

File Ed. 3/24 Ho. Res. 4/10/91 as amended (3614)

FILED MAR 6 1991

SENATE FILE 314
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 226)

Passed Senate, Date 3/25/91 (p. 792) Passed House, Date 4/17/91 (p. 1215)
Vote: Ayes 34 Nays 14 Vote: Ayes 96 Nays 0

Approved May 7, 1991 (p. 1717)
Repassed Senate per S. 3505
4/23/91 (p. 1412)
2 yeas 47 Nay 0

A BILL FOR

1 An Act repealing a requirement that area education agencies
2 utilize federally funded health care programs for services
3 provided to certain children requiring special education and
4 providing effective dates.

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

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SF 314

1 Section 1. Section 281.15, Code 1991, is repealed.
2 Sec. 2. EMERGENCY RULES. The department of education and
3 the department of human services may adopt rules as the
4 departments deem necessary to implement the repeal of section
5 281.15. The rules shall take effect immediately upon filing
6 as provided in section 17A.5, unless a later effective date is
7 specified in the rules.

8 Sec. 3. EFFECTIVE DATES.

9 1. Section 2 of this Act, being deemed of immediate
10 importance, takes effect upon enactment.

11 2. Section 1 of this Act, being deemed of immediate
12 importance, takes effect ninety days after the date of
13 enactment.

14 EXPLANATION

15 This bill repeals section 281.15, requiring area education
16 agencies to utilize health care programs funded under the
17 state-federal medical assistance program for services provided
18 to certain children requiring special education. Upon
19 enactment, the departments of education and human services are
20 granted emergency rulemaking authority related to the repeal.
21 The repeal takes effect 90 days after the date of enactment.

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SENATE FILE 314

H-3614

1 Amend Senate File 314, as passed by the Senate, as
2 follows:

3 1. By striking everything after the enacting
4 clause, and inserting the following:

5 "Section 1. Section 281.15, subsection 7, Code
6 1991, is amended to read as follows:

7 7. All Except as otherwise provided in this
8 subsection, all reimbursements received by the area
9 education agencies for eligible services shall be paid
10 annually to the treasurer of state. The area
11 education agencies shall, after determining the
12 administrative costs associated with the
13 implementation of medical assistance reimbursement for
14 the eligible services, be permitted to retain up to
15 twenty-five percent of the total amount reimbursed to
16 pay for the administrative costs. Funds received
17 under this subsection shall not be considered or
18 included as part of the area education agencies'
19 budgets when calculating funds that are to be received
20 by area education agencies during a fiscal year.
21 Except as otherwise provided in this subsection, the
22 treasurer of state shall credit all receipts received
23 under this subsection to the general fund of the
24 state.

25 Sec. 2. Section 281.15, Code 1991, is amended by
26 adding the following new subsection:

27 NEW SUBSECTION. 10. The department of human
28 services shall offer assistance to the area education
29 agencies in the identification of children eligible
30 for reimbursement for services under this section."

31 2. Title page, by striking lines 1 through 4 and
32 inserting the following: "An Act relating to federal
33 reimbursements for certain special education
34 services."

By COMMITTEE ON EDUCATION
OLLIE of Clinton, Chairperson

H-3614 FILED APRIL 12, 1991

Adopted 4/17/91 (p. 1315)

HOUSE AMENDMENT TO
SENATE FILE 314

S-3505

1 Amend Senate File 314, as passed by the Senate, as
2 follows:

3 1. By striking everything after the enacting
4 clause, and inserting the following:

5 "Section 1. Section 281.15, subsection 7, Code
6 1991, is amended to read as follows:

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9 education agencies for eligible services shall be paid
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19 budgets when calculating funds that are to be received
20 by area education agencies during a fiscal year.
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22 treasurer of state shall credit all receipts received
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30 for reimbursement for services under this section."

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34 services."

RECEIVED FROM THE HOUSE

S-3505 FILED APRIL 19, 1991

Senate concurred 4/23/91 (p 1412)

SENATE FILE 314
FISCAL NOTE

A fiscal note for Senate File 314 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 314 eliminates the requirement that area education agencies (AEAs) must utilize Medical Assistance for special education services for eligible children. Under current law, the AEA staff provide services, and bill Medical Assistance, which funds approximately 65% of the costs from federal funds. The AEAs do not receive this federal money; it is deposited directly in the General Fund.

Assumptions:

- * The AEAs estimated that the cost of the additional administrative work relating to Medical Assistance was \$200,000 for FY 1990.
- * The estimated amount of federal money deposited in the General Fund for FY 1990 was \$600,000.
- * The number of children served and the cost for services will be similar to that of FY 1990, so the administrative costs and the reimbursed amount will be similar.

Fiscal Effect:

If Senate File 314 is passed, the General Fund will lose \$600,000, due to the federal Medical Assistance funds not being deposited. Also the AEAs will have an additional \$200,000 in staff time available to provide direct services for children.

Source: Department of Education

(LSB 2247sv, CRH)

FILED MARCH 20, 1991

BY DENNIS PROUTY, FISCAL DIRECTOR

SZYMONIAK, W.
DELUHORY
LINA

SSB 226
EDUCATION

SENATE FILE 314
BY (PROPOSED COMMITTEE ON
EDUCATION BILL BY
CHAIRPERSON CONNOLLY)

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

A BILL FOR

1 An Act repealing a requirement that area education agencies
2 utilize federally funded health care programs for services
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15 This bill repeals section 281.15, requiring area education
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identification of children eligible for reimbursement for services under this section.

SENATE FILE 314

AN ACT

RELATING TO FEDERAL REIMBURSEMENTS FOR CERTAIN SPECIAL EDUCATION SERVICES.

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

Section 1. Section 281.15, subsection 7, Code 1991, is amended to read as follows:

7. All except as otherwise provided in this subsection, all reimbursements received by the area education agencies for eligible services shall be paid annually to the treasurer of state. The area education agencies shall, after determining the administrative costs associated with the implementation of medical assistance reimbursement for the eligible services, be permitted to retain up to twenty-five percent of the total amount reimbursed to pay for the administrative costs. Funds received under this subsection shall not be considered or included as part of the area education agencies' budgets when calculating funds that are to be received by area education agencies during a fiscal year. Except as otherwise provided in this subsection, the treasurer of state shall credit all receipts received under this subsection to the general fund of the state.

Sec. 2. Section 281.15, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 10. The department of human services shall offer assistance to the area education agencies in the

JOE J. WELSH
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 314, Seventy-fourth General Assembly.

JOHN P. DWYER
Secretary of the Senate

Approved *May 7*, 1991

TERRY E. BRANSTAD
Governor