

House Study Bill 562

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
HUMAN SERVICES BILL)

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

A BILL FOR

1 An Act relating to department of human services' technical
2 requirements involving individual development accounts, family
3 investment program limited benefit plans, paternity
4 establishment definitions, and the state child care assistance
5 program, and including effective date and retroactive
6 applicability provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
8 TLSB 5352DP 81
9 jp/cf/24

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1 1 DIVISION I
1 2 INDIVIDUAL DEVELOPMENT ACCOUNTS
1 3 Section 1. Section 450.4, subsection 6, Code 2005, is
1 4 amended to read as follows:
1 5 6. On property in an individual development account in the
1 6 name of the decedent that passes to another individual
1 7 development account ~~or the state human investment reserve pool~~
1 8 ~~created in section 541A.4.~~ For purposes of this subsection,
1 9 "individual development account" means an account that has
1 10 been certified as an individual development account pursuant
1 11 to chapter 541A.
1 12 Sec. 2. Section 541A.1, subsection 9, Code 2005, is
1 13 amended by striking the subsection.
1 14 Sec. 3. Section 541A.2, subsection 2, paragraph b, Code
1 15 2005, is amended by striking the paragraph.
1 16 Sec. 4. Section 541A.2, subsection 9, Code 2005, is
1 17 amended to read as follows:
1 18 9. In the event of an account holder's death, the account
1 19 may be transferred to the ownership of a contingent
1 20 beneficiary or to the individual development account of
1 21 another account holder. An account holder shall name
1 22 contingent beneficiaries or transferees at the time the
1 23 account is established and a named beneficiary or transferee
1 24 may be changed at the discretion of the account holder. ~~If~~
1 25 ~~the named beneficiary or transferee is deceased or otherwise~~
1 26 ~~cannot accept the transfer, the moneys shall be transferred to~~
1 27 ~~the reserve pool.~~
1 28 Sec. 5. Section 541A.3, subsection 1, unnumbered paragraph
1 29 1, Code 2005, is amended to read as follows:
1 30 Payment by the state of a savings refund on amounts of up
1 31 to two thousand dollars per calendar year that an account
1 32 holder deposits in the account holder's account. Moneys
1 33 transferred to an individual development account from another
1 34 individual development account and a savings refund received
1 35 by the account holder in accordance with section 541A.3 shall
2 1 not be considered an account holder deposit for purposes of
2 2 determining a savings refund. Payment of a savings refund
2 3 either shall be made directly to the account ~~holder's account~~
2 4 holder or to an operating organization's central reserve
2 5 account for later distribution to the account ~~holder's account~~
2 6 holder in the most appropriate manner as determined by the
2 7 administrator. The state savings refund shall be the
2 8 indicated percentage of the amount deposited:
2 9 Sec. 6. Section 541A.3, subsection 5, Code 2005, is
2 10 amended to read as follows:
2 11 5. The administrator shall coordinate the filing of claims
2 12 for savings refunds authorized under subsection 1, between
2 13 account holders, operating organizations, and the department
2 14 of administrative services. Claims approved by the
2 15 administrator may be paid by the department of administrative

2 16 services to each account holder, for an aggregate amount for
2 17 distribution to the holders of the accounts in a particular
2 18 financial institution, or to an operating organization's
2 19 central reserve account for later distribution to the account
2 20 holders' accounts holders depending on the efficiency for
2 21 issuing the refunds. Claims shall be initially filed with the
2 22 administrator on or before a date established by the
2 23 administrator. Claims approved by the administrator shall be
2 24 paid from the general fund of the state in the manner
2 25 specified in section 422.74.

2 26 Sec. 7. Section 541A.4, Code 2005, is repealed.

2 27 Sec. 8. RETROACTIVE APPLICABILITY. This division of this
2 28 Act, being deemed of immediate importance, takes effect upon
2 29 enactment, is retroactively applicable to January 1, 2006, and
2 30 is applicable on and after that date.

2 31 DIVISION II

2 32 FAMILY INVESTMENT PROGRAM == LIMITED BENEFIT PLAN

2 33 Sec. 9. Section 239B.9, subsection 1, paragraph a, Code
2 34 2005, is amended to read as follows:

2 35 a. If a participant responsible for signing and fulfilling
3 1 the terms of a family investment agreement, as defined by the
3 2 director of human services in accordance with section 239B.8,
3 3 chooses not to sign or fulfill the terms of the agreement, the
3 4 participant's family, or the individual participant shall
3 5 enter into a limited benefit plan. Initial actions in a
3 6 written statement under section 239B.2, subsection 4, which
3 7 were committed to by a participant during the application
3 8 period and which commitment remains in effect, shall be
3 9 considered to be a term of the participant's family investment
3 10 agreement. A limited benefit plan shall apply for the period
3 11 of time specified in this section. The first month of the
3 12 limited benefit plan is the first month after the month in
3 13 which timely and adequate notice of the limited benefit plan
3 14 is given to the participant as defined by the director of
3 15 human services. ~~A participant who is exempt from the JOBS~~
~~3 16 program but who volunteers for the program is not subject to~~
~~3 17 imposition of a limited benefit plan.~~ The elements of a
3 18 limited benefit plan shall be specified in the department's
3 19 rules.

3 20 Sec. 10. Section 239B.9, subsection 2, paragraph a, Code
3 21 2005, is amended to read as follows:

3 22 a. PARENT. If the participant responsible for the family
3 23 investment agreement is a parent, the limited benefit plan is
3 24 applicable to the entire participant family. ~~If the family~~
~~3 25 reapplies for assistance after an ineligibility period,~~
~~3 26 eligibility shall be established in the same manner as for any~~
~~3 27 other new applicant.~~

3 28 Sec. 11. Section 239B.9, subsection 2, paragraph c, Code
3 29 2005, is amended to read as follows:

3 30 c. MINOR PARENT LIVING WITH ADULT PARENT OR SPECIFIED
3 31 RELATIVE. If the participant family includes a minor parent
3 32 living with the minor parent's adult parent or specified
3 33 relative who receives family investment program assistance and
3 34 both individuals are responsible for developing a family
3 35 investment agreement, each individual is responsible for a
4 1 separate family investment agreement, and the limited benefit
4 2 plan shall be applied as follows:

4 3 (1) If the adult parent ~~or specified relative~~ chooses the
4 4 limited benefit plan, the requirements of the limited benefit
4 5 plan shall apply to the entire participant family, even though
4 6 the minor parent has not chosen the limited benefit plan.
4 7 However, the minor parent may reapply for assistance as a
4 8 minor parent living with self-supporting parents or living
4 9 independently and continue in the family investment agreement
4 10 process.

4 11 (2) If the minor parent chooses the limited benefit plan,
4 12 the requirements of the limited benefit plan shall apply to
4 13 the minor parent and any child of the minor parent.

4 14 (3) If the specified relative chooses the limited benefit
4 15 plan, the requirements of the limited benefit plan shall apply
4 16 only to the specified relative.

4 17 DIVISION III

4 18 PATERNITY ESTABLISHMENT

4 19 Sec. 12. Section 252F.1, Code 2005, is amended by adding
4 20 the following new subsection:

4 21 NEW SUBSECTION. 1A. "Child" means a person who is less
4 22 than age eighteen or a person who is age eighteen but less
4 23 than age nineteen and is engaged full-time in completing high
4 24 school graduation or equivalency requirements in a manner
4 25 which is reasonably expected to result in completion of the
4 26 requirements prior to the person reaching age nineteen.

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DIVISION IV

STATE CHILD CARE ASSISTANCE PROGRAM

Sec. 13. Section 237A.13, subsection 5, paragraphs c and d, Code 2005, are amended to read as follows:

c. Families with an income of more than one hundred percent but not more than one hundred ~~forty~~ forty-five percent of the federal poverty level whose members are employed at least twenty-eight hours per week.

d. Families with an income at or below ~~one~~ two hundred ~~seventy-five~~ percent of the federal poverty level whose members are employed at least twenty-eight hours per week with a special needs child as a member of the family.

EXPLANATION

This bill relates to department of human services' technical requirements involving individual development accounts, family investment program limited benefit plans, paternity establishment definitions, and the state child care assistance program.

DIVISION I == INDIVIDUAL DEVELOPMENT ACCOUNTS. This division revises provisions of the individual development account program under Code chapter 541A. Income on moneys in these accounts is exempt from state tax, and an account holder is eligible for a state income tax refund for savings credited to an account.

Code section 514A.4, outlining requirements for the initial pilot phase of the program, is repealed. The provision limited the number of accounts for the initial five-year period that commenced on January 1, 1995, provided for a request for proposals to secure operating organizations to implement the program, outlined qualifications and requirements for operating organizations, required linkage to various outcomes, and required an evaluation. In addition, the provision created a reserve pool for receipt and distribution of funding for purposes of the program. The division includes conforming amendments to address the repeal of Code section 514A.4.

Existing law in Code section 514A.3 requires the state savings refund to be paid to the account of the account holder. The bill provides for the savings refund to be paid to the account holder or an operating organization for distribution to account holders rather than to the account of the account holder.

Code section 541A.2, subsection 2, paragraph "b", is stricken to conform with the bill's requirement for direct payment of a savings refund to the account holder. In addition, Code section 541A.3 is amended to provide that a savings refund deposited by an account holder cannot be counted as an account holder deposit for purposes of determining a savings refund.

This division of the bill takes effect upon enactment and is retroactively applicable to January 1, 2006.

DIVISION II == FAMILY INVESTMENT PROGRAM == LIMITED BENEFIT PLAN. This division makes changes to statutory provisions involving the family investment program in Code chapter 239B. An existing exemption in Code section 239B.9 is eliminated that prohibits application of a limited benefit plan to a participant who is exempt from participation in the job opportunity and basic skills (JOBS) program. A provision is eliminated that provides that if a family has been subject to a limited benefit plan and the family reapplies for the program, the eligibility requirements for the family are the same as for a new applicant. A provision is revised so that if a minor parent is living with a specified relative who chooses a limited benefit plan, the limited benefit plan is applied only to the specified relative rather than to the entire family.

DIVISION III == PATERNITY ESTABLISHMENT. This division provides a new definition of the term "child" in Code chapter 252F, relating to paternity establishment. The new definition provides that a child is a person who is either less than age 18 or is age 18 but less than age 19 and is engaged in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching age 19. The term is used, among other things, in establishing a support debt for the person determined to be the child's father.

DIVISION IV == STATE CHILD CARE ASSISTANCE PROGRAM. This division revises the waiting list requirements for the state child care assistance program. Under 2005 Iowa Acts, chapter 175, section 14, the upper income eligibility requirements for

7 3 the program were increased for families, whose members are
7 4 employed at least 28 hours per week with an income of more
7 5 than 100 percent of the federal poverty level, from 140
7 6 percent to 145 percent of the federal poverty level, and for
7 7 families, whose members are employed at least 28 hours per
7 8 week with a special needs child as a member of the family,
7 9 from 175 to 200 percent of the federal poverty level. Code
7 10 section 237A.13 is amended to make permanent these changes in
7 11 the waiting list requirements for the program.
7 12 LSB 5352DP 81
7 13 jp:rj/cf/24