



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

June 14, 2005

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

Dear Mr. Secretary:

I hereby transmit **House File 862**, an Act relating to and making appropriations from the Healthy Iowans Tobacco Trust and the Tobacco Settlement Trust Fund.

House File 862 is approved on this date, with the following exceptions which I hereby disapprove:

I am unable to approve the item designated as a portion of Section 1, subsection 3, paragraph f. 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 item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in **House File 862** are hereby approved as of this date.

Sincerely,

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 862

AN ACT

RELATING TO AND MAKING APPROPRIATIONS FROM THE HEALTHY IOWANS TOBACCO TRUST AND THE TOBACCO SETTLEMENT TRUST FUND.

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, 2005, and ending June 30, 2006, 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, 2005, and ending June 30, 2006, pursuant to 2005 Iowa Acts, House File 825, 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, 2005, and ending June 30, 2006, pursuant to 2005 Iowa Acts, House File 825, 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, \$50,000 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:

..... \$ 5,011,565

..... 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, 2005, 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:

..... \$ 11,800,000

(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".

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:

.....	\$	250,000
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f. For implementation and maintenance of a public access defibrillation plan to provide access to automatic external defibrillators throughout the state capitol complex on a 24-hour, 7 days per week basis and for not more than the following full-time equivalent positions:

.....	\$	100,000
.....	FTEs	1.00

g. For the center for congenital and inherited disorders established pursuant to section 136A.3:

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

.....	\$	400,000
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A program approved for a grant under the program shall meet all of the following criteria:

(1) The program is administered by a federally chartered nonprofit organization.

(2) The program is located in multiple locations across the state, including in at least one location in a county ranked in the bottom quartile of population when compared with other counties.

(3) The program has been nationally recognized for its effectiveness in reducing substance abuse by children.

(4) The program is able to use the grant funding to target a minimum of 1,000 children for substance abuse prevention programming.

The Iowa department of public health shall procure a sole source contract to implement this paragraph "h".

A program approved for a grant shall participate in a program evaluation as a requirement for receiving grant funds.

i. For a grant to a program that utilizes high school mentors to teach life skills, violence prevention, and character education in an effort to reduce the illegal use of alcohol, tobacco, and other substances:

..... \$ 400,000

(1) The program described in this paragraph "i" shall meet all of the following requirements:

(a) The program shall be a statewide mentoring program that is an alternative to mentoring programs that utilize the standards of effective practice.

(b) The program shall contract with a university to assist in curriculum development and performance evaluation.

(c) The program shall provide for some level of public-private partnership.

(d) The program shall obtain the assistance of the Iowa department of public health in the development of the performance evaluation design.

(e) The program shall demonstrate improvement in meeting current standards.

(2) The Iowa department of public health shall negotiate a sole source contract with a nonprofit corporation that mentors through live music and receives funds through private partnership to implement this paragraph "i".

(3) The Iowa department of public health may use up to \$50,000 of the moneys appropriated under this paragraph "i" to provide technical assistance to and monitoring of the program.

(4) Notwithstanding section 8.33, moneys appropriated under this paragraph "i" that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for the purpose designated in the succeeding fiscal year.

j. For a grant program to provide substance abuse prevention programming, including tobacco use prevention programming, for children:

..... \$ 800,000

The Iowa department of public health shall utilize a request for proposals process to implement this paragraph "j". A program approved for a grant under paragraph "h" or paragraph "i" shall not be eligible for a grant under this paragraph "j".

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

3. To the department of corrections:

..... \$ 1,214,000

a. Of the funds appropriated in this subsection, \$296,217 is allocated to the second judicial district department of correctional services to replace expired federal funding for day programming and to replace expired federal funding for the drug court program. Of the amount allocated in this paragraph, \$40,000 shall be used for substance abuse treatment.

b. Of the funds appropriated in this subsection, \$100,359 is allocated to the third judicial district department of correctional services to replace expired federal funding for the drug court program.

c. Of the funds appropriated in this subsection, \$191,731 is allocated to the fourth judicial district department of correctional services for a drug court program.

d. Of the funds appropriated in this subsection, \$255,693 is allocated to the fifth judicial district department of correctional services to replace expired funding for the drug court program.

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

f. 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, paragraphs "a" and "b".

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, 2005, and ending June 30, 2006, 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, 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, 2005, and ending June 30, 2006, for deposit in the school ready children grants account:

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

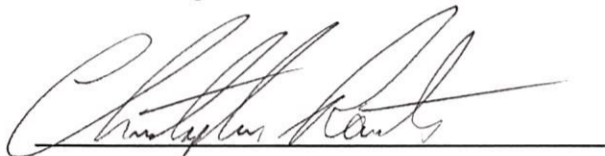
Sec. 4. DEPARTMENT OF CORRECTIONS -- SPECIAL NEEDS UNIT. There is appropriated from the healthy Iowans tobacco trust created in section 12.65, to the department of corrections for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For operating the special needs unit at the Fort Madison correctional facility:

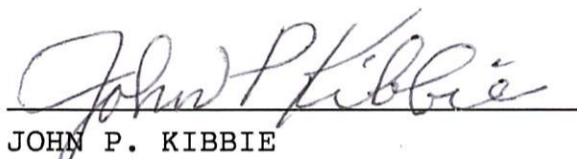
..... \$ 1,187,285

Disapproved
6.14.05
DW

Sec. 5. 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), \$7,600,000 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, 2005, and ending June 30, 2006.




CHRISTOPHER C. RANTS
Speaker of the House



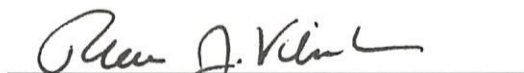
JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 862, Eighty-first General Assembly.



MARGARET THOMSON
Chief Clerk of the House

with exceptions noted
Approved June 14, 2005
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THOMAS J. VILSACK
Governor