

Senate Study Bill 3035

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.

4 27 DIVISION IV

4 28 STATE CHILD CARE ASSISTANCE PROGRAM

4 29 Sec. 13. Section 237A.13, subsection 5, paragraphs c and
4 30 d, Code 2005, are amended to read as follows:

4 31 c. Families with an income of more than one hundred
4 32 percent but not more than one hundred ~~forty~~ forty-five percent
4 33 of the federal poverty level whose members are employed at
4 34 least twenty-eight hours per week.

4 35 d. Families with an income at or below ~~one~~ two hundred
5 1 ~~seventy-five~~ percent of the federal poverty level whose
5 2 members are employed at least twenty-eight hours per week with
5 3 a special needs child as a member of the family.

5 4 EXPLANATION

5 5 This bill relates to department of human services'
5 6 technical requirements involving individual development
5 7 accounts, family investment program limited benefit plans,
5 8 paternity establishment definitions, and the state child care
5 9 assistance program.

5 10 DIVISION I == INDIVIDUAL DEVELOPMENT ACCOUNTS. This
5 11 division revises provisions of the individual development
5 12 account program under Code chapter 541A. Income on moneys in
5 13 these accounts is exempt from state tax, and an account holder
5 14 is eligible for a state income tax refund for savings credited
5 15 to an account.

5 16 Code section 514A.4, outlining requirements for the initial
5 17 pilot phase of the program, is repealed. The provision
5 18 limited the number of accounts for the initial five-year
5 19 period that commenced on January 1, 1995, provided for a
5 20 request for proposals to secure operating organizations to
5 21 implement the program, outlined qualifications and
5 22 requirements for operating organizations, required linkage to
5 23 various outcomes, and required an evaluation. In addition,
5 24 the provision created a reserve pool for receipt and
5 25 distribution of funding for purposes of the program. The
5 26 division includes conforming amendments to address the repeal
5 27 of Code section 541A.4.

5 28 Existing law in Code section 514A.3 requires the state
5 29 savings refund to be paid to the account of the account
5 30 holder. The bill provides for the savings refund to be paid
5 31 to the account holder or an operating organization for
5 32 distribution to account holders rather than to the account of
5 33 the account holder.

5 34 Code section 541A.2, subsection 2, paragraph "b", is
5 35 stricken to conform with the bill's requirement for direct
6 1 payment of a savings refund to the account holder. In
6 2 addition, Code section 541A.3 is amended to provide that a
6 3 savings refund deposited by an account holder cannot be
6 4 counted as an account holder deposit for purposes of
6 5 determining a savings refund.

6 6 This division of the bill takes effect upon enactment and
6 7 is retroactively applicable to January 1, 2006.

6 8 DIVISION II == FAMILY INVESTMENT PROGRAM == LIMITED BENEFIT

6 9 PLAN. This division makes changes to statutory provisions
6 10 involving the family investment program in Code chapter 239B.
6 11 An existing exemption in Code section 239B.9 is eliminated
6 12 that prohibits application of a limited benefit plan to a
6 13 participant who is exempt from participation in the job
6 14 opportunity and basic skills (JOBS) program. A provision is
6 15 eliminated that provides that if a family has been subject to
6 16 a limited benefit plan and the family reapplies for the
6 17 program, the eligibility requirements for the family are the
6 18 same as for a new applicant. A provision is revised so that
6 19 if a minor parent is living with a specified relative who
6 20 chooses a limited benefit plan, the limited benefit plan is
6 21 applied only to the specified relative rather than to the
6 22 entire family.

6 23 DIVISION III == PATERNITY ESTABLISHMENT. This division
6 24 provides a new definition of the term "child" in Code chapter
6 25 252F, relating to paternity establishment. The new definition
6 26 provides that a child is a person who is either less than age
6 27 18 or is age 18 but less than age 19 and is engaged in
6 28 completing high school graduation or equivalency requirements
6 29 in a manner which is reasonably expected to result in
6 30 completion of the requirements prior to the person reaching
6 31 age 19. The term is used, among other things, in establishing
6 32 a support debt for the person determined to be the child's
6 33 father.

6 34 DIVISION IV == STATE CHILD CARE ASSISTANCE PROGRAM. This
6 35 division revises the waiting list requirements for the state

7 1 child care assistance program. Under 2005 Iowa Acts, chapter
7 2 175, 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