



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

July 18, 2011

The Honorable Matt Schultz
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit Senate File 508, an Act appropriating federal funds made available from federal block grants and other non-state sources, allocating portions of federal block grants, and providing procedures if federal funds are more or less than anticipated or if federal block grants are more or less than anticipated.

Senate File 508 is, therefore, signed on this date with the following exception, which I hereby disapprove.

I am unable to approve Section 36 of the bill in its entirety. This item creates a redundant mandate by requiring departments that receive funds from this appropriation bill to provide a detailed plan of the past, current, and future expenditures of federal funds designated for departmental administrative expenses 60 days before the start of the new federal fiscal year. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is already available within the State's accounting and budgeting systems. Furthermore, the future year's plan will be of little to no benefit beyond what is currently available because most of the amounts will not have been established by the federal government in a timely fashion that would allow a complete and accurate report 60 days before the start of the new federal fiscal year.

For the above reasons, I respectfully disapprove the designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 508 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry E. Branstad", written over a horizontal line.

TERRY E. BRANSTAD
Governor



Senate File 508

AN ACT

APPROPRIATING FEDERAL FUNDS MADE AVAILABLE FROM FEDERAL BLOCK GRANTS AND OTHER NONSTATE SOURCES, ALLOCATING PORTIONS OF FEDERAL BLOCK GRANTS, AND PROVIDING PROCEDURES IF FEDERAL FUNDS ARE MORE OR LESS THAN ANTICIPATED OR IF FEDERAL BLOCK GRANTS ARE MORE OR LESS THAN ANTICIPATED.

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

DIVISION I

FY 2011-2012

Section 1. SUBSTANCE ABUSE APPROPRIATION.

1. There is appropriated from the fund created by section 8.41 to the department of public health for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 13,571,229

a. Funds appropriated in this subsection are the anticipated funds to be received from the federal government for the designated federal fiscal year under 42 U.S.C., ch. 6A, subch. XVII, part B, subpart ii, which provides for the prevention and treatment of substance abuse block grant. The department shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

b. Of the funds appropriated in this subsection, an amount not exceeding 5 percent shall be used by the department for administrative expenses.

c. The department shall expend no less than an amount equal to the amount expended for treatment services in the state fiscal year beginning July 1, 2010, for pregnant women and women with dependent children.

d. Of the funds appropriated in this subsection, an amount not exceeding \$24,585 shall be used for audits.

2. At least 20 percent of the funds remaining from the appropriation made in subsection 1 shall be allocated for prevention programs.

3. In implementing the federal prevention and treatment of substance abuse block grant under 42 U.S.C., ch. 6A, subch. XVII, and any other applicable provisions of the federal Public Health Service Act under 42 U.S.C., ch. 6A, the department shall apply the provisions of Pub. L. No. 106-310, § 3305, as codified in 42 U.S.C. § 300x-65, relating to services under such federal law being provided by religious and other nongovernmental organizations.

Sec. 2. COMMUNITY MENTAL HEALTH SERVICES APPROPRIATION.

1. a. There is appropriated from the fund created by section 8.41 to the department of human services for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 3,370,840

b. Funds appropriated in this subsection are the anticipated funds to be received from the federal government for the designated federal fiscal year under 42 U.S.C., ch. 6A, subch. XVII, part B, subpart i, which provides for the community mental health services block grant. The department shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

c. The department shall allocate not less than 95 percent of the amount of the block grant to eligible community mental health services providers for carrying out the plan submitted to and approved by the federal substance abuse and mental health services administration for the fiscal year involved.

d. Of the amount allocated to eligible services providers under paragraph "c", 70 percent shall be distributed to the state's accredited community mental health centers established or designated by counties in accordance with law or administrative rule. If a county has not established or designated a community mental health center and has received a waiver from the mental health and disability services commission, the mental health services provider designated by that county is eligible to receive funding distributed pursuant to this paragraph in lieu of a community mental health center. The funding distributed shall be used by recipients

of the funding for the purpose of developing and providing evidence-based practices and emergency services to adults with a serious mental illness and children with a serious emotional disturbance. The distribution amounts shall be announced at the beginning of the federal fiscal year and distributed on a quarterly basis according to the formulas used in previous fiscal years. Recipients shall submit quarterly reports containing data consistent with the performance measures approved by the federal substance abuse and mental health services administration.

2. An amount not exceeding 5 percent of the funds appropriated in subsection 1 shall be used by the department of human services for administrative expenses. From the funds set aside by this subsection for administrative expenses, the department shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department for the costs of the audits.

Sec. 3. MATERNAL AND CHILD HEALTH SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of public health for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 6,529,540

a. The funds appropriated in this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C., ch. 7, subch. V, which provides for the maternal and child health services block grant. The department shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

b. Funds appropriated in this subsection shall not be used by the university of Iowa hospitals and clinics for indirect costs.

2. An amount not exceeding 10 percent of the funds appropriated in subsection 1 shall be used by the department of public health for administrative expenses.

3. The departments of public health, human services, and education and the university of Iowa's mobile and regional child health specialty clinics shall continue to pursue to the maximum extent feasible the coordination and integration of services to women and children.

4. a. Sixty-three percent of the remaining funds appropriated in subsection 1 shall be allocated to supplement appropriations for maternal and child health programs within the department of public health. Of these funds, \$300,291 shall be set aside for the statewide perinatal care program.
- b. Thirty-seven percent of the remaining funds appropriated in subsection 1 shall be allocated to the university of Iowa hospitals and clinics under the control of the state board of regents for mobile and regional child health specialty clinics. The university of Iowa hospitals and clinics shall not receive an allocation for indirect costs from the funds for this program. Priority shall be given to establishment and maintenance of a statewide system of mobile and regional child health specialty clinics.

5. The department of public health shall administer the statewide maternal and child health program and the disabled children's program by conducting mobile and regional child health specialty clinics and conducting other activities to improve the health of low-income women and children and to promote the welfare of children with actual or potential handicapping conditions and chronic illnesses in accordance with the requirements of Tit. V of the federal Social Security Act.

Sec. 4. PREVENTIVE HEALTH AND HEALTH SERVICES
APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of public health for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 1,102,464

Funds appropriated in this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C., ch. 6A, subch. XVII, part A, which provides for the preventive health and health services block grant. The department shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Of the funds appropriated in subsection 1, an amount not exceeding 10 percent shall be used by the department for administrative expenses.
3. Of the funds appropriated in subsection 1, the specific amount of funds stipulated by the notice of the block grant

award shall be allocated for services to victims of sex offenses and for rape prevention education.

4. After deducting the funds allocated in subsections 2 and 3, the remaining funds appropriated in subsection 1 may be used by the department for healthy people 2011/healthy Iowans 2011 program objectives, preventive health advisory committee, and risk reduction services, including nutrition programs, health incentive programs, chronic disease services, emergency medical services, monitoring of the fluoridation program and start-up fluoridation grants, and acquired immune deficiency syndrome services. The moneys specified in this subsection shall not be used by the university of Iowa hospitals and clinics or by the state hygienic laboratory for the funding of indirect costs.

Sec. 5. STOP VIOLENCE AGAINST WOMEN GRANT PROGRAM
APPROPRIATION.

1. There is appropriated from the fund created by section 8.41 to the department of justice for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 1,588,692

Funds appropriated in this subsection are the anticipated funds to be received from the federal government for the designated fiscal year under 42 U.S.C., ch. 46, § 3796gg-1, which provides for grants to combat violent crimes against women. The department of justice shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding 10 percent of the funds appropriated in subsection 1 shall be used by the department of justice for administrative expenses. From the funds set aside by this subsection for administrative expenses, the department shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1.

Sec. 6. RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS FORMULA GRANT PROGRAM. There is appropriated from the fund created by section 8.41 to the governor's office of drug control policy for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 246,826

Funds appropriated in this section are the funds anticipated to be received from the federal government for the designated

fiscal year under 42 U.S.C., ch. 46, subch. XII-G, which provides grants for substance abuse treatment programs in state and local correctional facilities. The drug policy coordinator shall expend the funds appropriated in this section as provided in federal law making the funds available and in conformance with chapter 17A.

Sec. 7. EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM APPROPRIATION.

1. There is appropriated from the fund created by section 8.41 to the governor's office of drug control policy for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 2,974,695

Funds appropriated in this subsection are the anticipated funds to be received from the federal government for the designated fiscal year under 42 U.S.C., ch. 46, subch. V, which provides for the Edward Byrne memorial justice assistance grant program. The drug policy coordinator shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding 10 percent of the funds appropriated in subsection 1 shall be used by the drug policy coordinator for administrative expenses. From the funds set aside by this subsection for administrative expenses, the drug policy coordinator shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1.

Sec. 8. COMMUNITY SERVICES APPROPRIATIONS.

1. a. There is appropriated from the fund created by section 8.41 to the division of community action agencies of the department of human rights for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 7,540,877

Funds appropriated in this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C., ch. 106, which provides for the community services block grant. The division of community action agencies of the department of human rights shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

b. The administrator of the division of community action agencies of the department of human rights shall allocate not less than 96 percent of the amount of the block grant to eligible community action agencies for programs benefiting low-income persons. Each eligible agency shall receive a minimum allocation of not less than \$100,000. The minimum allocation shall be achieved by redistributing increased funds from agencies experiencing a greater share of available funds. The funds shall be distributed on the basis of the poverty-level population in the area represented by the community action areas compared to the size of the poverty-level population in the state.

2. An amount not exceeding 4 percent of the funds appropriated in subsection 1 shall be used by the division of community action agencies of the department of human rights for administrative expenses. From the funds set aside by this subsection for administrative expenses, the division of community action agencies of the department of human rights shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the division of community action agencies for the costs of the audits.

Sec. 9. COMMUNITY DEVELOPMENT APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of economic development for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 28,514,788

Funds appropriated in this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C., ch. 69, which provides for community development block grants. The department of economic development shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding \$1,240,000 for the federal fiscal year beginning October 1, 2011, shall be used by the department of economic development for administrative expenses for the community development block grant. The total amount used for administrative expenses includes \$670,000 for the federal fiscal year beginning October 1, 2011, of funds appropriated in subsection 1 and a matching contribution from the state

equal to \$570,000 from the appropriation of state funds for the community development block grant and state appropriations for related activities of the department of economic development. From the funds set aside for administrative expenses by this subsection, the department of economic development shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department for the costs of the audit.

Sec. 10. LOW-INCOME HOME ENERGY ASSISTANCE APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the division of community action agencies of the department of human rights for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 70,527,851

The funds appropriated in this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C., ch. 94, subch. II, which provides for the low-income home energy assistance block grants. The division of community action agencies of the department of human rights shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Up to 15 percent of the amount appropriated in this section that is actually received shall be used for residential weatherization or other related home repairs for low-income households. Of this allocation amount, not more than 10 percent may be used for administrative expenses.

3. After subtracting the allocation in subsection 2, up to 10 percent of the remaining moneys are allocated for administrative expenses of the low-income home energy assistance program of which \$377,000 is allocated for administrative expenses of the division. The costs of auditing the use and administration of the portion of the appropriation in this section that is retained by the state shall be paid from the amount allocated in this subsection to the division. The auditor of state shall bill the division for the audit costs.

4. The remaining moneys of the appropriation in this section following the allocations made in subsections 2 and 3, shall be used to help eligible households as defined in 42 U.S.C., ch. 94, subch. II, to meet home energy costs.

5. Not more than 10 percent of the amount appropriated in this section that is actually received may be carried forward for use in the succeeding federal fiscal year.

6. Expenditures for assessment and resolution of energy problems shall be limited to not more than 5 percent of the amount appropriated in this section that is actually received.

Sec. 11. SOCIAL SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of human services for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 16,562,583

Funds appropriated in this subsection are the funds anticipated to be received from the federal government for the designated federal fiscal year under 42 U.S.C., ch.

7, subch. XX, which provides for the social services block grant. The department of human services shall expend the funds appropriated in this subsection as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Not more than \$1,065,917 of the funds appropriated in subsection 1 shall be used by the department of human services for general administration. From the funds set aside in this subsection for general administration, the department of human services shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1.

3. In addition to the allocation for general administration in subsection 2, the remaining funds appropriated in subsection 1 shall be allocated in the following amounts to supplement appropriations for the federal fiscal year beginning October 1, 2011, for the following programs within the department of human services:

- a. Field operations: \$ 6,375,369
- b. Child and family services: \$ 824,195
- c. Local administrative costs and other local services: \$ 676,125
- d. Volunteers: \$ 74,023
- e. MH/MR/DD/BI community services (local purchase): \$ 7,546,954

Sec. 12. SOCIAL SERVICES BLOCK GRANT PLAN. The department

of human services during each state fiscal year shall develop a plan for the use of federal social services block grant funds for the subsequent state fiscal year.

The proposed plan shall include all programs and services at the state level which the department proposes to fund with federal social services block grant funds, and shall identify state and other funds which the department proposes to use to fund the state programs and services.

The proposed plan shall also include all local programs and services which are eligible to be funded with federal social services block grant funds, the total amount of federal social services block grant funds available for the local programs and services, and the manner of distribution of the federal social services block grant funds to the counties. The proposed plan shall identify state and local funds which will be used to fund the local programs and services.

The proposed plan shall be submitted with the department's budget requests to the governor and the general assembly.

Sec. 13. PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS.

1. Upon receipt of the minimum formula grant from the federal substance abuse and mental health services administration to provide mental health services for the homeless, for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the department of human services shall assure that a project which receives funds under the formula grant shall do all of the following:
 - a. Provide outreach and engagement to homeless individuals and individuals at risk of homelessness and assesses those individuals for serious mental illness.
 - b. Enroll those individuals with serious mental illness who are willing to accept services through the project.
 - c. Provide case management to homeless persons.
 - d. Provide appropriate training to persons who provide services to persons targeted by the grant.
 - e. Assure a local match share of 25 percent.
 - f. Refer homeless individuals and individuals at risk of homelessness to primary health care, job training, educational services, and relevant housing services.
2. A project may expend funds for community mental health services, diagnostic services, crisis intervention services, habilitation and rehabilitation services, substance abuse services, supportive and supervisory services to homeless

persons living in residential settings that are not otherwise supported, and housing services including minor renovation, expansion, and repair of housing, security deposits, planning of housing, technical assistance in applying for housing, improving the coordination of housing services, the costs associated with matching eligible homeless individuals with appropriate housing, and one-time rental payments to prevent eviction.

Sec. 14. CHILD CARE AND DEVELOPMENT APPROPRIATION. There is appropriated from the fund created by section 8.41 to the department of human services for the federal fiscal year beginning October 1, 2011, and ending September 30, 2012, the following amount:

..... \$ 43,792,517

Funds appropriated in this section are the funds anticipated to be received from the federal government under 42 U.S.C., ch. 105, subch. II-B, which provides for the child care and development block grant. The department shall expend the funds appropriated in this section as provided in the federal law making the funds available and in conformance with chapter 17A.

Moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall revert to be available for appropriation for purposes of the child care and development block grant in the succeeding fiscal year.

Sec. 15. PROCEDURE FOR REDUCED FEDERAL FUNDS.

1. If the funds received from the federal government for the block grants specified in this Act are less than the amounts appropriated, the funds actually received shall be prorated by the governor for the various programs, other than for the services to victims of sex offenses and for rape prevention education under section 4, subsection 3, of this Act, for which each block grant is available according to the percentages that each program is to receive as specified in this Act. However, if the governor determines that the funds allocated by the percentages will not be sufficient to accomplish the purposes of a particular program, or if the appropriation is not allocated by percentage, the governor may allocate the funds in a manner which will accomplish to the greatest extent possible the purposes of the various programs for which the block grants are available.

2. Before the governor implements the actions provided for in subsection 1, the following procedures shall be taken:

a. The chairpersons and ranking members of the senate and

house standing committees on appropriations, the appropriate chairpersons and ranking members of subcommittees of those committees, and the director of the legislative services agency shall be notified of the proposed action.

b. The notice shall include the proposed allocations, and information on the reasons why particular percentages or amounts of funds are allocated to the individual programs, the departments and programs affected, and other information deemed useful. Chairpersons and ranking members notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

Sec. 16. PROCEDURE FOR INCREASED FEDERAL FUNDS.

1. If funds received from the federal government in the form of block grants exceed the amounts appropriated in sections 1, 2, 3, 4, 7, 9, and 11 of this Act, the excess shall be prorated to the appropriate programs according to the percentages specified in those sections, except additional funds shall not be prorated for administrative expenses.

2. If actual funds received from the federal government from block grants exceed the amount appropriated in section 10 of this Act for the low-income home energy assistance program, not more than 10 percent of the excess may be allocated to the low-income residential weatherization program and not more than 15 percent of the excess may be used for administrative costs.

3. If funds received from the federal government from community services block grants exceed the amount appropriated in section 8 of this Act, 100 percent of the excess is allocated to the community services block grant program.

Sec. 17. PROCEDURE FOR EXPENDITURE OF ADDITIONAL FEDERAL FUNDS. If other federal grants, receipts, and funds and other nonstate grants, receipts, and funds become available or are awarded which are not available or awarded during the period in which the general assembly is in session, but which require expenditure by the applicable department or agency prior to March 15 of the fiscal year beginning July 1, 2011, and ending June 30, 2012, these grants, receipts, and funds are appropriated to the extent necessary, provided that the fiscal committee of the legislative council is notified within 30 days of receipt of the grants, receipts, or funds and the fiscal committee of the legislative council has an opportunity to comment on the expenditure of the grants, receipts, or funds.

Sec. 18. OTHER GRANTS, RECEIPTS, AND FUNDS. Federal grants, receipts, and funds and other nonstate grants, receipts,

and funds, available in whole or in part of the fiscal year beginning July 1, 2011, and ending June 30, 2012, are appropriated to the following departments and agencies that are designated by and for the purposes set forth in the grants, receipts, or conditions accompanying the receipt of the funds, unless otherwise provided by law:

1. Department of administrative services.
2. Department on aging.
3. Department of agriculture and land stewardship.
4. Office of auditor of state.
5. Department for the blind.
6. Iowa state civil rights commission.
7. College student aid commission.
8. Department of commerce.
9. Department of corrections.
10. Department of cultural affairs.
11. Department of economic development.
12. Department of education.
13. Office of energy independence.
14. Iowa ethics and campaign disclosure board.
15. Iowa finance authority.
16. Offices of the governor and lieutenant governor.
17. Governor's office of drug control policy.
18. Department of human rights.
19. Department of human services.
20. Department of inspections and appeals.
21. Judicial branch.
22. Department of justice.
23. Iowa law enforcement academy.
24. Department of management.
25. Department of natural resources.
26. Board of parole.
27. Department of public defense.
28. Public employment relations board.
29. Department of public health.
30. Department of public safety.
31. State board of regents.
32. Department of revenue.
33. Office of secretary of state.
34. Iowa state fair authority.
35. Office for state-federal relations.
36. Iowa telecommunications and technology commission.
37. Office of treasurer of state.