

**House Study Bill 648 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON GRASSLEY)

**A BILL FOR**

1 An Act relating to public funding and regulatory matters  
2 and making, reducing, transferring, and supplementing  
3 appropriations for expenditures in the fiscal year beginning  
4 July 1, 2017, and including effective date and retroactive  
5 applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

DIVISION I

APPROPRIATION REDUCTIONS

Section 1. EXECUTIVE BRANCH APPROPRIATION REDUCTIONS.

1. For the period beginning on the effective date of this section and ending on June 30, 2018, the following departments and agencies and the judicial branch are subject to a reduction in expenditures made from appropriations from the general fund in the following amounts:

a. Department of administrative services	\$	62,560
b. Auditor of state	\$	8,062
c. Department of commerce	\$	12,433
d. Executive council	\$	777
e. Governor's office	\$	20,888
f. Governor's office of drug control policy	\$	2,058
g. Department of human rights	\$	21,228
h. Department of inspections and appeals	\$	102,374
i. State public defender	\$	236,041
j. Department of management	\$	22,629
k. Department of revenue	\$	742,757
l. Secretary of state	\$	31,525
m. Treasurer of state	\$	9,256
n. Department of agriculture and land stewardship		

H.F. \_\_\_\_\_

1	.....	\$	188,688
2	o. Department of natural resources		
3	.....	\$	123,373
4	p. Department of cultural affairs		
5	.....	\$	51,893
6	q. Department of economic development		
7	.....	\$	132,013
8	r. Iowa workforce development		
9	.....	\$	341,013
10	s. Department for the blind		
11	.....	\$	19,720
12	t. College aid commission		
13	.....	\$	94,172
14	u. Department of education		
15	.....	\$	784,830
16	v. Community colleges		
17	.....	\$	500,000
18	w. Vocational rehabilitation		
19	.....	\$	54,472
20	x. Iowa public television		
21	.....	\$	68,421
22	y. Board of regents		
23	.....	\$	8,133,070
24	z. Department on aging		
25	.....	\$	110,012
26	aa. Department of public health		
27	.....	\$	662,871
28	ab. Department of human services		
29	.....	\$	4,316,042
30	ac. Department of veterans affairs		
31	.....	\$	36,877
32	ad. Iowa veterans home		
33	.....	\$	65,164
34	ae. Department of Justice		
35	.....	\$	378,471

1	af. Iowa civil rights commission	
2	.....	\$ 10,431
3	ag. Department of corrections	
4	.....	\$ 3,405,688
5	ah. Law enforcement academy	
6	.....	\$ 8,607
7	ai. Department of public defense	
8	.....	\$ 59,193
9	aj. Department of homeland security and emergency	
10	management	
11	.....	\$ 19,130
12	ak. Department of public safety	
13	.....	\$ 500,000
14	al. Judicial branch	
15	.....	\$ 2,000,000

16 2. The department of management, in consultation with  
17 the departments and agencies and the judicial branch listed  
18 in subsection 1, shall identify and implement the reductions  
19 in subsection 1 with respect to the appropriate general fund  
20 appropriations. Within fifteen days of the effective date of  
21 this section, the department of management shall transmit a  
22 report to the general assembly and legislative services agency  
23 listing the appropriation reductions applied.

24 3. In order to implement the reductions in subsection 1,  
25 the departments and agencies and the judicial branch may adjust  
26 allocations made from appropriations that are being reduced.

27 4. In order to implement the reductions in subsection 1, the  
28 department of management may reduce a standing appropriation to  
29 a department or agency required to reduce expenditures pursuant  
30 to subsection 1.

31 Sec. 2. TRANSFER — IOWA SKILLED WORKER AND JOB CREATION  
32 FUND. There is transferred from the Iowa skilled worker and  
33 job creation fund created in section 8.75 to the general fund  
34 of the state for the fiscal year beginning July 1, 2017, and  
35 ending June 30, 2018, the following amount:

1 ..... \$ 10,000,000

2 Sec. 3. SUPPLEMENTAL REIMBURSEMENT FOR GROUND EMERGENCY  
3 MEDICAL TRANSPORTATION PROVIDED TO MEDICAID BENEFICIARIES. The  
4 department of human services shall submit a Medicaid state  
5 plan amendment to the centers for Medicare and Medicaid  
6 services of the United States department of health and human  
7 services to request authorization to establish and administer a  
8 methodology to provide supplemental reimbursement to eligible  
9 ground emergency medical transportation providers that provide  
10 ground emergency medical transportation services to Medicaid  
11 beneficiaries. For purposes of this section, "eligible ground  
12 emergency medical transportation provider" means a provider who  
13 provides ground emergency medical transportation services to  
14 Medicaid beneficiaries and is enrolled as a Medicaid provider  
15 during the period being claimed.

16 Sec. 4. 2017 Iowa Acts, chapter 169, section 17, subsection  
17 1, paragraph a, subparagraph (1), is amended to read as  
18 follows:

19 (1) For the purposes of providing assistance under the high  
20 quality jobs program as described in [section 15.335B](#):

21 ..... \$ ~~15,900,000~~  
22 5,900,000

23 Sec. 5. 2017 Iowa Acts, chapter 170, section 5, subsection  
24 1, is amended to read as follows:

25 1. The appropriations made pursuant to [section 2.12](#) for the  
26 expenses of the general assembly and legislative agencies for  
27 the fiscal year beginning July 1, 2017, and ending June 30,  
28 2018, are reduced by the following amount:

29 ..... \$ ~~400,000~~  
30 687,318

31 Sec. 6. REPEAL. 2017 Iowa Acts, chapter 170, section 18,  
32 is repealed.

33 DIVISION II

34 SUPPLEMENTAL APPROPRIATIONS

35 Sec. 7. INDIGENT DEFENSE. There is appropriated from the

1 general fund of the state to the office of the state public  
2 defender of the department of inspections and appeals for the  
3 fiscal year beginning July 1, 2017, and ending June 30, 2018,  
4 the following amount, or so much thereof as is necessary to  
5 supplement appropriations made for the following designated  
6 purpose:

7 For payments on behalf of eligible adults and juveniles from  
8 the indigent defense fund in accordance with section 815.11:  
9 ..... \$ 1,700,000

10 Sec. 8. UTILITY COSTS. There is appropriated from the  
11 general fund of the state to the department of administrative  
12 services for the fiscal year beginning July 1, 2017, and ending  
13 June 30, 2018, the following amount, or so much thereof as is  
14 necessary to supplement appropriations made for the following  
15 designated purpose:

16 For payment of utility costs:  
17 ..... \$ 451,871

18 Sec. 9. 2017 Iowa Acts, chapter 174, section 36, is amended  
19 to read as follows:

20 SEC. 36. PHARMACEUTICAL SETTLEMENT ACCOUNT. There is  
21 appropriated from the pharmaceutical settlement account created  
22 in section 249A.33 to the department of human services for the  
23 fiscal year beginning July 1, 2017, and ending June 30, 2018,  
24 the following amount, or so much thereof as is necessary, to be  
25 used for the purpose designated:

26 Notwithstanding any provision of law to the contrary, to  
27 supplement the appropriations made in this Act for medical  
28 contracts under the medical assistance program for the fiscal  
29 year beginning July 1, 2017, and ending June 30, 2018:  
30 ..... \$ ~~800,000~~  
31 ..... 864,257

32 DIVISION III

33 IOWA ECONOMIC EMERGENCY FUND

34 Sec. 10. Section 8.55, subsection 3, paragraph c, Code 2018,  
35 is amended by striking the paragraph and inserting in lieu

1 thereof the following:

2 c. There is appropriated from the Iowa economic emergency  
3 fund to the general fund of the state for the fiscal year in  
4 which moneys in the fund were used for cash flow purposes,  
5 for the purposes of reducing or preventing any overdraft on  
6 or deficit in the general fund of the state, the amount from  
7 the Iowa economic emergency fund that was used for cash flow  
8 purposes pursuant to paragraph "b" and that was not returned  
9 to the Iowa economic emergency fund by June 30 of the fiscal  
10 year. The appropriation in this paragraph shall not exceed one  
11 percent of the adjusted revenue estimate for the fiscal year  
12 for which the appropriation is made and is contingent upon all  
13 of the following having occurred:

14 (1) Prior to an appropriation being made pursuant to this  
15 paragraph, the balance of the general fund of the state at the  
16 end of the fiscal year for which the appropriation is made is  
17 negative.

18 (2) The governor issues an official proclamation and  
19 notifies the legislative fiscal committee and the legislative  
20 services agency that the balance of the general fund is  
21 negative and that an appropriation made pursuant to this  
22 paragraph brings the general fund of the state into balance.

23 Sec. 11. APPROPRIATION IN LIEU OF STANDING APPROPRIATION.

24 1. There is appropriated from the Iowa economic emergency  
25 fund created in section 8.55 to the general fund of the state  
26 for the fiscal year beginning July 1, 2017, and ending June 30,  
27 2018, the following amount:

28 ..... \$ 13,000,000

29 2. The appropriation made pursuant to this section is in  
30 lieu of the standing appropriation implemented under section  
31 8.55 by the department of management pursuant to the official  
32 proclamation issued by the governor on September 28, 2017.

33 Sec. 12. RETROACTIVE APPLICABILITY. The following  
34 provision or provisions of this division of this Act apply  
35 retroactively to September 28, 2017:

1 1. The section of this division of this Act appropriating  
2 moneys from the Iowa economic emergency fund to the general  
3 fund in lieu of a prior standing appropriation.

4 DIVISION IV

5 MEDICAID

6 Sec. 13. 2017 Iowa Acts, chapter 174, section 12, subsection  
7 15, paragraph a, subparagraph (7), is amended to read as  
8 follows:

9 (7) Elimination of the three-month retroactive Medicaid  
10 coverage benefit for Medicaid applicants effective October 1,  
11 2017, with the exception of otherwise eligible individuals who  
12 are residents of nursing facilities licensed under chapter  
13 135C. The department shall seek a waiver from the centers for  
14 Medicare and Medicaid services of the United States department  
15 of health and human services to implement the strategy.  
16 If federal approval is received, an applicant's Medicaid  
17 coverage shall be effective on the first day of the month of  
18 application, as allowed under the Medicaid state plan.

19 Sec. 14. 2017 Iowa Acts, chapter 174, section 12, subsection  
20 15, paragraph c, is amended to read as follows:

21 c. The department may adopt emergency rules, in  
22 consultation with affected provider groups, to implement this  
23 subsection.

24 Sec. 15. MEDICAID STATE PLAN AMENDMENT. Upon enactment  
25 of the section of this division of this Act relating to  
26 the three-month retroactive Medicaid coverage benefit, the  
27 department of human services shall request an amendment to the  
28 Medicaid state plan from the centers for Medicare and Medicaid  
29 services of the United States department of health and human  
30 services to implement the provision.

31 DIVISION V

32 EFFECTIVE DATE

33 Sec. 16. EFFECTIVE DATE. This Act, being deemed of  
34 immediate importance, takes effect upon enactment.

35 EXPLANATION



1           The inclusion of this explanation does not constitute agreement with  
2           the explanation's substance by the members of the general assembly.

3       This bill relates to public funding and regulatory matters  
4 and making, reducing, transferring, and supplementing  
5 appropriations for expenditures for the fiscal year 2017-2018.  
6 The bill is organized by divisions.

7       APPROPRIATION REDUCTIONS. For the fiscal year 2017-2018,  
8 the bill limits expenditures made from appropriations from  
9 the general fund for certain listed departments and agencies  
10 and the judicial branch. The bill requires the department  
11 of management, in consultation with the departments and  
12 agencies and the judicial branch, to identify and implement  
13 the reductions and to file a report with the general assembly  
14 and the legislative services agency listing the appropriation  
15 reductions applied within 15 days of the effective date  
16 of the bill. The bill allows departments and agencies  
17 and the judicial branch to adjust allocations made within  
18 appropriations that are being reduced. The bill allows the  
19 department of management to reduce standing appropriations to  
20 such departments and agencies.

21       The bill transfers moneys from the Iowa skilled worker and  
22 job creation fund to the general fund of the state for FY  
23 2017-2018.

24       The bill requires the department of human services to submit  
25 a Medicaid state plan amendment to the centers for Medicare and  
26 Medicaid services of the United States department of health  
27 and human services to request authorization to establish and  
28 administer a methodology to provide supplemental reimbursement  
29 to eligible ground emergency medical transportation providers  
30 that provide ground emergency medical transportation services  
31 to Medicaid beneficiaries.

32       The bill reduces an appropriation to the economic  
33 development authority from the Iowa skilled worker and job  
34 creation fund for FY 2017-2018.

35       The bill increases the reduction to the standing unlimited

1 appropriation to the general assembly.

2 The bill repeals an appropriation to the offices of the  
3 governor and the lieutenant governor for the fiscal year  
4 2017-2018 for expenses incurred during the gubernatorial  
5 transition.

6 SUPPLEMENTAL APPROPRIATIONS. The bill makes supplemental  
7 appropriations to the state public defender of the department  
8 of inspections and appeals for payments on behalf of eligible  
9 adults and juveniles from the indigent defense fund.

10 The bill makes supplemental appropriations to the department  
11 of administrative services for payments of utility costs.

12 The bill increases the appropriation from the pharmaceutical  
13 settlement account to the department of human services to  
14 supplement the appropriations made for medical contracts under  
15 the medical assistance program for FY 2017-2018.

16 IOWA ECONOMIC EMERGENCY FUND. The bill changes the amount  
17 limit and conditions of the conditional standing appropriation  
18 made from the Iowa economic emergency fund at the end of a  
19 fiscal year when the balance of the general fund of the state  
20 is negative at the end of a fiscal year.

21 Currently, the maximum amount that may be appropriated is  
22 \$50 million. In addition, conditions are required to be met  
23 relating to general fund receipt calculations, the application  
24 of uniform appropriation reductions, the balance of the general  
25 fund at the end of the fiscal year prior to the appropriation  
26 being made, and notification requirements.

27 The bill changes the maximum allowable amount for the  
28 appropriation and the required conditions. The bill provides  
29 an appropriation limit of 1 percent of the adjusted revenue  
30 estimate for the fiscal year for which the appropriation is  
31 made. In addition, prior to an appropriation being made, the  
32 balance of the general fund at the end of the fiscal year  
33 for which the appropriation is made must be negative and  
34 notification requirements must be met.

35 The bill appropriates moneys from the Iowa economic

1 emergency fund to the general fund of the state in lieu of the  
2 standing appropriation implemented pursuant to the official  
3 proclamation issued by the governor on September 28, 2017, due  
4 to a budget deficit at the close of the fiscal year 2016-2017.  
5 The appropriation provision is retroactively applicable to  
6 September 28, 2017.

7       MEDICAID. The bill amends a Medicaid cost containment  
8 measure that eliminated the three-month retroactive Medicaid  
9 coverage benefit for all Medicaid applicants effective  
10 October 1, 2017, to provide for an exception for otherwise  
11 Medicaid-eligible individuals who are residents of nursing  
12 facilities. The bill requires the department of human services  
13 to adopt emergency rules in consultation with affected provider  
14 groups and to request federal approval to implement the  
15 provision.

16       EFFECTIVE DATE. The bill takes effect upon enactment.