



OFFICE OF THE GOVERNOR

THOMAS J. VILSACK  
GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

June 1, 2006

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit **House File 2743**, an Act relating to and making appropriations from the Healthy Iowans Tobacco Trust and the Tobacco Settlement Trust Fund, and providing an effective date.

House File 2743 is approved on this date, with the following exception which I hereby disapprove:

I am unable to approve the item designated as a portion of Section 1, subsection 3, paragraph k. This language requires allocation of funds for the implementation of a treatment program at the Iowa Correctional Institution for Women in Mitchellville. A similar value-based treatment program at the Newton Correctional Facility is the subject of a constitutional challenge currently before the U.S. District Court. In order to avoid confusion, state appropriations for value-based treatment programming should not be expanded to other correctional institutions until the courts resolve this issue and provide clear direction as to what is and is not permissible.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in **House File 2743** are hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Vilsack".

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House





HOUSE FILE 2743

AN ACT

RELATING TO AND MAKING APPROPRIATIONS FROM THE HEALTHY IOWANS TOBACCO TRUST AND THE TOBACCO SETTLEMENT TRUST FUND, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. HEALTHY IOWANS TOBACCO TRUST -- APPROPRIATIONS TO DEPARTMENTS. There is appropriated from the healthy Iowans tobacco trust created in section 12.65 to the following departments for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To the department of human services:

a. To supplement the medical assistance program appropriations for the fiscal year, including for reimbursement of noninstitutional medical assistance providers with the exception of anesthesia and dental providers and to continue the resource-based relative value system of reimbursement based upon the reimbursement rates established for the fiscal year beginning July 1, 2006, and ending June 30, 2007, pursuant to 2006 Iowa Acts, House File 2734, if enacted; for reimbursement of dental services, hospitals, home health care services, critical access hospitals, expansion of home health care services and habilitative day care for children with special needs, and expansion of respite care services provided through home and community-based waivers based upon the reimbursement rates established for the fiscal year beginning July 1, 2006, and ending June 30, 2007, pursuant to 2006 Iowa Acts, House File 2734, if enacted; and

for provision of coverage to women who require treatment for breast or cervical cancer as provided in section 249A.3, subsection 2, paragraph "b":

..... \$ 35,013,803

Of the amount appropriated in this paragraph, \$250,000 shall be used to continue the efforts of the Iowa chronic care consortium pursuant to 2003 Iowa Acts, chapter 112, section 12, as amended by 2003 Iowa Acts, chapter 179, sections 166 and 167.

b. For child and family services and adoption subsidy services including for reimbursement of rehabilitative treatment and support services providers, adoption, independent living, shelter care, and home studies services providers, and other service providers under the purview of the department of human services:

..... \$ 4,257,623

c. To continue the supplementation of the children's health insurance program appropriation:

..... \$ 200,000

d. For general administration of health-related programs:

..... \$ 274,000

2. To the Iowa department of public health:

a. For the tobacco use prevention and control initiative, including efforts at the state and local levels, as provided in chapter 142A and for not more than the following full-time equivalent positions:

..... \$ 5,928,465

..... FTEs 7.00

(1) The director of public health shall dedicate sufficient resources to promote and ensure retailer compliance with tobacco laws and ordinances relating to persons under 18 years of age, and shall prioritize the state's compliance in the allocation of available funds to comply with 42 U.S.C. § 300x-26 and section 453A.2.

(2) Of the full-time equivalent positions funded in this paragraph "a", two full-time equivalent positions shall be utilized to provide for enforcement of tobacco laws, regulations, and ordinances under a chapter 28D agreement entered into between the Iowa department of public health and the alcoholic beverages division of the department of commerce.

(3) Of the funds appropriated in this paragraph "a", not more than \$525,759 shall be expended on administration and management of the program.

(4) Of the funds appropriated in this paragraph "a", not less than 80 percent of the amount expended in the fiscal year beginning July 1, 2001, for community partnerships shall be expended in the fiscal year beginning July 1, 2006, for that purpose.

b. For provision of smoking cessation and smoking-related diseases products as provided in this paragraph:

..... \$ 75,000

The department shall award grants to free health clinics that are tax-exempt organizations pursuant to 26 U.S.C. § 501 (c)(3) to fund the provision of smoking cessation and smoking-related diseases products to patients. The department shall adopt a methodology for the awarding of the grants to the health clinics based upon the order of receipt of applications.

c. For additional substance abuse treatment under the substance abuse treatment program:

..... \$ 13,800,000

(1) The department shall use funds appropriated in this paragraph "c" to enhance the quality of and to expand the capacity to provide 24-hour substance abuse treatment programs.

(2) The department shall use funds appropriated in this paragraph "c" to expand the length of individual client substance abuse treatment plans, as necessary to reduce program recidivism.

(3) The department shall use funds appropriated in this paragraph "c" to share research-based best practices for treatment with substance abuse treatment facilities.

(4) The department shall use funds appropriated in this paragraph "c" to develop a results-based funding approach for substance abuse treatment services.

(5) The department shall use funds appropriated in this paragraph "c" to develop a program to encourage individuals who are successfully managing their substance abuse problems to serve as role models.

(6) The department shall submit a report annually by March 1, to the governor and the general assembly delineating the success rates of the substance abuse treatment programs that receive funding under this paragraph "c".

(7) The department shall use the additional \$2,000,000 in funds appropriated in this paragraph "c" to fund the maintenance and enhancement of substance abuse treatment programs currently funded by the department.

d. For the healthy Iowans 2010 plan within the Iowa department of public health and for not more than the following full-time equivalent positions:

.....	\$	2,509,960
.....	FTEs	4.00

(1) Of the funds appropriated in this paragraph "d", not more than \$1,157,482 shall be used for core public health functions, including home health care and public health nursing services, contracted through a formula by local boards of health, to enhance disease and injury prevention services.

(2) Of the funds appropriated in this paragraph "d", not more than \$387,320 shall be used for the continuation and support of a coordinated system of delivery of trauma and emergency medical services.

(3) Of the funds appropriated in this paragraph "d", not more than \$600,000 shall be used for the state poison control center.

(4) Of the funds appropriated in this paragraph "d", not more than \$288,770 shall be used for the development of scientific and medical expertise in environmental epidemiology.

(5) Of the funds appropriated in this paragraph "d", not more than \$76,388 shall be used for the childhood lead poisoning prevention program.

e. For the automated external defibrillator grant program established pursuant to section 135.26:

.....	\$	350,000
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f. For the center for congenital and inherited disorders established pursuant to section 136A.3:

.....	\$	26,000
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g. For a grant program to provide substance abuse prevention programming for children:

.....	\$	1,050,000
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(1) Of the funds appropriated in this paragraph "g", \$500,000 shall be utilized to provide funding for organizations that provide programming for children by utilizing mentors. Of the amount specified in this subparagraph (1), \$25,000 shall be utilized to provide grants to small community-based organizations that meet the requirements of this subparagraph (1). Programs approved for grants under this subparagraph (1) 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.

(2) Of the funds appropriated in this paragraph "g", \$500,000 shall be utilized to provide funding for organizations that provide programming that includes out-of-school youth development and opportunities for character development, youth development, and leadership. Of the amount specified in this subparagraph (2), \$25,000 shall be utilized to provide grants to small community-based organizations that meet the requirements of this subparagraph (2). The programs shall also be recognized as being programs that are scientifically-based with evidence of their effectiveness in reducing substance abuse in children.

(3) The Iowa department of public health shall utilize a request for proposals process to implement the program under this paragraph "g".

(4) All grant recipients under this paragraph "g" shall participate in a program evaluation as a requirement for receiving grant funds.

(5) Of the funds appropriated in this paragraph "g", \$50,000 shall be used to administer substance abuse prevention grants and for program evaluations.

h. For providing grants to individual patients who have phenylketonuria (PKU) to assist with the costs of necessary special foods:

..... \$ 100,000

i. For additional funding to leverage federal funding through the federal Ryan White Care Act, Title II, AIDS drug assistance program supplemental drug treatment grants:

..... \$ 275,000

3. To the department of corrections:

..... \$ 4,046,474

a. Of the funds appropriated in this subsection, \$228,216 is allocated to the first judicial district department of correctional services. Of the funds allocated, \$100,000 shall be used for community-based corrections, and \$128,216 shall be used to replace expired federal funding for dual diagnosis offenders.

b. Of the funds appropriated in this subsection, \$406,217 is allocated to the second judicial district department of correctional services. Of the funds allocated, \$100,000 shall be used for community-based corrections and \$306,217 shall be used to replace expired federal funding for day programming and to replace expired federal funding for the drug court program with \$50,000 of this amount being used for substance abuse treatment.

c. Of the funds appropriated in this subsection, \$200,359 is allocated to the third judicial district department of correctional services. Of the funds allocated, \$100,000 shall be used for community-based corrections, and \$100,359 shall be used to replace expired federal funding for the drug court program.

d. Of the funds appropriated in this subsection, \$291,731 is allocated to the fourth judicial district department of correctional services. Of the funds allocated, \$100,000 shall be used for community-based corrections, and \$191,731 shall be used for the drug court program.

e. Of the funds appropriated in this subsection, \$355,693 is allocated to the fifth judicial district department of correctional services. Of the funds allocated, \$100,000 shall be used for community-based corrections, and \$255,693 shall be used to replace expired federal funding for the drug court program.

f. Of the funds appropriated in this subsection, \$164,741 is allocated to the sixth judicial district department of correctional services. Of the funds allocated, \$100,000 shall be used for community-based corrections, and \$64,741 shall be used to replace expired federal funding for dual diagnosis offenders.

g. Of the funds appropriated in this subsection, \$232,232 is allocated to the seventh judicial district department of correctional services. Of the funds allocated, \$100,000 shall be used for community-based corrections, and \$132,232 shall be used to replace expired federal funding for the drug court program.

h. Of the funds appropriated in this subsection, \$300,000 is allocated to the eighth judicial district department of correctional services. Of the funds allocated, \$100,000 shall be used for community-based corrections, and \$200,000 shall be used to implement an adult drug court program.

i. Of the funds appropriated in this subsection, \$1,497,285 is allocated to the Fort Madison correctional facility for the clinical care unit.

j. Of the funds appropriated in this subsection, \$310,000 is allocated to the Newton correctional facility for a value-based treatment program.

k. Of the funds appropriated in this subsection, \$60,000 is allocated to the Iowa correctional institution for women at Mitchellville for a value-based treatment program.

4. To the department for the blind:

..... \$ 130,000

To plan, establish, administer, and promote a statewide program to provide audio news and information services to blind or visually impaired persons residing in this state as provided pursuant to section 216B.3, subsection 18.

Sec. 2. PURCHASE OF SERVICE CONTRACT PROVIDERS -- REIMBURSEMENT INCREASE. There is appropriated from the healthy Iowans tobacco trust created in section 12.65 to the property tax relief fund created in section 426B.1 for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For assistance to the counties with limited county mental health, mental retardation, and developmental disabilities services fund balances which were selected in accordance with 2000 Iowa Acts, chapter 1221, section 3, to receive such assistance in the same amount provided during the fiscal year beginning July 1, 2000, and ending June 30, 2001, to pay reimbursement increases in accordance with 2000 Iowa Acts,

*Disapproved  
on  
6.2.06*

chapter 1221, section 3:

..... \$ 146,750

Sec. 3. IOWA EMPOWERMENT FUND. There is appropriated from the healthy Iowans tobacco trust created in section 12.65, to the Iowa empowerment fund created in section 28.9 for the fiscal year beginning July 1, 2006, and ending June 30, 2007, for deposit in the school ready children grants account:

..... \$ 2,153,250

Sec. 4. IOWA COMMISSION ON VOLUNTEER SERVICES. There is appropriated from the healthy Iowans tobacco trust created in section 12.65 to the department of economic development for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For allocation to the Iowa commission on volunteer services for the Iowa's promise and mentoring partnership program and for not more than the following full-time equivalent position:

..... \$ 125,000  
..... FTEs 1.00

Sec. 5. DEPARTMENT OF EDUCATION. There is appropriated from the healthy Iowans tobacco trust created in section 12.65, to the department of education for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To establish a competitive grants program to expand the availability of before and after school programs:

..... \$ 150,000

School districts and other public and private organizations shall be eligible to apply for a grant from the program. Grant applications shall be assessed by the department based on the targeted student population and whether the application demonstrates partnerships and collaboration with not-for-profit community organizations, if appropriate; indicates that the school district or organization has access to training for the program; provides for a safe and engaging environment; combines academic, enrichment, cultural, and recreational activities; provides for no less than a 20 percent match; and demonstrates that the school district or organization is able to sustain the program after the grant is

exhausted. The types of activities supported by an applicant may include but are not limited to tutoring and supplementing instruction in basic skills, such as reading, math, and science; drug and violence prevention curricula and counseling; youth leadership activities; volunteer and service learning opportunities; career and vocational awareness preparation; courses and enrichment in arts and culture; computer instruction; character development and civic participation; language instruction, including English as a second language; mentoring; positive interaction with law enforcement; supervised recreation programs; or health and nutrition programs. The department shall make every attempt to leverage additional funding from other public and private sources to support the program provided under this section.

Sec. 6. FARMERS WITH DISABILITIES -- FEDERAL REPLACEMENT FUNDS. There is appropriated from the general fund of the state to the division of vocational rehabilitation services of the department of education for the fiscal year beginning July 1, 2006, and ending June 30, 2007, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For a grant to a national nonprofit organization with over 80 years of experience in assisting children and adults with disabilities and special needs and their families through services that include medical rehabilitation, job training and employment services, child care, adult day services, and camping and recreation, in order to replace expired federal funding for a nationally recognized program that has been replicated in 30 other states but which is not available through any other entity in this state that provides assistance to farmers with disabilities in all 99 counties to allow the farmers to remain in their own homes and be gainfully engaged in farming through provision of agricultural worksite and home modification consultations, peer support services, services to families, information and referral, and equipment loan services:

..... \$ 130,000

Sec. 7. Section 135.26, Code Supplement 2005, is amended to read as follows:

135.26 AUTOMATED EXTERNAL DEFIBRILLATOR GRANT PROGRAM.

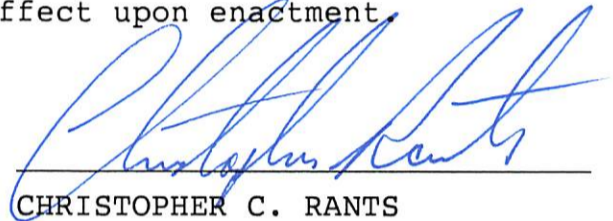
The department shall establish and implement an automated external defibrillator grant program which provides matching funds to local boards of health, community organizations, or cities for the program after standards and requirements for the utilization of automated external defibrillator equipment, and training on the use of such equipment, are developed at the local level. The objective of the program shall be to enhance the emergency response system in rural areas of the state where access to health care providers is often limited by providing increased access to automated external defibrillator equipment by rural emergency and community personnel. A local board of health, community organization, or city may submit an application to the department for review. The department shall establish criteria for the review and approval of grant applications by rule, and may accept gifts, grants, bequests, and other private contributions, as well as state or federal funds, for purposes of the program. The amount of a grant shall not exceed fifty percent of the cost of the automated external defibrillator equipment to be distributed to the applicant and the training program to be administered by the applicant at the local level. Each application shall include information demonstrating that the applicant will provide matching funds of fifty percent of the cost of the program. Grant recipients shall submit an annual report to the department indicating automated external defibrillator equipment usage levels, patient outcomes, and number of individuals trained. For the purposes of this section, "rural" means a geographic area outside an urban or suburban setting with a population of less than fifty thousand persons.

Sec. 8. 2005 Iowa Acts, chapter 176, section 1, subsection 1, paragraph a, unnumbered paragraph 2, is amended to read as follows:

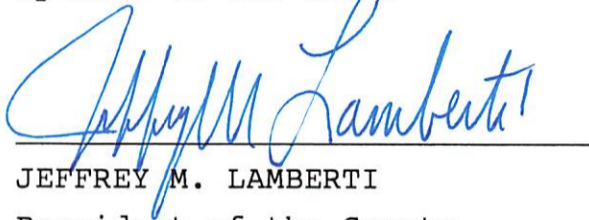
Of the amount appropriated in this paragraph, ~~\$507,000~~ \$150,000 shall be used to continue the efforts of the Iowa chronic care consortium pursuant to 2003 Iowa Acts, chapter 112, section 12, as amended by 2003 Iowa Acts, chapter 179, sections 166 and 167.

Sec. 9. ENDOWMENT FOR IOWA'S HEALTH ACCOUNT -- TRANSFER. In addition to the amount transferred pursuant to section 12E.12, subsection 1, paragraph "b", subparagraph (2), subparagraph subdivision (b), \$10,925,000 is transferred from the endowment for Iowa's health account of the tobacco settlement trust fund created in section 12E.12 to the healthy Iowans tobacco trust created in section 12.65 for the fiscal year beginning July 1, 2006, and ending June 30, 2007.

Sec. 10. EFFECTIVE DATE. The section of this Act amending 2005 Iowa Acts, chapter 176, section 1, being deemed of immediate importance, takes effect upon enactment.



CHRISTOPHER C. RANTS  
Speaker of the House



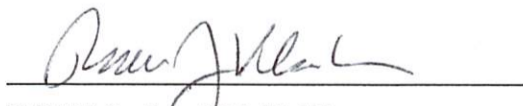
JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2743, Eighty-first General Assembly.



MARGARET THOMSON  
Chief Clerk of the House

*with exception noted*  
Approved June 1, 2006

  
THOMAS J. VILSACK  
Governor