a state resource center's superintendent that projected revenues can reasonably be expected to pay the salary and support costs for a new employee position, or that such costs for adding a particular number of new positions for the fiscal year would be less than the overtime costs if new positions would not be added, the superintendent may add the new position or positions. If the vacant positions available to a resource center do not include the position classification desired to be filled, the state resource center's superintendent may reclassify any vacant position as necessary to fill the desired position. The superintendents of the state resource centers may, by mutual agreement, pool vacant positions and position classifications during the course of the fiscal year in order to assist one another in filling necessary positions.

5. If existing capacity limitations are reached in operating units, a waiting list is in effect for a service or

a special need for which a payment source or other funding is available for the service or to address the special need, and facilities for the service or to address the special need can be provided within the available payment source or other funding, the superintendent of a state resource center may authorize opening not more than two units or other facilities and begin implementing the service or addressing the special need during fiscal year 2014-2015.

Sec. 155. SEXUALLY VIOLENT PREDATORS.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... $ 4,708,485

..... FTEs 124.50

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

Sec. 156. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30,

2015, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 33,261,194
..... FTEs 1,837.00

1. As a condition of this appropriation, the department shall make every possible effort to fill the entire number of positions authorized by this section and, unless specifically provided otherwise by an applicable collective bargaining agreement, the department is not subject to any approval requirement external to the department to fill a field operations vacancy within the number of full-time equivalent positions authorized by this section. The department shall report on the first of each month to the chairpersons and ranking members of the appropriations committees of the senate and house of representatives, and the persons designated by this Act for submission of reports concerning the status of filling the positions.

2. Priority in filling full-time equivalent positions shall be given to those positions related to child protection services and eligibility determination for low-income families.

Sec. 157. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... $ 8,152,386
..... FTEs 309.00

1. Of the funds appropriated in this section, $31,772 is

allocated for the prevention of disabilities policy council established in section 225B.3.

2. The department shall report at least monthly to the legislative services agency concerning the department's operational and program expenditures.

3. Of the funds appropriated in this section, $66,150 shall be used to continue the contract for the provision of a program to provide technical assistance, support, and consultation to providers of habilitation services and home and community-based services waiver services for adults with disabilities under the medical assistance program.

4. Of the funds appropriated in this section, $25,000 is transferred to the Iowa finance authority to be used for administrative support of the council on homelessness established in section 16.100A and for the council to fulfill its duties in addressing and reducing homelessness in the state.

5. Of the funds appropriated in this section, $125,000 is transferred to the department of inspections and appeals to be used to implement a new mental health advocate division in the department in accordance with 2013 Iowa Acts, Senate File 406, if enacted.

Sec. 158. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:
..... $ 42,330

Sec. 159. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. (1) For the fiscal year beginning July 1, 2014, the total state funding amount for the nursing facility budget

shall not exceed $268,712,511.

(2) The department, in cooperation with nursing facility representatives, shall review projections for state funding expenditures for reimbursement of nursing facilities on a quarterly basis and the department shall determine if an adjustment to the medical assistance reimbursement rate is necessary in order to provide reimbursement within the state funding amount for the fiscal year. Notwithstanding 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c", and subsection 3, paragraph "a", subparagraph (2), if the state funding expenditures for the nursing facility budget for the fiscal year are projected to exceed the amount specified in subparagraph (1), the department shall adjust the reimbursement for nursing facilities reimbursed under the case-mix reimbursement system to maintain expenditures of the nursing facility budget within the specified amount for the fiscal year.

(3) For the fiscal year beginning July 1, 2014, special population nursing facilities shall be reimbursed in accordance with the methodology in effect on June 30, 2014.

b. (1) For the fiscal year beginning July 1, 2014, the department shall continue the pharmacy dispensing fee reimbursement at $10.12 per prescription. The actual dispensing fee shall be determined by a cost of dispensing survey performed by the department and required to be completed by all medical assistance program participating pharmacies every two years beginning in FY 2014-2015.

(2) The department shall utilize an average acquisition cost reimbursement methodology for all drugs covered under the medical assistance program in accordance with 2012 Iowa Acts, chapter 1133, section 33.

c. (1) For the fiscal year beginning July 1, 2014, reimbursement rates for outpatient hospital services shall remain at the rates in effect on June 30, 2014.

(2) For the fiscal year beginning July 1, 2014, reimbursement rates for inpatient hospital services shall remain at the rates in effect on June 30, 2014.

(3) For the fiscal year beginning July 1, 2014, the graduate medical education and disproportionate share hospital fund shall remain at the amount in effect on June 30, 2014, except that the portion of the fund attributable to graduate medical education shall be reduced in an amount that reflects the elimination of graduate medical education payments made to out-of-state hospitals.

(4) In order to ensure the efficient use of limited state funds in procuring health care services for low-income Iowans, funds appropriated in this Act for hospital services shall not be used for activities which would be excluded from a determination of reasonable costs under the federal Medicare program pursuant to 42 U.S.C. § 1395X(v)(1)(N).

d. For the fiscal year beginning July 1, 2014, reimbursement rates for rural health clinics, hospices, and acute mental hospitals shall be increased in accordance with increases under the federal Medicare program or as supported by their Medicare audited costs.

e. For the fiscal year beginning July 1, 2014, independent laboratories and rehabilitation agencies shall be reimbursed using the same methodology in effect on June 30, 2014.

f. (1) For the fiscal year beginning July 1, 2014, reimbursement rates for home health agencies shall continue to be based on the methodology in effect on June 30, 2014, as adjusted to not exceed the reimbursement for the fiscal year beginning July 1, 2013.

(2) For the fiscal year beginning July 1, 2014, rates for private duty nursing and personal care services under the early and periodic screening, diagnostic, and treatment program benefit shall be calculated based on the methodology in effect on June 30, 2014.

g. For the fiscal year beginning July 1, 2014, federally qualified health centers shall receive cost-based reimbursement for 100 percent of the reasonable costs for the provision of services to recipients of medical assistance.

h. For the fiscal year beginning July 1, 2014, the reimbursement rates for dental services shall remain at the rates in effect on June 30, 2014.

i. (1) For the fiscal year beginning July 1, 2014, state-owned psychiatric medical institutions for children shall receive cost-based reimbursement for 100 percent of the actual and allowable costs for the provision of services to recipients of medical assistance.

(2) For the nonstate-owned psychiatric medical institutions for children, reimbursement rates shall be based on the reimbursement methodology developed by the department as required for federal compliance.

(3) As a condition of participation in the medical assistance program, enrolled providers shall accept the medical assistance reimbursement rate for any covered goods or services provided to recipients of medical assistance who are children under the custody of a psychiatric medical institution for children.

j. For the fiscal year beginning July 1, 2014, unless otherwise specified in this Act, all noninstitutional medical assistance provider reimbursement rates shall remain at the rates in effect on June 30, 2014, except for area education agencies, local education agencies, infant and toddler services providers, home and community-based services providers including consumer-directed attendant care providers under a section 1915(c) or 1915(i) waiver, targeted case management providers, and those providers whose rates are required to be determined pursuant to section 249A.20.

k. Notwithstanding any provision to the contrary, for the fiscal year beginning July 1, 2014, the reimbursement rate for

anesthesiologists shall remain at the rate in effect on June 30, 2014.

l. For the fiscal year beginning July 1, 2014, the average reimbursement rate for health care providers eligible for use of the federal Medicare resource-based relative value scale reimbursement methodology under section 249A.20 shall remain at the rate in effect on June 30, 2014; however, this rate shall not exceed the maximum level authorized by the federal government.

m. For the fiscal year beginning July 1, 2014, the reimbursement rate for residential care facilities shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement. The flat reimbursement rate for facilities electing not to file annual cost reports shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

n. For the fiscal year beginning July 1, 2014, the reimbursement rates for inpatient mental health services provided at hospitals shall remain at the rates in effect on June 30, 2014, subject to Medicaid program upper payment limit rules; community mental health centers and providers of mental health services to county residents pursuant to a waiver approved under section 225C.7, subsection 3, shall be reimbursed at 100 percent of the reasonable costs for the provision of services to recipients of medical assistance; and psychiatrists shall be reimbursed at the medical assistance program fee for service rate.

o. For the fiscal year beginning July 1, 2014, the reimbursement rate for providers of family planning services that are eligible to receive a 90 percent federal match shall remain at the rates in effect on June 30, 2014.

p. For the fiscal year beginning July 1, 2014, the upper

limits on reimbursement rates for providers of home and community-based services waiver services shall be the limits in effect on June 30, 2014.

q. For the fiscal year beginning July 1, 2014, the reimbursement rate for emergency medical service providers shall be the rate in effect on June 30, 2014.

2. For the fiscal year beginning July 1, 2014, the reimbursement rate for providers reimbursed under the in-home-related care program shall not be less than the minimum payment level as established by the federal government to meet the federally mandated maintenance of effort requirement.

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

4. a. For the fiscal year beginning July 1, 2014, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be $16.78, the rate for children ages 6 through 11 years shall be $17.45, the rate for children ages 12 through 15 years shall be $19.10, and the rate for children and young adults ages 16 and older shall be $19.35. For youth ages 18 to 21 who have exited foster care, the preparation for adult living program maintenance rate shall be $602.70 per month. The maximum payment for adoption subsidy nonrecurring expenses shall be limited to $500 and the disallowance of additional amounts for court costs and other related legal expenses implemented pursuant to 2010 Iowa Acts, chapter 1031, section 408 shall be continued.

5. For the fiscal year beginning July 1, 2014, the maximum reimbursement rates under the supervised apartment living program and for social services providers under contract

shall remain at the rates in effect on June 30, 2014, or the provider's actual and allowable cost plus inflation for each service, whichever is less. However, if a new service or service provider is added after June 30, 2014, the initial reimbursement rate for the service or provider shall be based upon a weighted average of provider rates for similar services.

6. For the fiscal year beginning July 1, 2014, the reimbursement rates for family-centered service providers, family foster care service providers, group foster care service providers, and the resource family recruitment and retention contractor shall remain at the rates in effect on June 30, 2014.

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

8. a. For the fiscal year beginning July 1, 2014, the reimbursement rate paid for shelter care and the child welfare emergency services implemented to provide or prevent the need for shelter care shall be established by contract.

b. For the fiscal year beginning July 1, 2014, the combined service and maintenance components of the reimbursement rate paid for shelter care services shall be based on the financial and statistical report submitted to the department. The maximum reimbursement rate shall be $96.98 per day. The department shall reimburse a shelter care provider at the provider's actual and allowable unit cost, plus inflation, not to exceed the maximum reimbursement rate.

c. Notwithstanding section 232.141, subsection 8, for the fiscal year beginning July 1, 2014, the amount of the statewide

average of the actual and allowable rates for reimbursement of juvenile shelter care homes that is utilized for the limitation on recovery of unpaid costs shall remain at the amount in effect for this purpose in the fiscal year beginning July 1, 2013.

9. For the fiscal year beginning July 1, 2013, the department shall calculate reimbursement rates for intermediate care facilities for persons with intellectual disabilities at the 80th percentile. Beginning July 1, 2013, the rate calculation methodology shall utilize the consumer price index inflation factor applicable to the fiscal year beginning July 1, 2013.

10. For the fiscal year beginning July 1, 2014, for child care providers reimbursed under the state child care assistance program, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 2004. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered by applying the increase only to registered and licensed providers.

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

Sec. 160. EMERGENCY RULES.

1. If specifically authorized by a provision of this division of this Act for the fiscal year beginning July 1, 2013, the department of human services or the mental health and disability services commission may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the

administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 7, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

2. If during the fiscal year beginning July 1, 2013, the department of human services is adopting rules in accordance with this section or as otherwise directed or authorized by state law, and the rules will result in an expenditure increase beyond the amount anticipated in the budget process or if the expenditure was not addressed in the budget process for the fiscal year, the department shall notify the persons designated by this division of this Act for submission of reports, the chairpersons and ranking members of the committees on appropriations, and the department of management concerning the rules and the expenditure increase. The notification shall be provided at least 30 calendar days prior to the date notice of the rules is submitted to the administrative rules coordinator and the administrative code editor.

Sec. 161. REPORTS. Any reports or other information required to be compiled and submitted under this Act during the fiscal year beginning July 1, 2013, shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the legislative caucus staffs on or before the dates specified for submission of the reports or information.

DIVISION XXXII

HEALTH CARE ACCOUNTS AND FUNDS — FY 2014-2015

Sec. 162. PHARMACEUTICAL SETTLEMENT ACCOUNT. There is

appropriated from the pharmaceutical settlement account created in section 249A.33 to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding any provision of law to the contrary, to supplement the appropriations made in this Act for medical contracts under the medical assistance program for the fiscal year beginning July 1, 2013, and ending June 30, 2014:
..... $ 3,325,000

Sec. 163. QUALITY ASSURANCE TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the quality assurance trust fund created in section 249L.4 to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance for the same fiscal year:
..... $ 28,788,917

Sec. 164. HOSPITAL HEALTH CARE ACCESS TRUST FUND — DEPARTMENT OF HUMAN SERVICES. Notwithstanding any provision to the contrary and subject to the availability of funds, there is appropriated from the hospital health care access trust fund created in section 249M.4 to the department of human services for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following amounts, or so much thereof as is necessary, for the purposes designated:

To supplement the appropriation made in this Act from the general fund of the state to the department of human services for medical assistance for the same fiscal year:
..... $ 34,700,000

Sec. 165. MEDICAL ASSISTANCE PROGRAM — NONREVERSION FOR FY 2014-2015. Notwithstanding section 8.33, if moneys appropriated for purposes of the medical assistance program for the fiscal year beginning July 1, 2014, and ending June 30, 2015, from the general fund of the state, the quality assurance trust fund and the hospital health care access trust fund, are in excess of actual expenditures for the medical assistance program and remain unencumbered or unobligated at the close of the fiscal year, the excess moneys shall not revert but shall remain available for expenditure for the purposes of the medical assistance program until the close of the succeeding fiscal year.

DIVISION XXXIII

IOWA HEALTH AND WELLNESS PLAN

Sec. 166. NEW SECTION. **249N.1 Title.**

This chapter shall be known and may be cited as the *"Iowa Health and Wellness Plan"*.

Sec. 167. NEW SECTION. **249N.2 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Accountable care organization"* means a risk-bearing, integrated health care organization characterized by a payment and care delivery model that ties provider reimbursement to quality metrics and reductions in the total cost of care for an attributed population of patients.

2. *"Affordable Care Act"* means the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152.

3. *"Covered benefits"* means covered benefits as specified in section 249N.5.

4. *"Department"* means the department of human services.

5. *"Director"* means the director of human services.

6. *"Eligible individual"* means an individual eligible for

medical assistance pursuant to section 249A.3, subsection 1, paragraph *"v"*.

7. *"Essential health benefits"* means essential health benefits as defined in section 1302 of the Affordable Care Act, that include at least the general categories and the items and services covered within the categories of ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.

8. *"Federal approval"* means approval by the centers for Medicare and Medicaid services of the United States department of health and human services.

9. *"Federal poverty level"* means the most recently revised poverty income guidelines published by the United States department of health and human services.

10. *"Household income"* means household income as determined using the modified adjusted gross income methodology pursuant to section 2002 of the Affordable Care Act.

11. *"Iowa health and wellness plan"* or *"plan"* means the Iowa health and wellness plan established under this chapter.

12. *"Iowa health and wellness plan provider"* means any provider enrolled in the medical assistance program or any participating accountable care organization.

13. *"Iowa health and wellness plan provider network"* means the health care delivery network approved by the department for Iowa health and wellness plan members.

14. *"Medical assistance program"* or *"Medicaid"* means the program paying all or part of the costs of care and services provided to an individual pursuant to chapter 249A and Tit. XIX of the federal Social Security Act.

15. *"Medical home"* means medical home as defined in section 135.157.

16. *"Member"* means an eligible individual who is enrolled in the Iowa health and wellness plan.

17. *"Participating accountable care organization"* means an accountable care organization approved by the department to participate in the Iowa health and wellness plan provider network.

18. *"Preventive care services"* means care that is provided to an individual to promote health, prevent disease, or diagnose disease.

19. *"Primary medical provider"* means the personal provider as defined in section 135.157 chosen by a member or to whom a member is assigned under the Iowa health and wellness plan.

20. *"Value-based reimbursement"* means a payment methodology that links provider reimbursement to improved performance by health care providers by holding health care providers accountable for both the cost and quality of care provided.

Sec. 168. NEW SECTION. **249N.3 Purpose — establishment of Iowa health and wellness plan — limitation.**

1. The purpose of this chapter is to establish and provide for the administration of an Iowa health and wellness plan to promote all of the following:

a. Increased access to health care through a patient-centered, integrated health care system.

b. Improved quality health care outcomes.

c. Incentives to encourage personal responsibility, cost-conscious utilization of health care, and adoption of preventive practices and healthy behaviors.

d. Health care cost containment and minimization of administrative costs.

2. The Iowa health and wellness plan is established within the medical assistance program and shall be administered by the department. Except as otherwise specified in this chapter,

provisions applicable to the medical assistance program pursuant to chapter 249A shall be applicable to the Iowa health and wellness plan.

3. The department may contract with a third-party administrator to provide eligibility determination support, and to administer enrollment, member outreach, and other components of the Iowa health and wellness plan.

4. The provisions of this chapter shall not be construed and are not intended to affect the provision of services to medical assistance program recipients existing on January 1, 2014.

5. *a.* If the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. § 1396d(y), is modified through federal law or regulation, in a manner that reduces the percentage of federal assistance to the state in a manner inconsistent with 42 U.S.C. § 1396d(y), or if federal law or regulation affecting eligibility or benefits for the Iowa health and wellness plan is modified, the department may implement an alternative plan as specified in the medical assistance state plan or waiver for coverage of the affected population, subject to prior, statutory approval of implementation of the alternative plan.

b. If the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. § 1396d(y), is modified through federal law or regulation resulting in a reduction of the percentage of federal assistance to the state below ninety percent but not below eighty-five percent, the medical assistance program reimbursement rates for inpatient and outpatient hospital services shall be reduced by a like percentage in the succeeding fiscal year, subject to prior, statutory approval of implementation of the reduction.

Sec. 169. NEW SECTION. **249N.4 Iowa health and wellness plan — eligibility.**

1. Except as otherwise provided in this chapter, an

individual may participate in the Iowa health and wellness plan if the individual meets all of the following criteria:

a. Is an eligible individual.

b. Meets the citizenship or alienage requirements of the medical assistance program, is a resident of Iowa, and provides a social security number upon application for the plan.

c. Fulfills all other conditions of participation in the Iowa health and wellness plan, including member financial participation pursuant to section 249N.7.

2. An individual who has access to affordable employer-sponsored health care coverage, as defined by rule of the department to align with regulations adopted by the federal internal revenue service under the Affordable Care Act, shall not be eligible for participation in the Iowa health and wellness plan.

3. Each applicant for the Iowa health and wellness plan shall provide to the department all insurance information required by the health insurance premium payment program in accordance with rules adopted by the department.

a. The department may elect to pay the cost of premiums for applicants with access to employer-sponsored health care coverage if the department determines such payment to be cost-effective.

b. Eligibility for the Iowa health and wellness plan is a qualifying event under the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

c. If premium payment is provided under this subsection for employer-sponsored health care coverage, the Iowa health and wellness plan shall supplement such coverage as necessary to provide the covered benefits specified under section 249N.5.

4. The department shall implement the Iowa health and wellness plan in a manner that ensures that the Iowa health and wellness plan is the payor of last resort.

5. A member is eligible for coverage effective the first day

of the month following the month of application for enrollment.

6. Following initial enrollment, a member is eligible for covered benefits for twelve months, subject to program termination and other limitations otherwise specified in this chapter. The department shall review the member's eligibility on at least an annual basis.

Sec. 170. NEW SECTION. **249N.5 Iowa health and wellness plan — covered benefits — administration.**

1. Iowa health and wellness plan members shall receive coverage for benefits as specified in section 249A.3, subsection 1, paragraph *"v"*.

2. *a.* For members whose household income is at or below one hundred percent of the federal poverty level, the plan shall be administered by the Iowa Medicaid enterprise consistent with program administration applicable to individuals under section 249A.3, subsection 1.

b. For members whose household income is above one hundred percent but not in excess of one hundred thirty-three percent of the federal poverty level, the plan shall be administered through provision of premium assistance for the purchase of the covered benefits through the American health benefits exchange created pursuant to the Affordable Care Act. The department may pay premiums and supplemental cost-sharing subsidies directly to qualified health plans participating in the American health benefits exchange created pursuant to the Affordable Care Act on behalf of the member.

Sec. 171. NEW SECTION. **249N.6 Iowa health and wellness plan provider network.**

1. The Iowa health and wellness plan provider network shall include all providers enrolled in the medical assistance program and all participating accountable care organizations. Reimbursement under this chapter shall only be made to such Iowa health and wellness plan providers for covered benefits.

2. *a.* Upon enrollment, a member shall choose a primary

medical provider and, to the extent feasible, shall also choose a medical home within the Iowa health and wellness plan provider network.

b. If the member does not choose a primary medical provider or a medical home, the department shall assign the member to a primary medical provider or a medical home in accordance with the Medicaid managed health care, mandatory enrollment provisions specified in rules adopted by the department pursuant to chapter 249A and in accordance with quality data available to the department.

c. The department shall develop a mechanism for primary medical providers, medical homes, and participating accountable care organizations to jointly facilitate member care coordination. The Iowa health and wellness plan shall provide for reimbursement of care coordination services provided under the plan consistent with the reimbursement methodology developed pursuant to section 135.159.

3. *a.* The department shall provide procedures for accountable care organizations that emerge through local markets to participate in the Iowa health and wellness plan provider network. Such accountable care organizations shall incorporate the medical home as defined and specified in chapter 135, division XXII, as a foundation and shall emphasize whole-person orientation and coordination and integration of both clinical services and nonclinical community and social supports that address social determinants of health. A participating accountable care organization shall enter into a contract with the department to ensure the coordination and management of the health of attributed members, to produce quality health care outcomes, and to control overall cost.

b. The department shall establish by rule in accordance with chapter 17A the qualifications, contracting processes, and contract terms for a participating accountable care organization. The rules shall also establish a methodology for

attribution of a member to a participating accountable care organization.

c. A participating accountable care organization contract shall establish accountability based on quality performance and total cost-of-care metrics for the attributed population. In developing quality performance standards the department shall consider those utilized by state accountable care organization models including but not limited to the quality index score and the Medicare shared savings program quality reporting metrics. The payment models shall include but are not limited to risk sharing, including both shared savings and shared costs, between the state and the participating accountable care organization, and bonus payments for improved quality. The contract terms shall require that a participating accountable care organization is subject to shared savings beginning with the initial year of the contract, must have quality metrics in place within three years of the initial year of the contract, and must participate in risk sharing within five years of the initial year of the contract.

4. To the greatest extent possible, members shall have a choice of providers within the Iowa health and wellness plan provider network to facilitate access to locally-based health care providers and services. However, member choice may be limited by the results of attribution under this section and by the participating accountable care organization, with prior approval of the department, if the member's health condition would benefit from limiting the member's choice of an Iowa health and wellness plan provider to ensure coordination of services, or due to overutilization of covered benefits. The participating accountable care organization shall provide thirty days' notice to the member prior to limitation of such choice.

5. *a.* An Iowa health and wellness plan provider shall be reimbursed for covered benefits under the Iowa health and

wellness plan utilizing the same reimbursement methodology as that applicable to individuals eligible for medical assistance under section 249A.3, subsection 1.

b. Notwithstanding paragraph *"a"*, a participating accountable care organization under contract with the department shall be reimbursed utilizing a value-based reimbursement methodology.

6. *a.* Iowa health and wellness plan providers shall exchange member health information as provided by rule to facilitate coordination and management of members' health, quality health care outcomes, and containment of and reduction in costs.

b. The department shall provide the health care claims data of attributed members to a member's participating accountable care organization on a timeframe established by rule of the department.

Sec. 172. NEW SECTION. **249N.7 Member financial participation.**

1. Membership in the Iowa health and wellness plan shall require payment of monthly contributions for members whose household income is at or above fifty percent of the federal poverty level. Members shall be subject to copayment amounts applicable only to nonemergency use of a hospital emergency department. Total member cost-sharing, annually, shall align with the cost-sharing limitations requirements for the American health benefits exchanges under the Affordable Care Act. Contributions and copayment amounts shall be established by rule of the department.

2. Contributions shall be waived for a member during the initial year of membership. If a member completes all required preventive care services and wellness activities as specified by rule of the department during the initial year of membership contributions shall be waived during the subsequent year of membership and each year thereafter until such time as the

member fails to complete required preventive care services and wellness activities specified during the prior annual membership period.

Sec. 173. NEW SECTION. **249N.8 Mental health services reports.**

The department shall submit all of the following to the governor and the general assembly:

1. Biennially, a report of the results of a review, by county and region, of mental health services previously funded through taxes levied by counties pursuant to section 331.424A, that are funded during the reporting period under the Iowa health and wellness plan.

2. Annually, a report of the results of a review of the outcomes and effectiveness of mental health services provided under the Iowa health and wellness plan.

Sec. 174. Section 135.157, subsections 4 and 6, Code 2013, are amended to read as follows:

4. *"Medical home"* means a team approach to providing health care that originates in a primary care setting; fosters a partnership among the patient, the personal provider, and other health care professionals, and where appropriate, the patient's family; utilizes the partnership to access and integrate all medical and nonmedical health-related services across all elements of the health care system and the patient's community as needed by the patient and the patient's family to achieve maximum health potential; maintains a centralized, comprehensive record of all health-related services to promote continuity of care; and has all of the characteristics specified in section 135.158.

6. *"Personal provider"* means the patient's first point of contact in the health care system with a primary care provider who identifies the patient's ~~health~~ health-related needs and, working with a team of health care professionals and providers of medical and nonmedical health-related services, provides

for and coordinates appropriate care to address the ~~health~~ health-related needs identified.

Sec. 175. Section 135.158, subsection 2, paragraphs b, c, and d, Code 2013, are amended to read as follows:

b. A provider-directed team-based medical practice. The personal provider leads a team of individuals at the practice level who collectively take responsibility for the ongoing ~~health care~~ health-related needs of patients.

c. Whole person orientation. The personal provider is responsible for providing for all of a patient's ~~health care~~ health-related needs or taking responsibility for appropriately arranging ~~health care~~ for health-related services provided by other qualified health care professionals and providers of medical and nonmedical health-related services. This responsibility includes ~~health~~ health-related care at all stages of life including provision of preventive care, acute care, chronic care, ~~preventive services~~ long-term care, transitional care between providers and settings, and end-of-life care. This responsibility includes whole-person care consisting of physical health care including but not limited to oral, vision, and other specialty care, pharmacy management, and behavioral health care.

d. Coordination and integration of care. Care is coordinated and integrated across all elements of the complex health care system and the patient's community. Care coordination and integration provides linkages to community and social supports to address social determinants of health, to engage and support patients in managing their own health, and to track the progress of these community and social supports in providing whole-person care. Care is facilitated by registries, information technology, health information exchanges, and other means to assure that patients receive the indicated care when and where they need and want the care in a culturally and linguistically appropriate manner.

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Sec. 176. Section 135.159, subsections 1, 9, and 11, Code 2013, are amended to read as follows:

1. The department shall administer the medical home system. The department shall collaborate with the department of human services in administering medical homes under the medical assistance program. The department shall adopt rules pursuant to chapter 17A necessary to administer the medical home system, and shall collaborate with the department of human services in adopting rules for medical homes under the medical assistance program.

9. The department shall coordinate the requirements and activities of the medical home system with the requirements and activities of ~~the~~ a dental home ~~for children as described in section 249J.14, and~~. The department shall recommend financial incentives for dentists and nondental providers to promote oral health care coordination through preventive dental intervention, early identification of oral disease risk, health care coordination and data tracking, treatment, chronic care management, education and training, parental guidance, and oral health promotions for children. Additionally, the department shall establish requirements for the medical home system to provide linkages to accessible dental homes for adults and older individuals.

11. ~~*Implementation phases.*~~

a. ~~Initial implementation shall require participation in the medical home system of children~~ The department shall collaborate with the department of human services to make medical homes accessible to the greatest extent possible to all of the following no later than January 1, 2015:

(1) Children who are recipients of full benefits under the medical assistance program. ~~The department shall work with the department of human services and shall recommend to the general assembly a reimbursement methodology to compensate providers participating under the medical assistance program~~

~~for participation in the medical home system.~~

~~*b.* The department shall work with the department of human services to expand the medical home system to adults~~

(2) Adults who are recipients of ~~full~~ benefits under the medical assistance program ~~and the expansion population under the IowaCare program. The department shall work with~~ pursuant to section 249A.3, subsection 1.

(3) Medicare and dually eligible Medicare and medical assistance program recipients, to the extent approved by the centers for Medicare and Medicaid services of the United States department of health and human services ~~to allow Medicare recipients to utilize the medical home system~~.

~~*c.*~~ *b.* The department shall work with the department of administrative services to allow state employees to utilize the medical home system.

~~*d.*~~ *c.* The department shall work with insurers and self-insured companies, if requested, to make the medical home system available to individuals with private health care coverage.

d. The department shall assist the department of human services in developing a reimbursement methodology to compensate providers participating under the medical assistance program as a medical home.

e. Any integrated care model implemented on or after July 1, 2013, that delivers health care to medical assistance program recipients shall incorporate medical homes as its foundation. The medical home shall act as the catalyst in any such integrated care model to ensure compliance with the purposes, characteristics, and implementation plan requirements specified in section 135.158 and this section, including an emphasis on whole-person orientation and coordination and integration of both clinical services and nonclinical community and social supports that address social determinants of health.

Sec. 177. Section 249A.3, subsection 1, Code 2013, is

amended by adding the following new paragraph:

NEW PARAGRAPH. *v.* (1) Beginning January 1, 2014, in accordance with section 1902(a)(10)(A)(i)(VIII) of the federal Social Security Act, as codified in 42 U.S.C. § 1396a(a)(10)(A)(i)(VIII), is an individual who is nineteen years of age or older and under sixty-five years of age; is not pregnant; is not entitled to or enrolled for Medicare benefits under part A, or enrolled for Medicare benefits under part B, of Tit. XVIII of the federal Social Security Act; is not otherwise described in section 1902(a)(10)(A)(i) of the federal Social Security Act; is not exempt pursuant to section 1902(k)(3), as codified in 42 U.S.C. § 1396a(k)(3), and whose income as determined under 1902(e)(14) of the federal Social Security Act, as codified in 42 U.S.C. § 1396a(e)(14), does not exceed one hundred thirty-three percent of the poverty line as defined in section 2110(c)(5) of the federal Social Security Act, as codified in 42 U.S.C. § 1397jj(c)(5) for the applicable family size.

(2) Notwithstanding any provision to the contrary, individuals eligible for medical assistance under this paragraph "*v*" shall receive coverage for benefits pursuant to 42 U.S.C. § 1396u-7(b)(1)(B); adjusted as necessary to provide the essential health benefits as required pursuant to section 1302 of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148; adjusted to provide prescription drugs and dental services consistent with the medical assistance state plan benefits package for individuals otherwise eligible under this subsection; and adjusted to provide habilitation services consistent with the state medical assistance program section 1915(i) waiver.

(3) (a) For individuals whose income as determined under this paragraph "*v*" is at or below one hundred percent of the federal poverty level, covered benefits under subparagraph (2) shall be administered consistent with program administration

under this subsection.

(b) For individuals whose income as determined under this paragraph *"v"* is above one hundred percent but not in excess of one hundred thirty-three percent of the federal poverty level, covered benefits shall be administered through provision of premium assistance for the purchase of covered benefits through the American health benefits exchange created pursuant to the Affordable Care Act, as defined in section 249N.2.

Sec. 178. Section 249A.3, subsection 2, paragraph a, subparagraph (7), Code 2013, is amended to read as follows:

(7) Individuals who are receiving state supplementary assistance as defined by section 249.1 ~~or other persons whose needs are considered in computing the recipient's assistance grant~~.

Sec. 179. Section 249J.26, subsection 2, Code 2013, is amended to read as follows:

2. This chapter is repealed ~~October~~ December 31, 2013.

Sec. 180. Section 426B.3, as enacted by 2012 Iowa Acts, chapter 1120, section 137, is amended by adding the following new subsection:

NEW SUBSECTION. 5. *a.* For the purposes of this subsection, *"Medicaid offset amount"* means the projected amount for a fiscal year that would have been paid from a county's services fund for those services for persons eligible under the county's approved service management plan that would be non-Medicaid services, but due to the persons' enrollment in the Iowa health and wellness plan established under chapter 249N, those services are instead covered under chapter 249N.

b. For the fiscal year beginning July 1, 2013, and succeeding fiscal years, the department of human services shall calculate a Medicaid offset amount for each county for the fiscal year. The department shall adopt rules in consultation with the county finance committee specifying the information to be used in calculating a Medicaid offset amount. The

information shall include but is not limited to identification of specific services and supports that would otherwise be payable by the county for persons eligible under a county's approved service management plan but are instead paid by the Iowa health and wellness plan. The amount calculated for a county shall be subject to review by the auditor of that county or subject to independent audit. The Medicaid offset amounts calculated by the department for a county for a fiscal year are not official until certified by the director of human services and submitted to the governor and general assembly by October 15 immediately following the end of the fiscal year for which the offset amounts were calculated.

c. The Medicaid offset amounts certified for each county by the director of human services for the fiscal year beginning July 1, 2013, shall be annualized by doubling the amounts. For the fiscal year beginning July 1, 2014, a county shall repay the state from any equalization payment due the county for the fiscal year, eighty percent of the county's annualized Medicaid offset amount for the fiscal year beginning July 1, 2013. To the extent a county's repayment obligation for the fiscal year beginning July 1, 2014, exceeds the amount of any equalization payment due the county for the fiscal year, the county shall, for the following fiscal year, reduce the dollar amount of the county's services fund levy by the amount of the excess.

d. For the fiscal year beginning July 1, 2015, and succeeding fiscal years, a county shall repay the state from any equalization payment due the county for the fiscal year, eighty percent of the county's Medicaid offset amount certified for the previous fiscal year. To the extent a county's repayment obligation for a fiscal year exceeds the amount of any equalization payment due the county for that fiscal year, the county shall, for the following fiscal year, reduce the dollar amount of the county's services fund levy by the amount of the excess.

e. A county's repayment pursuant to this subsection shall be remitted on or before January 1 of the fiscal year in which repayment is due and shall be credited to the property tax relief fund. Moneys credited to the property tax relief fund in accordance with this paragraph are subject to appropriation by the general assembly to support mental health and disability services administered by the regional system.

Sec. 181. MEDICAID OFFSET STUDY. The legislative council is requested to direct a new or existing legislative interim committee to study the provisions for implementing a Medicaid offset amount and repayments under section 426B.3, subsection 5, as enacted by this division of this Act during the 2013 legislative interim. The interim committee shall be directed to consider the potential effects of the repayment provisions on the ability of the mental health and disability service regions to adequately fund the initial core services and additional core services under section 331.397, and to make recommendations to address funding insufficiencies.

Sec. 182. ADVISORY COUNCIL FOR STATE INNOVATION MODELS INITIATIVE.

1. No later than thirty days after the effective date of this division of this Act, the legislative council shall establish a legislative advisory council to guide the development of the design model and implementation plan for the state innovation models initiative grant awarded by the Centers for Medicare and Medicaid of the United States department of health and human services. The legislative advisory council shall consist of members of the general assembly, members of the governor's advisory committee who developed the grant proposal, and representatives of consumers and health care providers, appointed by the legislative council as necessary to ensure that the process is comprehensive and provides ample opportunity for the variety of stakeholders to participate in the process.

2. The legislative advisory council shall provide oversight throughout the development process, shall receive periodic progress reports from the department of human services, and shall make recommendations regarding integrated care models and implementation strategies for the medical assistance program presented by the department of human services.

3. The department of human services shall develop the integrated care model based on the goals and strategies and model designs included in the state innovation models initiative grant application to improve patient outcomes and satisfaction, while lowering costs, as follows:

a. Goals.

(1) Ensure the coordination of health care delivery for medical assistance program recipients to address the entire spectrum of an individual's physical, behavioral, and mental health needs by targeting at a minimum population health, prevention, health promotion, chronic disease management, disability, and long-term care.

(2) Emphasize whole-person orientation and coordination and integration of both clinical and nonclinical care and supports, to provide individuals with the necessary tools to address determinants of health and to empower individuals to be full participants in their own health. The health care delivery model shall focus on addressing population health through primary and team-based care that incorporates the attributes of a medical home as specified in chapter 135, division XXII.

(3) Ensure accessibility of medical assistance program recipients to an adequate and qualified workforce by most efficiently utilizing the skills of the available workforce.

(4) Incorporate appropriate incentives that focus on quality outcomes and patient satisfaction, to move from volume-based to value-based purchasing.

(5) Provide for alignment of payment methods and quality across health care payers to ensure a unified set of outcomes

and to recognize, through reimbursement, all provider participants in the integrated system of care.

b. Strategies and model design.

(1) A strategy to implement a multipayer integrated care model methodology across primary health care payers in the state, by aligning performance measures, utilizing a shared savings or other accountable payment methodology, and integrating an information technology platform to support the integrated care model. The strategy shall ensure statewide adoption of integrated care for the medical assistance population; explore the role of managed care plans and expansion of managed care in the medical assistance program as part of the integrated care model; address the special circumstances of areas of the state that are rural, underserved, or have higher rates of health disparities; and seek the participation of the Medicare population in the integrated care model.

(2) A strategy to incorporate long-term care and behavioral health services for the medical assistance population into the integrated care model, through integration of community health and community prevention activities.

(3) A strategy to address population health and health promotion, by investing in approaches to influence modifiable determinants of health such as access to health care, healthy behaviors, socioeconomic factors, and the physical environment that collectively impact the health of the community. The strategy shall address the underlying, pervasive, and multifaceted socioeconomic impediments that medical assistance recipients face in being full participants in their own health.

(4) A multiphase strategy to implement a statewide integrated care model to maximize access to health care for medical assistance program recipients in all areas of the state. The strategy shall incorporate flexible integrated care model options and accountable payment methodologies

for participation by various types of providers including individual providers, safety net providers, and nonprofit and public providers that have long experience in caring for vulnerable populations, into the integrated system.

(5) Implementation of a stakeholder process. In addition to the oversight and input provided by the legislative advisory council, the department shall hold public, local listening sessions throughout the state, collaborate with consumer groups and provider groups, and partner with other state agencies such as the department on aging and the department of public health to elicit input and feedback on the model design.

(6) Development of a multipayer approach including the medical assistance and children's health insurance programs, private payers, and Medicare.

(7) Oversight of the administration of the model design project.

(8) Engagement of providers beyond the large, integrated health systems to maximize access to all levels of care within an integrated model program by medical assistance recipients.

4. The department shall submit proposed legislation specifying the model design and implementation plan to the advisory council no later than December 15, 2013.

Sec. 183. LEGISLATIVE INTERIM COMMITTEE ON INTEGRATED CARE MODELS.

1. a. A legislative interim committee on integrated care models is created for the 2013 legislative interim. The legislative services agency shall provide staffing assistance to the committee.

b. The interim committee shall include at least ten members of the general assembly and may include members of the public appointed by the legislative council who represent consumers, health care providers, hospitals and health systems, and other entities with interest or expertise related to integrated care models. The interim committee may also include the director of

human services, the commissioner of insurance, the director of public health, and the attorney general, or each individual's designee.

2. The interim committee shall do all of the following:

a. Review and make recommendations relating to the formation and operation of integrated care models in the state. The models shall include any care delivery model that integrates providers and incorporates a financial incentive to improve patient health outcomes, improve care, and reduce costs.

b. Review integrated care models created in other states that integrate both clinical services and nonclinical community and social supports utilizing patient-centered medical homes and community care teams as basic components to determine the feasibility of adapting any of these models as a statewide system in Iowa.

c. Recommend the best means of providing care through integrated delivery models throughout the state including to vulnerable populations and how best to incorporate safety net providers, including but not limited to federally qualified health centers, rural health clinics, community mental health centers, public hospitals, and other nonprofit and public providers that have long experience in caring for vulnerable populations, into the integrated system.

d. Review the progress of the development of medical homes as specified in chapter 135, division XXII, in the state and make recommendations for development of a statewide infrastructure of actual and virtual medical homes to act as the foundation for integrated care models.

e. Review opportunities under the federal Patient Protection and Affordable Care Act (Affordable Care Act), Pub. L. No. 111-148, as amended, for the development of integrated care models including the Medicare Shared Savings Program for accountable care organizations, community-based collaborative

care networks that include safety net providers, and consumer-operated and oriented plans. The interim committee shall also review existing and proposed integrated care models in the state including commercial models and those developed or proposed under the Affordable Care Act including the Medicare Shared Savings Program and the Pioneer ACO to determine the opportunities for expansion or replication.

f. Address the issues relative to integrated care models including those relating to consumer protection; payment and financing issues; organizational, management, and governing structures; performance standards; patient attribution or assignment models; health information exchange, data reporting, and infrastructure standards; and regulatory issues.

3. The interim committee shall present a summary of its review and recommendations in a report to the 2014 session of the general assembly.

Sec. 184. MALPRACTICE CERTIFICATE-OF-MERIT AFFIDAVITS STUDY. The legislative council is requested to establish an interim study committee, composed of members of the senate and the house of representatives, to meet during the 2013 interim, to study the submission of certificate-of-merit affidavits by plaintiffs and defendants in malpractice actions and limitations on the number of expert witnesses that may be called by both plaintiffs and defendants involving health care providers. The study committee shall present its conclusions and recommendations in a report to the 2014 session of the general assembly.

Sec. 185. EMERGENCY RULES. The department of human services may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this division of this Act and the rules shall become effective immediately upon filing or on a later effective date specified in the rules, unless the effective date is delayed by the administrative rules review

committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 7, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

Sec. 186. DIRECTIVES TO DEPARTMENT OF HUMAN SERVICES.

1. Upon enactment of this division of this Act, the department of human services shall request federal approval of a medical assistance state plan amendment or section 1115 demonstration waiver, as necessary, to implement this division of this Act effective January 1, 2014. The state plan or waiver shall include a provision specifying that if the methodology for calculating the federal medical assistance percentage for eligible individuals as defined in section 249N.1, as provided in 42 U.S.C. § 1396d(y), is modified through federal law or regulation, in a manner that reduces the percentage of federal assistance to the state in a manner inconsistent with 42 U.S.C. § 1396d(y), or if federal law or regulation affecting eligibility or benefits for the Iowa health and wellness plan is modified, the department of human services shall implement an alternative plan for coverage of the affected population, subject to prior, statutory approval of the implementation.

The state plan or waiver shall also include a provision that if the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. § 1396d(y), is modified through federal law or regulation resulting in a reduction of the percentage

of federal assistance to the state below ninety percent but not below eighty-five percent, the medical assistance program reimbursement rates for inpatient and outpatient hospital services shall be reduced by a like percentage in the succeeding fiscal year, subject to prior, statutory approval of implementation of the reduction.

2. The director of human services shall report at least monthly, and upon request of a chairperson of the joint appropriations subcommittee on health and human services, to the chairpersons and ranking members of the joint appropriations subcommittee on health and human services, the legislative services agency, and the legislative caucus staffs on the progress of the request for federal approval.

3. The department shall prepare a plan for the transition of expansion population members under chapter 249J to other health care coverage options beginning January 1, 2014. To the greatest extent possible, the plan shall maintain and incorporate the existing medical home and service delivery structure developed under chapter 249J, including the utilization of federally qualified health centers, public hospitals, and other safety net providers, in providing access to care. The department shall submit the plan to the governor and the general assembly no later than September 1, 2013.

4. The provisions in appropriations made in this Act to the medical assistance program relating to abortion shall also apply to the Iowa health and wellness plan created in chapter 249N as enacted in this Act.

Sec. 187. EFFECTIVE UPON ENACTMENT AND CONTINGENT IMPLEMENTATION. This division of this Act, being deemed of immediate importance, takes effect upon enactment. However, the department of human services shall implement the sections of this division of this Act enacting chapter 249N, and section 249A.3, subsection 1, paragraph "v", and amending section 426B.3, effective January 1, 2014, contingent and only upon

receipt of federal approval of the state plan amendment or waiver request submitted under this division of this Act.>

ON THE PART OF THE SENATE:

JACK HATCH, CHAIRPERSON

JOE BOLKCOM

AMANDA RAGAN

ON THE PART OF THE HOUSE:

DAVE HEATON, CHAIRPERSON

MARK COSTELLO

JOEL FRY

CCS-446 FILED MAY 22, 2013
ADOPTED

CCS-452

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 452

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on Senate File 452, a bill for an Act relating to state and local finances by making appropriations, providing for fees, providing for legal responsibilities, providing for certain employee benefits, and providing for properly related matters, and including effective date and retroactive and other applicability provisions, respectfully make the following report:

1. That the Senate recedes from its amendment, H-1446.

2. That the House recedes from its amendment, S-3218.

3. That Senate File 452, as amended, passed, and reprinted by the Senate, is amended to read as follows:

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

<DIVISION I

STANDING APPROPRIATIONS AND RELATED MATTERS

Section 1. BUDGET PROCESS FOR FISCAL YEAR 2014-2015.

1. For the budget process applicable to the fiscal year beginning July 1, 2014, on or before October 1, 2013, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and paragraph "a", all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

Sec. 2. INSTRUCTIONAL SUPPORT STATE AID — FY 2013-2014 — FY 2014-2015. In lieu of the appropriation provided in section 257.20, subsection 2, the appropriation for the fiscal years beginning July 1, 2013, and July 1, 2014, for paying instructional support state aid under section 257.20 for fiscal years 2013-2014 and 2014-2015 is zero.

Sec. 3. GENERAL ASSEMBLY.

1. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and legislative agencies for the fiscal year beginning July 1, 2013, and ending June 30, 2014, are reduced by the following amount:

..... $ 3,000,000

2. The budgeted amounts for the general assembly for the

fiscal year beginning July 1, 2013, may be adjusted to reflect unexpended budgeted amounts from the previous fiscal year.

Sec. 4. CLAIMS AGAINST THE STATE. The appropriations made pursuant to section 25.2 for paying claims against the state for the fiscal year beginning July 1, 2013, and ending June 30, 2014, are reduced by the following amount:

..... $ 4,086,307

Sec. 5. LIMITATIONS OF STANDING APPROPRIATIONS — FY 2013-2014. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

1. For operational support grants and community cultural grants under section 99F.11, subsection 3, paragraph "d", subparagraph (1):

..... $ 416,702

2. For payment for nonpublic school transportation under section 285.2:

..... $ 8,560,931

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this subsection, the department of education shall prorate the amount of each approved claim.

3. For the enforcement of chapter 453D relating to tobacco product manufacturers under section 453D.8:

..... $ 18,416

Sec. 6. LIMITATIONS OF STANDING APPROPRIATIONS — FY 2014-2015. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not

exceed the following amounts:

1. For operational support grants and community cultural grants under section 99F.11, subsection 3, paragraph "d", subparagraph (1):

..... $ 208,351

2. For regional tourism marketing under section 99F.11, subsection 3, paragraph "d", subparagraph (2):

..... $ 582,000

3. For payment for nonpublic school transportation under section 285.2:

..... $ 8,560,931

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this subsection, the department of education shall prorate the amount of each approved claim.

4. For the enforcement of chapter 453D relating to tobacco product manufacturers under section 453D.8:

..... $ 9,208

Sec. 7. Section 8.8, Code 2013, is amended to read as follows:

8.8 Special olympics fund — appropriation.

A special olympics fund is created in the office of the treasurer of state under the control of the department of management. There is appropriated annually from the general fund of the state to the special olympics fund ~~fifty~~ one hundred thousand dollars for distribution to one or more organizations which administer special olympics programs benefiting the citizens of Iowa with disabilities.

Sec. 8. Section 257.35, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies

for the fiscal year beginning July 1, 2013, and ending June 30, 2014, shall be reduced by the department of management by fifteen million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

DIVISION II

MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

Sec. 9. IOWA PUBLIC INFORMATION BOARD. There is appropriated from the general fund of the state to the Iowa public information board for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes, and in addition to moneys appropriated to the board in 2013 Iowa Acts, House File 603, if enacted:

..... $ 75,000

Sec. 10. IOWA TUITION GRANTS. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For Iowa tuition grants under section 261.25:

..... $ 500,000

Sec. 11. FTE AUTHORIZATION.

1. For purposes of the offices of the governor and lieutenant governor, there is authorized an additional 3.00 full-time equivalent positions above those otherwise authorized pursuant to 2013 Iowa Acts, House File 603, if enacted.

2. For purposes of the department of management, there is authorized an additional 1.00 full-time equivalent position above those otherwise authorized pursuant to 2013 Iowa Acts, House File 603, if enacted.

Sec. 12. HOME AND COMMUNITY-BASED SERVICES PROVIDERS

— REASONABLE COSTS OF STAFF TRAINING — REIMBURSEMENT AS DIRECT COSTS. The department of human services shall adopt rules pursuant to chapter 17A to provide that reasonable costs of staff training incurred by providers of home and community-based services under the medical assistance program are reimbursable as direct costs. Such reimbursement shall include reimbursement of the reasonable costs associated with the learning management system utilized under the college of direct support training program.

Sec. 13. ADMINISTRATIVE RULES REVIEW COMMITTEE. The administrative rules review committee shall consider the scope, impact, and long-term consequences of legislation requiring delegations of authority to state agencies be construed narrowly. The committee shall submit a report of the committee findings to the speaker of the house and the majority leader of the senate by January 12, 2015. The legislative services agency shall provide necessary staff support for the committee consideration.

Sec. 14. Section 49.77, subsection 1, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *c.* At the discretion of the commissioner, an electronic election register may be used to produce the declaration required in this subsection. The person desiring to vote shall sign the declaration produced by the electronic election register prior to receiving a ballot.

Sec. 15. NONREVERSION — CONSERVATION RESERVE ENHANCEMENT PROGRAM APPROPRIATIONS.

1. Notwithstanding section 8.33, and if enacted pursuant to 2013 Iowa Acts, Senate File 435, moneys appropriated from the environment first fund to the department of agriculture and land stewardship for purposes of the conservation reserve enhancement program for the fiscal year beginning July 1, 2013, that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for

expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2016.

2. Notwithstanding section 8.33, and if enacted pursuant to 2013 Iowa Acts, Senate File 435, moneys appropriated from the environment first fund to the department of agriculture and land stewardship for purposes of the conservation reserve enhancement program for the fiscal year beginning July 1, 2014, that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2017.

Sec. 16. Section 135C.7, Code 2013, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. In addition to the license fees listed in this section, there shall be an annual assessment assessed to each licensee in an amount to cover the cost of independent reviewers provided pursuant to section 135C.42. The department shall, in consultation with licensees, establish the assessment amount by rule based on the award of a request for proposals. The assessment shall be retained by the department as a repayment receipt as defined in section 8.2 and used for the purpose of paying the cost of the independent reviewers.

Sec. 17. Section 144.26, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Upon the activation of an electronic death record system, each person with a duty related to death certificates shall participate in the electronic death record system. A person with a duty related to a death certificate includes but is not limited to a physician as defined in section 135.1, a physician assistant, an advanced registered nurse practitioner, a funeral director, and a county recorder.

Sec. 18. Section 216A.3, subsection 3, Code 2013, is amended to read as follows:

3. A majority of the voting members of the board shall constitute a quorum, and the affirmative vote of two-thirds of the voting members present 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.

Sec. 19. Section 231.64, subsection 1, unnumbered paragraph 1, Code 2013, is amended to read as follows:

The aging and disability resource center program shall be administered by the department consistent with the federal Act. The department shall designate ~~participating entities~~ area agencies on aging to establish, in consultation with other stakeholders including organizations representing the disability community, a coordinated system for providing all of the following:

Sec. 20. Section 257.11, subsection 6A, paragraph a, subparagraph (1), as enacted by 2013 Iowa Acts, House File 472, section 1, is amended to read as follows:

(1) In order to provide additional funding to increase student opportunities and redirect more resources to student programming for school districts that share operational functions, a supplementary weighting of two hundredths per pupil shall be assigned to pupils enrolled in a district that shares with a political subdivision one or more operational functions of a curriculum director, school administration manager, ~~mental health therapist,~~ social worker, school nurse, school counselor, or school librarian, or one or more operational functions in the areas of superintendent management, business management, human resources, transportation, or operation and maintenance for at least twenty percent of the school year. The additional weighting shall be assigned for each discrete operational function shared. The operational function sharing arrangement does not need to be a newly implemented sharing arrangement to receive

supplementary weighting under this subsection. However, to receive supplementary weighting under this subsection for an ongoing operational function sharing arrangement that began before July 1, 2014, the district shall submit information to the department documenting the cost savings directly attributable to the shared operational functions and describe the district's consideration of additional shared operational functions.

Sec. 21. Section 261.93, subsection 2, paragraph b, subparagraph (4), Code 2013, is amended to read as follows:

(4) Is the child of a fire fighter or police officer included under section 97B.49B, who was killed in the line of duty as determined by the Iowa public employees' retirement system in accordance with section 97B.52, subsection 2.

Sec. 22. Section 306D.4, Code 2013, is amended to read as follows:

306D.4 Scenic highway advertising.

1. The ~~state~~ department of transportation shall have the authority to adopt rules to control the erection of new advertising devices on a highway designated as a scenic highway or scenic byway in order to comply with federal requirements concerning the implementation of a scenic byways program.

2. Notwithstanding subsection 1, if an advertising device was lawfully erected along an interstate highway within the corporate limits of a city prior to designation of the highway as a scenic byway and, after such designation occurs, the advertising device is displaced due to the reconstruction, improvement, or relocation of the highway, the advertising device may be relocated to a location determined by the department to be substantially the same location, subject to approval by the federal highway administration, and shall not be considered an erection of a new advertising device, if all of the following apply:

a. The location conforms to the requirements of chapters

306B and 306C.

b. The materials, number and type of supports, lighting, face size, and height of the advertising device remain the same.

Sec. 23. Section 692A.113, subsection 3, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *e.* Operate, manage, be employed by, or act as a contractor or volunteer at a business that operates a motor vehicle primarily marketing, from or near the motor vehicle, the sale and dispensing of ice cream or other food products to minors.

Sec. 24. 2008 Iowa Acts, chapter 1189, is amended by adding the following new section:

NEW SECTION. SEC. 31A. NONREVERSION.
Notwithstanding section 8.33, moneys appropriated in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the conservation reserve enhancement program that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2016.

Sec. 25. 2009 Iowa Acts, chapter 175, is amended by adding the following new section:

NEW SECTION. SEC. 17A. NONREVERSION.
Notwithstanding section 8.33, moneys appropriated in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the conservation reserve enhancement program that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2016.

Sec. 26. 2010 Iowa Acts, chapter 1191, is amended by adding

the following new section:

NEW SECTION. SEC. 19A. NONREVERSION.
Notwithstanding section 8.33, moneys appropriated in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the conservation reserve enhancement program that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2016.

Sec. 27. 2011 Iowa Acts, chapter 128, is amended by adding the following new section:

NEW SECTION. SEC. 14A. NONREVERSION.
Notwithstanding section 8.33, moneys appropriated in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the conservation reserve enhancement program that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2016.

Sec. 28. 2011 Iowa Acts, chapter 128, is amended by adding the following new section:

NEW SECTION. SEC. 59A. NONREVERSION.
Notwithstanding section 8.33, moneys appropriated in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the conservation reserve enhancement program, as amended by 2012 Iowa Acts, chapter 1135, section 18, that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2016.

Sec. 29. 2013 Iowa Acts, House File 649, if enacted, is

amended by adding the following new section:

NEW SECTION. SEC. 9. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment of 2013 Iowa Acts, Senate File 452, if enacted.

Sec. 30. 2013 Iowa Acts, Senate File 446, if enacted, is amended by adding the following section:

NEW SECTION. SEC. 11A. CHRONIC CARE CONSORTIUM. Of the funds appropriated in this Act from the general fund of the state to the department of human services for the medical assistance program for the fiscal year beginning July 1, 2013, and ending June 30, 2014, $200,000 shall be used for the Iowa chronic care consortium pursuant to 2003 Iowa Acts, chapter 112, section 12, as amended by 2003 Iowa Acts, chapter 179, section 166 and 167.

Sec. 31. 2013 Iowa Acts, Senate File 447, the following section subsection relating to the department of public safety, if enacted, is amended to read as follows:

___. For operations, costs, and miscellaneous purposes:
..... $ 1,700,000

As a condition of the appropriation made to the department of public safety in this subsection, the moneys appropriated shall be used to retain nonsupervisory personnel in the department and shall not be used for administrative purposes.

Sec. 32. 2013 Iowa Acts, Senate File 447, the following section subsection relating to the department of public safety, if enacted, is amended to read as follows:

7. For operations, costs, and miscellaneous purposes:
..... $ 850,000

As a condition of the appropriation made to the department of public safety in this subsection, the moneys appropriated shall be used to retain nonsupervisory personnel in the department and shall not be used for administrative purposes.

Sec. 33. 2013 Iowa Acts, Senate File 447, the following section subsection relating to the department of corrections,

if enacted, is amended to read as follows:

~~6A.~~ 5A. For operations, costs, and miscellaneous purposes:
..... $ 2,571,309

As a condition of the appropriation made to the department of corrections in this subsection, the moneys appropriated shall be used to retain nonsupervisory personnel at departmental institutions and shall not be used for administrative purposes.

Sec. 34. 2013 Iowa Acts, Senate File 447, the following section subsection relating to the department of corrections, if enacted, is amended to read as follows:

6. For operations, costs, and miscellaneous purposes:
..... $ 1,285,655

As a condition of the appropriation made to the department of corrections in this subsection, the moneys appropriated shall be used to retain nonsupervisory personnel at departmental institutions and shall not be used for administrative purposes.

Sec. 35. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to May 13, 2008:

1. The section of this Act amending 2008 Iowa Acts, chapter 1189.

Sec. 36. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to May 26, 2009:

1. The section of this Act amending 2009 Iowa Acts, chapter 175.

Sec. 37. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to April 29, 2010:

1. The section of this Act amending 2010 Iowa Acts, chapter 1191.

Sec. 38. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to July 21, 2011:

1. The sections of this Act amending 2011 Iowa Acts, chapter 128.

Sec. 39. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to the date of enactment of 2013 Iowa Acts, House File 649:

1. The section of this Act amending 2013 Iowa Acts, House File 649.

DIVISION III

SALARIES, COMPENSATION, AND RELATED MATTERS

Sec. 40. STATE COURT — JUSTICES, JUDGES, AND MAGISTRATES.

1. The salary rates specified in subsection 2 are for the fiscal year beginning July 1, 2013, effective for the pay period beginning January 3, 2014, and for subsequent fiscal years until otherwise provided by the general assembly. The salaries provided for in this section shall be paid from funds allocated to the judicial branch from the salary adjustment fund, or if the allocation is not sufficient, from funds appropriated to the judicial branch pursuant to this Act or any other Act of the general assembly.

2. The following annual salary rates shall be paid to the persons holding the judicial positions indicated during the fiscal year beginning July 1, 2013, effective with the pay period beginning January 3, 2014, and for subsequent pay periods.

a. Chief justice of the supreme court:
..... $ 178,538

b. Each justice of the supreme court:
..... $ 170,544

c. Chief judge of the court of appeals:
..... $ 159,885

d. Each associate judge of the court of appeals:
..... $ 154,556

e. Each chief judge of a judicial district:

..... $ 149,226

f. Each district judge except the chief judge of a judicial district:

..... $ 143,897

g. Each district associate judge:

..... $ 127,908

h. Each associate juvenile judge:

..... $ 127,908

i. Each associate probate judge:

..... $ 127,908

j. Each judicial magistrate:

..... $ 39,438

k. Each senior judge:

..... $ 8,527

3. Persons receiving the salary rates established under this section shall not receive any additional salary adjustments provided by this Act.

Sec. 41. JUDICIAL BRANCH — APPROPRIATION. There is appropriated from the general fund of the state to the judicial branch for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries for justices, judges, and magistrates:

..... $ 850,000

Sec. 42. SPECIAL FUNDS. For the fiscal year beginning July 1, 2013, and ending June 30, 2014, and for the fiscal year beginning July 1, 2014, and ending June 30, 2015, salary adjustments may be funded using departmental revolving, trust, or special funds for which the general assembly has established an operating budget, provided doing so does not exceed the operating budget established by the general assembly.

Sec. 43. SALARY MODEL ADMINISTRATOR. The salary model administrator shall work in conjunction with the legislative services agency to maintain the state's salary model used for

analyzing, comparing, and projecting state employee salary and benefit information, including information relating to employees of the state board of regents. The department of revenue, the department of administrative services, the five institutions under the jurisdiction of the state board of regents, the judicial district departments of correctional services, and the state department of transportation shall provide salary data to the department of management and the legislative services agency to operate the state's salary model. The format and frequency of provision of the salary data shall be determined by the department of management and the legislative services agency. The information shall be used in collective bargaining processes under chapter 20 and in calculating the funding needs contained within the annual salary adjustment legislation. A state employee organization as defined in section 20.3, subsection 4, may request information produced by the model, but the information provided shall not contain information attributable to individual employees.

Sec. 44. 2008 Iowa Acts, chapter 1191, section 14, subsection 4, is amended to read as follows:

4. The following are range 4 positions: director of the department of human rights, director of the Iowa state civil rights commission, executive director of the college student aid commission, director of the department for the blind, executive director of the ethics and campaign disclosure board, executive director of the Iowa public information board, members of the public employment relations board, and chairperson, vice chairperson, and members of the board of parole.

DIVISION IV

CORRECTIVE PROVISIONS

Sec. 45. Section 2.12, unnumbered paragraph 4, Code 2013, as amended by 2013 Iowa Acts, House File 185, section 1, is

amended to read as follows:

There is appropriated out of any funds in the state treasury not otherwise appropriated such sums as may be necessary for the fiscal year budgets of the legislative services agency and the ~~ombudsman~~ office of ombudsman for salaries, support, maintenance, and miscellaneous purposes to carry out their statutory responsibilities. The legislative services agency and the ~~ombudsman~~ office of ombudsman shall submit their proposed budgets to the legislative council not later than September 1 of each year. The legislative council shall review and approve the proposed budgets not later than December 1 of each year. The budget approved by the legislative council for each of its statutory legislative agencies shall be transmitted by the legislative council to the department of management on or before December 1 of each year for the fiscal year beginning July 1 of the following year. The department of management shall submit the approved budgets received from the legislative council to the governor for inclusion in the governor's proposed budget for the succeeding fiscal year. The approved budgets shall also be submitted to the chairpersons of the committees on appropriations. The committees on appropriations may allocate from the funds appropriated by this section the funds contained in the approved budgets, or such other amounts as specified, pursuant to a concurrent resolution to be approved by both houses of the general assembly. The director of the department of administrative services shall issue warrants for salaries, support, maintenance, and miscellaneous purposes upon requisition by the administrative head of each statutory legislative agency. If the legislative council elects to change the approved budget for a legislative agency prior to July 1, the legislative council shall transmit the amount of the budget revision to the department of management prior to July 1 of the fiscal year, however, if the general assembly approved the budget it cannot be changed except

pursuant to a concurrent resolution approved by the general assembly.

Sec. 46. Section 2.42, subsection 14, Code 2013, as amended by 2013 Iowa Acts, House File 185, section 2, is amended to read as follows:

14. To hear and act upon appeals of aggrieved employees of the legislative services agency and the office of ~~the~~ ombudsman pursuant to rules of procedure established by the council.

Sec. 47. Section 2C.3, subsection 2, Code 2013, as enacted by 2013 Iowa Acts, House File 185, section 4, is amended to read as follows:

2. The ombudsman shall employ and supervise all employees under the ombudsman's direction in such positions and at such salaries as shall be authorized by the legislative council. The legislative council shall hear and act upon appeals of aggrieved employees of the office of ~~the~~ ombudsman.

Sec. 48. Section 2C.9, subsection 6, Code 2013, as amended by 2013 Iowa Acts, House File 185, section 10, is amended to read as follows:

6. Establish rules relating to the operation, organization, and procedure of the office of ~~the~~ ombudsman. The rules are exempt from chapter 17A and shall be published in the Iowa administrative code.

Sec. 49. Section 2C.11, subsection 1, unnumbered paragraph 1, Code 2013, as amended by 2013 Iowa Acts, House File 185, section 12, is amended to read as follows:

An appropriate subject for investigation by the office of ~~the~~ ombudsman is an administrative action that might be:

Sec. 50. Section 2C.18, Code 2013, as amended by 2013 Iowa Acts, House File 185, section 20, is amended to read as follows:

2C.18 Report to general assembly.

The ombudsman shall by April 1 of each year submit an economically designed and reproduced report to the general

assembly and to the governor concerning the exercise of the ~~ombudsman~~ ombudsman's functions during the preceding calendar year. In discussing matters with which the ombudsman has been concerned, the ombudsman shall not identify specific persons if to do so would cause needless hardship. If the annual report criticizes a named agency or official, it shall also include unedited replies made by the agency or official to the criticism, unless excused by the agency or official affected.

Sec. 51. Section 8B.21, subsection 5, paragraph e, if enacted by 2013 Iowa Acts, Senate File 396, section 3, is amended to read as follows:

e. The department of public defense shall not be required to obtain any information technology services pursuant to this chapter for the department of public defense that ~~is~~ are provided by the office pursuant to this chapter without the consent of the adjutant general.

Sec. 52. Section 23A.4, subsection 3, Code 2013, as enacted by 2013 Iowa Acts, House File 185, section 27, is amended to read as follows:

3. Chapter 17A and this section are the exclusive remedy for violations of this chapter. However, the office of ~~the~~ ombudsman may review violations of this chapter and make recommendations as provided in chapter 2C.

Sec. 53. Section 29.1, Code 2013, as amended by 2013 Iowa Acts, House File 307, section 9, is amended to read as follows:

29.1 Department of public defense.

The department of public defense is composed of the office of the adjutant general and the military forces of the state of Iowa. The adjutant general is the director of the department of public defense and shall perform all functions, responsibilities, powers, and duties ~~over~~ concerning the military forces of the state of Iowa as provided in the laws of the state.

Sec. 54. Section 35A.13, subsection 6A, paragraph b,

subparagraph (1), if enacted by 2013 Iowa Acts, House File 613, section 2, is amended to read as follows:

(1) The commission may provide educational assistance funds to any child who has lived in the state of Iowa for two years preceding application for state educational assistance, and who is the child of a person who died prior to September 11, 2001, during active federal military service while serving in the armed forces or during active federal military service in the Iowa national guard or other military component of the United States, to defray the expenses of tuition, matriculation, laboratory and similar fees, books and supplies, board, lodging, and any other reasonably necessary expense for the child or children incident to attendance in this state at an educational or training institution of college grade, or in a business or vocational training school with standards approved by the department. The commission shall not expend more than six hundred dollars per year for educational assistance for any one child under this paragraph *"b"*.

Sec. 55. Section 70A.28, subsection 6, Code 2013, as amended by 2013 Iowa Acts, House File 185, section 28, is amended to read as follows:

6. Subsection 2 may also be enforced by an employee through an administrative action pursuant to the requirements of this subsection if the employee is not a merit system employee or an employee covered by a collective bargaining agreement. An employee eligible to pursue an administrative action pursuant to this subsection who is discharged, suspended, demoted, or otherwise receives a reduction in pay and who believes the adverse employment action was taken as a result of the employee's disclosure of information that was authorized pursuant to subsection 2, may file an appeal of the adverse employment action with the public employment relations board within thirty calendar days following the later of the effective date of the action or the date a finding is issued

to the employee by the office of ~~the~~ ombudsman pursuant to section 2C.11A. The findings issued by the ombudsman may be introduced as evidence before the public employment relations board. The employee has the right to a hearing closed to the public, but may request a public hearing. The hearing shall otherwise be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. If the public employment relations board finds that the action taken in regard to the employee was in violation of subsection 2, the employee may be reinstated without loss of pay or benefits for the elapsed period, or the public employment relations board may provide other appropriate remedies. Decisions by the public employment relations board constitute final agency action.

Sec. 56. Section 105.10, subsection 3, Code 2013, as amended by 2013 Iowa Acts, Senate File 427, section 10, is amended to read as follows:

3. An individual holding a master mechanical license shall not be required to get an HVAC-refrigeration, sheet metal, or hydronic license in order to design, install, or repair the work defined in this chapter as mechanical, HVAC-refrigeration, sheet metal, or hydronic work. An individual holding a ~~journey~~ journeyperson mechanical license shall not be required to get an HVAC-refrigeration, sheet metal, or hydronic license in order to install and repair the work defined in this chapter as mechanical, HVAC-refrigeration, sheet metal, or hydronic work. An individual holding a master or ~~journey~~ journeyperson mechanical license shall also not be required to obtain a special, restricted license that is designated as a sublicense of the mechanical, HVAC-refrigeration, sheet metal, or hydronic licenses.

Sec. 57. Section 105.32, as enacted by 2013 Iowa Acts, Senate File 427, section 32, Code 2013, is amended to read as follows:

105.32 Transition provisions.

A licensee whose license expires between June 30, 2014, and July 1, 2017, may voluntarily renew ~~their~~ the license early so ~~they may have~~ the license has an expiration date of June 30, 2017. This voluntary early renewal may happen at any time on or after July 1, 2014. The department shall promulgate rules that allow for this one-time early renewal process, including fees and continuing education requirements.

Sec. 58. Section 126.11, subsection 3, paragraph b, Code 2013, as amended by 2013 Iowa Acts, House File 417, section 26, is amended to read as follows:

b. A drug dispensed by filling or refilling a written, electronic, facsimile, or oral prescription of a practitioner licensed by law to administer the drug is exempt from section 126.10, except section 126.10, subsection 1, paragraph *"a"*, section 126.10, subsection 1, paragraph *"i"*, subparagraphs (2) and (3), and section 126.10, subsection 1, paragraphs *"k"* and *"l"*, and the packaging requirements of section 126.10, subsection 1, paragraphs *"g"*, *"h"*, and *"p"*, if the drug bears a label containing the name and address of the dispenser, the date of the prescription or of its filling, the name of the prescriber, and, if stated in the prescription, the name of the patient, and the directions for use and cautionary statements, if any, contained in the prescription. This exemption does not apply to a drug dispensed in the course of the conduct of the business of dispensing drugs pursuant to diagnosis by mail, or to a drug dispensed in violation of paragraph *"a"* of this subsection.

Sec. 59. Section 249A.43, subsection 3, as enacted by 2013 Iowa Acts, Senate File 357, section 7, is amended to read as follows:

3. An affidavit of service of a notice of entry of judgment shall be made by first class mail at the address where the debtor was served with the notice of overpayment. Service

is completed upon mailing as specified in this ~~paragraph~~ subsection.

Sec. 60. Section 252D.17, subsection 1, paragraph m, as enacted by 2013 Iowa Acts, House File 417, section 55, Code 2013, is amended to read as follows:

~~m.~~ 2. 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.

Sec. 61. Section 263B.3, Code 2013, as amended by 2013 Iowa Acts, House File 417, section 63, is amended to read as follows:

263B.3 Agreements with federal departments.

The state archaeologist is authorized to enter into agreements and cooperative efforts with the federal highway administrator, the United States departments of commerce, interior, agriculture, and defense, and any other federal or state agencies concerned with archaeological salvage or the preservation of antiquities.

Sec. 62. Section 321.463, subsection 12A, paragraphs a and c, as enacted by 2013 Iowa Acts, House File 14, section 1, are amended to read as follows:

a. A person operating a vehicle or combination of vehicles equipped with a retractable axle may raise the axle when necessary to negotiate a turn, provided that the retractable axle is lowered within one thousand feet following completion of the turn. This paragraph does not apply to a vehicle or combination of vehicles operated on an interstate highway,

including a ramp to or from an interstate highway, or on a bridge.

c. This subsection does not prohibit the operation of a vehicle or combination of vehicles equipped with a retractable axle ~~from operating~~ with the retractable axle raised when the vehicle or combination of vehicles is in compliance with the weight limitations of this section with the retractable axle raised.

Sec. 63. Section 321E.9A, subsection 1, Code 2013, as amended by 2013 Iowa Acts, Senate File 355, section 7, is amended to read as follows:

1. Vehicles with indivisible loads having an overall length not to exceed one hundred twenty feet, an overall width not to exceed sixteen feet, and a height not to exceed fifteen feet five inches may be moved on highways specified by the ~~permitting~~ permit-issuing authority, provided the gross weight on any one axle shall not exceed the maximum prescribed in section 321.463 and the total gross weight is not greater than one hundred fifty-six thousand pounds.

Sec. 64. Section 327F.39, subsection 6, paragraph b, if enacted by 2013 Iowa Acts, Senate File 340, section 4, is amended to read as follows:

b. A violation of subsection 4A or rules adopted pursuant to subsection 4A by a railroad worker transportation company or a railroad ~~corporation~~ company is punishable as a schedule "one" penalty under section 327C.5.

Sec. 65. Section 418.5, subsection 1, Code 2013, as amended by 2013 Iowa Acts, House File 307, section 51, is amended to read as follows:

1. The flood mitigation board is established consisting of nine voting members and four ex officio, nonvoting members, and is located for administrative purposes within the ~~division~~ department. The director of the department shall provide office space, staff assistance, and necessary supplies and

equipment for the board. The director shall budget funds to pay the necessary expenses of the board. In performing its functions, the board is performing a public function on behalf of the state and is a public instrumentality of the state.

Sec. 66. Section 426A.11, subsection 1, Code 2013, as amended by 2013 Iowa Acts, House File 417, section 97, is amended to read as follows:

1. The property, not to exceed two thousand seven hundred seventy-eight dollars in taxable value of any veteran, as defined in section 35.1, of ~~the~~ World War I.

Sec. 67. Section 437B.2, subsection 8, paragraph a, subparagraph (2), if enacted by 2013 Iowa Acts, Senate File 451, section 11, is amended to read as follows:

(2) A water treatment plant where the acquisition cost of all interests acquired exceeds ten million dollars. For purposes of this ~~paragraph~~ subparagraph, *"water treatment plant"* means buildings and equipment used in that portion of the potable water supply system which in some way alters the physical, chemical, or bacteriological quality of the water.

Sec. 68. Section 437B.2, subsection 10, if enacted by 2013 Iowa Acts, Senate File 451, section 11, is amended to read as follows:

10. *"Operating property"* means all property owned by or leased to a water utility, not otherwise taxed separately, which is necessary to and without which the ~~company~~ water utility could not perform the activities of a water utility.

Sec. 69. Section 437B.10, subsection 2, paragraph b, if enacted by 2013 Iowa Acts, Senate File 451, section 19, is amended to read as follows:

b. Local taxing authority employees are deemed to be officers and employees of the state for purposes ~~this of~~ of this subsection.

Sec. 70. Section 455B.275, subsection 3A, paragraphs a and b, if enacted by 2013 Iowa Acts, House File 541, section 1, are

amended to read as follows:

a. The person reconstructing the dam is only required to possess the flooding easements or ownership which ~~were~~ was held prior to the reconstruction as long as the former normal pool elevation is not exceeded and the spillway capacity is increased by at least fifty percent.

b. Flooding easements or ownership ~~are~~ is only required to the top of the reconstructed spillway elevation.

Sec. 71. Section 490.863, subsection 3, paragraph a, as enacted by 2013 Iowa Acts, House File 469, section 43, is amended to read as follows:

a. *"Holder"* means and *"held by"* refers to shares held by both a record shareholder, as defined in section 490.1301, subsection 7, and a beneficial shareholder, as defined in section 490.1301, subsection 2.

Sec. 72. Section 490.1302, subsection 2, paragraph d, Code 2013, as amended by 2013 Iowa Acts, House File 469, section 53, is amended to read as follows:

d. Paragraph *"a"*~~,~~ shall not be applicable and appraisal rights shall be available pursuant to subsection 1 for the holders of any class or series of shares where the corporate action is an interested transaction.

Sec. 73. Section 522.6, subsection 2, if enacted by 2013 Iowa Acts, Senate File 189, section 6, is amended to read as follows:

2. If an insurer qualifies for exemption from the requirements of this chapter pursuant to paragraph *"a"* of subsection 1, but the insurance group of which the insurer is a member does not qualify for exemption pursuant to paragraph *"b"* of subsection 1, then the own risk and solvency assessment summary report that is required pursuant to section ~~521H.5~~ 522.5 shall include information concerning every insurer in the insurance group. This requirement may be satisfied by the submission of more than one summary report for any

combination of insurers in the insurance group provided that the combination of reports submitted includes every insurer in the insurance group.

Sec. 74. Section 533.405, subsection 4A, paragraph b, subparagraphs (1) and (2), as enacted by 2013 Iowa Acts, Senate File 183, section 8, are amended to read as follows:

(1) State credit unions with assets in excess of ~~$5~~ five million dollars as of the month ending immediately prior to the date of the conclusion of the vote by the membership approving the dissolution shall publish the notice once a week for two successive weeks in a newspaper of general circulation in each county in which the state credit union maintains an office or branch for the transaction of business.

(2) State credit unions with assets of ~~$5~~ five million dollars or less as of the month ending immediately prior to the date of the conclusion of the vote by the membership approving the dissolution shall publish the notice once in a newspaper of general circulation in each county in which the state credit union maintains an office or branch.

Sec. 75. Section 543C.2, subsection 1, paragraph j, if enacted by 2013 Iowa Acts, House File 556, section 167, is amended to read as follows:

j. The subdivider, if a corporation, must register to do business in the state of Iowa as a foreign corporation with the secretary of state and furnish a copy of the certificate of authority to do business in the state of Iowa. If not a corporation, the subdivider must comply with the provisions of chapter 547, by filing a proper trade name with the Polk county recorder. The provisions of this ~~subsection~~ paragraph shall also apply to any person, partnership, firm, company, corporation, or association, other than the subdivider, which is engaged by or through the subdivider for the purpose of advertising or selling the land involved in the filing.

Sec. 76. Section 556.2, subsection 5, paragraph a,

unnumbered paragraph 1, as enacted by 2013 Iowa Acts, House File 417, section 174, is amended to read as follows:

A banking organization or financial organization shall send to the owner of each account, to which none of the actions specified in subsection ~~2~~ 1, paragraphs *"a"* through *"e"* or subsection 2, paragraphs *"a"* through *"e"* have occurred during the preceding three calendar years, a notice by certified mail stating in substance the following:

Sec. 77. Section 716.7, subsection 1, as amended by 2013 Iowa Acts, House File 556, section 234, if enacted, is amended to read as follows:

1. For purposes of this section:

a. "Property" shall include any land, dwelling, building, conveyance, vehicle, or other temporary or permanent structure whether publicly or privately owned.

b. "Public utility" is a public utility as defined in section 476.1 or an electric transmission line as provided in chapter 478.

~~*b.*~~ *c. "Public utility property"* means any land, dwelling, building, conveyance, vehicle, or other temporary or permanent structure owned, leased, or operated by a public utility and that is completely enclosed by a physical barrier of any kind. ~~For the purposes of this section, a *"public utility"* is a public utility as defined in section 476.1 or an electric transmission line as provided in chapter 478.~~

~~*c.*~~ *d. "Railway corporation"* means a corporation, company, or person owning, leasing, or operating any railroad in whole or in part within this state.

~~*d.*~~ *e. "Railway property"* means all tangible real and personal property owned, leased, or operated by a railway corporation with the exception of any administrative building or offices of the railway corporation.

Sec. 78. Section 724.2, subsection 1, paragraph i, if enacted by 2013 Iowa Acts, House File 556, section 206, is

amended to read as follows:

i. A nonresident who possesses an offensive weapon which is a curio or relic firearm under the federal Firearms Act, 18 U.S.C. ch. 44, solely for use in official functions in this state of a historical reenactment organization of which the person is a member, if the offensive weapon is legally possessed by the person in the person's state of residence and the offensive weapon is at all times while in this state rendered incapable of firing live ammunition. A nonresident who possesses an offensive weapon under this ~~subsection~~ paragraph while in this state shall not have in the person's possession live ammunition. The offensive weapon may, however, be adapted for the firing of blank ammunition.

Sec. 79. 2013 Iowa Acts, House File 556, section 257, subsection 3, if enacted, is amended by adding the following new subsection:

NEW SUBSECTION. 12. The Code editor is directed to change any terminology that references a web site, websites, the internet, and internet site, or internet sites in any Act enacted during the 2013 regular session of the Eighty-fifth General Assembly in the same manner as that terminology is changed in this section of this Act.

Sec. 80. 2013 Iowa Acts, House File 607, section 29, subsection 3, if enacted, is amended to read as follows:

3. The department of agriculture and land stewardship or the office of attorney general acting on behalf of the agricultural development authority in an administrative or judicial proceeding shall not be affected as a result of this Act. Any ~~statue~~ statute of limitation shall apply to the parties as if this Act had not been enacted.

Sec. 81. 2013 Iowa Acts, House File 607, section 34, if enacted, is amended to read as follows:

SEC. 34. ADMINISTRATION OF ONGOING PROGRAMS. The Iowa finance authority shall complete the administration of ongoing

programs of the agricultural development authority as provided in chapter 175, to the extent that the administration of those programs ~~are~~ is in progress on the effective date of this division of this Act. The Iowa finance authority shall assume all rights and obligations of the agricultural development authority to the extent that moneys have been committed, obligations incurred, or rights accrued prior to the effective date of this division of this Act. Moneys owing due to the rights and obligations of the agricultural development authority and assumed by the Iowa finance authority shall be paid as directed by the Iowa finance authority.

Sec. 82. 2013 Iowa Acts, House File 607, section 35, subsection 1, if enacted, is amended to read as follows:

1. The assets and liabilities of the former Iowa rural rehabilitation corporation assumed by the agricultural development authority pursuant to section 175.28 shall be transferred to the Iowa finance authority on the effective date of this division of this Act. On such effective date, the Iowa finance authority shall be the successor in interest to the agreements in effect between the United States government and the agricultural development authority on behalf of this state.

Sec. 83. 2013 Iowa Acts, Senate File 427, section 35, is amended to read as follows:

SEC. 35. ADMINISTRATIVE RULES. The department of public health shall adopt all initial rules, and amendments to existing rules, necessary for the implementation of this Act.

Sec. 84. 2013 Iowa Acts, Senate File 436, section 5, if enacted, is amended to read as follows:

SEC. 5. APPLICABILITY. The following provision or provisions of this Act apply to eligible property to be placed in service on or after ~~the effective date of this Act~~ July 1, 2013:

1. The section of this Act amending section 404A.3.

Sec. 85. 2013 Iowa Acts, Senate File 447, the following

section, if enacted, is amended to read as follows:

SEC.___. CRIMINAL AND JUVENILE JUSTICE PLANNING DIVISION. There is appropriated from the general fund of the state to the criminal and juvenile justice planning division of the department of human rights for the fiscal year beginning July 1, ~~2013~~ 2014, and ending June 30, ~~2014~~ 2015, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

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

..... $ 630,053

..... FTEs 10.81

The criminal and juvenile justice planning advisory council and the juvenile justice advisory council shall coordinate their efforts in carrying out their respective duties relative to juvenile justice.

Sec. 86. REPEAL. 2013 Iowa Acts, House File 417, section 34, and 2013 Iowa Acts, House File 556, section 27, if enacted, are repealed.

Sec. 87. REPEAL. 2013 Iowa Acts, House File 469, sections 83 and 84, are repealed.

Sec. 88. CONTINGENT REPEAL. If 2013 Iowa Acts, House File 575, section 12, is enacted, 2013 Iowa Acts, House File 417, section 93, is repealed.

DIVISION V

SUPPLEMENTARY WEIGHTING FOR LIMITED ENGLISH PROFICIENT STUDENTS

Sec. 89. Section 257.31, subsection 5, paragraph j, Code 2013, is amended to read as follows:

j. Unusual need to continue providing a program or other special assistance to non-English speaking pupils after the expiration of the ~~four-year~~ five-year period specified in section 280.4.

Sec. 90. Section 280.4, subsection 3, Code 2013, is amended to read as follows:

3. *a.* In order to provide funds for the excess costs of instruction of limited English proficient students specified in paragraph *"b"* above the costs of instruction of pupils in a regular curriculum, students identified as limited English proficient shall be assigned an additional weighting of twenty-two hundredths, and that weighting shall be included in the weighted enrollment of the school district of residence for a period not exceeding ~~four~~ five years. However, the school budget review committee may grant supplemental aid or modified allowable growth to a school district to continue funding a program for students after the expiration of the ~~four-year~~ five-year period.

b. For students first determined to be limited English proficient for a budget year beginning on or after July 1, 2010, the additional weighting provided under paragraph *"a"* shall be included in the weighted enrollment of the school district of residence for a period not exceeding five years beginning with the budget year for which the student was first determined to be limited English proficient.

DIVISION VI

NEWBORN CRITICAL CONGENITAL HEART DISEASE SCREENING

Sec. 91. NEW SECTION. **136A.5A Newborn critical congenital heart disease screening.**

1. Each newborn born in this state shall receive a critical congenital heart disease screening by pulse oximetry or other means as determined by rule, in conjunction with the metabolic screening required pursuant to section 136A.5.

2. An attending health care provider shall ensure that every newborn under the provider's care receives the critical congenital heart disease screening.

3. This section does not apply if a parent objects to the screening. If a parent objects to the screening of a

newborn, the attending health care provider shall document the refusal in the newborn's medical record and shall obtain a written refusal from the parent and report the refusal to the department.

4. Notwithstanding any provision to the contrary, the results of each newborn's critical congenital heart disease screening shall only be reported in a manner consistent with the reporting of the results of metabolic screenings pursuant to section 136A.5 if funding is available for implementation of the reporting requirement.

5. This section shall be administered in accordance with rules adopted pursuant to section 136A.8.

Sec. 92. NEWBORN CRITICAL CONGENITAL HEART DISEASE SCREENING. Notwithstanding any provision to the contrary relating to the newborn screening policy pursuant to 641 IAC 4.3(1), critical congenital heart disease screening shall be included in the state's newborn screening panel as included in the recommended uniform screening panel as approved by the United States secretary of health and human services. The center for congenital and inherited disorders advisory committee shall make recommendations regarding implementation of the screening and the center for congenital and inherited disorders shall adopt rules as necessary to implement the screening. However, reporting of the results of each newborn's critical congenital heart disease screening shall not be required unless funding is available for implementation of the reporting requirement.

DIVISION VII

RIGHT TO CURE — CLOSED CREDIT CARD ACCOUNTS

Sec. 93. Section 537.5110, subsection 4, paragraph c, Code 2013, is amended to read as follows:

c. Until the expiration of the minimum applicable period after the notice is given, the consumer may cure the default by tendering either the amount of all unpaid installments due at

the time of the tender, without acceleration, plus any unpaid delinquency or deferral charges, or the amount stated in the notice of right to cure, whichever is less, or by tendering any performance necessary to cure any default other than nonpayment of amounts due, which is described in the notice of right to cure. The act of curing a default restores to the consumer the consumer's rights under the agreement as though no default had occurred, except as provided in subsection 3. However, where the obligation in default is a credit card account that has been closed, the act of curing a default does not restore to the consumer the consumer's rights under the agreement as though no default had occurred.

Sec. 94. Section 537.5111, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. If the consumer credit transaction is a credit card account that has been closed, the notice shall conform to the requirements of subsection 2, and a notice in substantially the form specified in that subsection complies with this subsection except that the statement relating to continuation of the contract upon correction of the default as though the consumer did not default shall not be contained in the notice.

DIVISION VIII

NOTARY PUBLIC

Sec. 95. Section 9B.15, subsection 3, unnumbered paragraph 1, Code 2013, is amended to read as follows:

A certificate of a notarial act is sufficient if it meets the requirements of subsections 1 and 2 and ~~all~~ any of the following apply:

Sec. 96. Section 9B.17, subsection 1, paragraph a, Code 2013, is amended to read as follows:

a. Include the notary public's name, the words "Notarial Seal" and "Iowa", the words "Commission Number" followed by a number assigned to the notary public by the secretary of

state, the words "My Commission Expires" followed either by the date that the notary public's term would ordinarily expire as provided in section 9B.21 or a blank line on which the notary public shall indicate the date of expiration, if any, of the notary public's commission, as required by and in satisfaction of section 9B.15, subsection 1, paragraph "*e*", and other information required by the secretary of state.

Sec. 97. Section 321I.31, subsection 3, Code 2013, is amended to read as follows:

3. An owner of an all-terrain vehicle shall apply to the county recorder for issuance of a certificate of title within thirty days after acquisition. The application shall be on forms the department prescribes and accompanied by the required fee. The application shall be signed and sworn to before a ~~notary public~~ notarial officer as provided in chapter 9B or other person who administers oaths, or shall include a certification signed in writing containing substantially the representation that statements made are true and correct to the best of the applicant's knowledge, information, and belief, under penalty of perjury. The application shall contain the date of sale and gross price of the all-terrain vehicle or the fair market value if no sale immediately preceded the transfer and any additional information the department requires. If the application is made for an all-terrain vehicle last previously registered or titled in another state or foreign country, the application shall contain this information and any other information the department requires.

Sec. 98. Section 462A.77, subsection 4, Code 2013, is amended to read as follows:

4. Every owner of a vessel subject to titling under this chapter shall apply to the county recorder for issuance of a certificate of title for the vessel within thirty days after acquisition. The application shall be on forms the department prescribes, and accompanied by the required fee.

The application shall be signed and sworn to before a ~~notary public~~ notarial officer as provided in chapter 9B or other person who administers oaths, or shall include a certification signed in writing containing substantially the representation that statements made are true and correct to the best of the applicant's knowledge, information, and belief, under penalty of perjury. The application shall contain the date of sale and gross price of the vessel or the fair market value if no sale immediately preceded the transfer, and any additional information the department requires. If the application is made for a vessel last previously registered or titled in another state or foreign country, it shall contain this information and any other information the department requires.

Sec. 99. Section 554.3505, subsection 2, Code 2013, is amended to read as follows:

2. A protest is a certificate of dishonor made by a United States consul or vice consul, or a ~~notary public~~ notarial officer as provided in chapter 9B or other person authorized to administer oaths by the law of the place where dishonor occurs. It may be made upon information satisfactory to that person. The protest must identify the instrument and certify either that presentment has been made or, if not made, the reason why it was not made, and that the instrument has been dishonored by nonacceptance or nonpayment. The protest may also certify that notice of dishonor has been given to some or all parties.

Sec. 100. Section 589.4, Code 2013, is amended to read as follows:

589.4 Acknowledgments by corporation officers.

The acknowledgments of all deeds, mortgages, or other instruments in writing taken or certified more than ten years earlier, which instruments have been recorded in the recorder's office of any county of this state, including acknowledgments of instruments made by a corporation, or to which the corporation was a party, or under which the corporation was

a beneficiary, and which have been acknowledged before or certified by a ~~notary public~~ notarial officer as provided in chapter 9B who was at the time of the acknowledgment or certifying a stockholder or officer in the corporation, are legal and valid official acts of the notaries public, and entitle the instruments to be recorded, anything in the laws of the state of Iowa in regard to acknowledgments to the contrary notwithstanding. This section does not affect pending litigation.

Sec. 101. Section 589.5, Code 2013, is amended to read as follows:

589.5 Acknowledgments by stockholders.

All deeds and conveyances of lands within this state executed more than ten years earlier, but which have been acknowledged or proved according to and in compliance with the laws of this state before a ~~notary public~~ notarial officer as provided in chapter 9B or other official authorized by law to take acknowledgments who was, at the time of the acknowledgment, an officer or stockholder of a corporation interested in the deed or conveyance, or otherwise interested in the deeds or conveyances, are, if otherwise valid, valid in law as though acknowledged or proved before an officer not interested in the deeds or conveyances; and if recorded more than ten years earlier, in the respective counties in which the lands are, the records are valid in law as though the deeds and conveyances, so acknowledged or proved and recorded, had, prior to being recorded, been acknowledged or proved before an officer having no interest in the deeds or conveyances.

Sec. 102. Section 622.86, Code 2013, is amended to read as follows:

622.86 Foreign affidavits.

Those taken out of the state before any judge or clerk of a court of record, or before a ~~notary public~~ notarial officer as provided in chapter 9B, or a commissioner appointed by

the governor of this state to take acknowledgment of deeds in the state where such affidavit is taken, are of the same credibility as if taken within the state.

DIVISION IX

CORN PROMOTION BOARD

Sec. 103. Section 185C.1, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. *"Director"* means a district elected director or a board elected director as provided in section 185C.6.

Sec. 104. Section 185C.1, subsection 5, Code 2013, is amended to read as follows:

5. *"District"* means an official crop reporting district formed by the United States department of agriculture for use on January 1, 2013, and set out in the annual farm census published in that year by the ~~Iowa~~ department of agriculture and land stewardship.

Sec. 105. Section 185C.3, Code 2013, is amended to read as follows:

185C.3 Establishment of corn promotion board.

If a majority of the producers voting in the referendum election approve the passage of the promotional order, an Iowa corn promotion board shall be established. ~~The board shall consist of one director elected from each district in the state, except that a district producing more than an average of one hundred million bushels of corn in the three previous marketing years is entitled to two directors.~~

Sec. 106. Section 185C.6, Code 2013, is amended by striking the section and inserting in lieu thereof the following:

185C.6 Number and election of directors.

The Iowa corn promotion board established pursuant to section 185C.3 shall be composed of directors elected as provided in this chapter. The directors shall include all of the following:

1. Nine district elected directors. Each such director shall be elected from a district as provided in section 185C.5, this section, and sections 185C.7 and 185C.8. A candidate receiving the highest number of votes in each district shall be elected to represent that district.

2. Three board elected directors. Each such director shall be elected by the board. The candidate receiving the highest number of votes by the board shall be elected to represent the state on at-large basis.

Sec. 107. Section 185C.7, Code 2013, is amended to read as follows:

185C.7 Terms of directors.

1. ~~Director terms~~ A director's term of office shall be for three years ~~and no~~. A district elected director ~~of the board~~ shall not serve for more than three complete consecutive terms. A board elected director shall not serve for more than one complete term of office. A district elected director who is elected as board elected director shall not serve more than a total of four terms of office, regardless of whether any of the terms of office are complete or consecutive.

2. If the board is reconstituted pursuant to section 185C.8, the terms of the directors shall be controlled by this section. However, the initial terms of the reconstituted board shall be staggered. To the extent practicable, one-third of the elected directors shall serve an initial term of one year, one-third of the elected directors shall serve an initial term of two years, and one-third of the elected directors shall serve an initial term of three years. The initial terms of board elected directors shall be determined by board ~~members~~ directors drawing lots. ~~The board elected under this paragraph shall not contain two directors from the same district serving the same term.~~

Sec. 108. Section 185C.8, Code 2013, is amended to read as follows:

185C.8 ~~Elections~~ Administration of elections for directors.

1. The Iowa corn promotion board shall administer elections for district elected directors of the board with the assistance of the secretary. Prior to the expiration of a director's term of office, the board shall appoint a nominating committee for the district represented by that director. The nominating committee shall consist of five producers who are residents of the district from which a director must be elected. The nominating committee shall nominate two resident producers as candidates for each director position for which an election is to be held. Additional candidates may be nominated by a written petition of twenty-five producers. Procedures governing the time and place of filing shall be adopted and publicized by the board.

Following recommencement of the promotional order, or termination of the promotional order's suspension as provided in section 185C.24, the secretary shall order the reconstitution of the board. An election of district elected directors shall be held within thirty days from the date of the order. The secretary shall call for, provide for notice of, conduct, and certify the results of the election in a manner consistent with section 185C.5 through 185C.7. Directors shall serve terms as provided in section 185C.7. Rules or procedures adopted by the board and in effect at the date of suspension shall continue in effect upon reconstitution of the board. The Iowa corn growers association may nominate two resident producers as candidates for each director position. Additional candidates may be nominated by a written petition of at least twenty-five producers.

2. The Iowa corn promotion board shall administer elections for board elected directors. Prior to the expiration of a board elected director's term of office, the board may appoint a nominating committee. In order to be eligible for nomination and election, a candidate must have previously served on the

board as an elected director. An officer of the board shall certify the results of the election.

Sec. 109. Section 185C.10, subsection 3, Code 2013, is amended by striking the subsection.

Sec. 110. Section 185C.14, subsection 3, Code 2013, is amended to read as follows:

3. The board shall meet at least ~~once every~~ three ~~months~~ times each year, and at such other times as deemed necessary by the board.

Sec. 111. IMPLEMENTATION. The Iowa corn promotion board established pursuant to section 185C.3 shall implement this division of this Act.

1. During the implementation period all of the following shall apply:

a. The board shall provide for staggered terms of directors in the same manner as required for the initial terms of office of a reconstituted board pursuant to section 185C.7. However, the board is not required to draw lots as otherwise provided in that section.

b. The board is not required to fill a vacancy for an unexpired term as required in section 185C.9.

c. The board may reduce the number of years of a director's term in order to comply with this section.

2. The board shall complete implementation of this Act not later than July 1, 2014.

Sec. 112. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION X

APPORTIONMENT OF TRANSPORTATION FUNDS — APPROPRIATION

Sec. 113. Section 312.3, subsection 2, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *d.* For purposes of apportioning among the cities of the state the percentage of the road use tax fund to

be credited to the street construction fund of the cities for each month beginning March 2011 and ending March 2021 pursuant to this subsection, the population of each city shall be determined by the greater of the population of the city as of the last preceding certified federal census or as of the April 1, 2010, population estimates base as determined by the United States census bureau.

Sec. 114. STREET CONSTRUCTION FUND — APPROPRIATION.

1. In a written application to the treasurer of state submitted by October 1, 2013, a city may request an additional distribution of moneys to be credited to the street construction fund of the city equal to that additional amount, calculated by the treasurer, that the city would have received if the funds were apportioned based upon the population of the city as determined by section 312.3, subsection 2, paragraph "d", as enacted in this division of this Act, for the months prior to the effective date of this division of this Act.

2. Upon determination by the treasurer of state that an additional amount should be credited to a city as provided by this section, there is appropriated from the general fund of the state to the department of transportation, for the fiscal year beginning July 1, 2013, and ending June 30, 2014, an amount sufficient to pay the additional amount which shall be distributed to the city for deposit in the street construction fund of the city.

Sec. 115. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 116. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to March 2011.

DIVISION XI

HISTORIC PRESERVATION AND CULTURAL AND ENTERTAINMENT DISTRICT TAX CREDITS

Sec. 117. Section 404A.4, subsection 2, paragraph d, Code

2013, is amended to read as follows:

d. For ~~the~~ a fiscal year beginning on or after July 1, 2012, ~~and for each fiscal year thereafter~~ but before July 1, 2014, the office shall reserve not more than forty-five million dollars worth of tax credits for any one taxable year.

Sec. 118. Section 404A.4, subsection 2, Code 2013, is amended by adding the following new paragraphs:

NEW PARAGRAPH. *e.* For the fiscal years beginning July 1, 2014, July 1, 2015, and July 1, 2016, the office shall reserve not more than fifty-five million dollars of tax credits for any one taxable year.

NEW PARAGRAPH. *f.* For the fiscal year beginning July 1, 2017, and for each fiscal year thereafter, the office shall reserve not more than fifty million dollars of tax credits for any one taxable year.

Sec. 119. Section 404A.4, subsection 4, paragraph a, Code 2013, is amended to read as follows:

a. The total amount of tax credits that may be approved for a fiscal year prior to the fiscal year beginning July 1, 2012, under this chapter shall not exceed fifty million dollars. The total amount of tax credits that may be approved for a fiscal year beginning on or after July 1, 2012, but before July 1, 2014, shall not exceed forty-five million dollars. The total amount of tax credits that may be approved for a fiscal year beginning on or after July 1, 2014, but before July 1, 2017, shall not exceed fifty-five million dollars. The total amount of tax credits that may be approved for a fiscal year beginning on or after July 1, 2017, shall not exceed fifty million dollars.

DIVISION XII

INCOME TAXES

Sec. 120. Section 422.5, subsection 1, paragraph j, subparagraph (2), subparagraph division (a), Code 2013, is amended to read as follows:

(a) The tax imposed upon the taxable income of a resident shareholder in an S corporation or of an estate or trust with a situs in Iowa that is a shareholder in an S corporation, which S corporation has in effect for the tax year an election under subchapter S of the Internal Revenue Code and carries on business within and without the state, may be computed by reducing the amount determined pursuant to paragraphs *"a"* through *"i"* by the amounts of nonrefundable credits under this division and by multiplying this resulting amount by a fraction of which the resident's or estate's or trust's net income allocated to Iowa, as determined in section 422.8, subsection 2, paragraph *"b"*, is the numerator and the resident's or estate's or trust's total net income computed under section 422.7 is the denominator. If a resident shareholder, or an estate or trust with a situs in Iowa that is a shareholder, has elected to take advantage of this subparagraph (2), and for the next tax year elects not to take advantage of this subparagraph, the resident or estate or trust shareholder shall not reelect to take advantage of this subparagraph for the three tax years immediately following the first tax year for which the shareholder elected not to take advantage of this subparagraph, unless the director consents to the reelection. This subparagraph also applies to individuals who are residents of Iowa for less than the entire tax year.

Sec. 121. Section 422.8, subsection 2, paragraph b, unnumbered paragraph 1, Code 2013, is amended to read as follows:

A resident's income, or the income of an estate or trust with a situs in Iowa, allocable to Iowa is the income determined under section 422.7 reduced by items of income and expenses from an S corporation that carries on business within and without the state when those items of income and expenses pass directly to the shareholders under provisions of the Internal Revenue Code. These items of income and expenses are increased

by the greater of the following:

Sec. 122. Section 422.15, subsection 2, Code 2013, is amended to read as follows:

2. Every partnership, including limited partnerships ~~organized under chapter 488, having a place of business in the state~~, doing business in this state, or deriving income from sources within this state as defined in section 422.33, subsection 1, shall make a return, stating specifically the net income and capital gains (or losses) reported on the federal partnership return, the names and addresses of the partners, and their respective shares in said amounts.

Sec. 123. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 124. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to January 1, 2013, for tax years beginning on or after that date:

1. The section amending section 422.5.
2. The section amending section 422.8.
3. The section amending section 422.15.

DIVISION XIII

SALES AND USE TAXES

Sec. 125. Section 423.1, subsection 5, Code 2013, is amended to read as follows:

5. *"Agricultural production"* includes the production of flowering, ornamental, or vegetable plants in commercial greenhouses or otherwise, and production from aquaculture, and production from silvicultural activities. *"Agricultural products"* includes flowering, ornamental, or vegetable plants and those products of aquaculture and silviculture.

Sec. 126. Section 423.2, subsection 6, paragraph a, Code 2013, is amended to read as follows:

a. The sales price of any of the following enumerated

services is subject to the tax imposed by subsection 5: alteration and garment repair; armored car; vehicle repair; battery, tire, and allied; investment counseling; service charges of all financial institutions; barber and beauty; boat repair; vehicle wash and wax; campgrounds; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dating services; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; excavating and grading; farm implement repair of all kinds; flying service; furniture, rug, carpet, and upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; gun and camera repair; house and building moving; household appliance, television, and radio repair; janitorial and building maintenance or cleaning; jewelry and watch repair; lawn care, landscaping, and tree trimming and removal; limousine service, including driver; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pay television; pet grooming; pipe fitting and plumbing; wood preparation; executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; reflexology; security and detective services, excluding private security and detective services furnished by a peace officer with the knowledge and consent of the chief executive officer of the peace officer's law enforcement agency; sewage services for nonresidential commercial operations; sewing and stitching; shoe repair and shoeshine; sign construction and installation; storage of household goods, mini-storage, and warehousing of raw agricultural products; swimming pool cleaning and maintenance; tanning beds or salons; taxidermy services; telephone

answering service; test laboratories, including mobile testing laboratories and field testing by testing laboratories, and excluding tests on humans or animals; termite, bug, roach, and pest eradicators; tin and sheet metal repair; transportation service consisting of the rental of recreational vehicles or recreational boats, or the rental of motor vehicles subject to registration which are registered for a gross weight of thirteen tons or less for a period of sixty days or less, or the rental of aircraft for a period of sixty days or less; Turkish baths, massage, and reducing salons, excluding services provided by massage therapists licensed under chapter 152C; water conditioning and softening; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl, and vegetables; wrecking service; wrecker and towing.

Sec. 127. Section 423.3, subsection 47, paragraph d, subparagraph (4), Code 2013, is amended to read as follows:

(4) *"Manufacturer"* means ~~as defined in section 428.20~~ a person who purchases, receives, or holds personal property of any description for the purpose of adding to its value by a process of manufacturing, refining, purifying, combining of different materials, or by the packing of meats, with a view to selling the property for gain or profit, but also includes contract manufacturers. A contract manufacturer is a manufacturer that otherwise falls within the definition of manufacturer ~~under section 428.20~~, except that a contract manufacturer does not sell the tangible personal property the contract manufacturer processes on behalf of other manufacturers. A business engaged in activities subsequent to the extractive process of quarrying or mining, such as crushing, washing, sizing, or blending of aggregate materials, is a manufacturer with respect to these activities. This subparagraph (4) shall not be construed to require that a person be primarily engaged in an activity listed in this

subparagraph in order to qualify as a manufacturer for purposes of this subsection.

Sec. 128. Section 423.3, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 99. The sales price from services furnished by forestry consultants and forestry vendors engaged in forestry practices on private or public land.

DIVISION XIV

IOWA FUND OF FUNDS

Sec. 129. Section 15E.62, Code 2013, is amended by adding the following new subsections:

NEW SUBSECTION. 03. *"Creditor"* means a person, including an assignee of or successor to such person, who extends credit or makes a loan to the Iowa fund of funds or to a designated investor, and includes any person who refinances such credit or loan.

NEW SUBSECTION. 04. *"Fund documents"* means all agreements relating to matters under the purview of this division VII entered into prior to the effective date of this division of this Act between or among the state, the Iowa fund of funds, a fund allocation manager or similar manager, the Iowa capital investment corporation, the board, a creditor, a designated investor, and a private seed or venture capital partnership, and includes other documents having the same force and effect between or among such parties, as any of the foregoing may be amended, modified, restated, or replaced from time to time.

Sec. 130. Section 15E.65, subsection 2, paragraph h, Code 2013, is amended to read as follows:

h. ~~Fifty years after the organization of the Iowa fund of funds~~ As soon as practicable after the effective date of this division of this Act, the Iowa capital investment corporation, in conjunction with the department of revenue, the board, and the attorney general, shall wind up the Iowa fund of funds pursuant to section 15E.72 and shall cause the

Iowa fund of funds to be liquidated with all of its assets distributed to its owners in accordance with the provisions of its organizational documents and in accordance with the fund documents. In liquidating such assets, the capital investment corporation, the department of revenue, the board, and the attorney general shall act with prudence and caution in order to minimize costs and fees and to preserve investment assets to the extent reasonably possible.

Sec. 131. NEW SECTION. **15E.72 Program wind-up and future repeal.**

1. *Organization of additional funds prohibited.* Notwithstanding section 15E.65, an Iowa fund of funds shall not be organized on or after the effective date of this division of this Act.

2. *New investments by the fund of funds prohibited.* Notwithstanding section 15E.65, the Iowa fund of funds shall not make new investments in private seed and venture capital partnerships or entities on or after the effective date of this division of this Act except as required by the fund documents.

3. *New investments by designated investors prohibited.*

a. Except as provided in paragraph *"b"*, and notwithstanding any other provision in this division VII, a designated investor shall not invest in the Iowa fund of funds on or after the effective date of this division of this Act.

b. Notwithstanding the prohibition in paragraph *"a"*, a designated investor may invest in the Iowa fund of funds on or after the effective date of this division of this Act to the extent such investment is required by the fund documents. In addition, the director of revenue, with the approval of the attorney general, may authorize additional investment in the Iowa fund of funds but only if such an investment is necessary to preserve fund assets, repay creditors, pay taxes, or otherwise effectuate an orderly wind-up of the program pursuant to this section.

4. *Issuance, verification, and redemption of new certificates prohibited.*

a. Except as provided in paragraph *"b"*, and notwithstanding any other provision in this division VII, the board shall not issue, verify, or redeem a certificate or a related tax credit on or after the effective date of this division of this Act.

b. Notwithstanding the prohibition in paragraph *"a"*, the board may issue, redeem, or verify a certificate or a related tax credit under any of the following conditions:

(1) The board is required to do so under the terms of the fund documents.

(2) The issuance, redemption, or verification is deemed necessary by the director of revenue and the attorney general in order to arrange new financing terms with a creditor.

(3) The issuance, redemption, or verification is deemed necessary by the director of revenue and the attorney general to preserve fund assets, repay creditors, or otherwise effectuate an orderly wind-up of the program pursuant to this section.

5. *New fund allocation managers prohibited.*

a. Notwithstanding any other provision in this division VII, the Iowa capital investment corporation shall not have authority to solicit, select, terminate, or change a fund allocation manager or similar manager on or after the effective date of this division of this Act.

b. On or after the effective date of this division of this Act, all decisions pertaining to relationships with a fund allocation manager or similar manager selected prior to the effective date of this division of this Act shall be made by the director of revenue with the approval of the attorney general. This subsection shall not be construed to impair the terms of the fund documents.

6. *Pledging of certificates prohibited.*

a. Except as provided in paragraph *"b"*, and notwithstanding

any other provision of law to the contrary, a certificate and a related tax credit or verified tax credit issued by the board shall not be pledged by a designated investor as security for a loan or an extension of credit on or after the effective date of this division of this Act.

b. Notwithstanding the prohibition in paragraph *"a"*, a certificate and related tax credit or verified tax credit issued by the board may be pledged by a designated investor as security for a loan or an extension of credit to the extent such pledge is required by the fund documents. In addition, the board, with the approval of the director of revenue and the attorney general, may authorize a certificate and related tax credit to be pledged as security for a loan or an extension of credit, but only if such a pledge is necessary to arrange new financing terms with a creditor or to repay creditors for moneys loaned or credit extended to a designated investor.

7. *Rural and small business loan guarantees prohibited.* Notwithstanding any other provision in this division VII to the contrary, the Iowa capital investment corporation shall not make rural and small business loan guarantees or otherwise administer a program to provide loan guarantees and other related credit enhancements on loans to rural and small business borrowers within the state of Iowa on or after the effective date of this division of this Act.

8. *Iowa capital investment corporation purposes amended.* Notwithstanding section 15E.64, on or after the effective date of this division of this Act, the purposes of the Iowa capital investment corporation shall be to comply with its obligations under the fund documents and to assist the board, the director of revenue, and the attorney general in effectuating the orderly wind-up of the Iowa fund of funds. In effectuating such a wind-up, the Iowa capital investment corporation shall comply with all reasonable requests by the board, the director of revenue, the attorney general, or the

auditor of state.

9. *Use of revolving fund prohibited.*

a. Notwithstanding section 15E.65, subsection 2, paragraph *"a"*, on or after the effective date of this division of this Act, all investment returns received by the Iowa capital investment corporation that are in excess of those payable to designated investors shall be deposited in the general fund of the state.

b. This subsection shall not be construed to impair the terms of the fund documents. It is the intent of the general assembly that this subsection only applies in the event that there are investment returns in excess of those necessary to repay creditors and designated investors under the terms of the fund documents.

10. *Preservation of existing rights.* This section is not intended to and shall not limit, modify, or otherwise adversely affect the fund documents, including any certificate, verified tax credit, or related tax credit issued before the effective date of this division of this Act or limit, modify, or otherwise adversely affect the redemption of any tax credit, verified tax credit, or certificate.

11. *Future repeal.* This division VII is repealed upon the occurrence of one of the following, whichever is earlier:

a. The expiration or termination of all fund documents. The director of revenue shall notify the Iowa Code editor upon the occurrence of this condition.

b. December 31, 2027.

Sec. 132. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XV

STUDY REPORT

Sec. 133. ADMINISTRATIVE APPEALS PROCESS FOR TAX MATTERS AND NEW TAX APPEAL BOARD — REPORT. The department of

revenue, in consultation with the department of management and other interested stakeholders, shall study the independence, effectiveness, and fairness of the state's current administrative appeals processes for tax matters and shall make recommendations for changes, if necessary, and shall additionally study the desirability, practicality, and feasibility of replacing components of these processes with a new consolidated and independent administrative appeals board for tax matters within the executive branch to resolve disputes between the department of revenue and taxpayers. The department of revenue shall prepare and file a report detailing its findings and recommendations with the chairpersons and ranking members of the ways and means committees of the senate and the house of representatives and with the legislative services agency by January 8, 2014. This section of this Act shall not be construed to provide the department of revenue with the power or authority to eliminate or in any way modify the property assessment appeals board created pursuant to section 421.1A.

DIVISION XVI

SECURE AN ADVANCED VISION FOR EDUCATION FUND

Sec. 134. Section 423F.2, subsection 1, paragraph b, Code 2013, is amended to read as follows:

b. The increase in the state sales, services, and use taxes under chapter 423, subchapters II and III, from five percent to six percent shall replace the repeal of the county's local sales and services tax for school infrastructure purposes. The distribution of moneys in the secure an advanced vision for education fund and the use of the moneys for infrastructure purposes or property tax relief shall be as provided in this chapter. ~~However, the formula for the distribution of the moneys in the fund shall be based upon amounts that would have been received if the local sales and services taxes under former chapter 423E, Code and Code Supplement 2007, continued~~

~~in existence.~~

Sec. 135. Section 423F.2, subsection 3, Code 2013, is amended to read as follows:

3. The moneys available in a fiscal year in the secure an advanced vision for education fund shall be distributed by the department of revenue to each school district ~~in an amount equal to the amount the school district would have received pursuant to the formula in section 423E.4 as if the local sales and services tax for school infrastructure purposes was imposed~~ on a per pupil basis calculated using each school district's budget enrollment, as defined in section 257.6, for that fiscal year. ~~Moneys in a fiscal year that are in excess of that needed to provide each school district with its formula amount~~ Prior to distribution of moneys in the secure an advanced vision for education fund to school districts, two and one-tenths percent of the moneys available in a fiscal year shall be distributed and credited to the property tax equity and relief fund created in section 257.16A.

Sec. 136. APPLICABILITY. This division of this Act applies to fiscal years beginning on or after July 1, 2014.

DIVISION XVII

SCHOOL EMPLOYEES — BACKGROUND INVESTIGATIONS

Sec. 137. NEW SECTION. **279.69 School employees — background investigations.**

1. Prior to hiring an applicant for a school employee position, a school district shall have access to and shall review the information in the Iowa court information system available to the general public, the sex offender registry information under section 692A.121 available to the general public, the central registry for child abuse information established under section 235A.14, and the central registry for dependent adult abuse information established under section 235B.5 for information regarding the applicant. A school district shall follow the same procedure by June 30, 2014, for

each school employee employed by the school district as of July 1, 2013. A school district shall implement a consistent policy to follow the same procedure for each school employee employed by the school district on or after July 1, 2013, at least every five years after the school employee's initial date of hire. A school district shall not charge an employee for the cost of the registry checks conducted pursuant to this subsection. A school district shall maintain documentation demonstrating compliance with this subsection.

2. Being listed in the sex offender registry established under chapter 692A, the central registry for child abuse information established under section 235A.14, or the central registry for dependent adult abuse information established under section 235B.5 shall constitute grounds for the immediate suspension from duties of a school employee, pending a termination hearing by the board of directors of a school district. A termination hearing conducted pursuant to this subsection shall be limited to the question of whether the school employee was incorrectly listed in the registry.

3. For purposes of this section, *"school employee"* means an individual employed by a school district, including a part-time, substitute, or contract employee. *"School employee"* does not include an individual subject to a background investigation pursuant to section 272.2, subsection 17, section 279.13, subsection 1, paragraph *"b"*, or section 321.375, subsection 2.

Sec. 138. STATE MANDATE FUNDING SPECIFIED. In accordance with section 25B.2, subsection 3, the state cost of requiring compliance with any state mandate included in this division of this Act shall be paid by a school district from state school foundation aid received by the school district under section 257.16. This specification of the payment of the state cost shall be deemed to meet all of the state funding-related requirements of section 25B.2, subsection 3, and no additional

state funding shall be necessary for the full implementation of this division of this Act by and enforcement of this division of this Act against all affected school districts.

DIVISION XVIII

FROM FARM TO FOOD DONATION TAX CREDIT

Sec. 139. NEW SECTION. **190B.301 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Department"* means the department of revenue.

2. *"Tax credit"* means the from farm to food donation tax credit as established in this chapter.

Sec. 140. NEW SECTION. **190B.302 Department of revenue — cooperation with other departments.**

1. This chapter shall be administered by the department of revenue.

2. The department shall adopt all rules necessary to administer this chapter.

3. The department of agriculture and land stewardship, the department of public health, the department of human services, and the department of inspections and appeals shall cooperate with the department of revenue to administer this chapter.

Sec. 141. NEW SECTION. **190B.303 From farm to food donation tax credit.**

A from farm to food donation tax credit is allowed against the taxes imposed in chapter 422, divisions II and III, as provided in this chapter.

Sec. 142. NEW SECTION. **190B.304 From farm to food donation tax credit — eligibility.**

In order to qualify for a from farm to food donation tax credit, all of the following must apply:

1. The taxpayer must produce the donated food commodity.

2. The taxpayer must transfer title to the donated food commodity to an Iowa food bank, or an Iowa emergency feeding organization, recognized by the department. The taxpayer shall

not receive remuneration for the transfer.

3. The donated food commodity cannot be damaged or out-of-condition and declared to be unfit for human consumption by a federal, state, or local health official. A food commodity that meets the requirements for donated foods pursuant to the federal emergency food assistance program satisfies this requirement.

4. A taxpayer claiming the tax credit shall provide documentation supporting the tax credit claim in a form and manner prescribed by the department by rule.

Sec. 143. NEW SECTION. **190B.305 From farm to food donation tax credit — claims filed by individuals who belong to business entities.**

An individual may claim a from farm to food donation tax credit of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

Sec. 144. NEW SECTION. **190B.306 From farm to food donation tax credit — limits on claims.**

A from farm to food donation tax credit is subject to all of the following limitations:

1. The tax credit shall not exceed a qualifying amount for the tax year that the tax credit is claimed. The qualifying amount is the lesser of the following:

a. Fifteen percent of the value of the commodities donated during the tax year for which the credit is claimed. The value of the commodities shall be determined in the same manner as a charitable contribution of food for federal tax purposes under section 170(e)(3)(C) of the Internal Revenue Code.

b. Five thousand dollars.

2. A tax credit in excess of the taxpayer's liability for

the tax year is not refundable but may be credited to the tax liability for the following five years or until depleted, whichever is earlier.

3. If a tax credit is allowed, the amount of the contribution for which the tax credit is claimed shall not be deductible in determining taxable income for state tax purposes.

4. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit.

Sec. 145. NEW SECTION. **422.11E From farm to food donation tax credit.**

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a from farm to food donation tax credit as allowed under chapter 190B.

Sec. 146. Section 422.33, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 30. The taxes imposed under this division shall be reduced by a from farm to food donation tax credit as allowed under chapter 190B.

Sec. 147. APPLICABILITY. The provisions of this division of this Act providing for a from farm to food donation tax credit applies to tax years beginning on or after January 1, 2014.

DIVISION XIX

CITY FRANCHISE FEES

Sec. 148. Section 364.2, subsection 4, paragraph f, Code 2013, is amended to read as follows:

f. (1) (a) A franchise fee assessed by a city may be based upon a percentage of gross revenues generated from sales of the franchisee within the city not to exceed five percent except as provided in subparagraph division (b), without regard to the city's cost of inspecting, supervising, and otherwise regulating the franchise.

(b) For franchise fees assessed and collected during

fiscal years beginning on or after July 1, 2013, but before July 1, 2030, by a city that is the subject of a judgment, court-approved settlement, or court-approved compromise providing for payment of restitution, a refund, or a return described in section 384.3A, subsection 3, paragraph "*j*", the rate of the franchise fee shall not exceed seven and one-half percent of gross revenues generated from sales of the franchisee in the city, and franchise fee amounts assessed and collected during such fiscal years in excess of five percent of gross revenues generated from sales shall be used solely for the purpose specified in section 384.3A, subsection 3, paragraph "*j*". A city may assess and collect a franchise fee in excess of five percent of gross revenues generated from the sales of the franchisee pursuant to this subparagraph division (b) for a period not to exceed seven consecutive fiscal years once the franchise fee is first imposed at a rate in excess of five percent. An ordinance increasing the franchise fee rate to greater than five percent pursuant to this subparagraph division (b) shall not become effective unless approved at an election. After passage of the ordinance, the council shall submit the proposal at a special election held on a date specified in section 39.2, subsection 4, paragraph "*b*". If a majority of those voting on the proposal approves the proposal, the city may proceed as proposed. The complete text of the ordinance shall be included on the ballot and the full text of the ordinance posted for the voters pursuant to section 52.25. All absentee voters shall receive the full text of the ordinance along with the absentee ballot. This subparagraph division (b) is repealed July 1, 2030.

(2) Franchise fees collected pursuant to an ordinance in effect on May 26, 2009, shall be deposited in the city's general fund and such fees collected in excess of the amounts necessary to inspect, supervise, and otherwise regulate the franchise may be used by the city for any other purpose

authorized by law. Franchise fees collected pursuant to an ordinance that is adopted or amended on or after May 26, 2009, to increase the percentage rate at which franchise fees are assessed shall be credited to the franchise fee account within the city's general fund and used pursuant to section 384.3A. If a city franchise fee is assessed to customers of a franchise, the fee shall not be assessed to the city as a customer. Before a city adopts or amends a franchise fee rate ordinance or franchise ordinance to increase the percentage rate at which franchise fees are assessed, a revenue purpose statement shall be prepared specifying the purpose or purposes for which the revenue collected from the increased rate will be expended. If property tax relief is listed as a purpose, the revenue purpose statement shall also include information regarding the amount of the property tax relief to be provided with revenue collected from the increased rate. The revenue purpose statement shall be published as provided in section 362.3.

~~(2)~~ (3) If a city adopts, amends, or repeals an ordinance imposing a franchise fee, the city shall promptly notify the director of revenue of such action.

Sec. 149. Section 384.3A, subsection 3, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *j.* For franchise fees assessed and collected by a city in excess of five percent of gross revenues generated from sales of the franchisee within the city pursuant to section 364.2, subsection 4, paragraph *"f"*, subparagraph (1), subparagraph division (b), during fiscal years beginning on or after July 1, 2013, but before July 1, 2030, the adjustment, renewal, or extension of any part or all of the legal indebtedness of a city, whether evidenced by bonds, warrants, court-approved settlements, court-approved compromises, or judgments, or the funding or refunding of the same, if such legal indebtedness relates to restitution, a refund, or

a return ordered by a court of competent jurisdiction for franchise fees assessed and collected by the city before the effective date of this division of this Act. This paragraph "*j*" is repealed July 1, 2030.

Sec. 150. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XX

TUITION GRANT AMOUNTS

Sec. 151. Section 261.12, subsection 1, paragraph b, Code 2013, is amended by striking the paragraph and inserting in lieu thereof the following:

b. For the fiscal year beginning July 1, 2013, and for each following fiscal year, five thousand dollars.

DIVISION XXI

GENERAL AND SPECIAL EDUCATION

Sec. 152. GENERAL AND SPECIAL EDUCATION INSTRUCTIONAL PROGRAMS — PRIVATE AGENCY RESIDENTIAL SERVICES.

1. For purposes of this section, "private agency" means a residential facility licensed under chapter 135H or 237. "Private agency" does not include an institution listed in section 218.1.

2. If a private agency contracted with a school district on or before July 1, 2010, to provide general education or special education instructional programs, for the school years beginning July 1, 2012, and July 1, 2013, the private agency may bill the school district for the subsequent costs of such programs, in accordance with billing practices in place on July 1, 2010. Such school district may in turn bill a child's school district of residence for such costs. Such costs include, if necessary to meet the special needs of children requiring general education or special education, the costs of general administration, health service, attendance officers, plant operation, and plant maintenance, instructional costs,

and the costs of purchase of equipment, transportation, and property, casualty, and liability insurance. Such costs do not include the costs of services otherwise funded pursuant to chapter 135H or 237.

3. An auditor conducting an annual audit of a school district pursuant to section 11.6 shall review and verify the information contained in any cost reports submitted to the school district by a private agency contracting with the school district as described in this section.

Sec. 153. GENERAL AND SPECIAL EDUCATION COSTS — LEGISLATIVE STUDY.

1. For purposes of this section, "private agency" means a residential facility licensed under chapter 135H or 237. "Private agency" does not include an institution listed in section 218.1.

2. The legislative council is requested to establish an interim study committee during the 2013 interim to examine the payment of general education and special education costs associated with student services provided by private agencies and whether the planning for and costs of such services would be more appropriately administered by the department of education or the department of human services. The study committee shall consist of legislator members of both political parties from both houses of the general assembly and representatives of the office of the governor, the department of education, the department of human services, and private agencies.

Sec. 154. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXII

PRACTICE BY BUSINESS ENTITIES

Sec. 155. REPEAL. 2013 Iowa Acts, Senate File 181, section 29, is repealed.

Sec. 156. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to March 28, 2013.

Sec. 157. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXIII

SPEED DETECTION JAMMING DEVICES

Sec. 158. Section 321.232, Code 2013, is amended to read as follows:

321.232 ~~Radar~~ Speed detection jamming devices — penalty.

1. A person shall not sell, operate, or possess a ~~radar~~ speed detection jamming device, except as otherwise provided in this section, when the device is in a vehicle operated on the highways of this state or the device is held for sale in this state.

2. This section does not apply to ~~radar~~ speed measuring devices purchased by, held for purchase for, or operated by peace officers using the devices in performance of their official duties.

3. A ~~radar~~ speed detection jamming device sold, operated, or possessed in violation of subsection 1 may be seized by a peace officer and is subject to forfeiture as provided by chapter 809 or 809A.

4. For the purposes of this section ~~*"radar jamming device"*~~:

a. "Speed detection jamming device" means any ~~mechanism designed or used to transmit radio waves in the electromagnetic wave spectrum to interfere with the reception of those emitted from a device used by peace officers of this state to measure the speed of motor vehicles on the highways of this state and which is not designed for two-way transmission and cannot transmit in plain language~~ active or passive device, instrument, mechanism, or equipment that is designed or intended to interfere with, disrupt, or scramble the radar or laser that is used by a peace officer to measure the speed

of motor vehicles. *"Speed detection jamming device"* does not include equipment that is legal under federal communications commission regulations, such as a citizens' band radio, a ham radio, or other similar electronic equipment.

b. "Speed measuring device" includes but is not limited to devices commonly known as radar speed meters or laser speed meters.

Sec. 159. Section 805.8A, subsection 14, paragraph g, Code 2013, is amended to read as follows:

g. ~~*Radar-jamming*~~ *Speed detection jamming devices.* For a violation under section 321.232, the scheduled fine is one hundred dollars.

DIVISION XXIV

MOTOR VEHICLE REGISTRATION FEE EQUITY

Sec. 160. Section 321.55, Code 2013, is amended to read as follows:

321.55 Registration and financial liability coverage required for certain vehicles owned or operated by nonresidents.

1. A nonresident owner or operator engaged in remunerative employment within ~~the~~ this state or carrying on business within ~~the~~ this state and owning or operating a motor vehicle, trailer, or semitrailer within ~~the~~ this state shall register and maintain financial liability coverage as required under section 321.20B for each vehicle and pay the same fees for registration as are paid for like vehicles owned by residents of this state. However, this ~~paragraph~~ subsection does not apply to a person commuting from the person's residence in another state or whose employment is seasonal or temporary, not exceeding ninety days.

2. *a.* A nonresident owner of a motor vehicle operated within ~~the~~ this state by a resident of ~~the~~ this state shall register the vehicle and shall maintain financial liability coverage as required under section 321.20B for the vehicle. The nonresident owner shall pay the same fees for registration

as are paid for like vehicles owned by residents of this state. However, registration under this paragraph is not required for vehicles being operated by residents temporarily~~, not exceeding~~ for not more than ninety days. For purposes of this paragraph, a vehicle is not operated in the state temporarily, and is therefore subject to registration and the owner is required to pay the applicable fees, if the vehicle is located in Iowa for more than ninety consecutive or nonconsecutive days and is operated on an Iowa highway by an Iowa resident during that time. It is unlawful for a resident to operate within the state an unregistered motor vehicle required to be registered under this paragraph. The ninety-day temporary period of operation provided for under this paragraph does not apply to a vehicle owned by a shell business as provided in paragraph "*b*".

b. On or after July 1, 2013, if the department, in consultation with the department of revenue, determines that the nonresident owner of a vehicle is a partnership, limited liability company, or corporation that is a shell business, it shall be rebuttably presumed that the Iowa resident in control of the vehicle is the actual owner of the vehicle, that the vehicle is subject to registration in this state, and that payment of the fee for new registration for the vehicle is owed by the Iowa resident.

(1) Factors which indicate that a partnership, limited liability company, or corporation is a shell business include but are not limited to the following:

(a) The partnership, limited liability company, or corporation lacks a specific business activity or purpose.

(b) The partnership, limited liability company, or corporation fails to maintain a physical location in the foreign state.

(c) The partnership, limited liability company, or corporation fails to employ individual persons and provide those persons with internal revenue service form W-2 wage and

tax statements.

(d) The partnership, limited liability company, or corporation fails to file federal tax returns, or fails to file a required state tax return in the foreign state.

(2) Factors which indicate that a person is in control of a vehicle include but are not limited to the following:

(a) The person was the initial purchaser of the vehicle.

(b) The person operated or stored the vehicle in Iowa for any period of time.

(c) The person is a partner, member, or shareholder of the nonresident partnership, limited liability company, or corporation that purports to be the owner of the vehicle.

(d) The person is insured to drive the vehicle.

(3) If the department determines that the nonresident owner of a vehicle is a shell business, the department shall notify the Iowa resident in control of the vehicle in writing that the Iowa resident is required to obtain an Iowa certificate of title and registration for the vehicle and pay the fee for new registration owed for the vehicle not later than thirty days from the date of the notice.

Sec. 161. Section 321.105A, subsection 7, Code 2013, is amended to read as follows:

7. *Penalty for false statement or evasion of fee.*

a. A person who willfully makes a false statement in regard to the purchase price of a vehicle subject to a fee for new registration or willfully attempts in any manner to evade payment of the fee required by this section is guilty of a fraudulent practice. A person who willfully makes a false statement in regard to the purchase price of such a vehicle with the intent to evade payment of the fee for new registration or willfully attempts in any manner to evade payment of the fee required by this section shall be assessed a penalty of seventy-five percent of the amount of the fee unpaid and required to be paid on the actual purchase price

less trade-in allowance.

b. An Iowa resident found to be in control of a vehicle which is owned by a shell business and for which the fee for new registration has not been paid, as provided in section 321.55, subsection 2, is guilty of a fraudulent practice. An Iowa resident found to be in control of a vehicle which is owned by a shell business and for which the fee for new registration has not been paid, as provided in section 321.55, subsection 2, shall be assessed a penalty of seventy-five percent of the amount of the fee unpaid and required to be paid on the actual purchase price less trade-in allowance.

Sec. 162. REPEAL. Section 321.116, Code 2013, is repealed.

Sec. 163. APPLICABILITY —— PRIOR ELECTRIC VEHICLE REGISTRATIONS.

1. Except as provided in subsection 2, the section of this division of this Act that repeals section 321.116 applies to the registration of electric motor vehicles for registration years beginning on or after January 1, 2014.

2. For an annual renewal of registration for an electric motor vehicle which was registered to the same owner for a registration year beginning prior to January 1, 2014, the annual registration fee shall be according to the terms of section 321.116, Code 2013.

DIVISION XXV

IOWACARE

IOWACARE ACCOUNT APPROPRIATIONS ——

UNIVERSITY OF IOWA HOSPITALS AND CLINICS

Sec. 164. 2011 Iowa Acts, chapter 129, section 146, subsection 1, paragraph c, as amended by 2012 Iowa Acts, chapter 1133, section 40, is amended to read as follows:

c. The university of Iowa hospitals and clinics shall certify public expenditures in an amount equal to provide the nonfederal share on total expenditures not to exceed ~~$32,000,000~~ $26,000,000.

Sec. 165. 2011 Iowa Acts, chapter 129, section 146, subsection 2, unnumbered paragraph 2, as amended by 2012 Iowa Acts, chapter 1133, section 41, is amended to read as follows:

For salaries, support, maintenance, equipment, and miscellaneous purposes, for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... $ ~~45,654,133~~
52,569,199

Sec. 166. 2011 Iowa Acts, chapter 129, section 146, subsection 3, is amended to read as follows:

3. There is appropriated from the IowaCare account created in section 249J.24, to the state board of regents for distribution to university of Iowa physicians for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary to be used for the purposes designated:

For salaries, support, maintenance, equipment, and miscellaneous purposes for the provision of medical and surgical treatment of indigent patients, for provision of services to members of the expansion population pursuant to chapter 249J, and for medical education:

..... $ ~~16,277,753~~
19,806,365

Notwithstanding any provision of law to the contrary, the amount appropriated in this subsection shall be distributed based on claims submitted, adjudicated, and paid by the Iowa Medicaid enterprise. Once the entire amount appropriated in this subsection has been distributed, claims shall continue to be submitted and adjudicated by the Iowa Medicaid enterprise; however, no payment shall be made based upon such claims.

Sec. 167. 2011 Iowa Acts, chapter 129, section 146, subsection 6, unnumbered paragraphs 1 and 2, are amended to

read as follows:

There is appropriated from the IowaCare account created in section 249J.24 to the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary to be used for the purposes designated:

For a care coordination pool to pay the expansion population providers consisting of the university of Iowa hospitals and clinics, the publicly owned acute care teaching hospital as specified in section 249J.7, and current medical assistance program providers that are not expansion population network providers pursuant to section 249J.7, for services covered by the full benefit medical assistance program but not under the IowaCare program pursuant to section 249J.6, that are provided to expansion population members:

..... $ ~~1,500,000~~
2,500,000

Sec. 168. 2011 Iowa Acts, chapter 129, section 146, is amended by adding the following new subsection:

NEW SUBSECTION. 8. For the fiscal year beginning July 1, 2012, and ending June 30, 2013, the state board of regents shall transfer $1,275,577 to the IowaCare account created in section 249J.24, to provide the nonfederal share for distribution to university of Iowa physicians under the IowaCare program.

Sec. 169. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXVI

MH/DS SYSTEM REDESIGN — IMPLEMENTATION

REGIONAL FORMATION REQUIREMENTS

Sec. 170. Section 331.389, subsection 3, paragraph a, Code 2013, is amended to read as follows:

a. The counties comprising the region are contiguous except

that a region may include a county that is not contiguous with any of the other counties in the region, if the county that is not contiguous has had a formal relationship for two years or longer with one or more of the other counties in the region for the provision of mental health and disability services.

ELIGIBILITY MAINTENANCE

Sec. 171. Section 331.396, subsection 1, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *0d.* Notwithstanding paragraphs *"a"* through *"c"*, if funds are available without limiting or reducing core services and it is approved as part of the regional service system management plan, eligibility may be provided for a person who is less than eighteen years of age and a resident of this state for those mental health services made available to all or a portion of the residents of the region of the same age and eligibility class under the county management plan of one or more counties of the region applicable prior to formation of the region.

Sec. 172. Section 331.396, subsection 2, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *0d.* Notwithstanding paragraphs *"a"* through *"c"*, if funds are available without limiting or reducing core services and it is approved as part of the regional service system management plan, eligibility may be provided for a person who is less than eighteen years of age and a resident of this state for those intellectual disability services made available to all or a portion of the residents of the region of the same age and eligibility class under the county management plan of one or more counties of the region applicable prior to formation of the region.

Sec. 173. Section 331.397, subsection 2, paragraph b, Code 2013, is amended to read as follows:

b. Until funding is designated for other service populations, eligibility for the service domains listed in this

section shall be limited to such persons who are in need of mental health or intellectual disability services. However, if a county in a region was providing services to an ~~individual person~~ eligibility class of persons with a developmental disability other than intellectual disability or a brain injury prior to formation of the region, the ~~individual person~~ class of persons shall remain eligible for the services provided when the region is formed, provided that funds are available to continue such services without limiting or reducing core services.

RESEARCH-BASED PRACTICES

Sec. 174. Section 331.397, subsection 7, unnumbered paragraph 1, Code 2013, is amended to read as follows:

A regional service system may provide funding for other appropriate services or other support and may implement demonstration projects for an initial period of up to three years to model the use of research-based practices. In considering whether to provide such funding, a region may consider the following criteria for research-based practices:

CRISIS STABILIZATION PILOT

Sec. 175. 2012 Iowa Acts, chapter 1120, section 60, is amended to read as follows:

SEC. 60. CRISIS STABILIZATION PROGRAM PILOT PROJECT.

1. The department of human services shall authorize a facility-based, crisis stabilization program pilot project implemented by the regional service network initiated pursuant to 2008 Iowa Acts, chapter 1187, section 59, subsection 9. The facility operated by the program shall not be required to be licensed under chapter 135B, 135C, or 231C. The purpose of the pilot project is to provide a prototype for the departments of human services, inspections and appeals, and public health to develop regulatory standards for such programs and facilities. The pilot project shall comply with appropriate standards associated with funding of the services provided by the project

that are identified by the department of human services. The facility shall be limited to not more than 10 beds and shall be authorized to operate through June 30, ~~2013~~ 2014.

2. The network, in cooperation with the departments of human services, inspections and appeals, and public health, shall report to the governor, the general assembly, and the legislative services agency concerning the pilot project on or before December 14, 2012, and shall submit a report update on or before December 16, 2013, providing findings and recommendations. The report and report update shall include recommendations for criteria concerning admissions, staff qualifications, staffing levels, exclusion and inclusion of service recipients, lengths of stays, transition between services, and facility requirements, and for goals and objectives for such programs and facilities.

REDESIGN TECHNICAL ASSISTANCE CARRYFORWARD

Sec. 176. 2012 Iowa Acts, chapter 1133, section 50, subsection 1, is amended to read as follows:

1. For mental health and disability services redesign technical assistance services:

..... $ 500,000

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

STATE PAYMENTS TO REGION

Sec. 177. Section 426B.3, subsection 4, as enacted by 2012 Iowa Acts, chapter 1120, section 137, is amended to read as follows:

4. *a.* For the fiscal years beginning July 1, 2013, and July 1, 2014, a county with a county population expenditure target amount that exceeds the amount of the county's base year expenditures for mental health and disabilities services shall

receive an equalization payment for the difference.

b. The equalization payments determined in accordance with this subsection shall be made by the department of human services for each fiscal year as provided in appropriations made from the property tax relief fund for this purpose. If the county is part of a region that has been approved by the department in accordance with section 331.389, to commence partial or full operations, the county's equalization payment shall be remitted to the region or the county, as appropriate, for expenditure as approved by the region's governing board or in accordance with the county's service management plan, as appropriate. The payment for a county that has been approved by the department to operate as an individual county region shall be remitted to the county for expenditure as approved by the county board of supervisors. For the fiscal year beginning July 1, 2013, and succeeding fiscal years, the payment shall be remitted on or before December 31 only for those counties approved to operate as an individual county region or to be part of a region. Remittance of the payment for a county without such approval shall be deferred until such approval is granted.

STRATEGIC PLAN REQUIREMENT FOR FY 2013-2014

Sec. 178. 2012 Iowa Acts, chapter 1128, section 8, is amended to read as follows:

SEC. 8. COUNTY MENTAL HEALTH, ~~MENTAL RETARDATION~~ INTELLECTUAL DISABILITY, AND DEVELOPMENTAL DISABILITIES SERVICES MANAGEMENT PLAN — STRATEGIC PLAN. Notwithstanding section 331.439, subsection 1, paragraph "b", subparagraph (3), counties are not required to submit a three-year strategic plan by April 1, 2012, to the department of human services. A county's strategic plan in effect as of the effective date of this section shall remain in effect until the regional service system management plan for the region to which the county belongs is approved in accordance with section 331.393, subject

to modification before that date as necessary to conform with statutory changes affecting the plan and any amendments to the plan that are adopted in accordance with law.

TRANSITION FUND — SERVICES MAINTENANCE

Sec. 179. TRANSITION FUND — SERVICES MAINTENANCE. A county receiving an allocation of funding from the mental health and disability services redesign transition fund created in 2012 Iowa Acts, chapter 1120, section 23, shall utilize the funding received by the county as necessary for the services covered in accordance with the county's approved management plan in effect as of June 30, 2012, for the fiscal year beginning July 1, 2012, and ending June 30, 2013.

REDESIGN EQUALIZATION PAYMENT APPROPRIATION

Sec. 180. MENTAL HEALTH AND DISABILITY SERVICES — EQUALIZATION PAYMENTS TRANSFER AND APPROPRIATION.

1. There is transferred from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For deposit in the property tax relief fund created in section 426B.1, for distribution as provided in this section:
..... $ 29,820,478

2. The moneys credited to the property tax relief fund in accordance with this section are appropriated to the department of human services for distribution of equalization payments for counties in the amounts specified in section 426B.3, subsection 4, as enacted by 2012 Iowa Acts, chapter 1120, section 137, for the fiscal year beginning July 1, 2013. If the county is part of a region that has been approved by the department in accordance with section 331.389, to commence partial or full operations, the county's equalization payment shall be remitted to the region for expenditure as approved by the region's governing board.

3. a. For the purposes of this subsection, "payment obligation" means an outstanding obligation for payment to the department of human services for the undisputed cost of services provided under the medical assistance program prior to July 1, 2012, or for the undisputed cost of non-Medicaid services provided prior to July 1, 2013.

b. Unless a county has entered into an agreement as provided in paragraph "c", if a county receiving an equalization payment under this section has a payment obligation, the county shall remit to the department any unpaid portion of the payment obligation prior to June 30, 2013, from moneys available to the county that meet federal match requirements for the medical assistance program and for the child enrollment contingency fund under the federal Children's Health Insurance Program Reauthorization Act of 2009.

c. A county that has not paid the county's payment obligation in full as provided in paragraph "b" shall enter into an agreement with the department for remittance of any unpaid portion of the county's payment obligation. An agreement entered into under this lettered paragraph shall provide for remittance of any unpaid portion by the end of the fiscal year beginning July 1, 2013. The equalization payment for a county subject to this lettered paragraph shall be remitted as provided by the county's agreement with the department.

d. The equalization payment for a county that is not subject to paragraph "c" shall be remitted on or before July 15, 2013.

MEDICAID OBLIGATION COST SETTLEMENT

Sec. 181. COUNTY MEDICAL ASSISTANCE NONFEDERAL SHARE — COST SETTLEMENT. Any county obligation for payment to the department of human services of the nonfederal share of the cost of services provided under the medical assistance program prior to July 1, 2012, pursuant to sections 249A.12 and 249A.26, shall remain at the amount billed through the period

ending June 30, 2013. The final monthly billings for the obligations shall be remitted to counties on or before August 1, 2013. Any adjustments to the final amounts billed for such services that occur on or after July 1, 2013, shall be applied to the appropriation made to the department of human services from the general fund of the state for the medical assistance program for the fiscal year beginning July 1, 2013.

STATE PAYMENT PROGRAM

Sec. 182. STATE PAYMENT PROGRAM REMITTANCE. The moneys transferred to the property tax relief fund for the fiscal year beginning July 1, 2013, from the federal social services block grant pursuant to 2013 Iowa Acts, House File 614, or any other 2013 Iowa Acts, if enacted, and from the federal temporary assistance for needy families block grant, totaling at least $11,774,275, are appropriated to the department of human services for the fiscal year beginning July 1, 2013, to be used for distribution of state payment program remittances to counties for the fiscal year in accordance with this section. The state payment program remittance shall be an amount equal to the amount paid to a county of residence under the program for state case services known as the state payment program, implemented pursuant to section 331.440, subsection 5, during the most recently available twelve-month period. The department shall draw upon the appropriation made from the general fund of the state for the medical assistance program for the fiscal year as necessary for cash flow purposes in order to distribute the state payment program remittances to counties on or before July 15, 2013, and to distribute at least the amount specified in this section. If the procedure for reduced federal funds specified in 2013 Iowa Acts, House File 614, or any other 2013 Iowa Acts, if enacted, reduces the amount of block grant funding available for the purposes of this section, the amount drawn from the medical assistance appropriation shall be increased to replace the amount of the

reduction.

COUNTY MENTAL HEALTH AND DISABILITY
SERVICES FUND — FY 2013-2014

Sec. 183. SERVICES FUND — MANAGEMENT PLAN. For the fiscal year beginning July 1, 2013, and ending June 30, 2014, the appropriations made by the county board of supervisors for payment for mental health and disability services pursuant to section 331.424A, subsection 3, as enacted by 2012 Iowa Acts, chapter 1120, section 132, shall be made in accordance with the county's service management plan approved under section 331.439, Code 2013, until the county management plan is replaced by a regional service system management plan approved under section 331.393.

Sec. 184. CONTINUATION OF MENTAL HEALTH AND DISABILITY SERVICES REDESIGN FISCAL VIABILITY STUDY COMMITTEE. The legislative council is requested to continue for the 2013 legislative interim the mental health and disability services redesign fiscal viability study committee initially created by the legislative council in 2012. In addition to monitoring implementation of the mental health and disability services redesign and receiving reports from stakeholder groups engaged in implementation of the redesign, the study committee shall be directed to propose a permanent approach for state, county, and regional financing of the redesign and to identify potential cost savings and service improvements that may be realized by working with community-based corrections services and other programs and services that address common needs or populations.

CHILDREN'S SERVICES

Sec. 185. CHILDREN'S SERVICES. The department of human services shall reconvene the children's services workgroup initially created by the department of human services pursuant to 2011 Iowa Acts, chapter 121, section 1, and continued pursuant to 2012 Iowa Acts, chapter 1120, section 26. The workgroup shall complete its deliberations to develop a

proposal for publicly funded children's disability services and make a report with recommendations and findings to the general assembly on or before November 15, 2013. The workgroup, in consultation with affected stakeholders, shall consider options for appropriately consolidating or eliminating state councils or bodies that oversee, monitor, or provide input into policy involving publicly funded children's services.

Sec. 186. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXVII

DATA AND STATISTICAL INFORMATION AND OUTCOME AND PERFORMANCE MEASURES

Sec. 187. Section 225C.4, subsection 1, paragraph j, Code 2013, is amended to read as follows:

j. Establish and maintain a data collection and management information system oriented to the needs of patients, providers, the department, and other programs or facilities in accordance with section 225C.6A. The system shall be used to identify, collect, and analyze service outcome and performance measures data in order to assess the effects of the services on the persons utilizing the services. The administrator shall annually submit to the commission information collected by the department indicating the changes and trends in the disability services system. The administrator shall make the outcome data available to the public.

Sec. 188. Section 225C.6A, Code 2013, is amended to read as follows:

225C.6A Disability services system ~~redesign~~ central data repository.

1. The ~~commission~~ department shall do the following relating to ~~redesign of~~ data concerning the disability services system in the state:

~~1. Identify sources of revenue to support statewide~~

~~delivery of core disability services to eligible disability populations.~~

~~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.~~

~~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~~ may periodically assess the status of the compliance in order to assure that data security is protected.

b. ~~In implementing~~ Implement a ~~system~~ central data repository under this ~~subsection~~ section for collecting and analyzing state, county and region, and private contractor data~~, the~~. 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.~~

c. Consult on an ongoing basis with regional administrators, service providers, and other stakeholders in implementing the central data repository and operations of the repository. The consultation shall focus on minimizing the state and local costs associated with operating the repository.

d. Engage with other state and local government and nongovernmental entities operating the Iowa health information network under chapter 135 and other data systems that maintain

information relating to individuals with information in the central data repository in order to integrate data concerning individuals.

~~c.~~ 2. A county or region shall not be required to utilize a uniform data operational or transactional system. However, the system utilized shall have the capacity to exchange information with the department, counties and regions, contractors, and others involved with services to persons with a disability who have authorized access to the central data repository. The information exchanged shall be labeled consistently and share the same definitions. Each ~~county~~ regional administrator shall regularly 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~~ by the department.

~~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.~~

3. The outcome and performance measures applied to the regional service system shall utilize measurement domains. The department may identify other measurement domains in consultation with system stakeholders to be utilized in

addition to the following initial set of measurement domains:

a. Access to services.

b. Life in the community.

c. Person-centeredness.

d. Health and wellness.

e. Quality of life and safety.

f. Family and natural supports.

4. *a.* The processes used for collecting outcome and performance measures data shall include but are not limited to direct surveys of the individuals and families receiving services and the providers of the services. The department shall involve a workgroup of persons who are knowledgeable about both the regional service system and survey techniques to implement and maintain the processes. The workgroup shall conduct an ongoing evaluation for the purpose of eliminating the collection of information that is not utilized. The surveys shall be conducted with a conflict-free approach in which someone other than a provider of services surveys an individual receiving the services.

b. The outcome and performance measures data shall encompass and provide a means to evaluate both the regional services and the services funded by the medical assistance program provided to the same service populations.

c. The department shall develop and implement an internet-based approach with graphical display of information to provide outcome and performance measures data to the public and those engaged with the regional service system.

d. The department shall include any significant costs for collecting and interpreting outcome and performance measures and other data in the department's operating budget.

Sec. 189. REPEAL. The amendment to section 225C.4, subsection 1, paragraph j, in 2012 Iowa Acts, chapter 1120, section 2, is repealed.

Sec. 190. REPEAL. The amendments to section 225C.6A,

in 2012 Iowa Acts, chapter 1120, sections 6, 7, and 95, are repealed.>

2. Title page, by striking line 4 and inserting <and providing for regulatory, taxation, and properly related matters, and including penalties and>

3. By renumbering as necessary.

ON THE PART OF THE SENATE:

ROBERT E. DVORSKY, CHAIRPERSON

MICHAEL E. GRONSTAL

PAM JOCHUM

ON THE PART OF THE HOUSE:

CHUCK SODERBERG, CHAIRPERSON

CHRIS HALL

DANIEL LUNDBY

KRAIG PAULSEN

LINDA UPMEYER

CCS-452 FILED MAY 22,2013
ADOPTED

CCH-215

REPORT OF THE CONFERENCE COMMITTEE
ON HOUSE FILE 215

To the Speaker of the House of Representatives and the President of the Senate:

We, the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 215, a bill for an Act relating to and providing for education reform involving student, teacher, and administrator programs and activities under the purview of the department of education, the state board of education, the college student aid commission, school districts, and accredited nonpublic schools; providing for

independent private instruction for students; providing for private instruction for students; concerning driver education by a teaching parent; making appropriations and providing for the establishment and retention of certain fees; and including transition and effective date provisions, respectfully make the following report:

1. That the Senate recedes from its amendment, H-1248.

2. That House File 215, as amended, passed, and reprinted by the House, is amended to read as follows:

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

<DIVISION I

SCHOOL DISTRICT FUNDING

Section 1. Section 257.2, subsection 9, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *d.* Property tax replacement payments received under section 257.16B.

Sec. 2. Section 257.4, subsection 1, paragraph a, Code 2013, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (8) The amount of the school district property tax replacement payment to be received by the school district under section 257.16B.

Sec. 3. Section 257.4, subsection 1, paragraph b, Code 2013, is amended to read as follows:

b. For the budget year beginning July 1, 2008, and succeeding budget years, the department of management shall annually determine an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate, not to exceed the statewide average additional property tax levy rate, calculated by dividing the total adjusted additional property tax levy dollars statewide by the statewide total net taxable valuation. For purposes of this paragraph, the adjusted additional property tax levy shall be that portion of the additional property tax levy corresponding to the state

cost per pupil multiplied by a school district's weighted enrollment, and then multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1, and then reduced by the amount of the property tax replacement payment to be received under section 257.16B. The district shall receive adjusted additional property tax levy aid in an amount equal to the difference between the adjusted additional property tax levy rate and the statewide maximum adjusted additional property tax levy rate, as applied per thousand dollars of assessed valuation on all taxable property in the district. ~~The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to section 257.15, subsection 4.~~ The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to section 257.15, subsection 4, and the balance of the property tax equity and relief fund created in section 257.16A at the end of the calendar year.

Sec. 4. Section 257.8, subsections 1 and 2, Code 2013, are amended to read as follows:

1. *State percent of growth.* ~~The state percent of growth for the budget year beginning July 1, 2010, is two percent.~~ The state percent of growth for the budget year beginning July 1, 2012, is two percent. The state percent of growth for the budget year beginning July 1, 2013, is two percent. The state percent of growth for the budget year beginning July 1, 2014, is four percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill

which enacts the state percent of growth for a budget year.

2. *Categorical state percent of growth.* ~~The categorical state percent of growth for the budget year beginning July 1, 2010, is two percent.~~ The categorical state percent of growth for the budget year beginning July 1, 2012, is two percent. The categorical state percent of growth for the budget year beginning July 1, 2013, is two percent. The categorical state percent of growth for the budget year beginning July 1, 2014, is four percent. The categorical state percent of growth for each budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the categorical state percent of growth for a budget year shall be the only subject matter of the bill which enacts the categorical state percent of growth for a budget year. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, and the early intervention supplement.

Sec. 5. Section 257.15, subsection 4, paragraph b, Code 2013, is amended to read as follows:

b. After lowering all school district adjusted additional property tax levy rates to the statewide maximum adjusted additional property tax levy rate under paragraph *"a"*, the department of management shall use any remaining funds at the end of the calendar year to further lower additional property taxes by increasing for the budget year beginning the following July 1, the state foundation base percentage. Moneys used pursuant to this paragraph shall supplant an equal amount of the appropriation made from the general fund of the state pursuant to section 257.16 that represents the increase in state foundation aid.

Sec. 6. NEW SECTION. **257.16B School district property tax replacement payments.**

1. For each fiscal year beginning on or after July 1, 2013, there is appropriated from the general fund of the state to the department of education an amount necessary to make all school district property tax replacement payments under this section, as calculated in subsection 2.

2. *a.* For the budget year beginning July 1, 2013, the department of management shall calculate for each school district all of the following:

(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(2) The regular program state cost per pupil for the budget year beginning July 1, 2013, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year beginning July 1, 2013, multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

b. For each budget year beginning on or after July 1, 2014, the department of management shall calculate for each school district all of the following:

(1) The regular program state cost per pupil for the budget year beginning July 1, 2012, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(2) The regular program state cost per pupil for the budget year beginning July 1, 2014, multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1.

(3) The amount of each school district's property tax replacement payment. Each school district's property tax replacement payment equals the school district's weighted enrollment for the budget year multiplied by the remainder of the amount calculated for the school district under subparagraph (2) minus the amount calculated for the school district under subparagraph (1).

3. School district property tax replacement payments shall be paid by the department of education at the same time and in the same manner as foundation aid is paid under section 257.16 and may be included in the monthly payment of state aid under section 257.16, subsection 2.

Sec. 7. CODE SECTION 257.8 — IMPLEMENTATION. The requirements of section 257.8, subsections 1 and 2, regarding the enactment of bills establishing the regular program state percent of growth and the categorical state percent of growth within thirty days of the submission in the year preceding the base year of the governor's budget and regarding the subject matter limitation of such bills do not apply to this division of this Act.

Sec. 8. SCHOOL DISTRICT FUNDING SUPPLEMENT — FISCAL YEAR 2013-2014.

1. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2012, and ending June 30, 2013, an amount necessary to make all payments to school districts required under subsection 2.

2. Moneys appropriated to the department of education under this section shall be used to provide a funding supplement to each school district during the fiscal year beginning July 1, 2013, and ending June 30, 2014. Each school district's funding supplement amount shall be equal to two percent of the regular program state cost per pupil for the fiscal year beginning July 1, 2012, and ending June 30, 2013, multiplied by the school

district's budget enrollment for the fiscal year beginning July 1, 2013, and ending June 30, 2014. Moneys received by a school district under this section shall be miscellaneous income for purposes of chapter 257 and shall not be included in district cost.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2012, and ending June 30, 2013, shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

4. The payment of funding supplement amounts under this section shall be paid by the department of education at the same time and in the same manner as foundation aid is paid under section 257.16 for the fiscal year beginning July 1, 2013, and ending June 30, 2014, and may be included in the monthly payment of state aid under section 257.16, subsection 2.

Sec. 9. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION II

SCHOOL DISTRICT FUNDING TERMINOLOGY

Sec. 10. Section 256C.4, subsection 1, paragraph f, Code 2013, is amended to read as follows:

f. The receipt of funding by a school district for the purposes of this chapter, the need for additional funding for the purposes of this chapter, or the enrollment count of eligible students under this chapter shall not be considered to be unusual circumstances, create an unusual need for additional funds, or qualify under any other circumstances that may be used by the school budget review committee to grant supplemental aid to or establish a modified ~~allowable growth~~ supplemental amount for a school district under section 257.31.

Sec. 11. Section 257.2, subsection 1, Code 2013, is amended by striking the subsection.

Sec. 12. Section 257.2, subsection 12, Code 2013, is amended to read as follows:

12. *"State percent of growth"* means the percent of growth which is established by statute pursuant to section 257.8, and which is used in determining the ~~allowable growth~~ supplemental state aid.

Sec. 13. Section 257.2, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 12A. *"Supplemental state aid"* means the amount by which state cost per pupil and district cost per pupil will increase from one budget year to the next.

Sec. 14. Section 257.6, subsection 1, paragraph a, subparagraph (5), Code 2013, is amended to read as follows:

(5) Resident pupils receiving competent private instruction from a licensed practitioner provided through a public school district pursuant to chapter 299A shall be counted as three-tenths of one pupil. Revenues received by a school district attributed to a school district's weighted enrollment pursuant to this subparagraph shall be expended for the purpose for which the weighting was assigned under this subparagraph. If the school district determines that the expenditures associated with providing competent private instruction pursuant to chapter 299A are in excess of the revenue attributed to the school district's weighted enrollment for such instruction in accordance with this subparagraph, the school district may submit a request to the school budget review committee for a modified ~~allowable growth~~ supplemental amount in accordance with section 257.31, subsection 5, paragraph *"n"*. A home school assistance program shall not provide moneys received pursuant to this subparagraph, nor resources paid for with moneys received pursuant to this subparagraph, to parents or students utilizing the program.

Moneys received by a school district pursuant to this subparagraph shall be used as provided in section 299A.12.

Sec. 15. Section 257.8, subsections 3, 6, and 7, Code 2013, are amended to read as follows:

3. *~~Allowable growth~~* *Supplemental state aid calculation.* The department of management shall calculate the regular program ~~allowable growth~~ supplemental state aid for a budget year by multiplying the state percent of growth for the budget year by the regular program state cost per pupil for the base year and shall calculate the special education support services ~~allowable growth~~ supplemental state aid for the budget year by multiplying the state percent of growth for the budget year by the special education support services state cost per pupil for the base year.

6. *Combined ~~allowable growth~~ supplemental state aid.* The combined ~~allowable growth~~ supplemental state aid per pupil for each school district is the sum of the regular program ~~allowable growth~~ supplemental state aid per pupil and the special education support services ~~allowable growth~~ supplemental state aid per pupil for the budget year, which may be modified as follows:

a. By the school budget review committee under section 257.31.

b. By the department of management under section 257.36.

7. *Alternate ~~allowable growth~~ supplemental state aid — definitions.* For budget years beginning July 1, 2000, and subsequent budget years, references to the terms *~~"allowable growth"~~* *"supplemental state aid"*, *"regular program state cost per pupil"*, and *"regular program district cost per pupil"* shall mean those terms as calculated for those school districts that calculated regular program ~~allowable growth~~ supplemental state aid for the school budget year beginning July 1, 1999, with the additional thirty-eight dollars specified in section 257.8, subsection 4, Code 2013.

Sec. 16. Section 257.8, subsections 4 and 5, Code 2013, are amended by striking the subsections.

Sec. 17. Section 257.9, subsection 1, paragraph b, Code 2013, is amended to read as follows:

b. The total calculated under this subsection shall be divided by the total of the budget enrollments of all school districts for the budget year beginning July 1, 1990, calculated under section 257.6, subsection 4, if section 257.6, subsection 4, had been in effect for that budget year. The regular program state cost per pupil for the budget year beginning July 1, 1991, is the amount calculated by the department of management under this subsection plus an ~~allowable growth~~ amount of supplemental state aid, as defined in section 257.2, Code Supplement 2013, that is equal to the state percent of growth for the budget year multiplied by the amount calculated by the department of management under this subsection.

Sec. 18. Section 257.9, subsections 2, 4, 6, 7, 8, 9, and 10, Code 2013, are amended to read as follows:

2. *Regular program state cost per pupil for 1992-1993 and succeeding years.* For the budget year beginning July 1, 1992, and succeeding budget years, the regular program state cost per pupil for a budget year is the regular program state cost per pupil for the base year plus the regular program ~~allowable growth~~ supplemental state aid for the budget year.

4. *Special education support services state cost per pupil for 1992-1993 and succeeding years.* For the budget year beginning July 1, 1992, and succeeding budget years, the special education support services state cost per pupil for the budget year is the special education support services state cost per pupil for the base year plus the special education support services ~~allowable growth~~ supplemental state aid for the budget year.

6. *Teacher salary supplement state cost per pupil.* For the

budget year beginning July 1, 2009, for the teacher salary supplement state cost per pupil, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"h"*, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The teacher salary supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a supplemental state aid amount that is equal to the teacher salary supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

7. *Professional development supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the professional development supplement state cost per pupil, the department of management shall add together the professional development allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The professional development supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a supplemental state aid amount that is equal to the professional development supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year,

multiplied by the amount calculated by the department of management under this subsection for the base year.

8. *Early intervention supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the early intervention supplement state cost per pupil, the department of management shall add together the early intervention allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 256D.4, Code 2009, and divide that sum by the statewide total budget enrollment for the fiscal year beginning July 1, 2009. The early intervention supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a supplemental state aid amount that is equal to the early intervention supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

9. *Area education agency teacher salary supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the area education agency teacher salary supplement state cost per pupil, the department of management shall add together the teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"i"*, Code 2009, and the phase II allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the statewide special education support services weighted enrollment for the fiscal year beginning July 1, 2009. The area education agency teacher salary supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under

this subsection for the base year plus ~~an allowable growth~~ a supplemental state aid amount that is equal to the teacher salary supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

10. *Area education agency professional development supplement state cost per pupil.* For the budget year beginning July 1, 2009, for the area education agency professional development supplement state cost per pupil, the department of management shall add together the professional development allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, and divide that sum by the statewide special education support services weighted enrollment for the fiscal year beginning July 1, 2009. The area education agency professional development supplement state cost per pupil for the budget year beginning July 1, 2010, and succeeding budget years, shall be the amount calculated by the department of management under this subsection for the base year plus ~~an allowable growth~~ a supplemental state aid amount that is equal to the professional development supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the amount calculated by the department of management under this subsection for the base year.

Sec. 19. Section 257.10, subsection 1, Code 2013, is amended to read as follows:

1. *Regular program district cost per pupil for 1991-1992.* For the budget year beginning July 1, 1991, in order to determine the regular program district cost per pupil for a district, the department of management shall divide the product of the regular program district cost per pupil of the district for the base year, as regular program district cost per pupil

would have been calculated under section 442.9, Code 1989, multiplied by its budget enrollment for the base year as budget enrollment would have been calculated under section 442.4, Code 1989, plus the amount added to district cost pursuant to section 442.21, Code 1989, for each school district, by the budget enrollment of the school district for the budget year beginning July 1, 1990, calculated under section 257.6, subsection 4, as if section 257.6, subsection 4, had been in effect for that budget year. The regular program district cost per pupil for the budget year beginning July 1, 1991, is the amount calculated by the department of management under this subsection plus the ~~allowable growth~~ amount of supplemental state aid, as defined in section 257.2, Code Supplement 2013, calculated for regular program state cost per pupil, except that if the regular program district cost per pupil for the budget year calculated under this subsection in any school district exceeds one hundred ten percent of the regular program state cost per pupil for the budget year, the department of management shall reduce the regular program district cost per pupil of that district for the budget year to an amount equal to one hundred ten percent of the regular program state cost per pupil for the budget year, and if the regular program district cost per pupil for the budget year calculated under this subsection in any school district is less than the regular program state cost per pupil for the budget year, the department of management shall increase the regular program district cost per pupil of that district to an amount equal to the regular program state cost per pupil for the budget year.

Sec. 20. Section 257.10, subsection 2, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 1992, and succeeding budget years, the regular program district cost per pupil for each school district for a budget year is the regular program district cost per pupil for the base year plus the

regular program ~~allowable growth~~ supplemental state aid for the budget year except as otherwise provided in this subsection.

Sec. 21. Section 257.10, subsection 4, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 1992, and succeeding budget years, the special education support services district cost per pupil for the budget year is the special education support services district cost per pupil for the base year plus the special education support services ~~allowable growth~~ supplemental state aid for the budget year.

Sec. 22. Section 257.10, subsection 5, Code 2013, is amended to read as follows:

5. *Combined district cost per pupil.* The combined district cost per pupil for a school district is the sum of the regular program district cost per pupil and the special education support services district cost per pupil. Combined district cost per pupil does not include a modified ~~allowable growth~~ supplemental amount added for school districts that have a negative balance of funds raised for special education instruction programs, a modified ~~allowable growth~~ supplemental amount granted by the school budget review committee for a single school year, or a modified ~~allowable growth~~ supplemental amount added for programs for dropout prevention.

Sec. 23. Section 257.10, subsection 9, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"h"*, Code 2009, and the phase II allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the teacher

salary supplement district cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the teacher salary supplement district cost per pupil for each school district for a budget year is the teacher salary supplement program district cost per pupil for the base year plus the teacher salary supplement ~~state allowable growth~~ supplemental state aid amount for the budget year.

Sec. 24. Section 257.10, subsection 10, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall divide the professional development allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the professional development supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the professional development supplement district cost per pupil for each school district for a budget year is the professional development supplement district cost per pupil for the base year plus the professional development supplement ~~state allowable growth~~ supplemental state aid amount for the budget year.

Sec. 25. Section 257.10, subsection 11, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall divide the early intervention allocation made to each district for the fiscal year beginning July 1, 2008, pursuant to section 256D.4, Code 2009, by the district's budget enrollment in the fiscal year beginning July 1, 2009, to determine the early intervention supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the early intervention supplement district cost per pupil for each school district for a budget

year is the early intervention supplement district cost per pupil for the base year plus the early development supplement ~~state allowable growth~~ supplemental state aid amount for the budget year.

Sec. 26. Section 257.13, subsections 2 and 3, Code 2013, are amended to read as follows:

2. The board of directors of a school district that wishes to receive an on-time funding budget adjustment shall adopt a resolution to receive the adjustment and notify the school budget review committee annually, but not earlier than November 1, as determined by the department of education. The school budget review committee shall establish a modified ~~allowable growth in an~~ supplemental amount ~~determined~~ pursuant to subsection 1.

3. If the board of directors of a school district determines that a need exists for additional funds exceeding the authorized budget adjustment for on-time funding pursuant to this section, a request for a modified ~~allowable growth~~ supplemental amount based upon increased enrollment may be submitted to the school budget review committee as provided in section 257.31.

Sec. 27. Section 257.31, subsection 5, unnumbered paragraph 1, Code 2013, is amended to read as follows:

If a district has unusual circumstances, creating an unusual need for additional funds, including but not limited to the circumstances enumerated in paragraphs *"a"* through *"n"*, the committee may grant supplemental aid to the district from any funds appropriated to the department of education for the use of the school budget review committee for the purposes of this subsection. The school budget review committee shall review a school district's unexpended fund balance prior to any decision regarding unusual finance circumstances. Such aid shall be miscellaneous income and shall not be included in district cost. In addition to or as an alternative to

granting supplemental aid the committee may establish a modified ~~allowable growth~~ supplemental amount for the district by increasing its ~~allowable growth~~ supplemental state aid. The school budget review committee shall review a school district's unspent balance prior to any decision to ~~increase~~ establish a modified ~~allowable growth~~ supplemental amount under this subsection.

Sec. 28. Section 257.31, subsection 6, paragraph a, Code 2013, is amended to read as follows:

a. The committee shall establish a modified ~~allowable growth~~ supplemental amount for a district by increasing its ~~allowable growth~~ supplemental state aid when the district submits evidence that it requires additional funding for removal, management, or abatement of environmental hazards due to a state or federal requirement. Environmental hazards shall include but are not limited to the presence of asbestos, radon, or the presence of any other hazardous material dangerous to health and safety.

Sec. 29. Section 257.31, subsection 7, paragraph b, Code 2013, is amended to read as follows:

b. Other expenditures, including but not limited to expenditures for salaries or recurring costs, are not authorized under this subsection. Expenditures authorized under this subsection shall not be included in ~~allowable growth~~ supplemental state aid or district cost, and the portion of the unexpended fund balance which is authorized to be spent shall be regarded as if it were miscellaneous income. Any part of the amount not actually spent for the authorized purpose shall revert to its former status as part of the unexpended fund balance.

Sec. 30. Section 257.31, subsection 14, paragraph b, subparagraph (3), Code 2013, is amended to read as follows:

(3) A school district is only eligible to receive supplemental aid payments during the budget year if the school

district certifies to the school budget review committee that for the year following the budget year it will notify the school budget review committee to instruct the director of the department of management to increase the district's ~~allowable growth~~ supplemental state aid and will fund the ~~allowable growth~~ supplemental state aid increase either by using moneys from its unexpended fund balance to reduce the district's property tax levy or by using cash reserve moneys to equal the amount of the deficit that would have been property taxes and any part of the state aid portion of the deficit not received as supplemental aid under this subsection. The director of the department of management shall make the necessary adjustments to the school district's budget to provide the modified ~~allowable growth~~ supplemental amount and shall make the supplemental aid payments.

Sec. 31. Section 257.32, subsection 1, paragraph a, Code 2013, is amended to read as follows:

a. An area education agency budget review procedure is established for the school budget review committee created in section 257.30. The school budget review committee, in addition to its duties under section 257.31, shall meet and hold hearings each year to review unusual circumstances of area education agencies, either upon the committee's motion or upon the request of an area education agency. The committee may grant supplemental aid to the area education agency from funds appropriated to the department of education for area education agency budget review purposes, or an amount may be added to the area education agency special education support services ~~allowable growth~~ supplemental state aid for districts in an area or an additional amount may be added to district cost for media services or educational services for all districts in an area for the budget year either on a temporary or permanent basis, or both.

Sec. 32. Section 257.37, subsections 1 and 3, Code 2013, are

amended to read as follows:

1. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for media services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for media services in the base year shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the department of management shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the ~~allowable growth~~ supplemental state aid for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the ~~allowable growth~~ supplemental state aid for media services in the budget year times the enrollment served in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

3. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for educational services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for educational services in the base year shall be divided by the enrollment served in the area in the base year to provide an area educational services cost per pupil in the base year, and the department of management shall compute the state educational services cost per pupil in the base year, which is equal to the average of the area educational services costs per pupil in the base year.

For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the ~~allowable growth~~ supplemental state aid for educational services by multiplying the state educational services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for educational services for the budget year equals the area educational services cost per pupil for the base year plus the ~~allowable growth~~ supplemental state aid for educational services in the budget year times the enrollment served in the area in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.

Sec. 33. Section 257.37A, subsection 1, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall add together the teacher compensation allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"i"*, Code 2009, and the phase II allocation made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 294A.9, Code 2009, and divide that sum by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the area education agency teacher salary supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency teacher salary supplement district cost per pupil for each area education agency for a budget year is the area education agency teacher salary supplement district cost per pupil for the base year plus the area education agency teacher salary supplement ~~state allowable growth~~ supplemental state aid amount for the budget year.

Sec. 34. Section 257.37A, subsection 2, paragraph a, Code 2013, is amended to read as follows:

a. For the budget year beginning July 1, 2009, the department of management shall divide the area education agency professional development supplement made to each area education agency for the fiscal year beginning July 1, 2008, pursuant to section 284.13, subsection 1, paragraph *"d"*, Code 2009, by the special education support services weighted enrollment in the fiscal year beginning July 1, 2009, to determine the professional development supplement cost per pupil. For the budget year beginning July 1, 2010, and succeeding budget years, the area education agency professional development supplement district cost per pupil for each area education agency for a budget year is the area education agency professional development supplement district cost per pupil for the base year plus the area education agency professional development supplement ~~state allowable growth~~ supplemental state aid amount for the budget year.

Sec. 35. Section 257.38, subsection 1, unnumbered paragraph 1, Code 2013, is amended to read as follows:

Boards of school districts, individually or jointly with boards of other school districts, requesting to use a modified ~~allowable growth~~ supplemental amount for programs for returning dropouts and dropout prevention, shall submit comprehensive program plans for the programs and budget costs, including annual requests for a modified ~~allowable growth~~ supplemental amount for funding the programs, to the department of education as a component of the comprehensive school improvement plan submitted to the department pursuant to section 256.7, subsection 21. The program plans shall include:

Sec. 36. Section 257.38, subsection 2, Code 2013, is amended to read as follows:

2. Program plans shall identify the parts of the plan that will be implemented first upon approval of the request. If a district is requesting to use a modified ~~allowable growth~~ supplemental amount to finance the program, the school district

shall not identify more than five percent of its budget enrollment for the budget year as returning dropouts and potential dropouts.

Sec. 37. Section 257.40, Code 2013, is amended to read as follows:

257.40 Approval of programs for returning dropouts and dropout prevention — annual report.

1. The board of directors of a school district requesting to use a modified ~~allowable growth~~ supplemental amount for programs for returning dropouts and dropout prevention shall submit requests for a modified at-risk ~~allowable growth~~ supplemental amount, including budget costs, to the department not later than December 15 of the year preceding the budget year during which the program will be offered. The department shall review the request and shall prior to January 15 either grant approval for the request or return the request for approval with comments of the department included. An unapproved request for a program may be resubmitted with modifications to the department not later than February 1. Not later than February 15, the department shall notify the department of management and the school budget review committee of the names of the school districts for which programs using a modified ~~allowable growth~~ supplemental amount for funding have been approved and the approved budget of each program listed separately for each school district having an approved request.

2. Beginning January 15, 2007, the department shall submit an annual report to the chairpersons and ranking members of the senate and house education committees that includes the ways school districts in the previous school year used modified ~~allowable growth~~ supplemental amounts approved under subsection 1; identifies, by grade level, age, and district size, the students in the dropout and dropout prevention programs for which the department approves a request; describes school district progress toward increasing student achievement and

attendance for the students in the programs; and describes how the school districts are using the revenues from the modified ~~allowable growth~~ supplemental amounts to improve student achievement among minority subgroups.

Sec. 38. Section 257.41, subsections 1 and 3, Code 2013, are amended to read as follows:

1. *Budget.* The budget of an approved program for returning dropouts and dropout prevention for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost of the school district and up to three-fourths by an increase in ~~allowable growth~~ supplemental state aid as defined in section 257.8. Annually, the department of management shall establish a modified ~~allowable growth~~ supplemental amount for each such school district equal to the difference between the approved budget for the program for returning dropouts and dropout prevention for that district and the sum of the amount funded from the district cost of the school district plus funds received from other sources.

3. *Limitation.* For the fiscal year beginning July 1, 2013, and each succeeding fiscal year, the ratio of the amount of the modified ~~allowable growth~~ supplemental amount established by the department of management compared to the school district's total regular program district cost shall not exceed two and one-half percent. However, if the school district's highest such ratio so determined for any fiscal year beginning on or after July 1, 2009, but before July 1, 2013, exceeded two and one-half percent, the ratio may exceed two and one-half percent but shall not exceed the highest such ratio established during that period.

Sec. 39. Section 257.46, subsection 2, Code 2013, is amended to read as follows:

2. The remaining portion of the budget shall be funded by the thirty-eight dollar increase in ~~allowable growth~~

supplemental state aid, as defined in section 257.2, Code Supplement 2013, for the school budget year beginning July 1, 1999, multiplied by a district's budget enrollment. The thirty-eight dollar increase for the school budget year beginning July 1, 1999, shall increase in subsequent years by each year's state percent of growth. School districts shall annually report the amount expended for a gifted and talented program to the department of education. The proportion of a school district's budget which corresponds to the thirty-eight dollar increase in ~~allowable growth~~ supplemental state aid, as defined in section 257.2, Code Supplement 2013, for the school budget year beginning July 1, 1999, added to the amount in subsection 1, shall be utilized exclusively for a school district's gifted and talented program.

Sec. 40. Section 273.23, subsection 8, Code 2013, is amended to read as follows:

8. For the school year beginning on the effective date of an area education agency reorganization as provided in this subchapter, the special education support services cost per pupil shall be based upon the combined base year budgets for special education support services of the area education agencies that reorganized to form the newly formed area education agency, divided by the total of the weighted enrollment for special education support services in the reorganized area education agency for the base year plus the ~~allowable growth~~ supplemental state aid amount per pupil for special education support services for the budget year as calculated in section 257.8.

Sec. 41. Section 280.4, subsection 3, Code 2013, is amended to read as follows:

3. In order to provide funds for the excess costs of instruction of limited English proficient students above the costs of instruction of pupils in a regular curriculum, students identified as limited English proficient shall be

assigned an additional weighting of twenty-two hundredths, and that weighting shall be included in the weighted enrollment of the school district of residence for a period not exceeding four years. However, the school budget review committee may grant supplemental aid or a modified ~~allowable growth~~ supplemental amount to a school district to continue funding a program for students after the expiration of the four-year period.

Sec. 42. APPLICABILITY. This division of this Act applies to school budget years beginning on or after July 1, 2014.

DIVISION III

IOWA LEARNING ONLINE INITIATIVE — FEES AND APPROPRIATIONS

Sec. 43. Section 256.42, Code 2013, is amended by adding the following new subsections:

NEW SUBSECTION. 8. The department shall establish fees payable by school districts and accredited nonpublic schools participating in the initiative. Fees collected pursuant to this subsection are appropriated to the department to be used only for the purpose of administering this section and shall be established so as not to exceed the budgeted cost of administering this section to the extent not covered by the moneys appropriated in subsection 9. Providing professional development necessary to prepare teachers to participate in the initiative shall be considered a cost of administering this section. Notwithstanding section 8.33, fees collected by the department that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purpose of expanding coursework offered under the initiative in subsequent fiscal years.

NEW SUBSECTION. 9. There is appropriated from the general fund of the state to the department, for the following fiscal years, the following amounts, to be used for administering this section and for not more than three full-time equivalent positions:

a. For the fiscal year beginning July 1, 2014, and ending June 30, 2015, the sum of one million five hundred thousand dollars.

b. For the fiscal year beginning July 1, 2015, and ending June 30, 2016, the sum of one million five hundred thousand dollars.

DIVISION IV

TRAINING AND EMPLOYMENT OF TEACHERS

Sec. 44. NEW SECTION. **256.96 Online state job posting system.**

1. The department shall provide for the operation of an online state job posting system. The system shall be designed and implemented for the online posting of job openings offered by school districts, charter schools, area education agencies, the department, and accredited nonpublic schools. The system shall be accessible via the department's internet site. The system shall include a mechanism for the electronic submission of job openings for posting on the system as provided in subsection 2. The system and each job posting on the system shall include a statement that an employer submitting a job opening for posting on the system will not discriminate in hiring on the basis of race, ethnicity, national origin, gender, age, physical disability, sexual orientation, gender identity, religion, marital status, or status as a veteran. The department may contract for, or partner with another entity for, the use of an existing internet site to operate the online state job posting system if the existing internet site is more effective and economical than the department's internet site.

2. A school district, charter school, or area education agency shall submit all of its job openings to the department for posting on the system. The department shall post all of its job openings on the system. An accredited nonpublic school may submit job openings to the department for posting on the system.

3. This section shall not be construed to do any of the following:

a. Prohibit any employer from advertising job openings and recruiting employees independently of the system.

b. Prohibit any employer from using another method of advertising job openings or another applicant tracking system in addition to the system.

c. Provide the department with any regulatory authority in the hiring process or hiring decisions of any employer other than the department.

Sec. 45. NEW SECTION. **256.98 Teach Iowa student teaching pilot project.**

1. Subject to an appropriation of sufficient funds by the general assembly, the department shall establish a teach Iowa student teaching pilot project in collaboration with two institutions of higher education which offer teacher preparation programs approved by the state board of education pursuant to section 256.7, subsection 3. The two institutions of higher education shall include one institution of higher education under the control of the state board of regents and one accredited private institution as defined in section 261.9.

2. The teach Iowa student teaching pilot project shall provide students in teacher preparation programs with a one-year student teaching experience. A student teaching experience provided under the pilot project must include all of the following requirements:

a. A participating institution of higher education shall work with one or more school districts individually or collaboratively to place groups of students in a student teaching experience for an entire academic year. A participating institution of higher education shall take into consideration geographic diversity in the selection of school districts for participation in the pilot project.

b. A participating institution of higher education shall

supervise the student teachers in the classroom and shall provide the students with weekly on-site instruction in pedagogy in the participating school districts.

3. The state board shall adopt rules pursuant to chapter 17A to administer this section.

Sec. 46. NEW SECTION. **261.110 Teach Iowa scholar program.**

1. A teach Iowa scholar program is established to provide teach Iowa scholar grants to selected high-caliber teachers. The commission shall administer the program in collaboration with the department of education.

2. An Iowa resident or nonresident applicant shall be eligible for a teach Iowa scholar grant if the applicant meets all of the criteria specified under, or established in accordance with, subsection 3. Priority shall be given to applicants who are residents of Iowa.

3. Criteria for eligibility shall be established by the commission and shall include but are not limited to the following:

a. The applicant was in the top twenty-five percent academically of students exiting a teacher preparation program approved by the state board of education pursuant to section 256.7, subsection 3, or a similar teacher preparation program in another state, or had earned other comparable academic credentials.

b. The applicant is preparing to teach in fields including but not limited to science, technology, engineering, or mathematics; English as a second language or special education instruction; or is preparing to teach in a hard-to-staff subject as identified by the department. The department shall take into account the varying regional needs in the state for teachers in these subject areas when applying the criterion of this paragraph. The department shall annually identify and designate hard-to-staff subjects for the purpose of this paragraph. The eligibility of an applicant who receives a

teach Iowa scholar grant and who is preparing to teach in a hard-to-staff subject as identified by the department shall not be affected in subsequent years if the department does not continue to identify that subject as a hard-to-staff subject.

4. A selected applicant who meets all of the eligibility requirements of this section shall be eligible for a teach Iowa scholar grant for each year of full-time employment completed in this state as a teacher for a school district, charter school, area education agency, or accredited nonpublic school. A teach Iowa scholar grant shall not exceed four thousand dollars per year per recipient. Grants awarded under this section shall not exceed a total of twenty thousand dollars per recipient over a five-year period.

5. The commission, in collaboration with the department of education, shall adopt rules pursuant to chapter 17A to administer this section. The rules shall include but shall not be limited to a process for use by the commission to determine which eligible applicants will receive teach Iowa scholar grants.

6. A teach Iowa scholar fund is established in the state treasury. The fund shall be administered by the commission and shall consist of moneys appropriated by the general assembly and any other moneys received by the commission for deposit in the fund. The moneys in the fund are appropriated to the commission for the teach Iowa scholar program. Notwithstanding section 8.33, moneys in the fund at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the teach Iowa scholar program for subsequent fiscal years. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

DIVISION V

ASSESSMENTS

Sec. 47. Section 256.7, subsection 21, paragraph b, Code

2013, is amended to read as follows:

b. A set of core academic indicators in mathematics and reading in grades four, eight, and eleven, a set of core academic indicators in science in grades eight and eleven, and another set of core indicators that includes but is not limited to graduation rate, postsecondary education, and successful employment in Iowa.

(1) Annually, the department shall report state data for each indicator in the condition of education report. Rules adopted pursuant to this subsection shall specify that the approved district-wide assessment of student progress administered for purposes of ~~this paragraph~~ the indicators shall be the assessment utilized by school districts statewide in the school year beginning July 1, 2011, or a successor assessment administered by the same assessment provider.

(2) Notwithstanding subparagraph (1), for the school year beginning July 1, 2016, and each succeeding school year, the rules shall provide that all students enrolled in school districts in grades three through eleven shall be administered an assessment during the last quarter of the school year that at a minimum assesses the indicators identified in this paragraph "*b*"; is aligned with the Iowa common core standards in both content and rigor; accurately describes student achievement and growth for purposes of the school, the school district, and state accountability systems; and provides valid, reliable, and fair measures of student progress toward college or career readiness.

(3) The director shall establish an assessment task force to review and make recommendations for a statewide assessment of student progress on the indicators identified pursuant to this paragraph "*b*". The task force shall recommend a statewide assessment that is aligned to the Iowa common core standards and is, at a minimum, valid, reliable, tested, and piloted in Iowa. In addition, in developing recommendations, the task

force shall consider the costs to school districts and the state in providing and administering such an assessment and the technical support necessary to implement the assessment. The task force shall submit its recommendations in a report to the director, the state board, and the general assembly by January 1, 2015. The task force shall assist with the final development and implementation of the assessment administered pursuant to subparagraph (2). The task force members shall include but not be limited to teachers, school administrators, business leaders, representatives of state agencies, and members of the general public. This subparagraph is repealed July 1, 2020.

(4) The state board ~~may~~ shall submit to the general assembly recommendations the state board deems appropriate for modifications of assessments of student progress administered for purposes of this paragraph *"b"*.

DIVISION VI

COUNCIL ON EDUCATOR DEVELOPMENT

Sec. 48. NEW SECTION. **256.29 Council on educator development established.**

1. A council on educator development is established to conduct a study and make recommendations regarding the following:

a. A statewide teacher evaluation system and performance review requirements.

b. A statewide administrator evaluation system.

2. The goal of the study shall be to determine the efficacy of the current systems in providing practitioners with clear and actionable feedback to enhance their practice and advance student learning. The council shall receive input from teachers, administrators, and evaluators regarding educators' personal experiences with evaluations.

3. The study shall review the following:

a. The current teacher evaluation system and performance

review requirements and the current administrator evaluation system requirements.

b. The Iowa teaching standards.

c. Criteria used to further define the Iowa teaching standards.

d. The Iowa standards for school administrators.

e. Nationally accepted teaching standards.

f. The process for developing individual teacher and individual administrator professional development plans.

g. Evaluator training.

h. The peer group reviews conducted pursuant to chapter 284.

i. The interrelated facets of the teacher and administrator evaluation systems and performance review requirements.

4. Any evaluation system recommended by the council shall be designed, at a minimum, so that the system is or does all of the following:

a. Is meaningful, providing all teachers and administrators with clear and actionable feedback.

b. Is comprehensive and based on multiple indicators designed to enhance an educator's practice.

c. Provides for ongoing, nonevaluation feedback and regular, comprehensive, and fair evaluations.

d. Is developed and implemented with input from teachers and administrators, respecting their own evaluation systems; and is developed and implemented in partnership with organizations representing teachers, administrators, and school board members at the state and local school district levels.

e. Is based on clear standards for what teachers and administrators should know and be able to do.

f. Is adequately funded, staffed, and fully developed and validated, and includes training for all teachers and administrators concerning the new systems before the systems are used to make any high-stakes employment decisions.

g. Is applicable to teachers and administrators in all

content areas.

5. In developing recommendations for any evaluation system, the council shall consider, at a minimum, all of the following:

a. Any proposed revisions to systems, standards, or training reviewed pursuant to subsection 3.

b. The fair and balanced use of student outcome measures, comprised of multiple, reliable indicators of student growth and learning that are appropriate to the curriculum and the students being taught. These measures may include but are not limited to gauges of higher order skills such as student research papers, science investigations, technology products, and art projects; teacher-defined objectives for individual student growth; student learning objectives developed jointly by a teacher and principal or evaluator; district, school, or teacher-created assessments; and high-quality standardized tests that provide valid, reliable, timely, and meaningful information regarding student learning and growth.

c. Multiple indicators to provide evidence of practice, including but not limited to classroom observations; proof of practice such as lesson plans, curriculum plans, and instructional notes; teacher and administrator interviews, respecting their own evaluation systems; self-assessment; and evidence of professional contributions and collaboration.

d. Student and parent surveys.

e. A multitiered evaluation system that differentiates at least three levels of teacher and administrator performance.

6. The council shall be comprised of at least seventeen voting members appointed by the director by October 1, 2013, as follows:

a. Eight members representing education stakeholders who shall be subject to the evaluation systems being recommended.

b. One member representing the department.

c. One member representing the area education agencies.

d. One member representing the Iowa state education

association.

e. One member representing the school administrators of Iowa.

f. One member representing the Iowa association of school boards.

g. One member representing the urban education network.

h. One member representing the largest approved practitioner preparation institution in the state.

i. One member representing Iowa's approved administrator preparation programs.

j. One member representing parents of Iowa elementary or secondary students.

7. Four members of the general assembly shall serve as ex officio, nonvoting members of the council, with one member to be appointed by each of the following: 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. A legislative member serves for a term as provided in section 69.16B and is eligible for per diem and expenses as provided in section 2.10.

8. To the extent possible, the council shall have balanced representation with regard to teachers and administrators. Teachers and administrators from elementary and secondary education shall be included in the membership, as well as school and area education agency personnel who are evaluated under the teacher evaluation system but who are not classroom teachers.

9. The member representing the area education agencies shall convene the initial meeting. The council shall elect a chairperson from among its members for a term of one year. Administrative support and staffing for the council shall be provided by the department. The voting members of the council shall be reimbursed for actual and necessary expenses incurred in the performance of their duties and shall receive a per diem

as specified in section 7E.6.

10. The council shall provide for the wide distribution of a preliminary draft of its recommendations for evaluation systems and performance review requirements to teachers, administrators, and school board members throughout the state by October 1, 2015, and shall provide a mechanism and opportunity for practitioners and school board members to submit feedback to the council. Such feedback shall be reviewed by the council prior to making final recommendations.

11. The council shall submit its findings and recommendations to the state board of education, the governor, and the general assembly by November 15, 2016.

DIVISION VII

IOWA TEACHER CAREER AND COMPENSATION MATTERS

Sec. 49. Section 257.1, subsection 2, paragraph b, Code 2013, is amended to read as follows:

b. For the budget year commencing July 1, 1999, and for each succeeding budget year the regular program foundation base per pupil is eighty-seven and five-tenths percent of the regular program state cost per pupil. For the budget year commencing July 1, 1991, and for each succeeding budget year the special education support services foundation base is seventy-nine percent of the special education support services state cost per pupil. The combined foundation base is the sum of the regular program foundation base, the special education support services foundation base, the total teacher salary supplement district cost, the total professional development supplement district cost, the total early intervention supplement district cost, <u>the total teacher leadership supplement district cost,</u> the total area education agency teacher salary supplement district cost, and the total area education agency professional development supplement district cost.

Sec. 50. Section 257.1, subsection 3, Code 2013, is amended to read as follows:

3. *Computations rounded.* In making computations and payments under this chapter, except in the case of computations relating to funding of special education support services, media services, and educational services provided through the area education agencies, and the teacher salary supplement, the professional development supplement, ~~and~~ the early intervention supplement, and the teacher leadership supplement, the department of management shall round amounts to the nearest whole dollar.

Sec. 51. Section 257.4, subsection 1, paragraph a, Code 2013, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (8) The total teacher leadership supplement district cost.

Sec. 52. Section 257.8, subsection 2, Code 2013, is amended to read as follows:

2. *Categorical state percent of growth.* The categorical state percent of growth for the budget year beginning July 1, 2010, is two percent. The categorical state percent of growth for the budget year beginning July 1, 2012, is two percent. The categorical state percent of growth for each budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the categorical state percent of growth for a budget year shall be the only subject matter of the bill which enacts the categorical state percent of growth for a budget year. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, ~~and~~ the early intervention supplement, and the teacher leadership supplement.

Sec. 53. Section 257.9, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 11. *Teacher leadership supplement state cost per pupil.* The teacher leadership supplement state cost per

pupil amount for the budget year beginning July 1, 2014, shall be calculated by the department of management by dividing the allocation amount for the budget year beginning July 1, 2014, in section 284.13, subsection 1, paragraph *"0e"*, subparagraph (5), by one-third of the statewide total budget enrollment for the fiscal year beginning July 1, 2014. The teacher leadership supplement state cost per pupil for the budget year beginning July 1, 2015, and succeeding budget years, shall be the teacher leadership supplement state cost per pupil for the base year plus a supplemental state aid amount that is equal to the teacher leadership supplement categorical state percent of growth, pursuant to section 257.8, subsection 2, for the budget year, multiplied by the teacher leadership supplement state cost per pupil for the base year.

Sec. 54. Section 257.10, subsection 8, paragraph a, Code 2013, is amended to read as follows:

a. Combined district cost is the sum of the regular program district cost per pupil multiplied by the weighted enrollment, the special education support services district cost, the total teacher salary supplement district cost, the total professional development supplement district cost, ~~and~~ the total early intervention supplement district cost, <u>and the total teacher leadership supplement district cost,</u> plus the sum of the additional district cost allocated to the district to fund media services and educational services provided through the area education agency, the area education agency total teacher salary supplement district cost and the area education agency total professional development supplement district cost.

Sec. 55. Section 257.10, Code 2013, is amended by adding the following new subsection:

<u>NEW SUBSECTION</u>. 12. *Teacher leadership supplement cost per pupil and district cost.*

a. The teacher leadership supplement district cost per pupil amount for the budget year beginning July 1, 2014, shall

be calculated by the department of management by dividing the allocation amount for the budget year beginning July 1, 2014, in section 284.13, subsection 1, paragraph *"0e"*, subparagraph (5), by one-third of the statewide total budget enrollment for the fiscal year beginning July 1, 2014. For the budget year beginning July 1, 2015, and succeeding budget years, the teacher leadership supplement district cost per pupil for each school district for a budget year is the teacher leadership supplement program district cost per pupil for the base year plus the teacher leadership supplement supplemental state aid amount for the budget year.

b. For the budget year beginning July 1, 2015, and succeeding budget years, if the department of management determines that the unadjusted teacher leadership supplement district cost of a school district for a budget year is less than one hundred percent of the unadjusted teacher leadership supplement district cost for the base year for the school district, the school district shall receive a budget adjustment for that budget year equal to the difference.

c. (1) The unadjusted teacher leadership supplement district cost is the teacher leadership supplement district cost per pupil for each school district for a budget year multiplied by the budget enrollment for that school district.

(2) The total teacher leadership supplement district cost is the sum of the unadjusted teacher leadership supplement district cost plus the budget adjustment for that budget year.

d. For the budget year beginning July 1, 2014, and succeeding budget years, the use of the funds calculated under this subsection shall comply with the requirements of chapter 284 and shall be distributed to teachers pursuant to section 284.15. The funds shall be used only to increase the payment for a teacher assigned to a leadership role pursuant to a framework or comparable system approved pursuant to section 284.15; to increase the percentages of teachers assigned to

leadership roles; to increase the minimum teacher starting salary to thirty-three thousand five hundred dollars; to cover the costs for the time mentor and lead teachers are not providing instruction to students in a classroom; for coverage of a classroom when an initial or career teacher is observing or co-teaching with a teacher assigned to a leadership role; for professional development time to learn best practices associated with the career pathways leadership process; and for other costs associated with a framework or comparable system approved by the department of education under section 284.15 with the goals of improving instruction and elevating the quality of teaching and student learning.

Sec. 56. Section 257.16, subsection 4, Code 2013, is amended to read as follows:

4. Notwithstanding any provision to the contrary, if the governor orders budget reductions in accordance with section 8.31, the teacher salary supplement district cost, the professional development supplement district cost, ~~and~~ the early intervention supplement district cost, and the teacher leadership supplement district cost as calculated under section 257.10, subsections 9, 10, ~~and~~ 11, and 12, and the area education agency teacher salary supplement district cost and the area education agency professional development supplement district cost as calculated under section 257.37A, subsections 1 and 2, shall be paid in full as calculated and the reductions in the appropriations provided in accordance with this section shall be reduced from the remaining moneys appropriated pursuant to this section and shall be distributed on a per pupil basis calculated with the weighted enrollment determined in accordance with section 257.6, subsection 5.

Sec. 57. Section 282.18, subsection 7, Code 2013, is amended to read as follows:

7. A pupil participating in open enrollment shall be counted, for state school foundation aid purposes, in the

pupil's district of residence. A pupil's residence, for purposes of this section, means a residence under section 282.1. The board of directors of the district of residence shall pay to the receiving district the state cost per pupil for the previous school year, and the teacher leadership supplement state cost per pupil for the previous fiscal year as provided in section 257.9, plus any moneys received for the pupil as a result of the non-English speaking weighting under section 280.4, subsection 3, for the previous school year multiplied by the state cost per pupil for the previous year. If the pupil participating in open enrollment is also an eligible pupil under section 261E.6, the receiving district shall pay the tuition reimbursement amount to an eligible postsecondary institution as provided in section 261E.7.

Sec. 58. Section 284.2, subsections 1, 7, and 8, Code 2013, are amended to read as follows:

1. *"Beginning teacher"* means an individual serving under an initial or intern license, issued ~~by the board of educational examiners~~ under chapter 272, who is assuming a position as a teacher. *"Beginning teacher"* includes an individual who is an initial teacher. For purposes of the beginning teacher mentoring and induction program created pursuant to section 284.5, *"beginning teacher"* also includes preschool teachers who are licensed ~~by the board of educational examiners~~ under chapter 272 and are employed by a school district or area education agency. *"Beginning teacher"* does not include a teacher whose employment with a school district or area education agency is probationary unless the teacher is serving under an initial or teacher intern license issued ~~by the board of educational examiners~~ under chapter 272.

7. *"Mentor"* means an individual employed by a school district or area education agency as a teacher or a retired teacher who holds a valid license issued under chapter 272. The individual must have a record of ~~four~~ three years

of successful teaching practice, must be employed on a nonprobationary basis, and must demonstrate professional commitment to both the improvement of teaching and learning and the development of beginning teachers.

8. *"Performance review"* means a summative evaluation of a teacher other than a beginning teacher ~~and~~ that is used to determine whether the teacher's practice meets school district expectations and the Iowa teaching standards~~, and to determine whether the teacher's practice meets school district expectations for career advancement~~ in accordance with section ~~284.7~~ 284.8.

Sec. 59. Section 284.3, subsection 2, paragraph a, Code 2013, is amended to read as follows:

a. For purposes of comprehensive evaluations ~~for~~, standards and criteria which measure a beginning ~~teachers required to allow beginning teachers to progress to career teachers, standards and criteria that are~~ teacher's performance against the Iowa teaching standards specified in subsection 1, and the criteria for the Iowa teaching standards developed by the department in accordance with section 256.9, ~~subsection 46~~ to determine whether the teacher's practice meets the requirements specified for a career teacher. These standards and criteria shall be set forth in an instrument provided by the department. The comprehensive evaluation and instrument are not subject to negotiations or grievance procedures pursuant to chapter 20 or determinations made by the board of directors under section 279.14. A local school board and its certified bargaining representative may negotiate, pursuant to chapter 20, evaluation and grievance procedures for beginning teachers that are not in conflict with this chapter. If, in accordance with section 279.19, a beginning teacher appeals the determination of a school board to an adjudicator under section 279.17, the adjudicator selected shall have successfully completed training related to the Iowa teacher standards, the criteria adopted by

the state board ~~of education~~ in accordance with subsection 3, and any additional training required under rules adopted by the public employment relations board in cooperation with the state board ~~of education~~.

Sec. 60. Section 284.3A, subsection 2, paragraph a, Code 2013, is amended to read as follows:

a. For the school budget year beginning July 1, 2010, and each succeeding school year, school districts and area education agencies shall combine payments made to teachers under sections 257.10 and 257.37A with regular wages to create a combined salary. The teacher contract issued under section 279.13 must include the combined salary. If a school district or area education agency uses a salary schedule, a combined salary schedule shall be used for regular wages and for distribution of payments under sections 257.10 and 257.37A, incorporating the salary minimums required in section 284.7, or required under a framework or comparable system approved pursuant to section 284.15. The combined salary schedule must use only the combined salary and cannot differentiate regular salaries and distribution of payments under sections 257.10 and 257.37A.

Sec. 61. Section 284.5, subsection 2, Code 2013, is amended by striking the subsection.

Sec. 62. Section 284.5, subsection 4, Code 2013, is amended to read as follows:

4. Each school district and area education agency shall develop ~~an initial beginning teacher mentoring and induction~~ a plan for the program. A school district shall include its plan in the school district's comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21. The ~~beginning teacher mentoring and induction~~ plan shall, at a minimum, provide for a two-year sequence of induction program content and activities to support the Iowa teaching standards and beginning teacher professional and personal needs; mentor

training that includes, at a minimum, skills of classroom demonstration and coaching, and district expectations for beginning teacher competence on Iowa teaching standards; placement of mentors and beginning teachers; the process for dissolving mentor and beginning teacher partnerships; district organizational support for release time for mentors and beginning teachers to plan, provide demonstration of classroom practices, observe teaching, and provide feedback; structure for mentor selection and assignment of mentors to beginning teachers; a district facilitator; and program evaluation.

Sec. 63. Section 284.6, subsection 8, Code 2013, is amended to read as follows:

8. For each year in which a school district receives funds calculated and paid to school districts for professional development pursuant to section 257.10, subsection 10, or section 257.37A, subsection 2, the school district shall create quality professional development opportunities. Not less than thirty-six hours in the school calendar, held outside of the minimum school day, shall be set aside during nonpreparation time or designated professional development time to allow practitioners to collaborate with each other to deliver educational programs and assess student learning, or to engage in peer review pursuant to section 284.8, subsection 1. ~~The goal for the use of the funds is to provide one additional contract day or the equivalent thereof for professional development, and use of the~~ The funds ~~is~~ may be used to implement the professional development provisions of the teacher career paths and leadership roles specified in section 284.7 or 284.15, including but not limited to providing professional development to teachers, including additional salaries for time beyond the normal negotiated agreement; pay for substitute teachers, professional development materials, speakers, and professional development content; and costs associated with implementing the individual professional

development plans. The use of the funds shall be balanced between school district, attendance center, and individual professional development plans, making every reasonable effort to provide equal access to all teachers.

Sec. 64. Section 284.7, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 6. This section is repealed July 1, 2016.

Sec. 65. Section 284.9, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 5. This section is repealed July 1, 2016.

Sec. 66. NEW SECTION. **284.11 State supplemental assistance for high-need schools.**

1. *Findings and intent.* The general assembly finds that students whose first language is not English, who have special needs, or who come from low-income backgrounds face potential obstacles to learning. Schools across Iowa, both urban and rural, have increasing numbers of students who face these challenges. Therefore, it is the intent of the general assembly to provide supplemental assistance to the highest-need schools in Iowa to address these challenges. This section provides for state assistance to allow school districts to develop extended learning time programs, hire instructional support staff, provide additional professional development, or supplement the salary of teachers in the identified schools.

2. *Department's responsibilities.* The department shall do the following:

a. Collect relevant data and establish a list of high-need schools eligible for state supplemental assistance. The department shall establish a process and criteria to determine which schools are placed on the list and the department shall revise the list annually. Criteria for the determination of which high-need schools shall be placed on the list shall be based upon factors that include but are not limited to the socioeconomic status of the students enrolled in the school,

the percentage of the school's student body who are limited English proficient students, student academic growth, certified instructional staff attrition, and geographic balance. The department may approve or disapprove requests for revision of the list, which a school district submits pursuant to subsection 3.

b. Develop a standardized process for distributing moneys appropriated for supplemental assistance for high-need schools under section 284.13, subsection 1, paragraph *"00e"*, to school districts. In determining the process for distribution of such moneys, the department shall take into consideration the amount of moneys appropriated for supplemental assistance in high-need schools for the given year and the minimal amount of moneys needed to increase the academic achievement of students. A school district receiving moneys pursuant to this section shall certify annually to the department how the moneys distributed to the school district pursuant to this section were used by the school district.

c. Review the use and effectiveness of the funds distributed to school districts for supplemental assistance in high-need schools under this section, and consider the findings and recommendations of the commission on educator leadership and compensation submitted pursuant to section 284.15, subsection 13, relating to the use and effectiveness of the funds distributed to school districts under this section. The department shall submit its findings and recommendations in a report to the general assembly by January 15 annually.

3. *School district request for approval.* A school district may request on an annual basis approval from the department for additions to the list of high-need schools the department maintains pursuant to subsection 2 based upon the unique local conditions and needs of the school district. The criteria used to determine the placement of high-need schools on the list in accordance with subsection 2, does not restrict the department

from adding a high-need school to the list as requested by a school district on the basis of unique local conditions and needs pursuant to this subsection.

4. *Moneys received and miscellaneous income.* The distribution of moneys allocated pursuant to section 284.13, subsection 1, paragraph *"00e"*, to a school district shall be made in one payment on or about October 15 of the fiscal year for which the appropriation is made, taking into consideration the relative budget and cash position of the state resources. Such moneys shall not be commingled with state aid payments made under section 257.16 to a school district and shall be accounted for by the local school district separately from state aid payments. Payments made to school districts under this section are miscellaneous income for purposes of chapter 257. A school district shall maintain a separate listing within its budget for payments received and expenditures made pursuant to this section.

5. *Moneys received to supplement salaries.* Moneys received by a school district pursuant to section 284.13, subsection 1, paragraph *"00e"*, shall be used to supplement and not supplant the salary being received by a teacher in a high-need school, and shall not be considered under chapter 20 by an arbitrator or other third party in determining a comparison of the wages of teachers in that high-need school with the wages of teachers in other buildings or in another school district.

Sec. 67. Section 284.13, subsection 1, Code 2013, is amended by adding the following new paragraphs:

NEW PARAGRAPH. *0e.* (1) For the following years, to the department of education, for purposes of teacher leadership supplemental aid payments to school districts for implementing the career paths, leadership roles, and compensation framework or comparable system approved in accordance with section 284.15, subsection 6, the following amounts:

(a) For the fiscal year beginning July 1, 2014, and ending

June 30, 2015, fifty million dollars.

(b) For the fiscal year beginning July 1, 2015, and ending June 30, 2016, fifty million dollars.

(c) For the fiscal year beginning July 1, 2016, and ending June 30, 2017, fifty million dollars.

(2) (a) For the initial school year for which a school district receives department approval for and implements a framework or comparable system in accordance with section 284.15, teacher leadership supplement foundation aid payable to that school district shall be paid from the allocation made in subparagraph (1) for that school year. For that school year, the teacher leadership supplement foundation aid payable to the school district is the product of the teacher leadership district cost per pupil for the school year multiplied by the school district's budget enrollment.

(b) For budget years subsequent to the initial school year for which a school district implemented a system and received funding pursuant to subparagraph division (a), the teacher leadership supplement foundation aid payable to that school district shall be paid from the appropriation made in section 257.16.

(3) Of the moneys allocated to the department for the purposes of this paragraph *"0e"*, for each fiscal year included in subparagraph (1), not more than seven hundred thousand dollars shall be used by the department for the development of a delivery system to assist in implementing the career paths and leadership roles considered pursuant to sections 284.15, 284.16, and 284.17, including but not limited to planning grants to school districts and area education agencies, technical assistance for the department, technical assistance for districts and area education agencies, training and staff development, and the contracting of external expertise and services. In using moneys allocated for purposes of this subparagraph (3), the department shall give priority to school

districts with certified enrollments of fewer than six hundred students. A portion of the moneys allocated annually to the department for purposes of this subparagraph (3) may be used by the department for administrative purposes and for not more than five full-time equivalent positions.

(4) Of the moneys allocated to the department for purposes of this paragraph *"0e"*, for each fiscal year of the fiscal period beginning July 1, 2014, and ending June 30, 2017, the amount remaining after the allocations in subparagraph (3) shall be payable to the school districts that have an approved career path, leadership roles, and compensation framework or approved comparable system as provided in section 284.15.

(5) For each fiscal year of the fiscal period beginning July 1, 2014, and ending June 30, 2017, moneys received by a school district pursuant to this paragraph *"0e"* shall not be considered under chapter 20 by an arbitrator or other third party in determining a comparison of the wages of teachers in that school district with the wages of teachers in another school district.

(6) The receipt of funding by a school district for the purposes of this paragraph *"0e"*, and the need for additional funding for the purposes of this paragraph *"0e"*, or the enrollment count of eligible students under this chapter, shall not be considered to be unusual circumstances, create an unusual need for additional funds, or qualify under any other circumstances that may be used by the school budget review committee to grant supplemental aid to or establish a modified supplemental amount for a school district under section 257.31.

NEW PARAGRAPH. *00e.* For the fiscal year beginning July 1, 2014, and for each subsequent fiscal year, to the department of education, ten million dollars for purposes of implementing the supplemental assistance for high-need schools provisions of section 284.11. Annually, of the moneys allocated to the department for purposes of this paragraph, up to one

hundred thousand dollars may be used by the department for administrative purposes and for not more than one full-time equivalent position.

Sec. 68. Section 284.13, subsection 1, paragraph e, Code 2013, is amended to read as follows:

e. Notwithstanding section 8.33, any moneys remaining unencumbered or unobligated from the moneys allocated for purposes of ~~paragraph~~ paragraphs ~~*"a", "b", or "c"*~~ through *"00e"* shall not revert but shall remain available in the succeeding fiscal year for expenditure for the purposes designated. The provisions of section 8.39 shall not apply to the funds appropriated pursuant to this subsection.

Sec. 69. Section 284.13, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 3. The state board may adopt rules which assure the allocation of resources under this section in a manner that optimizes the fulfillment of the purposes specified in sections 284.11, 284.15, 284.16, and 284.17.

Sec. 70. NEW SECTION. **284.15 Iowa teacher career paths, leadership roles, and compensation framework.**

1. To promote continuous improvement in Iowa's quality teaching workforce and to give Iowa teachers the opportunity for career recognition that reflects the various roles teachers play as educational leaders, a framework for Iowa teacher career paths, leadership roles, and compensation is established under subsection 2 for teachers employed by school districts. Pursuant to subsection 6, a school district may apply to the department for approval to implement the framework or a comparable system of career paths and compensation for teachers that contains differentiated, multiple leadership roles as provided in this section, and sections 284.16 and 284.17. A teacher employed by an area education agency may be included in a framework or comparable system established by a school district if the area education agency and the school district

enter into a contract for such purpose. The framework is designed to accomplish the following goals:

a. To attract able and promising new teachers by offering competitive starting salaries and offering short-term and long-term professional development and leadership opportunities.

b. To retain effective teachers by providing enhanced career opportunities.

c. To promote collaboration by developing and supporting opportunities for teachers in schools and school districts statewide to learn from each other.

d. To reward professional growth and effective teaching by providing pathways for career opportunities that come with increased leadership responsibilities and involve increased compensation.

e. To improve student achievement by strengthening instruction.

2. The Iowa teacher career paths, leadership roles, and compensation requirements under the framework shall be as follows:

a. Initial teacher.

(1) The salary for an initial teacher who has successfully completed an approved practitioner preparation program as defined in section 272.1 or holds an initial or intern teacher license issued under chapter 272, and who participates in the initial teacher mentoring and induction program as provided in this chapter, shall be at least thirty-three thousand five hundred dollars, which shall also constitute the minimum salary for an Iowa teacher.

(2) An initial teacher shall complete a teacher residency during the first year of employment that has all of the following characteristics:

(a) Intensive supervision or mentoring by a mentor teacher or lead teacher.

(b) Sufficient collaboration time for the initial teacher in the residency year to be able to observe and learn from model teachers, mentor teachers, and lead teachers employed by school districts located in this state.

(c) A teaching contract issued under section 279.13 that establishes an employment period which is five days longer than that required for career teachers employed by the school district of employment. The five additional contract days shall be used to strengthen instructional leadership in accordance with this subsection.

(d) Frequent observation, evaluation, and professional development opportunities.

b. Career teacher. A career teacher is a teacher who holds a statement of professional recognition issued under chapter 272 or who meets all of the following requirements:

(1) Has successfully completed the initial teacher mentoring and induction program and has successfully completed a comprehensive evaluation.

(2) Has demonstrated the competencies of a career teacher as determined under the school district's comprehensive evaluation of the initial teacher.

(3) Holds a valid license issued under chapter 272.

(4) Participates in teacher professional development as set forth in this chapter and demonstrates continuous improvement in teaching.

c. Model teacher. A model teacher is a teacher who meets the requirements of paragraph "*b*", has met the requirements established by the school district that employs the teacher, is evaluated by the school district as demonstrating the competencies of a model teacher, has participated in a rigorous review process, and has been recommended for a one-year assignment as a model teacher by a site-based review council appointed pursuant to subsection 4. A school district shall designate at least ten percent of its teachers as model

teachers, though the district may enter into an agreement with one or more other districts or an area education agency to meet this requirement through a collaborative arrangement. The terms of the teaching contracts issued under section 279.13 to model teachers shall exceed by five days the terms of teaching contracts issued under section 279.13 to career teachers, and the five additional contract days shall be used to strengthen instructional leadership in accordance with this subsection. A model teacher shall receive annually a salary supplement of at least two thousand dollars.

d. Mentor teacher. A mentor teacher is a teacher who is evaluated by the school district as demonstrating the competencies and superior teaching skills of a mentor teacher, and has been recommended for a one-year assignment as a mentor teacher by a site-based review council appointed pursuant to subsection 4. In addition, a mentor teacher shall hold a valid license issued under chapter 272, participate in teacher professional development as outlined in this chapter, demonstrate continuous improvement in teaching, and possess the skills and qualifications to assume leadership roles. A mentor teacher shall have a teaching load of not more than seventy-five percent student instruction to allow the teacher to mentor other teachers. A school district shall designate at least ten percent of its teachers as mentor teachers, though the district may enter into an agreement with one or more other districts or an area education agency to meet this requirement through a collaborative arrangement. The terms of the teaching contracts issued under section 279.13 to mentor teachers shall exceed by ten days the terms of teaching contracts issued under section 279.13 to career teachers, and the ten additional contract days shall be used to strengthen instructional leadership in accordance with this subsection. A mentor teacher shall receive annually a salary supplement of at least five thousand dollars.

e. Lead teacher. A lead teacher is a teacher who holds a valid license issued under chapter 272 and has been recommended for a one-year assignment as a lead teacher by a site-based review council appointed pursuant to subsection 4. The recommendation from the council must assert that the teacher possesses superior teaching skills and the ability to lead adult learners. A lead teacher shall assume leadership roles that may include but are not limited to the planning and delivery of professional development activities designed to improve instructional strategies; the facilitation of an instructional leadership team within the lead teacher's building, school district, or other school districts; the mentoring of other teachers; and participation in the evaluation of student teachers. A lead teacher shall have a teaching load of not more than fifty percent student instruction to allow the lead teacher to spend time on co-teaching; co-planning; peer reviews; observing career teachers, model teachers, and mentor teachers; and other duties mutually agreed upon by the superintendent and the lead teacher. A school district shall designate at least five percent of its teachers as lead teachers, though the district may enter into an agreement with one or more other districts or an area education agency to meet this requirement through a collaborative arrangement. The terms of the teaching contracts issued under section 279.13 to lead teachers shall exceed by fifteen days the terms of teaching contracts issued under section 279.13 to career teachers, and the fifteen additional contract days shall be used to strengthen instructional leadership in accordance with this subsection. A lead teacher shall receive annually a salary supplement of at least ten thousand dollars.

3. The salary supplement received by a teacher assigned to a leadership role shall fully cover the salary costs of the additional contract days required of teachers in those

leadership roles. Notwithstanding any provision of law to the contrary, the determinations of salary supplements paid pursuant to this section are not subject to appeal.

4. The school board shall appoint a site-based review council for the district's attendance centers. Attendance centers may share a site-based review council if the appointments meet the requirements specified in paragraph *"a"*.

a. Each council shall be comprised of equal numbers of teachers and administrators.

b. The council shall accept and review applications submitted to the school's or the school district's administration for assignment or reassignment in a teacher leadership role, and shall make recommendations regarding the applications to the superintendent of the school district. In developing recommendations, the council shall utilize measures of teacher effectiveness and professional growth, consider the needs of the school district, and review the performance and professional development of the applicants. Any teacher recommended for assignment or reassignment in a teacher leadership role shall have demonstrated to the council's satisfaction competency on the Iowa teaching standards as set forth in section 284.3.

c. An assignment in a teacher leadership role under an approved framework or comparable system shall be subject to review by the school's or the school district's administration at least annually. The review shall include peer feedback on the effectiveness of the teacher's performance of duty specific to the teacher's career path. A teacher who completes the time period of assignment in a teacher leadership role may apply to the school's or the school district's administration for assignment in a new role, if appropriate, or for reassignment.

5. A teacher employed in a school district shall not receive less compensation in that district than the teacher received in the school year preceding implementation of the framework

or a comparable system approved pursuant to this section. A teacher who achieves national board for professional teaching standards certification and meets the requirements of section 256.44 shall continue to receive the award as specified in section 256.44 in addition to the compensation set forth in this section.

6. *a.* A school district may apply to the department for approval to implement the career paths, leadership roles, and compensation framework specified in subsection 2, or a comparable system of career paths and compensation for teachers that contains differentiated multiple leadership roles. The director shall consider the recommendations of the commission established pursuant to subsection 12 when approving or disapproving applications submitted pursuant to this section. A school district may modify an approved framework or comparable system if the director approves the modification. A school district may appeal the director's decision to the state board and the state board's decision is final.

b. At any time during a school year, a school district approved to implement the framework or a comparable system pursuant to this subsection may apply to the department to waive full or partial implementation of the approved framework or system for the current school year. The school district shall submit to the department for approval a modified implementation plan for the school year following the school year for which the district received a waiver pursuant to this paragraph if the school district wishes to continue partial implementation beyond the school year for which the district received a waiver. The state board may adopt by rule a limitation on the number of times a school district may apply for a waiver in accordance with this paragraph.

c. A school district approved to implement the framework or a comparable system pursuant to this subsection shall submit to the department for approval any proposed change to the

framework or comparable system.

d. By March 1 of the school year preceding implementation, a school district that has been approved to implement the framework or a comparable system pursuant to this subsection may opt out of implementation of the framework or comparable system by notifying the department of its intent to withdraw from implementation. The department shall notify the department of management that the school district is no longer approved to implement the framework or comparable system and is not eligible to receive teacher leadership supplement foundation aid under chapter 257 or this chapter.

e. A school district whose application for approval to implement a comparable system or modified comparable system is denied may appeal the department's decision to the state board.

7. The department shall establish criteria and a process for application and approval of the framework established under subsection 1, and for comparable systems that meet the requirements of section 284.16 or 284.17, which a school district may implement pursuant to subsection 6 in order to receive teacher leadership supplement foundation aid calculated under section 257.10, subsection 12.

8. For purposes of this section a comparable system means either of the following:

a. An instructional coach model as set forth in section 284.16 and approved by the department pursuant to this section.

b. A system of career paths and compensation for teachers that contains differentiated, multiple leadership roles as set forth in section 284.17 and approved by the department pursuant to this section.

9. A school district is encouraged to utilize appropriately licensed teachers emeritus in the implementation of this section and sections 284.16 and 284.17.

10. The framework or comparable system approved and implemented by a school district in accordance with this

section shall be applicable to teachers in every attendance center operated by the school district.

11. Subject to an appropriation by the general assembly for purposes of this subsection, a school district may apply to the department for a planning grant to design an implementation strategy for the framework established pursuant to subsection 1 or a comparable system of career paths and compensation for teachers that contains differentiated multiple leadership roles. The planning grant shall be used to facilitate a local decision-making process that includes representation of administrators, teachers, and parents and guardians of students. The department shall establish and make available an application for the awarding of planning grants for purposes of this subsection.

12. The department shall establish, and provide staffing and administrative support for a commission on educator leadership and compensation. The commission shall monitor with fidelity the implementation of the frameworks and comparable systems by school districts pursuant to this section and sections 284.16 and 284.17. The commission shall also evaluate and make recommendations to the department on applications for approval of a framework or comparable system submitted to the department pursuant to subsection 6, and on the expenditure of moneys appropriated for purposes of this section. In addition, the commission shall review the use and effectiveness of the funds distributed to school districts for supplemental assistance to high-need schools under section 284.11.

a. The commission shall be comprised of nineteen voting members. The director of the department or the director's designee shall serve as a nonvoting, ex officio member. The voting members shall include the following:

(1) Members appointed by the following designated organizations, at the discretion of the organization:

(a) Five teachers by the Iowa state education association.

(b) Three school administrators by the school administrators of Iowa.

(c) Two school board members by the Iowa association of school boards.

(d) One person appointed jointly by the administrators of the area education agencies created under chapter 273.

(2) Members appointed by the director as follows:

(a) Two teachers, each of whom shall be employed by a school district, an area education agency, or an accredited nonpublic school.

(b) One person who is a parent of a child enrolled in a school district.

(c) One person who is a business leader.

(d) One person who represents the largest approved practitioner preparation institution in the state.

(3) The executive director of the Iowa state education association or the executive director's designee.

(4) The executive director of the school administrators of Iowa or the executive director's designee.

(5) The executive director of the Iowa association of school boards or the executive director's designee.

b. Members shall be appointed to staggered three-year terms which begin and end as provided in section 69.19. Appointments shall comply with sections 69.16, 69.16A, and 69.16C. Vacancies on the commission shall be filled in the same manner as the original appointment. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. Members are entitled to reimbursement of actual expenses incurred in performance of their official duties.

c. By December 15 annually, the commission shall submit its findings and any recommendations, including but not limited to any recommendations for changes to the framework established in subsections 1 and 2, and the comparable systems set forth in sections 284.16 and 284.17, and for changes to section 284.11

relating to state supplemental assistance to high-need schools, in a report to the director, the state board, the governor, and the general assembly.

13. *a.* Teacher leadership supplement foundation aid calculated under section 257.10, subsection 12, shall be paid as part of the state aid payments made to school districts in accordance with section 257.16.

b. Notwithstanding section 284.3A, teacher leadership supplement foundation aid shall not be combined with regular wages to create a combined salary.

c. The teacher leadership supplement district cost as calculated under section 257.10, subsection 12, is not subject to a uniform reduction in accordance with section 8.31.

14. The provisions of this chapter shall be subject to legislative review at least every three years. The review shall be based upon a status report from the commission on educator leadership and compensation, which shall be prepared with the assistance of the departments of education, management, and revenue. The status report shall review and report on the department's assignment and utilization of full-time equivalent positions, and shall include information on teacher retention, teacher compensation, academic quality of beginning teachers, teacher evaluation results, student achievement trend and comparative data, and recommendations for changes to the teacher leadership supplement foundation aid and the framework or comparable systems approved pursuant to this section. The first status report shall be submitted to the general assembly by January 15, 2017, with subsequent status reports prepared and submitted to the general assembly by January 15 at least every third year thereafter.

Sec. 71. NEW SECTION. **284.16 Instructional coach model.**

1. *Instructional coach model.* The instructional coach and curriculum and professional development leader model shall include, at a minimum, the following levels and requirements:

a. Beginning teacher level. The beginning teacher shall be paid not less than thirty-three thousand five hundred dollars and shall meet the following requirements:

(1) Has successfully completed an approved practitioner preparation program as defined in section 272.1 or holds an intern teacher license issued under chapter 272.

(2) Holds an initial or intern teacher license issued under chapter 272.

(3) Participates in the beginning teacher mentoring and induction program as provided in this chapter.

(4) Completes, during the initial year of teaching, a teacher residency that meets the requirements set forth in section 284.15, subsection 2, paragraph *"a"*, subparagraph (2).

b. Career teacher level. A career teacher is a teacher who holds a statement of professional recognition issued under chapter 272 or who meets the following requirements:

(1) Has successfully completed the beginning teacher mentoring and induction program and has successfully completed a comprehensive evaluation.

(2) Is reviewed by the school district as demonstrating the competencies of a career teacher.

(3) Holds a valid license issued under chapter 272.

(4) Participates in teacher professional development as set forth in this chapter and demonstrates continuous improvement in teaching.

c. Instructional coach level.

(1) An instructional coach shall, at a minimum, meet the requirements specified for a career teacher in paragraph *"b"*, and engage full-time in instructional coaching.

(2) For purposes of this paragraph, *"instructional coaching"* means additional guidance in one or more aspects of the teaching profession provided to teachers.

(3) Assignment as an instructional coach to an individual teacher shall be based on either a request from a principal or

from an individual teacher upon approval of a principal.

(4) Instructional coaching shall include detailed preliminary discussions as to areas in which the teachers being coached desire to improve; formulation of an action plan to bring about such improvement; in-class supervision by the instructional coach; postclass discussion of strengths, weaknesses, and strategies for improvement; and dialogue between the instructional coach and students and school officials regarding the teachers being coached. An instructional coach shall coordinate instructional coaching activities relating to training and professional development with an area education agency where appropriate.

(5) The contract term for an instructional coach shall exceed by ten days the contract term issued to career teachers under section 279.13. An instructional coach shall receive a stipend of not less than five thousand nor more than seven thousand dollars annually in addition to the teacher's salary as a career teacher.

d. Curriculum and professional development leader level. The contract term for a curriculum and professional development leader shall exceed by fifteen days the contract term issued to model teachers under section 279.13, and the curriculum and professional development leader shall receive a stipend of not less than ten thousand nor more than twelve thousand dollars annually in addition to the teacher's salary as a career teacher. A curriculum and professional development leader shall do the following:

(1) Provide and demonstrate teaching on an ongoing basis.

(2) Routinely work strategically with teachers in planning, monitoring, reviewing, and implementing best instructional practices.

(3) Observe and coach teachers in effective instructional practices.

(4) Support teacher growth and reflective practices.

(5) Work with and train classroom teachers to provide interventions aligned by subject area.

(6) Support instruction and learning through the use of technology.

(7) Actively participate in collaborative problem solving and reflective practices which include but are not limited to professional study groups, peer observations, grade level planning, and weekly team meetings.

(8) Plan and deliver professional development activities designed to improve instructional strategies.

(9) Engage in the development, adoption, and implementation of curriculum and curricular materials.

e. Model teacher level.

(1) A model teacher is a teacher who meets the requirements of paragraph *"b"*, has met the requirements established by the school district that employs the teacher, is evaluated by the school district as demonstrating the competencies of a model teacher, has participated in a rigorous review process, and has been recommended for a one-year assignment as a model teacher by a site-based review council in the manner provided under section 284.15, subsection 4.

(2) The contract term for a model teacher shall exceed by five days the contract term issued to career teachers under section 279.13, and the five additional contract days shall be used to strengthen instructional leadership. A model teacher shall receive annually a salary supplement of at least two thousand dollars.

2. *Goals.* Each school district approved under section 284.15 to implement the instructional coach model as specified in this section shall establish the following goals for leadership participation:

a. Instructional coach goal. Assignment, annually, of at least one instructional coach at each attendance center or at least one instructional coach for every five hundred students

enrolled in an attendance center, whichever number is greater.

b. Model teacher goal. Assignment of at least ten percent of its teachers annually as model teachers.

c. Equivalent leadership participation goal. As nearly as possible, the total number of hours of coaching and leadership duties performed by instructional coaches and curriculum and professional development leaders shall be equal to the total number of hours of noninstructional, mentoring, and leadership duties for a school district teaching staff of equal size implementing the framework as set forth in section 284.15, subsection 2.

3. *Requirements for implementation and receipt of teacher leadership supplement funds.* A school district implementing the instructional coach model shall receive funds under section 257.10, subsection 12.

4. *Applicability.* The provisions of section 284.15, subsections 3 through 11, shall apply to school districts implementing the instructional coach model.

Sec. 72. NEW SECTION. **284.17 Comparable system criteria.**

Any comparable system of career paths and compensation for teachers approved pursuant to section 284.15, including the instructional coach model set forth in section 284.16, shall include, at a minimum, all of the following components:

1. A minimum salary of thirty-three thousand five hundred dollars for a full-time teacher.

2. Increased support for new teachers and veteran teachers where appropriate, such as additional coaching, mentoring, and opportunities for observing exceptional instructional practice.

3. Differentiated, multiple teacher leadership roles beyond the initial teacher and career teacher levels, in which a goal of at least twenty-five percent of the teacher workforce serves additional contract days with compensation commensurate with the responsibilities for the leadership role. A district shall demonstrate that a good-faith effort has been made to attain

participation by twenty-five percent of the teacher workforce and that no other practical alternative is available to meet the goal. These leadership roles may include but shall not be limited to all of the following:

a. Instructional coaches who engage full-time or part-time in instructional coaching.

b. Peer coaches who provide additional guidance in one or more aspects of the teaching profession to other teachers during normal noninstructional time. Peer coaches may be used only as one element of a more extensive teacher leadership plan.

c. Curriculum and professional development leaders who engage full-time or part-time in the planning, development, and implementation of curriculum and professional development.

d. Model teachers who teach full-time and serve as models of exemplary teaching practice.

e. Mentor teachers who teach full-time or part-time and also support the professional development of initial and career teachers.

f. Lead teachers who teach full-time or part-time and also plan and deliver professional development activities or engage in other activities designed to improve instructional strategies.

4. A rigorous selection process for placement into and retention in teacher leadership roles. The process shall include all of the following components:

a. The use of measures of effectiveness and professional growth to determine suitability for the role.

b. A selection committee that includes teachers and administrators who shall accept and review applications for assignment or reassignment to a teacher leadership role and shall make recommendations regarding the applications to the superintendent of the school district.

c. An annual review of the assignment to a teacher

leadership role by the school's or school district's administration. The review shall include peer feedback on the effectiveness of the teacher's performance of duty specific to the teacher's leadership role. A teacher who completes the time period of assignment to a leadership role may apply to the school's or the school district's administration for assignment in a new leadership role, if appropriate, or for reassignment.

d. A requirement that a teacher assigned to a leadership role must have at least three years of teaching experience, and at least one year of experience in the school district.

5. A professional development system facilitated by teachers and other education experts and aligned with the Iowa professional development model adopted by the state board.

6. A school district approved to implement a comparable system pursuant to section 284.15, and which meets the requirements of this section, shall receive funds under section 257.10, subsection 12.

Sec. 73. ATTENDANCE CENTER PERFORMANCE RANKINGS — PERFORMANCE INDEX.

1. The department of education shall develop criteria and a process for school districts to use to establish specific performance goals and to evaluate the performance of each attendance center operated by the district in order to arrive at an overall school performance grade and report card for each attendance center. This information must be posted on the department of education's internet site with information for each attendance center listed separately. The criteria shall include but not be limited to student academic growth, parent involvement, student attendance, employee turnover, and community activities and involvement.

2. The department shall develop an achievement score that calculates aggregate growth as well as aggregate proficiency of students which when combined with other academic indicators results in an overall school performance

grade for each attendance center in the school district. The performance grade may also be used as one measure to rank and classify schools into six different performance categories: exceptional, high performing, commendable, acceptable, needs improvement, and priority. The categories may be used to define support and specialized assistance to schools classified as needs improvement or priority as well as to recognize schools designated exceptional or high performing. Additionally, a closing gap score shall be calculated as another measure to determine subgroup performance and to rank and classify attendance centers. Other academic indicators shall be defined as criterion referenced variables that will be utilized in the calculation of the performance grade. Other academic indicators shall include but not be limited to graduation rates, attendance rates, and college-readiness rates. Additional indicators of academic success and progress may include post-graduation data, suspension and expulsion rates, levels of student engagement, parent satisfaction, parent engagement, and staff working conditions.

3. The department shall submit its findings and recommendations in a report to the state board of education, the governor, and the general assembly by July 1, 2014.

Sec. 74. CODE EDITOR DIRECTIVE. The Code editor shall delete references in the Code, and Code language directly related to the references, to sections and subsections of the Code repealed by this division of this Act effective July 1, 2016.

Sec. 75. EFFECTIVE DATE. The following provision or provisions of this division of this Act take effect July 1, 2014:

1. The section of this division of this Act amending section 282.18.

DIVISION VIII

COMPETENCY-BASED INSTRUCTION TASK FORCE

Sec. 76. NEW SECTION. **256.24 Competency-based education grant program.**

1. The department shall establish a competency-based education grant program to award grants to not more than ten school districts annually for purposes of developing, implementing, and evaluating competency-based education pilot and demonstration projects.

2. The department shall develop grant application, selection, and evaluation criteria.

3. Each pilot or demonstration project shall be conducted for a minimum of one year, but may be conducted for multiple school years as proposed by the applicant and approved by the department.

4. Grant moneys shall be distributed to selected school districts by the department no later than December 1, 2013. Grant amounts shall be distributed as determined by the department.

5. The department shall submit progress reports analyzing the status and preliminary findings of the projects to the state board, the governor, and the general assembly by January 15 annually. The department shall summarize the projects' findings, including student achievement results, and submit the summary and any recommendations in a final report to the state board, the governor, and the general assembly by January 15, 2019.

6. This section is repealed July 1, 2019.

Sec. 77. 2012 Iowa Acts, chapter 1119, section 2, subsection 2, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. Develop a draft strategic plan and proposed timeline for statewide implementation of competency-based learning for consideration by the general assembly.

Sec. 78. EFFECTIVE UPON ENACTMENT. The section of this division of this Act amending 2012 Iowa Acts, chapter 1119,

section 2, subsection 2, being deemed of immediate importance, takes effect upon enactment.

DIVISION IX

INSTRUCTIONAL HOURS

Sec. 79. Section 256.7, subsection 19, Code 2013, is amended to read as follows:

19. Define ~~the minimum school day as a day consisting of five and one-half hours of~~ instructional ~~time for grades one through twelve. The minimum~~ days or hours as time that shall be exclusive of the lunch period, but may include passing time between classes. Time spent on parent-teacher conferences shall be considered instructional time. ~~A school or school district may record a day of school with less than the minimum instructional hours as a minimum school day if any of the following apply:~~

~~*a.* If emergency health or safety factors require the late arrival or early dismissal of students on a specific day.~~

~~*b.* If the total hours of instructional school time for grades one through twelve for any five consecutive school days equal a minimum of twenty-seven and one-half hours, even though any one day of school is less than the minimum instructional hours because of a staff development opportunity provided for the professional instructional staff or because parent-teacher conferences have been scheduled beyond the regular school day. Furthermore, if the total hours of instructional time for the first four consecutive days equal at least twenty-seven and one-half hours because parent-teacher conferences have been scheduled beyond the regular school day, a school or school district may record zero hours of instructional time on the fifth consecutive school day as a minimum school day.~~

Sec. 80. Section 256F.4, subsection 5, Code 2013, is amended to read as follows:

5. A charter school or innovation zone school shall provide instruction for at least the number of days or hours required

by section 279.10, subsection 1~~, or shall provide at least the equivalent number of total hours~~.

Sec. 81. Section 279.10, subsection 1, Code 2013, is amended to read as follows:

1. The school year for each school district and accredited nonpublic school shall begin on ~~the first day of~~ July 1 and each regularly established elementary and secondary school shall begin no sooner than a day during the calendar week in which the first day of September falls but no later than the first Monday in December. However, if the first day of September falls on a Sunday, school may begin on a day during the calendar week which immediately precedes the first day of September. ~~School shall continue for at least one hundred eighty days, except as provided in subsection 3, and may be maintained~~ The school calendar shall include not less than one hundred eighty days, except as provided in subsection 3, or one thousand eighty hours of instruction during the ~~entire~~ calendar year. ~~However, if~~ The board of directors of a school district and the authorities in charge of an accredited nonpublic school shall set the number of days or hours of required attendance for the school year as provided in section 299.1, subsection 2, but the board of directors of a school district shall hold a public hearing on any proposed school calendar prior to adopting the school calendar. If the board of directors of a district or the authorities in charge of an accredited nonpublic school extends the school calendar because inclement weather caused the school district or accredited nonpublic school to temporarily close ~~school~~ during the regular school calendar, the school district or accredited nonpublic school may excuse a graduating senior who has met district or school requirements for graduation from attendance during the extended school calendar. A school corporation may begin employment of personnel for in-service training and development purposes before the date to begin elementary and secondary school.

Sec. 82. Section 279.10, subsection 2, Code 2013, is amended to read as follows:

2. The board of directors shall hold a public hearing on any proposal relating to the school calendar prior to submitting it to the department of education for approval.

Sec. 83. Section 299.1, subsection 2, Code 2013, is amended to read as follows:

2. The board of directors of a public school district or the governing body of an accredited nonpublic school shall set the number of days or hours of required attendance for the schools under its control. The board of directors of a public school district or the governing body of an accredited nonpublic school may, by resolution, require attendance for the entire time when the schools are in session in any school year and adopt a policy or rules relating to the reasons considered to be valid or acceptable excuses for absence from school.

Sec. 84. Section 299.4, subsection 1, Code 2013, is amended to read as follows:

1. The parent, guardian, or legal custodian of a child who is of compulsory attendance age, who places the child under competent private instruction under either section 299A.2 or 299A.3, not in an accredited school or a home school assistance program operated by a school district or accredited nonpublic school, shall furnish a report in duplicate on forms provided by the public school district, to the district by ~~the earliest starting date specified in section 279.10, subsection 1~~ September 1 of the school year in which the child will be under competent private instruction. The secretary shall retain and file one copy and forward the other copy to the district's area education agency. The report shall state the name and age of the child, the period of time during which the child has been or will be under competent private instruction for the year, an outline of the course of study, texts used, and the name and address of the instructor. The parent, guardian,

or legal custodian of a child, who is placing the child under competent private instruction for the first time, shall also provide the district with evidence that the child has had the immunizations required under section 139A.8, and, if the child is elementary school age, a blood lead test in accordance with section 135.105D. The term *"outline of course of study"* shall include subjects covered, lesson plans, and time spent on the areas of study.

Sec. 85. EFFECTIVE DATE. This division of this Act takes effect July 1, 2014.

DIVISION X

PRIVATE INSTRUCTION EXEMPTION

Sec. 86. Section 299.4, subsection 1, Code 2013, is amended to read as follows:

1. The parent, guardian, or legal custodian of a child who is of compulsory attendance age, who places the child under competent private instruction under ~~either~~ section 299A.2 ~~or 299A.3~~, not in an accredited school or a home school assistance program operated by a school district or accredited nonpublic school, shall furnish a report in duplicate on forms provided by the public school district, to the district by the earliest starting date specified in section 279.10, subsection 1. The secretary shall retain and file one copy and forward the other copy to the district's area education agency. The report shall state the name and age of the child, the period of time during which the child has been or will be under competent private instruction for the year, an outline of the course of study, texts used, and the name and address of the instructor. The parent, guardian, or legal custodian of a child, who is placing the child under competent private instruction for the first time, shall also provide the district with evidence that the child has had the immunizations required under section 139A.8, and, if the child is elementary school age, a blood lead test in accordance with section 135.105D. The term *"outline of course*

of study" shall include subjects covered, lesson plans, and time spent on the areas of study.

Sec. 87. Section 299A.1, unnumbered paragraph 2, Code 2013, is amended to read as follows:

For purposes of this chapter, *"competent private instruction"* means private instruction provided on a daily basis for at least one hundred forty-eight days during a school year, to be met by attendance for at least thirty-seven days each school quarter, by or under the supervision of a licensed practitioner in the manner provided under section 299A.2, ~~or other person under section 299A.3,~~ which results in the student making adequate progress.

Sec. 88. Section 299A.3, unnumbered paragraph 1, Code 2013, is amended to read as follows:

A parent, guardian, or legal custodian of a child of compulsory attendance age providing ~~competent~~ private instruction to the child ~~shall~~ may meet all of the following requirements:

DIVISION XI

INDEPENDENT ACCREDITATION OF NONPUBLIC SCHOOLS

Sec. 89. Section 256.11, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 16. *a.* Notwithstanding subsections 1 through 12, a nonpublic school may be accredited by an approved independent accrediting agency instead of by the state board as provided in this subsection. The state board shall maintain a list of approved independent accrediting agencies comprised of at least six regional or national nonprofit, nongovernmental agencies recognized as reliable authorities concerning the quality of education offered by a school and shall publish the list of independent accrediting agencies on the department's internet site. The list shall include accrediting agencies that, as of January 1, 2013, accredited a nonpublic school in this state that was concurrently accredited under this section;

and any agency that has a formalized partnership agreement with another agency on the list and has member schools in this state as of January 1, 2013.

b. A nonpublic school that participates in the accreditation process offered by an independent accrediting agency on the approved list published pursuant to paragraph *"a"* shall be deemed to meet the education standards of this section. However, such a school shall comply with statutory health and safety requirements for school facilities.

c. If the state board takes preliminary action to remove an agency from the approved list published on the department's internet site pursuant to paragraph *"a"*, the department shall, at least one year prior to removing the agency from the approved list, notify the nonpublic schools participating in the accreditation process offered by the agency of the state board's intent to remove the accrediting agency from its approved list of independent accrediting agencies. The notice shall also be posted on the department's internet site and shall contain the proposed date of removal. The nonpublic school shall attain accreditation under this subsection or subsections 1 through 12 not later than one year following the date on which the state board removes the agency from its list of independent accrediting agencies.

d. This subsection is repealed July 1, 2020.

DIVISION XII

INDEPENDENT PRIVATE INSTRUCTION

Sec. 90. Section 261E.8, subsection 2, Code 2013, is amended to read as follows:

2. Students from accredited nonpublic schools and students receiving competent private instruction <u>or independent private instruction</u> under chapter 299A may access the program through the school district in which the accredited nonpublic school or private institution is located.

Sec. 91. Section 299.1, subsection 1, Code 2013, is amended

to read as follows:

1. Except as provided in section 299.2, the parent, guardian, or legal or actual custodian of a child who is of compulsory attendance age~~,~~ shall cause the child to attend some public school~~,~~ or an accredited nonpublic school, or place the child under competent private instruction or independent private instruction in accordance with the provisions of chapter 299A, during a school year, as defined under section 279.10.

Sec. 92. Section 299.1B, Code 2013, is amended to read as follows:

299.1B Failure to attend — driver's license.

A person who is of compulsory attendance age who does not meet the requirements for an exception under section 299.2, who does not attend a public school~~,~~ or an accredited nonpublic school, who is not receiving competent private instruction or independent private instruction in accordance with the provisions of chapter 299A, and who does not attend an alternative school~~,~~ or adult education classes, shall not receive an intermediate or full driver's license until age eighteen.

Sec. 93. Section 299.6A, subsection 1, Code 2013, is amended to read as follows:

1. In lieu of a criminal proceeding under section 299.6, a county attorney may bring a civil action against a parent, guardian, or legal or actual custodian of a child who is of compulsory attendance age, has not completed educational requirements, and is truant, if the parent, guardian, or legal or actual custodian has failed to cause the child to attend a public school~~,~~ or an accredited nonpublic school, or placed the child under competent private instruction or independent private instruction in the manner provided in this chapter. If the court finds that the parent, guardian, or legal or actual custodian has failed to cause the child to attend as required

in this section, the court shall assess a civil penalty of not less than one hundred but not more than one thousand dollars for each violation established.

Sec. 94. Section 299.8, Code 2013, is amended to read as follows:

299.8 "Truant" defined.

Any child of compulsory attendance age who fails to attend school as provided in this chapter, or as required by the school board's or school governing body's attendance policy, or who fails to attend competent private instruction or independent private instruction under chapter 299A, without reasonable excuse for the absence, shall be deemed to be a truant. A finding that a child is truant, however, shall not by itself mean that the child is a child in need of assistance within the meaning of chapter 232 and shall not be the sole basis for a child in need of assistance petition.

Sec. 95. Section 299.11, unnumbered paragraph 1, Code 2013, is amended to read as follows:

The truancy officer may take into custody without warrant any apparently truant child and place the child in the charge of the school principal, or the principal's designee, designated by the board of directors of the school district in which the child resides, or in the charge of any nonpublic school or any authority providing competent private instruction or independent private instruction as defined in section 299A.1, designated by the parent, guardian, or legal or actual custodian; but if it is other than a public school, the instruction and maintenance of the child shall be without expense to the school district. If a child is taken into custody under this section, the truancy officer shall make every reasonable attempt to immediately notify the parent, guardian, or legal or actual custodian of the child's location.

Sec. 96. Section 299.12, subsection 2, Code 2013, is amended to read as follows:

2. This section is not applicable to a child who is receiving competent private instruction or independent private instruction in accordance with the requirements of chapter 299A. If a child is not in compliance with the attendance requirements established under section 299.1, and has not completed educational requirements through the sixth grade, and the school has used every means available to assure the child does attend, the school truancy officer shall contact the child's parent, guardian, or legal or actual custodian to participate in an attendance cooperation meeting. The parties to the attendance cooperation meeting may include the child and shall include the child's parent, guardian, or legal or actual custodian and the school truancy officer. The school truancy officer contacting the participants in the attendance cooperation meeting may invite other school officials, a designee of the juvenile court, the county attorney or the county attorney's designee, or other persons deemed appropriate to participate in the attendance cooperation meeting.

Sec. 97. Section 299A.1, Code 2013, is amended to read as follows:

299A.1 ~~Private~~ Competent private instruction and independent private instruction.

1. The parent, guardian, or legal custodian of a child of compulsory attendance age who places the child under private instruction shall provide, unless otherwise exempted, competent private instruction or independent private instruction in accordance with this chapter. A parent, guardian, or legal custodian of a child of compulsory attendance age who places the child under private instruction which is not competent private instruction or independent private instruction, or otherwise fails to comply with the requirements of this chapter, is subject to the provisions of sections 299.1 through 299.4 and the penalties provided in section 299.6.

2. For purposes of this chapter~~, "*competent*~~ and chapter 299:

a. "Competent private instruction" means private instruction provided on a daily basis for at least one hundred forty-eight days during a school year, to be met by attendance for at least thirty-seven days each school quarter, by or under the supervision of a licensed practitioner in the manner provided under section 299A.2, or other person under section 299A.3, which results in the student making adequate progress.

~~For purposes of this chapter and chapter 299, "*private instruction*"~~

b. "Independent private instruction" means instruction that meets the following criteria:

(1) Is not accredited.

(2) Enrolls not more than four unrelated students.

(3) Does not charge tuition, fees, or other remuneration for instruction.

(4) Provides private or religious-based instruction as its primary purpose.

(5) Provides enrolled students with instruction in mathematics, reading and language arts, science, and social studies.

(6) Provides, upon written request from the superintendent of the school district in which the independent private instruction is provided, or from the director of the department of education, a report identifying the primary instructor, location, name of the authority responsible for the independent private instruction, and the names of the students enrolled.

(7) Is not a nonpublic school and does not provide competent private instruction as defined in this subsection.

(8) Is exempt from all state statutes and administrative rules applicable to a school, a school board, or a school district, except as otherwise provided in chapter 299 and this chapter.

c. "Private instruction" means instruction using a plan and a course of study in a setting other than a public or organized

accredited nonpublic school.

Sec. 98. Section 299A.11, Code 2013, is amended to read as follows:

299A.11 Student records confidential.

Notwithstanding any provision of law or rule to the contrary, personal information in records regarding a child receiving competent private instruction or independent private instruction pursuant to this chapter, which are maintained, created, collected, or assembled by or for a state agency, shall be kept confidential in the same manner as personal information in student records maintained, created, collected, or assembled by or for a school corporation or educational institution in accordance with section 22.7, subsection 1.

Sec. 99. Section 321.178, subsection 1, paragraph c, Code 2013, is amended to read as follows:

c. Every public school district in Iowa shall offer or make available to all students residing in the school district, or Iowa students attending a nonpublic school or receiving competent private instruction or independent private instruction as defined in section 299A.1, in the district, an approved course in driver education. The receiving district shall be the school district responsible for making driver education available to a student participating in open enrollment under section 282.18. The courses may be offered at sites other than at the public school, including nonpublic school facilities within the public school districts. An approved course offered during the summer months, on Saturdays, after regular school hours during the regular terms or partly in one term or summer vacation period and partly in the succeeding term or summer vacation period, as the case may be, shall satisfy the requirements of this section to the same extent as an approved course offered during the regular school hours of the school term. A student who successfully completes and obtains certification in an approved course in

driver education or an approved course in motorcycle education may, upon proof of such fact, be excused from any field test which the student would otherwise be required to take in demonstrating the student's ability to operate a motor vehicle. A student shall not be excused from any field test if a parent, guardian, or instructor requests that a test be administered. A final field test prior to a student's completion of an approved course shall be administered by a person qualified as a classroom driver education instructor and certified to provide street and highway driving instruction. A person qualified as a classroom driver education instructor but not certified to provide street and highway driving instruction may administer the final field test if accompanied by another person qualified to provide street and highway driving instruction.

DIVISION XIII

DRIVER EDUCATION BY TEACHING PARENT

Sec. 100. NEW SECTION. **321.178A Driver education — teaching parent.**

1. *Teaching parent.* As an alternative to the driver education requirements under section 321.178, a teaching parent may instruct a student in a driver education course that meets the requirements of this section and provide evidence that the requirements under this section have been met.

2. *Definitions.* For purposes of this section:

a. "Approved course" means driver education curriculum approved by the department pursuant to rules adopted under chapter 17A. An approved course shall, at a minimum, meet the requirements of subsection 3 and be appropriate for teaching-parent-directed driver education and related street or highway instruction. Driver education materials that meet or exceed standards established by the department for an approved course in driver education for a public or private school shall be approved unless otherwise determined by the department. The

list of approved courses shall be posted on the department's internet site.

b. *"Student"* means a person between the ages of fourteen and twenty-one years who is within the custody and control of the teaching parent and who satisfies preliminary licensing requirements of the department.

c. *"Teaching parent"* means a parent, guardian, or legal custodian of a student who is currently providing competent private instruction to the student pursuant to section 299A.2 or 299A.3 and who provided such instruction to the student during the previous year; who has a valid driver's license, other than a motorized bicycle license or a temporary restricted license, that permits unaccompanied driving; and who has maintained a clear driving record for the previous two years. For purposes of this paragraph, *"clear driving record"* means the individual has not been identified as a candidate for suspension or revocation of a driver's license under the habitual violator or habitual offender provisions of the department's regulations; is not subject to a driver's license suspension, revocation, denial, cancellation, disqualification, or bar; and has no record of a conviction for a moving traffic violation determined to be the cause of a motor vehicle accident.

3. *Course of instruction.*

a. An approved course administered by a teaching parent shall consist of but not be limited to the following:

(1) Thirty clock hours of classroom instruction.

(2) Forty hours of street or highway driving including four hours of driving after sunset and before sunrise while accompanied by the teaching parent.

(3) Four hours of classroom instruction concerning substance abuse.

(4) A minimum of twenty minutes of instruction concerning railroad crossing safety.

(5) Instruction relating to becoming an organ donor under the revised uniform anatomical gift Act as provided in chapter 142C.

(6) Instruction providing an awareness about sharing the road with bicycles and motorcycles.

b. The content of the course of instruction required under this subsection shall be equivalent to that required under section 321.178. However, reference and study materials, physical classroom requirements, and extra vehicle safety equipment required for instruction under section 321.178 shall not be required for the course of instruction provided under this section.

4. *Course completion and certification.* Upon application by a student for an intermediate license, the teaching parent shall provide evidence showing the student's completion of an approved course and substantial compliance with the requirements of subsection 3 by affidavit signed by the teaching parent on a form to be provided by the department. The evidence shall include all of the following:

a. Documentation that the instructor is a teaching parent as defined in subsection 2.

b. Documentation that the student is receiving competent private instruction under section 299A.2 or the name of the school district within which the student is receiving instruction under section 299A.3.

c. The name of the approved course completed by the student.

d. An affidavit attesting to satisfactory completion of course work and street or highway driving instruction.

e. Copies of written tests completed by the student.

f. A statement of the number of classroom hours of instruction.

g. A log of completed street or highway driving instruction including the dates when the lessons were conducted, the student's and the teaching parent's name and initials noted

next to each entry, notes on driving activities including a list of driving deficiencies and improvements, and the duration of the driving time for each session.

5. *Intermediate license.* Any student who successfully completes an approved course as provided in this section, passes a driving test to be administered by the department, and is otherwise qualified under section 321.180B, subsection 2, shall be eligible for an intermediate license pursuant to section 321.180B. Twenty of the forty hours of street or highway driving instruction required under subsection 3, paragraph *"a"*, subparagraph (2), may be used to satisfy the requirement of section 321.180B, subsection 2.

6. *Full license.* A student must comply with section 321.180B, subsection 4, to be eligible for a full driver's license pursuant to section 321.180B.

Sec. 101. Section 321.180B, subsection 2, paragraph a, Code 2013, is amended to read as follows:

a. The department may issue an intermediate driver's license to a person sixteen or seventeen years of age who possesses an instruction permit issued under subsection 1 or a comparable instruction permit issued by another state for a minimum of six months immediately preceding application, and who presents an affidavit signed by a parent, guardian, or custodian on a form to be provided by the department that the permittee has accumulated a total of twenty hours of street or highway driving of which two hours were conducted after sunset and before sunrise and the street or highway driving was with the permittee's parent, guardian, custodian, instructor, a person certified by the department, or a person at least twenty-five years of age who had written permission from a parent, guardian, or custodian to accompany the permittee, and whose driving privileges have not been suspended, revoked, or barred under this chapter or chapter 321J during, and who has been accident and violation free continuously for, the

six-month period immediately preceding the application for an intermediate license. An applicant for an intermediate license must meet the requirements of section 321.186, including satisfactory completion of driver education as required in section 321.178 or 321.178A, and payment of the required license fee before an intermediate license will be issued. A person issued an intermediate license must limit the number of passengers in the motor vehicle when the intermediate licensee is operating the motor vehicle to the number of passenger safety belts.

DIVISION XIV

MISCELLANEOUS PROVISIONS

Sec. 102. Section 256.9, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 63. *a.* Develop and implement a coaching and support system for teachers aligned with the framework and comparable systems approved as provided in section 284.15.

b. Develop and implement a coaching and support system for administrators aligned with the beginning administrator mentoring and induction program created pursuant to section 284A.5.

Sec. 103. Section 256C.4, subsection 1, paragraph e, Code 2013, is amended to read as follows:

e. Preschool foundation aid funding shall not be used for the costs of constructing a facility in connection with an approved local program. Preschool foundation aid funding may be used by approved local programs and community providers for professional development for preschool teachers, for instructional equipment, for material and equipment designed to develop pupils' large and small motor skills, and for other direct costs. Preschool foundation aid funding received by an approved local program that remain unexpended or unobligated at the end of a fiscal year shall be used to build the approved local program's preschool program capacity in the next

succeeding fiscal year.

Sec. 104. Section 256D.9, Code 2013, is amended to read as follows:

256D.9 Future repeal.

This chapter is repealed effective July 1, ~~2013~~ 2018.

Sec. 105. Section 279.60, subsections 1 and 2, Code 2013, are amended to read as follows:

1. Each school district shall administer ~~a kindergarten readiness~~ the teaching strategies gold early childhood assessment ~~prescribed by the department of education~~ to every resident prekindergarten or four-year-old child whose parent or guardian enrolls the child in the district, and shall administer a valid and reliable universal screening instrument, as prescribed by the department of education, to every kindergarten student enrolled in the district not later than the date specified in section 257.6, subsection 1. The assessment shall be aligned with state early learning standards and preschool programs shall be encouraged to administer the assessment at least at the beginning and end of the preschool program, with the assessment information entered into the statewide longitudinal data system. The department shall work to develop agreements with head start programs to incorporate similar information about four-year-old children served by head start into the statewide longitudinal data system.

2. ~~*a.* 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 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 childhood Iowa office pursuant to section 256I.5, and other demographic factors. Each school district shall report the results of the community strategies employed during the prior school year pursuant to section 279.68, subsection 4, paragraph *"a"*, the assessment administered pursuant to subsection 1, 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 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 state board, and the early childhood Iowa area boards.

~~*b.* This subsection is repealed July 1, 2013.~~

Sec. 106. SCHOOL DISTRICT REPORTING REQUIREMENT TASK FORCE — STATE BOARD OF EDUCATION.

1. a. A reporting requirement review task force is established consisting of five members who shall be appointed by the director of the department of education as follows:

(1) One member from nominees submitted by an organization representing the boards of Iowa school districts.

(2) One member from nominees submitted by an organization representing Iowa school administrators.

(3) One member from nominees submitted by the largest statewide certified employee organization representing Iowa teachers.

(4) One member representing the department of education.

(5) One member representing the general public.

b. The member representing the department of education shall convene the initial meeting, at which the members shall elect a chairperson.

2. The department of education shall compile a list of

reports that school districts are required to submit to the department biennially or more frequently. The department shall submit the list to the reporting requirement review task force by September 3, 2013.

3. The task force shall review the list submitted by the department pursuant to subsection 2. For each reporting requirement listed, the task force shall produce written justification for continuing, modifying, or eliminating the requirement. The task force shall compile its written justifications in a report the task force shall submit to the state board of education and to the general assembly by December 2, 2013.

4. The state board of education shall review the report submitted pursuant to subsection 3, and shall determine which of the task force recommendations for modifying or eliminating requirements may be accomplished by administrative rule and which must be accomplished by statute. The state board shall submit its findings and recommendations, including plans for board action relating to administrative rules and board recommendations for specific statutory changes, in a report to the general assembly by February 3, 2014.

Sec. 107. EFFECTIVE DATE. The following provision or provisions of this division of this Act take effect June 30, 2013:

1. The section of this division of this Act amending section 279.60, subsection 2, paragraph "b".

Sec. 108. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act amending section 256C.4.

2. The section of this division of this Act amending section 256D.9.

DIVISION XV

EXTENDED LEARNING TIME PILOT PROJECT MODEL — APPROPRIATION

Sec. 109. EXTENDED LEARNING TIME PILOT PROJECT MODEL.

1. The department of education shall develop a proposed model for an extended learning time pilot project. In developing the model, the department shall consider the recommendations submitted in the final report of the instructional time task force, as well as existing, successful extended time learning opportunities offered within and outside of the state. Three program proposals representing school districts of varied sizes, geographical locations, and socio-economic status shall be included in the model. Component measures, criteria, and associated benchmarks for selecting participants and gauging success for the model shall include but not be limited to the following considerations: impact on student achievement; overall cost; governance structure; transportation issues; recommended age of students; potential use of teacher preparation candidates; 21st century learning center guidelines as applicable; potential collaboration with area education agencies and other public and private partners for cost effectiveness, efficiency, and community involvement; recommended staffing levels; licensure for staff; involvement of nonprofit organizations; collaboration with the staff in the existing school district; whether all or some students in a district should participate; and use of best practices and latest research in the field. The department shall also recommend potential funding sources for the full implementation of the proposed model for extended learning time pilot projects and of future sustained extended time learning efforts.

2. The department shall submit the proposed model and the department's findings and recommendations in a report to the state board of education, the governor, and the general assembly by December 16, 2013.

DIVISION XVI

EDUCATION REFORM ALLOCATIONS

Sec. 110. DEPARTMENT OF EDUCATION — EDUCATION REFORM ALLOCATIONS. From the moneys appropriated pursuant to 2013 Iowa Acts, House File 604, section 6, subsection 17, the following amounts, or so much thereof as is deemed necessary, shall be used by the department of education as follows for the purposes designated:

1. For purposes of the Iowa learning online initiative established pursuant to section 256.42:

..... $ 1,500,000

A portion of the funds allocated to the department for purposes of this subsection may be used by the department for not more than three full-time equivalent positions.

2. For purposes of the teach Iowa student teaching pilot project established pursuant to section 256.98, if enacted:

..... $ 1,000,000

A portion of the funds allocated to the department for purposes of this subsection may be used by the department for not more than two full-time equivalent positions.

3. For planning grants in accordance with section 284.15, subsection 11:

..... $ 3,500,000

4. To provide for the development of a delivery system to assist in implementing teacher career paths and leadership roles and for administrative purposes as provided in section 284.13, subsection 1, paragraph "0e", subparagraph (3):

..... $ 700,000

5. For purposes of establishing the council on educator development and funding the council's study of a statewide teacher evaluation system and performance review requirements and a statewide administrator evaluation system:

..... $ 100,000

6. For purposes of developing an extended learning time pilot project model in accordance with this Act, if enacted:

CCH-215

..... $ 40,000>

2. Title page, line 10, by striking <transition and>

ON THE PART OF THE HOUSE:

RON JORGENSEN, CHAIRPERSON

CECIL DOLECHECK

QUENTIN STANERSON

ON THE PART OF THE SENATE:

HERMAN C. QUIRMBACH, CHAIRPERSON

TOD R. BOWMAN

JONI ERNST

MARY JO WILHELM

CCH-215 FILED MAY 22, 2013
ADOPTED

Fiscal Note

Fiscal Services Division

SF 295 – Property Tax Changes (LSB 1464SV.2)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – Conference Committee Report

Description

The Conference Committee Report is a strike after amendment and it becomes the Bill. The Bill, by Division:

- **Division I**: Creates a new property tax credit available to properties classified as commercial, industrial, or railroad. A standing State General Fund appropriation is created to fund the new credit. The appropriation is equal to $50.0 million for FY 2015, $100.0 million for FY 2016, and $125.0 million for FY 2017 and after.
- **Division II**: Reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4.0% to 3.0%. In addition, commercial, industrial, and railroad property is assigned a "rollback" of 95.0% for assessment year (AY) 2013 and 90.0% for AY 2014 and after. A rollback is the percent of a property's value that is subject to tax. This Division also creates a standing General Fund appropriation, beginning in FY 2015, to reimburse local governments for the property tax reductions resulting from the new rollback for commercial and industrial property. Prior to FY 2018, the appropriation is a standing unlimited appropriation. Beginning in FY 2018, the standing appropriation cannot exceed the actual FY 2017 appropriation amount.
- **Division III**: Creates a new property tax classification for human habitat commercial property (apartments, nursing homes, assisted living facilities, etc.). The new classification begins in AY 2015. Property included in the new classification is assigned a rollback percentage of 86.25% for AY 2015, and that percentage declines 3.75 percentage points each year through AY 2021. Beginning in AY 2022, the multiresidential classification is assigned a rollback equal to the residential rollback each assessment year.
- **Division IV**: Exempts a specified portion of the assessed value of every telecommunications company from property taxation. The exemption begins in AY 2013 and is fully implemented in AY 2014.
- **Division V**: Creates a new Taxpayer Trust Fund Income Tax Credit. The tax credit will first be available for individual income tax returns filed for tax year 2013 (spring of 2014). The maximum amount of the credit will be determined by dividing the funds available in the Taxpayer Trust Fund by the number of taxpayers the previous tax year. Each taxpayer will be allowed the credit, up to either the tax credit maximum for that year, or the amount of income tax liability, whichever is less.
- **Division VI**: Makes changes to the Property Assessment Appeals Board (PAAB) and repeals an existing July 1, 2013, sunset provision for the Board. This Division also makes changes to the procedure for property assessment protests, notifications, and hearings.
- **Division VII**: Increases the Iowa Earned Income Tax Credit (EITC) from the current level of 7.0% of the federal credit amount to 14.0% for tax year 2013 and to 15.0% for tax year 2014 and after.

Background – Taxpayer Trust Fund

The Taxpayer Trust Fund was created during the 2011 Legislative Session to finance future tax reductions and first received revenue in FY 2013. Under current law, the Fund is eligible to receive up to $60.0 million annually from the Economic Emergency Fund excess after the reserve funds are fully funded. Moneys in the Trust Fund can only be used pursuant to appropriations made by the General Assembly for tax reductions. The amount the Taxpayer Trust Fund can receive in a given fiscal year is limited to $60.0 million or the difference between the actual net General Fund revenue for the preceding fiscal year and the adjusted revenue estimate used in establishing the budget for that fiscal year, whichever is less. For example, the amount the fund receives in FY 2013 is calculated by subtracting the Adjusted Revenue Estimate for the FY 2012 budget from the actual year-end net General Fund receipts for FY 2012.

Assumptions

Property Tax Base Projection – FY 2014 through FY 2024

- Property assessed value growth will increase, due to revaluation of existing property and due to net new construction, by the annual percentages provided in a table at the end of this document.
- From FY 2014 through FY 2024, nonschool local governments will achieve annual revenue increases from property tax equal to the 12-year average experienced by each level of government. Those historic property tax annual revenue increases are:
    - Cities = 4.8%
    - County (Urban) = 5.3%
    - County (Rural) = 4.1%
    - Other Local Governments = 5.5%
- The school district finance allowable growth rate will be set by the General Assembly at 2.0% each year beginning in FY 2014. For the base scenario, the annual property tax revenue for schools is established using the projected property value growth and the 2.0% allowable growth rate. Additionally, enrollments and weightings are held static at the FY 2014 levels.
- The amount of statewide property tax value that is contained in Tax Increment Financing (TIF) increments will increase 5.1% per year, a percentage equal to its average growth from FY 2007 through FY 2013.

Property Tax Projection – FY 2014 through FY 2024

- With the exception of telecommunications property, property assessed value growth will be the same as the base projection.
- Due to the change in the assessment basis, the telecommunications property assessed value will be reduced by $249.0 million in AY 2013 and an additional $250.0 million in AY 2014.
- The statewide assessed value of multiresidential property is assumed to equal $4.0 billion in AY 2012 and that amount is assumed to grow at the rate of commercial value each assessment year.
- From FY 2014 through FY 2024, nonschool local governments will achieve annual revenue increases that are somewhat reduced from the base projection. The projection assumes that as the tax rate increase necessary to maintain the historic revenue growth gets larger, a smaller percentage of the revenue will be recovered through rate increases. The result will be greater property tax reductions for taxpayers and larger nonschool local government revenue reductions in later years.

- The school district finance allowable growth rate will be set by the General Assembly at 2.0% each year beginning in FY 2014. The annual property tax revenue for schools is based on the projected growth in taxable value and 2.0% annual allowable growth. Additionally, enrollments and weightings are held static at the FY 2014 levels. For the portions of school finance that are controlled by the school aid formula, this means that the provisions of the Bill reducing taxable value growth necessarily do two things; increase the appropriation for state school aid and increase school district tax rates.
- For portions of school district finance that are not controlled by the school aid formula, the tax rates for debt and the Physical Plant and Equipment Levy (PPEL) are considered fixed and school tax rates do not increase as taxable value grows more slowly than the base projection, while tax rates for the management and Instructional Support levies will increase due to reductions in valuations.
- Each year, revenue from TIF increments will equal the base scenario TIF revenue projection.

Taxpayer Trust Fund Tax Credit

- The new Taxpayer Trust Fund Tax Credit Fund and the existing Taxpayer Trust Fund are separate state funds. To simplify the discussion, they are treated below as one fund and referred to collectively as the Taxpayer Trust Fund.
- For calculation of the Taxpayer Trust Fund Tax Credit available when tax year 2013 individual income tax returns are filed, there will be $120.0 million available for the tax credit and the maximum tax credit allowed per taxpayer will equal $54.
- For calculation of the Taxpayer Trust Fund Tax Credit available when tax year 2014 individual income tax returns are filed, there will be $91.9 million available for credits and the maximum tax credit allowed per taxpayer will equal $43. After tax credits are issued for tax year 2014, an estimated $24.4 million will remain in the Taxpayer Trust Fund.
- For future tax years, whenever the balance in the Taxpayer Trust Fund exceeds $30.0 million will trigger the availability of tax credits the next tax year.

Property Assessment Appeal Board (PAAB)

- The PAAB will continue to be funded by an allocation from the Department of Revenue and the PAAB will continue to operate with the same staffing and use of resources as in the past, and the costs will grow by 1.0% annually.
- If the PAAB is allowed to sunset, some of the appeals will shift to the district court. The number that will shift has not been determined.
- The filing deadline change and the option to waive the 30-day notice will have a minimal impact on Board operations.

Fiscal Impacts

Property Tax Provisions - Impact on the State General Fund

The property tax provisions will have three direct impacts on State General Fund appropriations and the total projected impact is detailed in **Table 1**.

1. A new State General Fund appropriation will be created to replace reduced local government revenues that result from the forced rollback to 90.0% for commercial and industrial property.
2. A new State General Fund appropriation will be created to fund the new business property tax credit.

3. Any decrease in taxable value that is not reimbursed through the appropriation above will result in an increase in the State School Aid appropriation of $5.40 per $1,000 of reduced taxable valuation. This impact is the result of the additional rollbacks for residential, agricultural, and railroad property, as well as the changes to the taxable value of multiresidential and telecommunications property.

Table 1

State General Fund Appropriation Increases

Dollars in millions

Appropriation	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
New State C/I Reimbursement Appropriation	$78.7	$162.5	$153.7	$153.7	$153.7	$153.7	$153.7	$153.7	$153.7	$153.7
Com/Ind/Rail Property Tax Credit	50.0	100.0	125.0	125.0	125.0	125.0	125.0	125.0	125.0	125.0
School Aid Gen. Fund Appropriation Increase	7.2	14.9	24.9	33.2	42.4	52.2	63.4	75.2	88.6	104.5
Total General Fund Impact	$135.9	$277.4	$303.6	$311.9	$321.1	$330.9	$342.1	$353.9	$367.3	$383.2

Property Tax Provisions - Impact on Local Government Revenue

1. Nonschool local governments will experience reduced taxable value through six pathways:
    a. The forced rollback for commercial and industrial property from its current projected rollback level of 100.0% to 90.0%. For FY 2015 through FY 2017, the revenue reduction will be 100.0% reimbursed through the new state appropriation. Due to the 100.0% reimbursement provision, nonschool local government tax rates and property tax revenue should not be impacted for those two fiscal years.
    b. After FY 2017, local governments will be impacted by the 90.0% rollback for commercial and industrial property if commercial and industrial property values increase beyond the FY 2017 level. At that point, the State General Fund reimbursement appropriation will not fully cover the impact of the 90.0% rollback.
    c. The taxed value of railroad property will decrease in line with the commercial rollback but will not be reimbursed.
    d. The taxed value of the new multiresidential classification will be reduced as that class of property transitions to the residential rollback. The multiresidential impact is not reimbursed after FY 2016.
    e. The taxed value of telecommunications property is reduced as the assessment basis is changed.
    f. The taxed value of residential and agricultural property will be lower due to the reduction in the allowed annual revaluation growth rate from 4.0% to 3.0%.
2. The taxable value reductions associated with items *b* through *f* above will result in higher tax rates in instances where local governments have the ability and are willing to raise rates to compensate for the reduced taxable value. In instances where they are not willing or are not able to raise rates, local government revenue that is lower than the base assumption will result.
3. School districts will see the same reduced taxable value issues as presented in number 1 above. However, the majority of school finance is revenue-restricted, not rate-restricted, so the impact on tax rates and tax revenue is different than nonschool local governments.
    a. The taxable value reductions for the portion of school finance that is dictated by the established allowable growth rate percent and through the school aid formula will result in increased State General Fund appropriations in the amount of $5.40 per $1,000 of reduced taxable value. All School Aid Formula taxable value

reductions besides the $5.40 per thousand will result in higher school property tax rates sufficient to replace all remaining reduced revenue.

b. For the portion of school finance not dictated by the School Aid Formula, the reduced taxable value that is not reimbursed by the State will result in revenue reductions for school districts. This is the result of the assumption that non-School Aid Formula property tax rates are fixed and will not increase as taxable value decreases.

Table 2 provides the projected property tax reductions by the source of the reduction. The first three items are the result of the new and increased State General Fund appropriations, and the fourth and fifth items are the result of unreimbursed reductions in local government tax revenue**.** **Table 3** distributes the projected property tax reduction among the various classes of property. **Table 4** provides a projected distribution of the unreimbursed reductions in local government revenue.

Table 2

Statewide Property Tax Reductions

Dollars in millions

Property Tax Reductions Due to:	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
New State C/I Reimbursement Appropriation	$78.7	$162.5	$153.7	$153.7	$153.7	$153.7	$153.7	$153.7	$153.7	$153.7
Com/Ind/Rail Property Tax Credit	49.0	99.0	124.5	125.0	125.0	125.0	125.0	125.0	125.0	125.0
School Aid Gen. Fund Appropriation Increase	7.2	14.9	24.9	33.2	42.4	52.2	63.4	75.2	88.6	104.5
School Reduction for Other Levies	2.5	5.3	8.8	11.8	15.0	18.6	22.5	26.7	31.5	37.1
Non-School Local Gov. Revenue Reductions	5.1	9.9	17.1	26.6	38.3	52.2	73.1	90.2	108.0	140.5
Total Property Tax Reduction	$142.5	$291.6	$329.0	$350.2	$374.4	$401.7	$437.7	$470.9	$506.7	$560.8
% Reduction	2.7%	5.3%	5.7%	5.8%	5.9%	6.1%	6.3%	6.5%	6.7%	7.1%

Table 3

Property Tax Reduction by Property Class

Dollars in millions

Property Class	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Residential	$10.1	$23.6	$32.8	$49.0	$67.0	$88.0	$114.0	$139.7	$168.0	$201.2
Agricultural	3.7	6.6	9.5	13.8	18.4	24.5	30.0	37.1	43.9	50.0
Commercial	103.3	212.7	218.2	215.3	214.4	210.8	211.4	207.4	202.8	203.1
Multi-Residential	0.0	0.0	19.4	25.4	32.5	39.5	48.3	56.3	66.4	86.3
Industrial	14.9	31.3	32.7	32.5	32.1	31.8	31.5	31.1	30.4	29.9
Rail	1.8	3.7	3.5	3.4	3.3	3.2	3.1	3.0	2.7	2.7
Utility/Other	-0.2	-0.5	-0.9	-1.1	-1.4	-1.6	-1.8	-2.0	-2.2	-2.5
Telecommunications	9.7	16.0	16.5	17.1	16.9	16.9	16.7	16.7	16.5	16.4
Gas/Electric	-0.9	-1.7	-2.8	-3.7	-4.5	-5.2	-5.9	-6.6	-7.3	-8.1
Rounding Adjustment	0.1	-0.1	0.1	-1.5	-4.3	-6.2	-9.6	-11.8	-14.5	-18.2
Total	$142.5	$291.6	$329.0	$350.2	$374.4	$401.7	$437.7	$470.9	$506.7	$560.8

Table 4

Statewide Revenue Reduction by Local Government Category

Dollars in millions

Local Government Revenue Reductions *	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
City	$2.5	$4.4	$7.6	$12.0	$17.6	$22.7	$33.8	$40.4	$47.5	$64.7
County Urban	1.2	2.1	3.6	5.8	8.7	11.3	16.9	20.3	24.0	32.7
County Rural	0.8	2.3	3.6	5.0	6.5	10.0	12.1	17.0	19.8	23.0
School	2.5	5.3	8.8	11.8	15.0	18.6	22.5	26.7	31.5	37.1
Other Authorities	0.6	1.2	2.3	3.7	5.4	8.2	10.4	12.5	16.9	20.2
Total All Prop Tax $	$7.6	$15.3	$25.9	$38.3	$53.2	$70.8	$95.7	$116.9	$139.7	$177.7

* Revenue reductions equal property tax reductions minus State reimbursements.

Property Tax Provisions - Impact on Tax Increment Financing

Tax Increment Financing (TIF) involves the diversion of property tax dollars that would under conventional circumstances be used to fund schools and other levels of local government. Instead, a TIF agreement directs the property taxes to a special revenue fund of the TIF authority (usually a city or county) where it is used to repay debt associated with Urban Renewal activities (**Iowa Code chapter 403**) of that city or county. Four provisions of this Bill could negatively impact TIF arrangements.

1. The provision that reduces the allowed revaluation growth for residential property from 4.0% per year to 3.0% per year, beginning in AY 2013. This provision will result in less taxable residential value than under current law, so a given TIF area with residential value included will generate less TIF revenue, all else being equal. The TIF areas in the state contain no railroad or telecommunications value and very little agricultural value, so taxable value changes to those classes of property will have no impact.
2. The creation of a multiresidential property class and transitioning that class to the residential rollback will result in lower taxable values in TIF areas containing that type of property.
3. The provision that caps the State General Fund reimbursement for reduced commercial and industrial value at the FY 2018 level may mean that some tax revenue reductions associated with commercial and industrial rollbacks will not be fully reimbursed beginning in FY 2018. If the reduction is not fully reimbursed, revenue may be less than projected from TIF areas that contain commercial and industrial value.

The issues above will not be abrupt and TIF finance will have several fiscal years to adjust to the altered valuation and taxation system. Several provisions of current law and this Bill will act to ameliorate the negative impacts on TIF finance. Those counterbalancing provisions include:

1. Most TIF arrangements are not fully obligated for all projected future revenue. That is, some cushion is allowed so that 100.0% of all projected revenue going forward will not be necessary to repay existing obligations.
2. Several provisions of this Bill will result in higher property tax rates than would be the case under current law, particularly the provisions related to lower allowed taxable value growth for residential, multiresidential, telecommunications, agricultural, and railroad property. A change that results in higher tax rates compared to current law will replace some of the revenue reduction that would otherwise result from lower taxable values.

3. The TIF areas with unused increment may access some or all of the unused increment to make up any revenue shortfall.
4. Current law allows all rollback impacts to first reduce the taxable value of the TIF base before impacting the TIF increment. The TIF areas with existing frozen base values may access that value to protect the TIF revenue stream.

Taxpayer Trust Fund Tax Credit

The new tax credit created in the Bill is estimated to provide a nonrefundable tax credit of $54 for approximately 1.6 million qualifying taxpayers in tax year 2013 (impacting FY 2014), and $43 per qualifying taxpayer in tax year 2014 (impacting FY 2015). The tax credit will reduce income taxes paid by Iowa taxpayers by the following projected total amounts:

- FY 2014 = $ -88.1 million
- FY 2015 = $ -67.5 million

The tax credit will reduce State General Fund revenue by the same amounts. In future fiscal years, the tax credit will reduce taxes paid and state tax revenue in any year when the balance in the Taxpayer Trust Fund is $30.0 million or higher. The State General Fund will be reimbursed in the same fiscal year of the tax revenue reduction by a transfer from the Taxpayer Trust Fund equal to the income tax revenue reduction, so the net impact on the State General Fund will be zero.

Earned Income Tax Credit (EITC) Increase

Increasing the Iowa EITC from the current 7.0% of the federal credit to 14.0% for tax year 2013, and then 15.0% for tax year 2014, and after will reduce net income tax liability of taxpayers by $29.8 million for tax year 2013 and $32.2 million by tax year 2017. The impact on net General Fund revenue by fiscal years is presented in the following table.

EITC to 14% then 15%
Fiscal Impact by Fiscal Year
in millions of dollars

	State General Fund
FY 2013	$ -0.2
FY 2014	-30.2
FY 2015	-34.5
FY 2016	-33.3
FY 2017	-32.7

The Iowa EITC is refundable. Changes to refundable tax credits do not impact the local option income surtax for schools calculation.

Property Assessment Appeal Board (PAAB) - If the PAAB is allowed to sunset as provided under current law, the cost of the Board operations will be eliminated. Repealing the sunset will increase state expenditures by $874,000 in FY 2014 and $883,000 in FY 2015.

Sources

Department of Management – historical property tax files
Legislative Services Agency School Aid Formula Projections
Legislative Services Agency property tax projections
Iowa State Association of Counties

May 22, 2013

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

History and Projected Statewide Net New Construction and Revaluation Percents by Class

	Assessment Year	Residential Net New Construction	Residential Revaluation	Agricultural Net New Construction	Agricultural Revaluation	Commercial Net New Construction	Commercial Revaluation	Industrial Net New Construction	Industrial Revaluation
History	AY 1999	2.39%	7.09%	0.74%	7.91%	4.45%	5.36%	6.96%	0.28%
History	AY 2000	2.74%	1.01%	0.34%	-0.20%	4.37%	1.27%	4.72%	0.84%
History	AY 2001	2.61%	10.48%	0.33%	1.46%	3.66%	6.52%	3.62%	0.94%
History	AY 2002	2.47%	0.57%	0.52%	-0.21%	3.20%	-0.03%	2.98%	0.94%
History	AY 2003	2.81%	6.05%	0.40%	-18.64%	3.36%	4.88%	2.73%	-0.78%
History	AY 2004	3.06%	1.03%	0.34%	-0.12%	2.30%	-0.03%	3.73%	0.06%
History	AY 2005	3.15%	7.44%	0.60%	3.03%	2.78%	5.14%	2.81%	-0.29%
History	AY 2006	3.12%	0.97%	0.63%	-0.11%	3.28%	0.66%	2.90%	-1.49%
History	AY 2007	2.94%	7.49%	0.93%	15.43%	2.72%	4.46%	5.10%	0.08%
History	AY 2008	2.30%	0.56%	0.82%	-0.14%	2.38%	0.14%	5.97%	0.76%
History	AY 2009	1.57%	1.07%	0.80%	47.28%	2.76%	0.61%	6.58%	0.37%
History	AY 2010	1.38%	0.53%	0.35%	-0.17%	1.36%	-0.27%	3.29%	3.93%
History	AY 2011	1.24%	-0.55%	0.33%	24.74%	1.42%	-0.88%	7.32%	0.20%
History	AY 2012	1.29%	-0.08%	0.38%	-0.16%	1.37%	-0.17%	5.57%	-0.84%
Projection	AY 2013	1.40%	2.25%	0.40%	37.00%	1.75%	0.75%	4.75%	0.25%
Projection	AY 2014	1.80%	0.20%	0.40%	-0.15%	2.25%	0.25%	4.75%	0.25%
Projection	AY 2015	2.00%	4.00%	0.40%	8.00%	2.25%	2.00%	4.75%	0.25%
Projection	AY 2016	2.00%	0.40%	0.40%	-0.15%	2.25%	0.25%	4.75%	0.25%
Projection	AY 2017	2.00%	5.00%	0.40%	8.00%	2.50%	3.50%	4.75%	0.25%
Projection	AY 2018	2.00%	0.60%	0.40%	-0.15%	2.50%	0.25%	4.75%	0.25%
Projection	AY 2019	2.25%	5.25%	0.40%	0.00%	2.50%	4.00%	4.75%	0.25%
Projection	AY 2020	2.25%	0.80%	0.40%	-0.15%	2.90%	0.25%	4.75%	0.25%
Projection	AY 2021	2.50%	6.00%	0.40%	0.00%	2.90%	4.25%	4.75%	0.25%
Projection	AY 2022	2.50%	1.00%	0.40%	-0.15%	2.90%	0.25%	4.75%	0.25%